U.S. Department of Housing and Urban Development

Pathways to Removing Obstacles to Housing (PRO HOUSING)

Draft Application

City of New Orleans

City Planning Commission and Department of Safety and Permits

For Public Review and Comment until October 25, 2023 (EOD)

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https://nola.gov/next/city-planning/news/pro-housing-grant-application/

HUD Pro Housing Grant
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Exhibit A
Executive Summary
City of New Orleans

The City of New Orleans City Planning Commission (CPC) and Department of Safety and Permits (DSP) zoning division staffs are pleased to submit our proposal to the U.S. Department of Housing and Urban Development (HUD) for the Pathways to Removing Obstacles to Housing (PRO Housing Grant). We are excited that HUD is seeking proposals for programs that will result in the removal of barriers to the development and preservation of affordable housing. The staffs have embraced this opportunity and have put forth a solid proposal to identifying barriers to the development and preservation of our affordable housing stock that may have been caused by land use policies, zoning decisions, and regulations.

The grant states regulatory barriers have made it "difficult to produce, preserve, and access affordable housing across the United States." Historical housing policies, such as Redlining, exclusionary zoning, racial covenants, Urban Renewal, and systemic discrimination, have been used to exclude and harm communities of color. Though New Orleans is not unique in dealing with the lasting effects of these policies, as they were in effect throughout the United States until passage of the Fair Housing and Civil Rights Act in the 1960s, the racial composition of a majority-minority city means that, through time, most of its residents have been denied an equal opportunity to participate in wealth building opportunities, including homeownership, accessing educational resources, and employment opportunities. Historical housing policies have created segregated neighborhoods and a legacy of disparity. An aging housing stock, several natural disasters, a global pandemic, rising insurance costs, increased interest rates and skyrocketed construction costs have exacerbated this disparity. The end result is a lack of affordable housing for residents at low-, moderate-, and even above average incomes, but especially for those who are most vulnerable with low-incomes.

The City of New Orleans has been experiencing an affordability crisis– since and before Hurricane Katrina made landfall in 2005, and there is a racial dimension to this crisis. More than 65% of the City's residents are homeowners, but there is a significant disparity among Black and White residents owning their home with 49% Black residents owning a home while 64% of White residents own their home. The disparity between Black and White residents is also evident when looking at housing cost-burden whether renting or owning a home. Reports show that New Orleans' share of severely cost-burdened residents who pay more than 50% of their income toward housing costs has spiked to 37% compared to 26% nationally.

CPC and DSP recognize the ongoing challenges in providing and preserving affordable housing to meet residents' needs. It is also recognized that not all affordable housing issues (decreased funding, rising development costs, labor shortages, etc.) will be solved through the removal of zoning barriers. However, taking the steps to reduce these barriers while providing opportunities for increased housing production through zoning reform and regulatory improvements are crucial in an overall housing policy strategy. The staffs at CPC and DSP are proposing three focus areas for the development and preservation of affordable housing through this grant opportunity:

1. Completion and community engagement of the ongoing Housing Opportunities Study;
2. Creating and implementing the Healthy Homes Program diversion and resources process for tenants and landlords; and

3. Establishing an Affordable Housing Office of Services within the Department of Safety and Permits.

Housing Opportunities Study

On August 21, 2019, Mayor Cantrell sent a letter to the staff of the City Planning Commission tasking them with providing a study that identifies zoning barriers and their removal to the development of affordable housing in the City's Comprehensive Zoning Ordinance. Though the work for this study has been underway pre-pandemic, there is still much work to do to bring the study to completion. CPC is seeking funding through this grant for the completion of the Housing Opportunities Study. The funding will be used to support engaging expertise to complete the study, conducting data collection and analysis for providing informed recommendations on zoning and land use policies, and developing a robust community engagement process.

<u>Identified Grant Eligible Activities</u>

- Planning and policy activities supporting affordable housing. Grantees may use PRO Housing funds to develop proposals for planning and policy activities that support affordable housing production and preservation.
- Developing or updating housing plans, community development strategies, and zoning and land use policies such as overlays to encourage multifamily and mixed-use development or access to affordable housing, floating zones (such as redevelopment, workforce housing, or live/work zones in high opportunity areas) incentive zoning, and transit-oriented development zones.
- Developing new incentive programs for affordable housing development and expanding them to wider geographies, including high-opportunity neighborhoods.

Healthy Homes Program Diversion Action Plan

The Healthy Homes Program ordinance was adopted on November 2, 2022, and amended in May 2023 to provide an effective date. The purpose of the program is to protect the health, safety, and welfare of the public by ensuring persons who reside in Orleans Parish occupy safe and habitable dwellings. Rental property must be registered with the City and receive a Certificate of Compliance. Dwellings must meet basic requirements for habitability and there are measures in place securing the rights of lessees to report violations without fear of retaliation.

The Healthy Homes Program will be implemented in tiers. Each respective tier is required to register and receive a Certificate of Compliance within 45 days of its effective date; the program goes into effect January 1, 2024 and will be rolled out with the following timeline:

- January 1, 2024: Rental properties with 50 or more units
- July 1, 2024: Rental properties between 4 and 49 units
- January 1, 2025: Rental properties with 1-3 units

The City is in the process of hiring the Director of the Healthy Homes Program and setting up the systems for registering and reporting issues on non-compliance with the ordinance.

The Healthy Homes Program is an extremely important policy tool needed to ensure individuals and families have safe secure housing. However, there are concerns that when implemented, residents may be displaced when units are deemed non-compliant and uninhabitable despite the tenant protections. There also may be some landlords who are good actors and who want to adhere to the regulations but lack the resources to bring their properties into compliance. According to U.S. Census data released in 2022 (2017-2021) there are approximately 191,000 housing units in the City of New Orleans. Of these, approximately 56% are occupied by renter households. Data is severely lacking to show how many of these units are in need some sort of remediation to be in compliance with the ordinance, but it is anticipated there will be a significant number of units that will fall into this category given the age of the housing stock in New Orleans. This funding opportunity provides DSP with the resources to obtain this data and set up a Healthy Homes Diversion Action Plan. The purpose of this Plan is to facilitate improvement of the City's rental housing stock while keeping people in naturally affordable or subsidized housing.

DSP will use the funding to compile data, set up tracking systems, work with partner agencies and stakeholders to create a list of resources for property owners, while also providing tenants with protections and guidance. Once we have an idea of the need, we will use the data to coordinate with partner agencies to create pathways to compliance focusing on weatherization of units to reduce utility costs and eliminate health hazards.

<u>Identified Grant Eligible Activities</u>

- Creating anti-displacement policies and prevention measures
- Preserving affordable housing in segregated, high poverty neighborhoods as part of a larger revitalization plan which improves conditions and eliminates disparities in access to opportunity between residents
- Creating associated resources for tenants at risk of displacement
- Providing technical assistance to community land trusts or other entities which leads to the preservation of affordable housing

Office of Affordable Housing Services

Established in March 2021, the Inclusionary Zoning Office located in the Department of Safety and Permits has focused on creating the processes and systems for monitoring and compliance of the City's income restricted affordable housing units. Recognizing the need for making permitting more efficient, DSP will use funding from this grant to create an Office of Affordable Housing Services within the zoning division of the Department of Safety and Permits. Streamlined permitting and review policies will help shorten development time and increase the supply of affordable housing units. DSP will work with partner agencies in the Office of Business and External Services (OBES) and public/private partners to develop review and processing systems for streamlined permitting of projects.

