

**City Planning Commission Meeting**  
**Tuesday, May 13, 2025**

**Public Hearing Deadline:** N/A  
**CPC Deadline:** N/A  
**CC Deadline:** None  
**City Council Districts:** All

## **2025 MANDATORY INCLUSIONARY ZONING (MIZ) MARKET FEASIBILITY STUDY**

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**To:** City Planning Commission

**From:** Robert Rivers, Executive Director  
Rachael Berg, Planning Administrator

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**Date:** May 6, 2025

### **GENERAL INFORMATION:**

The 2025 Mandatory Inclusionary Zoning (MIZ) Market Feasibility Analysis, as required by Ordinance 28,533 MCS, is underway. The City contracted with HR&A Advisors, Inc. (HR&A) in early 2025 and expects the study to be completed before the year's end. The market feasibility analysis will consider the financial feasibility of the existing MIZ policy based on a series of datasets including market data, permitting data and housing data. The team will also consider the feasibility of office to residential conversions in the Central Business District (CBD). The study team will interview real estate professionals and lenders to inform the analysis of development costs. The study's recommendations may include changes to the MIZ boundary areas, and/or changes to the MIZ policy.

### **Is this Public Hearing required?**

No, this public hearing is not required. CPC Staff proposed this hearing to provide an opportunity for public input.

### **BACKGROUND INFORMATION**

In 2021, the City of New Orleans established Mandatory Inclusionary Zoning (MIZ) that applies to residential development projects with 10 or more housing units. Developers are required to set aside between 5% and 10% of units as affordable, depending on the MIZ sub-district, for a period of 99 years. Alternatively, developers may pay a fee in lieu of providing units on-site. The City Planning Commission and Office of Community Development are required by Ordinance 28,533 MCS to hold a public hearing to consider whether a market feasibility analysis is needed to inform changes to the adopted Inclusionary Zoning map within two years from the date of passage (11/11/2020) and every two years after that. The City Planning Commission held a public hearing on April 26, 2022, determining that a market feasibility is necessary.

## **EXISTING REGULATIONS**

The IZ policy, in Article 28 of the Comprehensive Zoning Ordinance, requires multi-family housing developments with ten or more units to set aside a certain percentage of units for individuals and families earning up to 60% of the Area Medium Income (AMI). These developments can receive density bonuses and parking reductions as detailed in the policy, and a developer may choose to pay a fee in lieu of creating affordable units.

### ***ARTICLE 28: MANDATORY INCLUSIONARY ZONING SUB-DISTRICTS***

***Purpose of the Mandatory Inclusionary Zoning Sub-Districts.*** *The purpose of this Article is to outline the Mandatory Inclusionary Zoning Sub-District (MIZ) regulations. Mandatory Inclusionary Zoning Sub-Districts are intended to promote the public health, safety, and welfare throughout the City by providing for a full range of housing choices for households of all incomes. The Sub-districts require the inclusion of Affordable Housing Units as a portion of new residential development – an Affordable Housing Development.*

#### ***28.1 Applicability***

*The Mandatory Inclusionary Zoning Sub-District requirements shall apply to the following:*

- 1. All developments, including new construction, substantial improvement, expansion, mixed-use projects, or a change in use that contain 10 or more multi-family residential dwelling units (multi-family dwellings, established multi-family dwellings, dwellings above the ground floor).*
- 2. Such developments shall be termed Affordable Housing Developments.*

#### ***28.2 Area of Applicability***

*The Mandatory Inclusionary Zoning Sub-Districts are included in the following zoning districts and apply upon designation as a Mandatory Inclusionary Zoning Sub-District through a map amendment of the official zoning map:*

*Article 9 – Historic Core Neighborhood Residential Districts*

*Article 10 – Historic Core Neighborhood Non-Residential Districts*

*Article 11 – Historic Urban Neighborhood Residential Districts*

*Article 12 – Historic Urban Neighborhood Non-Residential Districts*

*Article 15 – Commercial Center & Institutional Districts*

*Article 17 – Central Business Districts*

#### ***28.3 Affordable Housing Development Use Standards and Guidelines***

##### ***28.3.1 Affordable Housing Rental Development Use Standards and Guidelines***

*Ten percent (10%) of total housing units, after any incentives, shall be affordable units in the CBD IZ and VCC IZ Districts, and five percent (5%) of total housing units, after incentives, shall be affordable units in all other IZ Districts.*