The Office of Affordable Housing Services will be a resource for large and small developers, . However, there is a great need for building development capacity for New Orleans property

owners, particularly those located in the City's older neighborhoods where decades of disinvestment is evident. Many property owners face hurdles in rehabbing or developing their properties while navigating the complicated permitting system. This office intends to address this with a targeted approach to prioritize our "Mom and Pop" property owners with technical assistance in overcoming these hurdles and by providing an office where questions can be answered and capacity building resources are provided. This office will serve as a conduit to a variety of resources, both from government agencies and non-profits, and ensure that permits for projects providing affordable housing are fast-tracked for approval.

Identified Grant Eligible Activities

- Providing large-scale technical assistance to affordable or non-profit developers, community land trusts, or other entities which leads to the development of affordable housing
- Developing proposals to streamline and modernize local permit processing, such as by enabling one-stop or parallel-process permitting
- Developing proposals to streamline or eliminate requirements that unduly delay the permitting process or establish unreasonable thresholds for approvals.

Exhibit B
Threshold Eligibility and Other Requirements
City of New Orleans

III.D: Threshold Eligibility Requirements

1. Resolution of Civil Rights Matters. This standard is met. No charges, cause determinations, lawsuits, or letters of findings exist referenced in the applicable subparagraphs exist.

2. Timely Submission of Applications. This standard is met. The application will be submitted on time.

3. Eligible Applicant. This standard is met. The City of New Orleans complies with the criteria in Section III.A.

4. Number of Applicants. This standard is met. Only one application for City of New Orleans is being pursued.

IV.G: Other Submission Requirements

1. Standard Application, Assurances, Certifications and Disclosures:

- Standard Form 424 (SF-424) Application for Federal Assistance: Form to be submitted.
- Assurances (HUD 424-B): Form to be submitted.
- Applicant Disclosure Report Form 2880 (HUD 2880): Form to be submitted.
- Code of Conduct: This will be submitted by email to askGMO@hud.gov.
- Affirmatively Furthering Fair Housing: This criteria is included in Exhibit D, V.A.1.b.iv

2. Other Program-Specific Requirements

a. Limited English Proficiency (LEP). All information regarding the planning process and this application will be available to the LEP populations in compliance with Federal Register (72 FR 2732).
b. Physical Accessibility. All meetings held in person will be in facilities that are physically accessible to persons with disabilities.
c. Environmental review. All applicable environmental requirements will be complied with.
d. Federal Assistance Assurances. The appropriate Sam.Gov section will be completed.
e. 424-CBW budget form. Form to be submitted.
f. Certification Regarding Lobbying. Form to be submitted.
g. Disclosure of Lobbying Activities (SF-LLL). Form to be submitted.

Exhibit C
Need
City of New Orleans

V.A.1.a.i Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.

Over the course of the last ten years, New Orleans has shifted from rebuilding after the devastation caused by Hurricane Katrina and the failure of the levee system to creating and maintaining a resilient City where its legacy residents and influx of newcomers have safe affordable housing close to jobs, transit and amenities. In the face of climate change, aging infrastructure, preemptions from the State of Louisiana, disinvestment and rising insurance costs, the shift to create a resilient city is met with continual obstacles and remains an ongoing endeavor.

Despite these challenges, New Orleans has made significant progress in its zoning and land-use reform to address regulatory barriers to the creation, maintenance and preservation of both market-rate and affordable housing. To appreciate the progress made thus far, it is important to understand the history of zoning in New Orleans and how it has shaped many land-use regulatory barriers we now seek to rectify.

The City's first zoning map was produced in 1929 during a spike in population growth. The zoning classifications allowed for multi-family housing throughout much of New Orleans. Most neighborhoods allowed small-scale multi-family residences of up to four units or apartments with four or more units. Magazine Street, Saint Claude Avenue and other large commercial corridors were designated as commercial districts, which included uses in the "Apartment District." Much of the Irish Channel, Marigny, Bywater, Lower Ninth Ward and Algiers neighborhoods were designated as Industrial Zoning Districts, which also permitted larger multi-family structures to encourage families to live nearby the places they worked. The remainder of the city allowed single- and two-family residences, but much of this area, particularly the Lakeview, Gentilly and Lower Ninth Ward neighborhoods were still largely undeveloped at the time.

Zoning districts that limited development to single-family residential were introduced in the 1942 zoning amendments, during the post WWII era of development that encouraged the idea of the suburban family lifestyle. In 1953, the zoning map was amended again, and many of the areas originally designated as "Industrial" or "Commercial" retained these designations or were rezoned to "Four-Family Districts." In 1970, the "Four Family" District B Zoning Designation was reduced to two-family districts and in 2015 - with the implementation for the current Comprehensive Zoning Ordinance - most areas that had been designated as "Four-Family" Districts throughout the 1929, 1942 and 1953 zoning map amendments retained their two-family zoning district designation from the 1970 amendments. Today, very few areas in New Orleans have retained multi-family zoning, except for some areas that originally allowed for "Multiple Grouped Dwellings" and "Grouped Dwellings by the Housing Authority."

Post-WWII New Orleans also favored the private automobile, complementing the land use trends of suburban single-family development. Cars began to dominate the infrastructure needs in the right-of-way, including at the neighborhood scale, where developers were installing driveways to each family's home (and removing the public benefit of on-street parking in the process), increasing off-street parking for neighborhood businesses, and widening roadways to allow more cars to travel more quickly long distances. It was during this time that transit ridership decreased

and many of the streetcar lines within New Orleans were replaced with more limited bus routes that could operate on a smaller, more constrained budget due to the lack of ridership.

New Orleans' population peaked in 1960 with 627,525 people. Today New Orleans has approximately 384,000 residents - and within a much larger geographic footprint than what existed in 1960 - indicating New Orleans could support a population 63.42% larger than it is today. Suburban development reigned during the Post-War period, with a combination of federal subsidies and segregationist tendencies re-organizing the New Orleans region away from its denser historic patterns.

Today, the consequences of past zoning and land use decisions are striking. Despite the city once housing over 200,000 more residents in a smaller geographic footprint than exists now, the city's housing crisis is irrefutable. A combination of rising housing costs, stagnant income, aging infrastructure, increasingly severe weather events such as fires, floods and hurricanes, and political/social barriers to the creation of housing have exacerbated this crisis.

Significant zoning reforms were initiated and implemented in New Orleans over the past decade. New Orleans adopted an entirely new Comprehensive Zoning Ordinance (CZO) in 2015, replacing the former zoning ordinance that had been in effect since 1970 - nearly 45 years – that was still rooted in the idea that suburbia and the automobile reigned supreme. The newly implemented CZO sought to rectify this anachronistic zoning ordinance by removing and/or reducing some parking minimums and homogeneous land-use patterns by promoting the vernacular housing typology that characterizes New Orleans' historic neighborhoods. The ordinance adopted in 2015 rezoned the entirety of the city, significantly bringing the city's zoning regulations into the modern era.

While the new Comprehensive Zoning Ordinance greatly removed barriers to the production and preservation of housing entrenched in the former zoning ordinance, several text amendments (or changes to the zoning code) to the newly adopted CZO were needed to begin addressing housing obstacles, which are described in this section. These reforms, albeit significant, are only a small portion of the identified barriers found in the zoning ordinance; important amendments are still needed for the CZO to truly meet the housing demands in the city. In the past eight years since the adoption of the current CZO, several text amendments were adopted to further reduce barriers to the creation of housing and affordable housing. The following is a list of zoning amendments that were codified in the past eight years.

Mandatory and Voluntary Inclusionary Zoning

New Orleans introduced a Mandatory Inclusionary Zoning (MIZ) and Voluntary Inclusionary Zoning (VIZ) program in 2018 after the City Planning Commission conducted a study (The Smart Housing Mix Ordinance Study) and an advisory consulting team completed a market analysis. Consequently, a "core" and a "strong" mandatory inclusionary zoning submarket were created utilizing the market analysis to determine what neighborhoods in the city could support this policy. The policy resulted in different required set-asides for affordable rental units. Core submarkets, or developments with ten or more for-rent dwelling units located in the Vieux Carre (French Quarter) or the Central Business District (CBD), are required to set-aside 10% of the units for families earning no more than 60% of the area medium income (AMI) for a period of at least 99 years.

Strong submarkets, or developments with ten or more rental units located in neighborhoods adjacent to the Vieux Carre and Central Business Districts, are required to set-aside 5% of units for families earning no more than 60% AMI for a period of no less than 99 years. At this time, 21 Mandatory Inclusionary Zoning affordable units have been created under the MIZ program.

Concurrently, a Voluntary Inclusionary Zoning (VIZ) program was adopted for the areas outside of the MIZ submarkets, permitting developers to utilize the MIZ zoning incentives when creating multi-family rental dwellings with a set-aside of at least 5% of units at sixty percent (60%) AMI. Should developers choose to provide this set-aside, a 30% lot area per dwelling unit reduction and a 10%-30% off-street parking reduction can be applied to the entire development.

When the MIZ and VIZ was adopted, it was with the understanding that consideration of regulations to support affordable *homeownership* developments would be studied and implemented in the subsequent years. As of September 1, 2023, new regulations to support voluntary affordable homeownership development opportunities were implemented in the Comprehensive Zoning Ordinance. These regulations may pertain to housing developments containing fewer than ten for-sale units that voluntarily set aside at least one unit OR developments containing ten or more for-sale dwelling units that set aside at least ten percent (10%) of units up to 120% AMI. These regulations, in contrast to the MIZ and VIZ regulations for affordable *rental* units, are not limited to developments with ten or more units. Developments with only one unit are eligible to utilize these zoning incentives, capturing many of the smaller affordable housing developer projects throughout the city. The zoning incentives include a by-right density bonus of 30%, a 30% reduction in the lot width requirements and a 30% floor area ratio (FAR) where applicable. Eligible developments can also utilize a 50% parking reduction, eliminating the need for off-street parking for single-family developments that meet the VIZ homeownership requirements. It is too soon to see the effect of these new regulations. However, a single-family affordable homeowner development that would otherwise need a parking variance has already circumvented the variance process due to these new regulations.

Small Multi-Family Affordable

In January, 2022, the City of New Orleans adopted a new residential use, called the Small Multi-Family Affordable Dwelling (SMFA). Prior to the adoption of this use, there were no standards or incentives written in the Comprehensive Zoning Ordinance that addressed smaller residential developments under ten units seeking to provide affordable rental housing, which excluded many of the smaller non-profit affordable housing developers in New Orleans. The SMFA use utilizes the massing of two-family developments to permit up to four dwellings units in most zoning districts throughout the city - including the HU-RD2 Historic Urban Two-Family Residential District - which is the largest residential zoning district in New Orleans located near amenities and job opportunities and restricts residential development to two-family when an affordable housing component is not included. The regulations were carefully crafted to ensure the scale and aesthetics of the development blend into the surrounding neighborhood pattern.

In exchange for one unit set-aside for families earning no more than 80% AMI for a period of no less than 15 years, this use is exempt from all lot area per dwelling requirements and all off-street parking requirements. While the SMFA has not been heavily utilized since its implementation,

there are several projects in the pipeline slated to begin within the year. At the same time the SMFA was adopted, the city council also adopted legislation permitting 3-4 unit market-rate developments in the HU-B1A and HU-B1 Historic Urban Neighborhood Business Districts. These districts are often found either on a parcel containing a historic corner store or along neighborhood commercial corridors. Single- and two-family residential uses are permitted in these zoning districts, but multi-family developments were only permitted as a dwelling above the ground floor. This amendment now allows small multi-family in these two zoning districts by-right, although they must meet the applicable lot area per dwelling regulations and off-street parking requirements.

The SMFA use is one effort to promote the "missing middle" housing typology. By permitting additional housing opportunities at this scale, the value of land and cost of maintenance can be distributed across more than one tenant, and financially attainable housing options can be more equitably distributed across the city.

It should be stated that neighborhoods in New Orleans, unlike residential neighborhoods in many American cities, already permit two-family dwellings in most residential zoning districts in the areas closest to the city's core. Dense, "naturally affordable" housing has long been a part of New Orleans' residential fabric. New Orleans was constructed in a dense, historic development pattern, but this has gradually been removed through "downzoning" or replacing areas that once allowed multi-family development with more restrictive zoning. The implications of zoning practices are more nuanced in New Orleans, largely due to the historical nature of existing housing stock, many of which were developed as one structure with two dwelling units. The SMFA returns a housing density that was once widely permitted in many parts of the city restoring and maintaining the historic housing landscape in the city while providing additional housing units near jobs, transit and amenities.

Affordable Housing Planned Development (AHPD)

The Affordable Housing Planned Development (AHPD) was a new use introduced in 2019 for the construction of affordable housing units as a portion of new, adaptive reuse, and adaptive reuse expansion of developments. This new use is the city's most significant contributor to affordable housing units, in large part because it permits multi-family developments in areas of the city that otherwise prohibit it.

All AHPDs require conditional use approval and are required to have ten or more rental housing units that must include a 10% set-aside of units up to the 60% AMI level for at least 99 years. AHPDs are permitted a 30% reduction in the lot area per dwelling unit requirement for planned developments and a 50% reduction of the off-street parking requirements if located 600 feet of a transit stop. Prior to the implementation of the AHPD, larger affordable housing developments located in the residential historic core and urban districts had to be located in an existing structure utilizing the planned development process. Unlike a typical planned development, an AHPD permits the expansion of an adaptive reuse and more impactfully, the construction of a new building, even if located within a zoning district that typically only permits single- or two-family residential. To date, this use has created 455 units below 80% AMI.

Residential Developments on Substandard Lots

Concurrently with the adoption of the Small Multi-Family Affordable use, a smaller but significant amendment to the Comprehensive Zoning Ordinance was adopted permitting two-family dwellings by-right on substandard lots - if located in a zoning district that permits two-family development within the Historic Core, Historic Urban and most Suburban neighborhood residential districts. Prior to this amendment, this exemption only applied to two-family developments in Historic Urban neighborhood residential districts. The amendment expanded the zoning districts where the exemption could apply resulting in an incentive to create two-family developments and helping to eliminate a barrier to their creation: the need for a variance.

Emergency Shelters/Domestic Protection Shelters

An Ordinance to create expanded use permissions for Emergency Shelters and Domestic Protection Shelters is under consideration by the New Orleans City Council at the time of this grant submittal. A Motion to adopt the City Planning Commission's recommendation to expand these uses has already been adopted. This text amendment sought to create more opportunities for intermediate housing for the unhoused and victims of domestic violence by aligning zoning permissions for "domestic protection shelters" and "emergency shelters" with that of multi-family dwelling and large group homes. While domestic protection shelters and emergency shelters were permitted prior to this text amendment request, they were extremely limited in the zoning districts where they were allowed, and typically were permitted only through the conditional use process. This text amendment both greatly expands the locations in which they're permitted but also allows them as a by-right use.