*A. Onsite units are required for developments with 10 or more dwelling units.*

- B. *The affordable units in an Affordable Housing Rental Development shall be rented to families earning no more than 60% of the Area Median Income (AMI).*
  - 1. *The rental affordable housing units shall be priced to be affordable to households with incomes equal to or below fifty percent (50%) of AMI.*
- C. *The affordable housing units shall be maintained for a minimum term of ninety-nine (99) years.*
- D. *Affordable Housing Developments undertaken in phases, stages, or otherwise developed in distinct sections shall provide for the development of affordable housing units concurrently and proportionately with the market-rate units.*
- E. *To calculate the minimum number of affordable housing units required in in paragraph (A) above, the total number of proposed units shall be multiplied by ten percent (10%) if located in a CBD IZ or VCC IZ District, and five percent (5%) if located in all other IZ Districts. If the number of required affordable units results in a fraction, a fraction of 0.5 or more shall be rounded up to the next higher whole number, and a fraction of less than 0.5 shall be rounded down to the next lower whole number.*
- F. *All developments subject to the standards of the Mandatory Inclusionary Zoning Sub-District shall include an Affordable Housing Impact Statement (AHIS) with the application. The AHIS shall provide the following information:*
  - 1. *The number of units added at the Area Medium Income Levels (AMI) at or below 80%, 50%, and 30%.*
  - 2. *The number of units removed at the Area Medium Income Levels at or below 80%, 50%, and 30%.*
  - 3. *The bedroom mix of the unit to be added or removed (1, 2, 3, 4, etc. bedrooms).*
  - 4. *The total number of units added and total number of units removed.*

### **28.3.2 Affordable Housing For-Sale Development Use Standards and Guidelines**

*For-Sale housing developments containing fewer than ten (10) for-sale dwelling units that voluntarily set aside at least one (1) unit OR developments containing ten (10) or more for-sale dwelling units that set-aside at least ten percent (10%) of units up to 120% Area Medium Income may utilize density and parking reductions and are subject to the following:*

- A. *The affordable units in a For-Sale Affordable Housing Development shall be sold to families earning no more than 120% of the Area Median Income (AMI).*
- B. *For-sale housing developments located in a Mandatory Inclusionary Zoning sub-district are not required to provide affordable housing but may opt into providing affordable for-sale units.*
- C. *The initial homebuyer with an income equal to or less than one hundred and twenty percent (120%) of the Area Medium Income (AMI) shall remain in the property as their primary residence for no less than five (5) years. In the event the property is sold prior to the end of the five (5) year term, the property shall be sold to an income eligible buyer.*
- E. *Affordable Housing Developments undertaken in phases, stages, or otherwise developed in distinct sections shall provide for the development of affordable housing units concurrently and proportionately with the market-rate units.*

*F. If the number of required affordable units results in a fraction, a fraction of 0.5 or more shall be rounded up to the next higher whole number, and a fraction of less than 0.5 shall be rounded down to the next lower whole number.*

## **28.4 Affordable Housing Development Design Standards**

### **28.4.1 Affordable Rental Housing Development Design Standards**

#### **A. Distribution of affordable housing units:**

- 1. The affordable housing units shall be located on-site within the same structure as the market rate dwelling units. The affordable units shall be spread throughout the development and not clustered on one floor or in one area of the development.*
- 2. The affordable housing units shall be comparable to the market-rate dwelling units in terms floor area and exterior finishes. Interior finishes or appliances may be different as long as functionality and longevity are retained.*

*B. The residents of the affordable housing units shall have access to the same amenities as the residents of the market-rate dwelling units.*

*C. Affordable units shall utilize the same entrances as market-rate units and shall not have separate entrances.*

*D. The bedroom mix (i.e. the number of bedrooms) of the affordable housing units shall be proportional to the market-rate dwelling units.*

### **28.4.2 Affordable For-Sale Housing Development Design Standards**

#### **A. Distribution of affordable housing units:**

- 1. The affordable housing units shall be located on-site within the same structure as the market rate dwelling units. The affordable units shall be spread throughout the development and not clustered on one floor or in one area of the development.*
- 2. The affordable housing units shall be comparable to the market-rate dwelling units in terms floor area and exterior finishes. Interior finishes or appliances may be different as long as functionality and longevity are retained.*

*B. Affordable units shall utilize the same entrances as market-rate units and shall not have separate entrances. This would apply to condominium developments.*

## **28.5 Density Bonus**

*In order to incentive the construction of multi-family housing with the inclusion of affordable housing, a density bonus shall be allowed for applicable housing developments in accordance with Article 28, Section 28.1.*

### **28.5.1 Affordable Rental Housing Development Density Bonus**

*In order to incentivize the construction of multi-family housing with the inclusion of affordable rental housing, a density bonus shall be allowed for applicable housing developments in accordance with Article 28, Section 28.1:*

#### **A. Density Bonus Calculations**

- 1. A density bonus refers to a reduction in the required minimum lot area per dwelling unit. All applicable housing developments shall be allowed a by-right density bonus of thirty percent (30%). Housing Developments may be allowed up*

*to a fifty percent (50%) density bonus if the development remains within the permissible height and floor area ratios (FAR) regulated by the base zoning district.*

- 2. All rental affordable units of additional units provided by the density bonus shall be constructed on-site.*