Established Multi-Family Developments

In March, 2021, an amendment to the Comprehensive Zoning Ordinance was codified allowing established two-family and multi-family as a permitted use in certain cases, thereby granting the legal right to be maintained and leased as rental housing, even where new development of doubles or multi-family housing are not permitted by the zoning district in which these structures may be located. Prior to the adoption of this amendment, two-family and multi-family structures that had not maintained legal nonconforming use (defined as continual use of the property with no longer than a 6-month lapse between use) were required to obtain conditional use approval from the City Planning Commission and City Council if located in most zoning districts that did not permit these uses by-right. The adopted amendment modified the CZO to allow two-family and up to a four-unit established multi-family structure as a permitted use, regardless of the structure's occupancy history.

As previously mentioned, New Orleans historically permitted low density multi-family housing throughout the majority of the city. Many of these multi-family structures remain in use; however, if they became legally nonconforming, the process to reestablish them was a deterrent to their redevelopment, leaving many of these structures vacant throughout the city, relics of a former time. The conditional use process can take up to a year to obtain, and is the precursor required to start the permitting process. Throughout this process, the conditional use approval isn't guaranteed until City Council adopts an Ordinance granting it. The added time, uncertainty and expense involved

in the conditional use process was a major barrier to the redevelopment of the structures that historically existed as small multi-family structures.

Transient Oriented Communities Study

The City Planning Commission, in partnership with the Regional Transit Agency (RTA), released a Transit Oriented Study in September 2023. The study has several goals, many of which directly impact housing density and walkable, dense communities. Some of these goals include enhanced design standards, incentivizing new affordable housing close to public transit and employment, and allow increase density and mixed-use development that include housing, retail and offices within walking distance to transit stops. A subsequent working group – consisting of various city agencies – will be convened to finalize the recommends from the Study which will need to be come back to the City Planning Commission for consideration via a text amendment at a future date to effectuate these recommendations.

A result of the study and subsequent working group will mostly entail the implementation of overlay districts around transit hubs and along transit corridors that provide additional zoning incentives for higher density housing and improved design around transit stops.

Master Plan Initiatives and Amendments

The New Orleans' Master Plan is undergoing amendments for the 2022-2023 period to address inconsistencies with properties' Future Land Use Map (FLUM) designations and their zoning designation and/or land-use. Each property in New Orleans has a FLUM designation. This designation dictates how a property can be zoned, and in effect, how the property can be used and developed. The appendix of the Comprehensive Zoning Ordinance contains a compatibility table between a property's FLUM designation and that designation's compatible zoning districts. If a property seeks a zoning change to a zoning district that is not consistent with its FLUM designation, the City Planning Commission staff must recommend the zoning change for denial which may result in the continuation of underutilized properties.

Current FLUM designations throughout the city have hindered economic development by severely limiting how properties can be used via their zoning district. For example, large vacant swaths of New Orleans East have a single-family FLUM designation, and therefore are compatible with only single-family zoning districts, despite their locations near the Interstate and heavy commercial zoning districts. Consequently, these properties have largely remained vacant as any zoning change to permit commercial or multi-family uses would be inconsistent with the Master Plan.

Several of the FLUM request changes under consideration for this round of amendments recognize that many FLUM designations hinder the ability to rezone properties to zoning districts more amenable to residential development and denser, walkable communities. The City Planning Commission and the Mayor's Office holistically reviewed existing FLUM designations and have consistently recommended changing FLUM designations for properties near transit corridors that can support future multi-family housing and mixed-use development. These recommendations will be heard by the City Planning Commission at the end of 2023 and acted on by City Council in the

beginning of January 2024. The FLUM changes, once adopted, will lay the groundwork for future zoning changes to occur to effectuate the goals of the recommendations.

Healthy Homes

The Healthy Homes Program ordinance was adopted on November 2, 2022, and amended in May 2023 to provide an effective date. The purpose of the program is to protect the health, safety, and welfare of the public by ensuring persons who reside in Orleans Parish occupy safe and habitable dwellings by requiring that Rental properties are registered with the City and receive a Certificate of Compliance. Dwellings must meet basic requirements for habitability and there are measures in place securing the rights of lessees to report violations without fear of retaliation.

Housing Opportunities Study

The Housing Opportunities Study (HOS) was initiated by the Mayor of New Orleans in 2018. The study sought to identify regulatory barriers to the production of housing and affordable housing specifically. In the process of writing the study, the city experienced a cyber-attack and shortly after, the COVID19 pandemic ensued, stopping the HOS study completely. Despite the unexpected deterrents from finishing the study, important work was completed such a comprehensive roadmap charting the dozens of zoning reforms impeding the production of housing, some of which were identified as part of the Study and have since been adopted as an amendment to the Comprehensive Zoning Ordinance since the Study was initiated.

V.A.1.a.ii: Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?

According to HUD's priority geography spreadsheet, New Orleans (Orleans Parish) is a priority geography for housing affordability factor (HAF), a measure of insufficient affordable housing, and Housing Problems Factor (HPF), a measure of widespread housing cost burden or substandard housing.

The Data Center analyzed the American Community Survey's 2022 data finding that 31.2% of homeowners and 61.9% of renters are cost burdened and 15.2 % of homeowners and 35.42% renters are severely cost burdened. Based on this data, New Orleans has a significant need for lower cost rental housing.

According to the 2021 American Community Survey 5-Year Estimates, there are 383,974 residents in New Orleans that make up 156,586 households. Over 46.5% of households are people living alone, 21.2% make up households with children, and 26.8% include people 65 years and over. The majority of the population, 60.1%, is Black or African American. This far exceeds the national share for Black and African American at 14.3%. The median household income for New Orleans was $45,594, and 23.8% of all people are considered below poverty level including 33.8% of all children. The city trails the US in median household income.

There are 193,376 total housing units, of which 156,586 or 81% are occupied. New Orleans has a high portion of vacant housing, 19%, likely due to the population decline which began in the 1980's, and then was exacerbated by Hurricane Katrina and the levee failures, but is a consequence of multiple factors, including people moving elsewhere, high maintenance costs, aging infrastructure, rising insurance costs, effects of climate change, etc.

The majority of New Orleans housing stock was developed before 1980. Only 22.3% of total housing has been constructed since then indicating the vast majority of housing is at least 50 years old, though in the historic areas of the city, the housing stock is much older. Much of the housing stock needs repair and upgrades, the maintenance of which is very costly.

According to the Louisiana Fair Housing Action Center's Rental Condition's Report (2023), renters are some of the most cost-burdened in the country due to increasing rents and flat incomes. In 2017, 59% of renters paid more than 30% of their income toward rent and utilities, while 35% paid more than half of their income toward these same housing costs. When households pay such a high percentage of their income toward housing, they are at risk of displacement and do not have sufficient money to pay for other necessities like food, transportation, and childcare.

A study of rental conditions between 2012 and 2015 was conducted by the Center for Community Progress which showed that rents increased by 20% over that period, with the greatest increases for two- and three- bedroom units. Renters are also cost-burdened. In 2015, three out of five renters spent 30% or more of their income on housing.[1] As costs increase, African American's have become priced out and displaced from neighborhoods.

The areas that have remained the most affordable tend to be farther from jobs and other amenities in the historic areas. In many cases, while historic core neighborhoods have lost African American residents, neighborhoods like New Orleans East or Algiers, neighborhoods far from the city's job centers, have increased in African American population.

The city's Area Medium Income (AMI) is just $45,594 for a four-person household. 30% of a $45,594 income, or the monthly amount that a family of four making the city's AMI, equates to supporting a mortgage or rental rate of $1,139.85. According to Redfin.com, the median home price is $317,000 in New Orleans. An estimated monthly mortgage price, assuming 20% down at 7.6% interest rate, would cost $2,070 per month. Based on the AMI in New Orleans, the average person cannot support a mortgage at the median home purchase price without being cost-burdened.

This data on population, AMI, housing costs and displacement explain the need for more affordable housing in New Orleans. The city has suffered from a series of historical losses that have led to untenable housing conditions, where costs are high and conditions are poor. A comprehensive study that produces thoughtful policy and programmatic recommendations will set the foundation to improve these conditions over time.

V.A.1.a.iii: What key barriers still exist and need to be addressed to produce and preserve more affordable housing?

[1] Where Will People Live? New Orleans' Growing Rental Housing Challenge. Center for Community Progress. March 2016.

Permitting procedures and approval timing and predictability

The permitting process itself frequently serves as an additional barrier. Complex land use requirements, including a myriad of zoning requirements even for by-right developments, and entitlement processes such as variances, conditional uses, or planned developments are daunting and frequently require specialized assistance from consultants or attorneys. While large-scale for-profit developments can frequently absorb these expert fees, smaller projects or affordable projects operate on slim margins and paying for this assistance can render the project unfeasible.

Zoning and land use controls

Despite the many accomplishments in amending the zoning code since its implementation in 2015 to make it more hospitable to the creation of housing, these incremental successes have left a breadth of identified barriers that still need to be addressed. Although the zoning ordinance is not the only barrier to affordable housing development, it remains one of the largest impediments. Further, it is a regulatory mechanism that the City Planning Commission and the City Council have the ability and will to change as indicated by the adopted amendments listed in question 1.

Over the past century, much of New Orleans' residential fabric has been downzoned to restrict the number of units allowed on each property. Some of the most historic neighborhoods, which originally permitted four-unit dwellings on a lot of record, now allow only two-family dwellings. Many of the downzoned neighborhoods are walkable, close to transit, and close to jobs and services, and would be great sites for affordable housing. Since the current CZO was adopted, multiple efforts have been made to make concessions for the creation of affordable housing, although some of these provisions seem to sit idle.

In the CZO, residential density is defined as how many dwellings units are permitted per a certain square footage of a lot size. For example, the CZO states 1,000 square feet of lot area is required per dwelling unit in a specific district for multi-family use. If a property owner wanted to construct a four-unit dwelling in this district, a lot size of at least 4,000 square feet would be required. Lot area requirements are coupled with other bulk and yard regulations that restrict height and yard setbacks. Together, these regulations not only limit the massing of a structure, but also the buildable area on a given lot and the number of units permitted on that lot and serve as a barrier to housing development.

Lot area requirements were originally adopted to prevent overcrowding at a time when household sizes were much larger than they are today. In the highest intensity mixed-use/higher density zoning districts, the lot area per dwelling requirements are not consistent with the scale and massing of a building. In totality, this results in an unnecessary restriction of dwelling units that can be built across the city, which lowers the number of overall housing units constructed.

In addition to the density limits being too restrictive, there is not a logical consistency of lot area standards or height regulations between similar uses across districts. For example, the HM-MU Historic Marigny/Tremé/Bywater Mixed-Use District and HU-MU Historic Urban Neighborhood Mixed-Use District regulate the lot area per dwelling unit differently. The HM-MU District permits 800 square feet per dwelling unit for a three-unit structure and 600 square feet per dwelling

unit with four or more units. The HU-MU District, in contrast, requires 1,000 square feet of area for all multi-family dwellings. Similarly, many zoning districts regulate dwellings above the ground floor differently than multi-family dwellings, despite the use being essentially the same. The HU-B1 Historic Urban Neighborhood Business District requires 1,000 square feet of lot area for multi-family uses but only 800 square feet of lot area for dwellings above the ground floor. Other zoning districts that permit dwellings above the ground floor do not have any specified lot area standards for this use and other zoning districts, such as the Historic Urban Non-Residential Districts, have different ways in which height is regulated for multi-family uses. In the HU-B1A Historic Urban Neighborhood Business District, multi-family height regulations are lumped with single- and two-family height restrictions, in the HU-B1 District, there is no height limit specified for multi-family uses, and in the HU-MU District, the height regulation is lumped with non-residential use height limits creating inconsistency across these zoning districts for the same use.

While inconsistent regulations infringe on development of multi-family structures, the same is true for two-family structures. In the HU-RD1 Historic Urban Two-Family Residential District, the two-family dwelling bulk and yard requirements establish a minimum 40-foot width and 90-foot depth for a total lot area of 3,600. The same regulations limit the lot area per dwelling unit for a two-family dwelling to 2,200 square feet per unit, so a two-family dwelling is not developable at the minimum lot width and depth requirements in HU-RD1 without an exception of these provisions. While exceptions can be granted through the Board of Zoning adjustments for projects that do not conform to the code, they are rare and add time and resources to a project. Instead, the CZO could be modified to reduce the lot area per dwelling unit to match the minimum lot width and lot depth requirements, so a lot which conforms to the minimums could be developed with a two-family development without waivers or exceptions.

In addition to barriers established through lot area density regulations the **parking requirements** also hinder the size of housing. The CZO requires residential uses to provide one (1) off-street parking space per dwelling unit, with some exceptions. Currently, single- and two-family dwellings in Historic Urban Neighborhood Districts situated on lots of 30 feet or less or on block-faces where at least forty percent (40%) of existing single- or two-family dwellings do not provide off-street vehicle parking are exempt from the off-street parking requirement. Notwithstanding the noted exemptions, ultimately, the off-street parking requirement for Historic Urban Neighborhood Districts does not differ from, for example, the Suburban Neighborhoods Districts, which prioritizes the automobile, in that one (1) off-street parking space per dwelling unit is required. As such, the parking requirement contradicts the purpose statements that describe the Historic Urban Neighborhoods as characterized by a higher density and pedestrian scale environment with limited accommodation for the automobile. The parking requirements for single and two-family structures significantly reduces the buildable area of the dwelling. For a lot measuring 31 feet in width, a single-family structure is limited to a maximum allowable building width of 18.5 feet for at least the first 18 feet of the structure's depth, to accommodate a parking space and driveway. A two-family development would be limited to the same. This housing width is very small, and the parking requirement reduces the constructable dwelling space.

In multi-family developments, parking requirements for onsite spaces reduce the number of buildable units on a site. Other municipalities have adopted flexible parking standards to allow off-site parking accommodations to count to a parking requirement.

In addition to lot area restrictions and parking requirements, the general list of **housing types** that fall within the CZO and their definitions can also pose barriers to housing development. The CZO has 26 housing types ranging from single-family homes to emergency shelters. The zoning code is not cumulative, so the least impactful housing type is not permitted everywhere, as is the case in other areas. The list has changed over time, and the current list of housing types fails to include some that would be beneficial today, like cottage courts or boarding house which were historically uses permitted in the CZO but were eventually removed. There is a strong need to review the list of housing types and ensure they best provide housing opportunities that meet the needs of the housing makeups today, which are different than they were ten years ago, and very different than they were 50 years ago.

The **definitions** within the CZO can also be considered a barrier. Average size of households today in New Orleans is 2.43 according to Census data from 2016-2020. The average household size has decreased both locally and nationally because of declining birth rates since the end of the Baby Boom era. Despite this trend, the definition of family within the CZO has not evolved to adequately reflect changing living patterns and demographic shifts. A "family" household allows up to four unrelated people and prevents households greater than that number. This can serve as a barrier to certain households and housing types; reviewing this definition, and others, may better accommodate the city's current household needs.