*B. Limitation of density bonus:*

- 1. A density bonus shall only be used in the residential portion of a mixed-use development.*
- 2. Up to a fifty percent (50%) density bonus shall only be allowed in the “core” submarkets.*

**28.5.2 Affordable For-Sale Housing Development Density Bonus**

*In order to incentivize the construction of multi-family housing with the inclusion of affordable for-sale housing, a density bonus shall be allowed for applicable housing developments in accordance with Article 28, Section 28.1*

*A. Density Bonus Calculations*

- 1. A density bonus refers to a reduction in the required minimum lot area per dwelling unit. All applicable housing developments shall be allowed a by-right density bonus of thirty percent (30%) and a thirty percent (30) reduction in the lot width requirements for for-sale developments and where applicable, the thirty percent (30%) reduction in the floor area ratio (FAR).*
- 2. When a subdivision proposes to create new lots that are substandard of the zoning district’s lot width and/or lot area requirements pursuant to Section 28.5.2.A.1, the lot width and/or lot area deficiency shall not prevent the subdivision from being eligible for administrative approval. No certificate of occupancy shall be issued until the requirements of the Inclusionary Zoning regulations in Chapter 26 of the City Code are fulfilled.*

*B. Limitation of density bonus:*

- 1. A density bonus shall only be used in the residential portion of a mixed-use development.*

**28.6 Payment In-Lieu Fee**

*A developer may opt to pay an in-lieu fee rather than construct affordable housing units on-site for both rental and for-sale housing units.*

*A. A reduction in the amount of required affordable housing unit(s) for developments located within an MIZ District may be granted conditioned upon payment of a fee-in-lieu per unit not constructed on-site. Such payment shall be placed into a City fund to be used by the City for the acquisition, construction and maintenance of affordable housing.*

*B. The payment in-lieu fee shall be paid concurrently with the payment of building permit fees for the development project in accordance with the fee schedule in effect at the time of the building permit application.*

*C. The exact amount of the fee in-lieu shall be decided based on the location of the development and the corresponding fee schedule outlined in the Code of Ordinances. This number may be adjusted for inflation as deemed necessary by the City Council.*

*D. The Developer shall pay in-lieu fees prior to the receipt of the Certificate of Occupancy of the development.*

*E. Upon payment, the development shall be granted the modification of required housing units permanently by ordinance with the number of units for which payment was received by the City.*

## **28.7 Parking Reductions**

### **28.7.1 Affordable Rental Housing Developments**

*Multi-family housing developments located in an MIZ district may be eligible for parking reductions when located in a base zoning district that requires parking.*

*A. An applicable multi-family housing development may be eligible for a ten percent (10%) reduction of the base zoning's off-street parking requirement by-right and up to a thirty percent (30%) reduction of the base zoning's off-street parking requirement when located within a 600 foot radius of a transit stop.*

*B. A development located in a transitional submarket that is voluntarily providing at least five percent (5%) of units priced at sixty percent (60%) AMI, may also utilize a 10-30% parking reduction in accordance with the calculation described above in Section 28.7.1.A.*

### **28.7.2 For-Sale Housing Developments**

*A. For-sale affordable housing developments voluntarily providing fewer than ten (10) for-sale dwelling units that set aside at least one (1) unit OR developments containing ten (10) or more for-sale dwelling units that set-aside at least ten percent (10%) of units up to 120% Area Medium Income or less shall be granted a fifty percent (50%) parking reduction.*

## **28.8 COMPLIANCE AND MONITORING**

*Developments subject to the provisions herein shall not receive a Certificate of Occupancy until the Department of Safety and Permits has verified that the affordability requirements have been met. In addition, the developer shall comply with the permitting and reporting requirements set forth in the Code of Ordinances, Article XII, Sections 26-636 and 26-637 of the Code of the City of New Orleans.*

*A. For-sale developments must have a covenant or deed restriction to ensure the initial homebuyer of the affordable housing unit lives in the unit as their primary residence for a minimum of five (5) years. The deed restriction shall be recorded in the Office of Conveyances and a copy of the recorded document needs to be approved by the Department of Safety and Permits, Inclusionary Zoning (IZ) office prior to the issuance of a Certificate of Occupancy. In the event the property is sold prior to the end of the five (5) year term, the property shall be sold to an income eligible buyer.*

### **How can the public provide input for the 2025 MIZ Market Feasibility Analysis?**

Written comments should be addressed to the Executive Director of the City Planning Commission or hand delivered to the following address:

City of New Orleans  
City Planning Commission  
c/o Executive Director Robert Rivers  
1300 Perdido Street, 7<sup>th</sup> Floor  
New Orleans, LA 70112

Comments can also be emailed to [cpcinfo@nola.gov](mailto:cpcinfo@nola.gov).

There will also be an opportunity for public comments at the Regular City Planning Commission meeting when the study is complete and the team makes recommendations.