The lot area restrictions, housing use types, definitions, and the parking requirements explained above are examples of ways in which the city's zoning ordinance serves as a barrier to housing development. Any modifications to the zoning code go through a strict regulatory process whereby recommendations are brought to the local City Planning Commission, and their decisions are ratified by the local City Council. Each body can modify the recommendation for each application before them. While modifying the CZO to reduce restrictions on housing seems to be a simple task, it can be a long and politically challenging endeavor.

Capacity to conduct meaningful community engagement, procedural delays associated with soliciting engagement or community review, and/or opposition to new and or affordable housing

Many land use developments go through City Planning Commission's process for approval due to restrictions or permissions set by the zoning code. This requires a hearing by the Commission, and then a ratification by the City Council. At both points, members of the public are encouraged to voice public comment in opposition or support of an issue. The process was developed to encourage healthy public discussion about projects, but it is inhibiting the development of needed affordable units. Opposition from the community can make it difficult for the CPC and the City Council to approve projects without such a significant compromise that the scope is dramatically changed, or the project is cancelled altogether.

The process grants neighborhood associations significant power over land-use decisions. According to a report released by Louisiana Fair Housing Action Center, a local affordable housing policy center, mostly-white homeowners play an outsized role in determining local zoning and housing policy[1]. The report claims groups with boards controlled by white residents are weighing

in most often on homes that will serve lower-income black residents and that neighborhood opposition has killed 606 affordable homes in the past 15 years.

The same could be true for efforts conducted by Mayor Cantrell's initiative to grant more permissions for accessory dwelling units citywide. The CPC staff was directed by the Mayor's office to expand permissions for accessory dwelling units (ADU) and allow accessory secondary housing units on single-family home sites. Their ADU proposal was rejected by the Planning Commissioners because of pressure from opponents, and when the proposal was set to move to the City Council for consideration, the strong opposition persuaded the Council not to take the case up for consideration.

Similarly, coordinated neighborhood opposition has led an effort to prevent single-two-or three-family homes from being converted to multi-family structures to provide housing for college students, dubbed "Doubles to Dorms" or "D2Ds". These conversions take place in areas near Tulane University and challenge the density restrictions established by the CZO. The lobbying effort has been successful in establishing a zoning overlay around Tulane to stop these renovations. The neighborhood efforts mentioned are examples of how the community opposition is often a barrier to housing development. Neighborhood groups hire lawyers that use city hall processes as stall tactics to delay projects from being constructed.

Other Relevant Barriers

New Orleans is a liberal city (over 80% of the residents vote democratic) located in an extremely conservative state. While many cities are forced to redo their zoning ordinance to allow for more housing types, like Oregon and California, Louisiana preempts the City of New Orleans for implementing progressive policies that would help mitigate the effects of our housing crisis. In 1997, the State of Louisiana instituted a law prohibiting municipalities from setting their own minimum wage (HB 730). Thus, New Orleans maintains the federal minimum wage of $7.25 which has remained static since 2009 and contributes to the significant gap between housing/living costs and income in New Orleans.

The city of New Orleans is also preempted from imposing rent control or rent stabilization policies which would significantly help mitigate the effects of gentrification. La. R.S. 9:3258 provides that lessors' rights may only be "altered, abridged or diminished" by state law, excluding municipalities from enacting their own rental regulations.

Moreover, there is a constant threat from the State that preemption laws will prohibit New Orleans from adopting needed progressive regulations. In 2018, the State approved a ban on the mandatory inclusionary zoning policy New Orleans was actively working to implement. The governor was able to veto the law but gave a caveat the policy needed to be adopted by a certain date or the preemption would be enacted. Although New Orleans was able to meet the stated deadline, it's with the knowledge that future initiatives could undergo the same fate, and most likely without a democratic governor to veto these laws.

Exhibit D
Soundness of Approach
City of New Orleans

V.A.1.b.i. Vision

The City Planning Commission (CPC) and the Department of Safety and Permits (DSP) have worked with internal and external stakeholders to carefully assemble this proposal to address the critical need for affordable housing in the City of New Orleans. Hurricane Katrina (2005) was a defining and tragic moment in our city's history, displacing thousands of our residents and directly taking more than 1800 lives while thousands are thought to have died from stress and storm-related illnesses. The hurricane and its aftermath destroyed and/or damaged much of our housing stock—fully 80% of the city flooded. Despite the challenges experienced by the costliest natural disaster in our country's history, and having experienced several other natural disasters since then, the work and efforts of our residents continue to make New Orleans a special and vital place to call home. Every New Orleanian deserves a safe and secure place to retreat to after a long day at work and school. Housing is a human right and in New Orleans every human should be able to have a place that allows them to live their lives to the fullest

The CPC and DSP conducted outreach to internal and external partners to enlist input and feedback on the best use of the HUD PRO Housing Grant funds, and through this effort solidified the team's vision – "To develop and preserve affordable housing opportunities through the CZO and land use regulations so all residents have an equal opportunity to live in a thriving neighborhood with safe and secure housing options." The team is committed to and will strive to create equitable neighborhoods and have identified three ways in which the grant funds can best support the vision:

1. Housing Opportunities Study
2. Healthy Homes Diversion Program
3. Office of Affordable Housing Development and Permitting Services

Housing Study

The City of New Orleans adopted its current Comprehensive Zoning Ordinance (CZO) in 2015, which is the companion zoning piece that corresponds with the City's Master Plan – adopted in 2010 – *The Plan for the 21st Century*. In 2019, the City of New Orleans Mayor, LaToya Cantrell, directed the City Planning Commission to conduct a Housing Opportunities Study (HOS) to address the City's growing affordable housing crisis. The City Planning Commission began identifying zoning and land use barriers to the development of affordable housing in the City's CZO, coordinated with many internal and external stakeholders, and brought on staff to complete the study.

While much work has been done since 2019, the HOS is currently stalled due to unforeseen circumstances – a 2019 cyber-attack on City Hall, a global pandemic, Hurricane Ida, and subsequent staffing shortages. A housing study is a critical piece to addressing the lack of affordable housing in New Orleans and although it is not the silver bullet to solving the crisis, it is a crucial component to addressing the barriers to affordable housing development, such as identifying pathways for the following:

- Allowing Accessory Dwelling Units (ADUs),

- Adding new housing types,
- Adjusting bulk and yard requirements,
- Reducing parking requirements,
- Reducing the need for variances, and
- Technical changes that could alleviate development constraints on affordable housing.

The City would use HUD Pro Housing Grant funds to engage a consultant to assist current City Planning Commission staff with a housing study. The funding would allow for a truly comprehensive housing study that focuses on regulatory, zoning and land-use reforms, but can be expanded to review all barriers to the development and preservation of housing that fall outside the purview and expertise of the City Planning Commission staff. This document would provide the groundwork for subsequent text amendments to change regulations within the Comprehensive Zoning Ordinance, and a document that the public and decision-makers can use to advocate for and implement other needed changes to help incentivize the creation of affordable housing. In addition, the money would be used for robust public engagement around this study – something the staff at the City Planning Commission have not had capacity to execute with the current staffing levels. The residents of New Orleans deserve a meaningful housing study to affirmatively further fair housing. The grant funds would also be spent training staff, Commission/Board members, and elected officials on AFFH, to ensure that the appropriate considerations are being given to each case that comes before the decision-making body.

Similar efforts and lessons learned

As described in *V.A.1.b.iii – Stakeholder Engagement* section below, the Housing Opportunities Study was initiated in 2019 and included outreach and meetings with stakeholders. Community meetings in each Council District were organized to be interactive. We provided historic Redlining and Zoning Maps of the specific area were in, opportunities to identify household and occupancy types (i.e. family size and owner or renter), building blocks to show how different housing types, including single-, double-, and multi-family, attached and detached would fit on a typical lot within the neighborhood, a presentation, an opportunity for discussion and Q. & A., and an offer to meet with any individual or group at any location to discuss in detail any of the issues presented. Additionally, we attempted to reach residents unable to attend the community meetings by placing comment boxes in our recreational centers and public libraries.

Despite advertising and marketing the study broadly through our website and enlisting our advocacy partners to assist in getting the word out, what we learned is that the overwhelming majority of attendees at the community meetings were homeowners who were attending the meetings to defend their neighborhoods. Many of the attendees expressed distrust in the CPC's intentions, sharing concerns about their own property values and parking availability ….

Aligning with existing initiatives

The City of New Orleans' Housing Ecosystem Strategy will serve as a guiding document and multi-year plan for the City's affordable housing agencies. The plan will include stakeholder engagement and surveys of the general public, it will create a long-term strategy for how the four public agencies can better work in tandem, and it will provide key findings and policy recommendations

that will help build and preserve affordable housing throughout New Orleans. These findings and recommendations will be presented to key stakeholders, policymakers, and the general public. The City has contracted with a consultant and plans to kick off the 8-month strategic planning process in October 2023.

Redevelopment Framework

In 2021, Mayor Cantrell signed a CEA with New Orleans Redevelopment Authority (NORA) to best redevelop city-owned property to create affordable housing and further community and economic development goals.

Transit Oriented Communities

The City Planning Commission in partnership with the Regional Transit Authority released the *Transit Oriented Communities (TOC)* Study in September 2023. This develops a framework to coordinate land use permissions around high-frequency transit corridors. The intent is to establish an ongoing working group to establish land use overlay districts that are supportive of transit. The districts are likely to fall near existing fixed-route or established bus lines, and to along the proposed Bus Rapid Transit (BRT) corridor that RTA is pursuing. Because RTA is a state agency while CPC is a municipal entity, the entities have traditionally lacked coordination, but the TOC study, and the ensuing working group will serve as a medium for more collaboration. City of New Orleans Direct Homebuyer Assistance Program

The *Direct Homebuyer Soft Second Mortgage Assistance Program* provides down payment and closing costs subsidies to eligible first- time homebuyers. Subsidies made available to Homebuyers bridge the gap between the purchase price of the home and the maximum first mortgage loan amount. Subsidies also include closing costs. This program provides down payment and closing cost subsidies to eligible First-time Homebuyers whose income does not exceed 80% of the Area Median Income (AMI). The City of New Orleans Office of Community Development has $3,000,000 of Community Development Block Grant funds (CDBG) was made available for the *Direct Homebuyer Soft Second Mortgage Assistance Program.*

Short Term Rental Administration

The City is in the midst of determining the fate of Short Term Rentals due to a lawsuit against the City for its rules established under the prior permitting regime. The new rules which went into effect over the summer – but have been put on hold due to a temporary restraining order – would require residential style homes be used for STR only when an operator is present on site, in addition to a series of other regulatory requirements. This ongoing debate and the ultimate outcome could affect the housing stock available for rent or property ownership and affect some property owners' ability to maintain their homes.

Healthy Homes Diversion Program

We know that one of the ways to prevent homelessness is to ensure people stay in their homes. On November 3, 2022, the New Orleans City Council passed an ordinance creating the Healthy Homes Program intended to ensure rental housing provides a safe and secure living condition for its tenants. There are anti-retaliation measures built into the ordinance and an anti-displacement fund has been created. New Orleans' housing stock is comprised of mostly older homes with more than

60% of homes constructed prior to 1940. Though providing aesthetically appealing architecture, most of these homes were built before modern building codes and provide neither climate and mold control nor updated plumbing systems. Susceptible to hurricanes and tropical weather, many housing units in New Orleans have been subject to repeated storm damage and repairs resulting in inadequate and unsafe living conditions. This is particularly the case for the city's older neighborhoods occupied by predominately black residents since historical zoning and land use regulations defined where residents of color would live in the city, which often was on lower ground prone to repeated flooding. The Healthy Homes Program intends to address many of the life safety issues, but there is concern that the program will result in finding many properties to be substandard and non-compliant with building, zoning, and flood regulations resulting in a loss of habitable housing units, especially if resources are not provided to make them code compliant.

Unfortunately, we are unaware of how many housing units will be affected by the Healthy Homes Program requirements and may be found to be non-compliant. We know that more than 56% of the city's housing stock is rental property and from this can only assume that we will encounter thousands of properties in need of remediation. PRO Housing Grant Funds will allow us to establish the Healthy Homes Diversion Program – a five-year pilot. Funds will be used to hire consultants to help us set up a tracking system for identifying properties, property owners, and the needed remediation. Our goal is to take this a step further to set up a landlord diversion program where we connect property owners with resources to remediate and weatherize their property, which will benefit the tenant as well. We will work with our partner agencies in creating resources and providing technical assistance to set up a list of resources. Finally, we would set up a tenant protection program. As part of this grant opportunity, we have enlisted the consult of Southeast Louisiana Legal Services (SLLS), an established firm assisting families facing eviction, to assist us in creating model leases, tenant education and consult. PRO Housing Grant Funds would be used to further develop these initiatives with the goal of creating a diversion program that results in qualified property owners being able to maintain their properties and provide their tenants with safe and secure living conditions. Available grant funds would also be used to develop a low-interest loan program for residential rental property repairs in order for landlords to come into compliance with the Healthy Homes standards. PRO Housing Grant Funds would also be used to conduct studies to show the long-term benefit and cost-savings to the City of continuing to fund these initiatives.

Similar efforts and lessons learned

The Healthy Homes Program ordinance was originally adopted on November 2, 2022 to protect the health, safety, and welfare of the public by ensuring persons who reside in Orleans Parish occupy safe and habitable dwellings by requiring that Rental properties are registered with the City and receive a Certificate of Compliance. Dwellings must meet basic requirements for habitability and there are measures in place securing the rights of lessees to report violations without fear of retaliation. While many problem landlords exist within the City, a majority of smaller landlords simply cannot afford to bring their properties up to the standards required by the program. Between rising interest rates, rising property values and subsequent tax assessments, and steeply climbing insurance prices in Louisiana due to climate change, small landlords are already struggling to

maintain their properties. Raising rents to improve properties forces out the most vulnerable tenants, adding to the City's already severe homelessness crisis. The City is also aware of the legal needs faced by tenants. In 2022, the City Council unanimously passed a law guaranteeing the right to counsel to unrepresented persons facing eviction, a program which has been extremely successful and well-received.

Aligning with existing initiatives

To ensure that tenants can remain in their homes, DSP is partnering with the Health Department as well as the City's Office of Homelessness Services. The subject matter expertise these officials can bring will help to steer the program to assist citizens with the most critical needs. The City's Office of Homeless Services is actively providing housing to currently unhoused individuals and will assist with tenant relocation necessitated by Healthy Homes enforcement. The Health Department is currently working on lead remediation and other housing improvements with a direct impact on citizen health, and the Healthy Homes program will partner with the Health Department on informing citizens of these dangers and providing remediation assistance.

The City has also engaged with external partners to assist with this effort. This will include partnering with local non-profit housing advocates to ensure that tenants are educated about their rights under the Healthy Homes ordinance and to understand how to take advantage of the anti-retaliation provisions contained therein. DSP also plans to work with the local realtors' associations, as well as neighborhood groups and other trade organizations to ensure that we can provide education to landlords about their responsibilities under the new law and sources of assistance with compliance obligations. Finally, we are planning to partner with legal advocacy groups to provide resources to both tenants and landlords in the realms of lease drafting and negotiation, eviction mediation, and heirship issues.

Affordable Housing Permitting and Services Office

The Department of Safety and Permits Zoning Division currently maintains the Inclusionary Zoning Office. Since 2021, this division monitors affordable housing units receiving entitlements through Mandatory and Voluntary Inclusionary Zoning in the CZO. Recognizing a great need for more staff and expertise to assist established and emerging developers with navigating the development pathways, the department has identified a need to create an expanded office focusing on permitting and services for the development of affordable housing. Additionally, there are a significant number of properties throughout the city that are either vacant or undeveloped due to the property owner's lack of capacity or inability to access resources for predevelopment costs.

PRO Housing Grant funds would be used to operate a 5-year pilot program establishing the Affordable Housing Permitting and Services Office (AHPSO) located within the Department's OneStop shop. The AHPSO would be responsible for prioritizing affordable housing permitting and development and for providing guidance and answering all questions regarding affordable housing development, assisting with process questions, and routing plans for zoning and plan review to appropriate City staff. The office will work in tandem with the Office of Community Development, Finance New Orleans, the Office of Economic Development to develop coordination among agencies for streamlined application submission bringing together reviewers

and decision makers. Additionally, grant funds would be used to create a small developer program to build development capacity with an emphasis on the city's BIPOC property owners. Forward-facing outreach and training programs would be created and incorporated to ensure success and that owners know about the tools available.

Similar efforts and lessons learned

Regulatory barriers, permitting wait times, and processing hold ups all create risk and uncertainty as a developer. Additionally, unless a developer or property owner has experience navigating the process, it can be daunting to move a project forward. For-profit developers frequently employ specialized consultants or attorneys to assist with this complex process, an expense that simply isn't feasible for most affordable housing developers. Both issues present a barrier to developing affordable housing. Never has the Department of Safety and Permits provided a pathway specifically for affordable housing developers to obtain information and have their projects prioritized in the way our grant proposal does. Based on feedback from the affordable housing development community, it is greatly needed given the risks and timelines associated with developing affordable housing.

Aligning with existing initiatives

The State of Louisiana's new building code became effective January 1, 2023 with the energy code piece made effective on July 1, 2023. The last time the code was changed was 2015. The new codes have provisions intended to make buildings safer, more resilient to climate change, and provide protection against storms. However, with any new requirements there are always hurdles to overcoming the learning curve, especially if there are costs involved. The affordable housing office will be working with the permitting and plan review divisions to provide an information bridge between permitting and affordable housing developments.

V.A.1.b.ii. Geographic Scope

The geographic scope served by this grant will be the City of New Orleans, which encompasses the entirety of Orleans Parish. The Housing Opportunities Study will look at all zoning districts in the Comprehensive Zoning Ordinance to identify ways in which zoning barriers can be removed to allow the development of affordable housing. As part of the development of the study, the proposal includes a robust community engagement strategy to conduct outreach and inclusion from community members throughout the city. As part of the study's scope, it will be crucial to identify those that are often left out of the decision-making process and engage these residents in the discussion as well as including neighborhood and faith-based groups, advocates, and other identified stakeholders in all areas of the city.

The study will also look at incorporating affordable housing opportunities along high-frequency transit corridors in partnership with the Regional Transit Authority (RTA). This includes existing streetcar and bus routes, as well as the proposed Bus Rapid Transit (BRT) route, which aims to connect residents in New Orleans East to the Central Business District and the Westbank and vice-versa utilizing fast efficient bus service.

The Healthy Homes Diversion Program is applicable to rental properties and though there are rental properties city-wide, we envision there will be greater need in older areas of the City where property owners have deferred maintenance due to the cost of maintaining the homes. Aligning this program with properties in neighborhoods that have been subject to disinvestment by providing property owners and tenants with resources will align with the team's goal of serving under-served communities while providing displacement strategies. The Office of Affordable Housing Services will provide guidance and streamline permitting services to developers and developments city-wide. The goal of the office is to assist in providing affordable housing to low-income residents throughout the city, but particularly in neighborhoods of opportunity, as quickly and efficiently as possible.

V.A.1.b.iii. Stakeholder Engagement

CPC and DSP are public agencies that are committed to ensuring public engagement is at the forefront of any public process including this grant funding opportunity. The staffs at the City Planning Commission and the Department of Safety and Permits engaged with its internal city-agency partners to form a working group for the purposes of identifying the most effective way the PRO Housing Grant could be used to support each agency's efforts in increasing and preserving affordable housing for the residents of New Orleans. The working group includes public and quasi-public bodies, including the New Orleans Health Department, Homeless Services Office, Office of Resilience and Sustainability, Office of Community Development, Office of Economic Development, Office of Performance and Accountability, the Law Department, Office of Community Assets and Investments, the Mayor's Office, the Chief Administrative Office, the Regional Transit Authority, and the New Orleans Redevelopment Authority. Each of these agencies are either directly or indirectly affected by zoning and land use decisions, will be involved in the Healthy Homes Program, or oversee administration of city or Federal funding in their work. CPC and DSP staff will continue to engage with these agencies throughout the grant period and beyond to ensure we are thinking comprehensively and breaking down the silos of city-government while providing affordable housing.

Additionally, CPC and DSP staff developed a list of crucial external stakeholders. The identified groups are those that are doing the important work in affordable housing advocacy, affordable housing development, fair housing, data collection, legal services, eviction prevention and education, and in the philanthropic sector. Holding individual meetings, we compiled ways in which these groups and their work would benefit our grant proposal. Our affordable housing advocacy partners helped us understand the importance about being clear and intentional in our efforts to include racial equity and desegregation discussions in our proposal and including an educational component in our outreach strategy. Our legal service partners shared their thoughts about how the Healthy Homes Diversion Program could protect tenants, but also how to deal with heirship properties. Discussing data needs and identifying gaps in available information has informed our proposal by including budgeted funds for obtaining and analyzing this information to ensure appropriate tracking for informed decision making on the proposed activities. Affordable housing developers shared with us the many zoning entitlements and process difficulties they encounter when developing affordable housing.

Recognizing the importance of letting the public know about this rare opportunity to address specific land use and zoning barriers to the development and preservation of affordable housing in our city, staff has engaged the Communication team to provide press releases, social media blasts, and information on city websites making members of the public aware of CPC and DSP staff's proposal. The City's Neighborhood Engagement Office is holding its annual Neighborhood Summit on October 21st, where based on previous years, more than 500 community members are expected to attend. We will be handing out flyers and answering questions throughout the day. We have included two public hearings before the City Planning Commission, one on October 10, 2023, and the second on October 24, 2023. One week prior to the October 10, 2023, City Planning Commission Public Hearing, the Executive Summary – Exhibit A was posted to the CPC's website and included in the meeting agenda. The October 10th meeting was scheduled to inform the community and the Commission of the staff's intention to apply for HUD's PRO Housing Grant and provide details for accessing the application on October 11th and the 15-day comment period on the CPC website. Members of the public have the opportunity to provide input at both the October 10th and 24th City Planning Commission meetings as well as submit written comment via email, post-office delivery, or drop-off by hand to the City Planning Commission until 5:00 pm on October 25th.

Prior Engagement

City Planning Commission staff began community outreach for the Housing Opportunities Study during the summer and fall of 2019. Meetings were held in each Council District and more than 80 stakeholder groups, including housing advocates, non-profit and for-profit developers, financiers, neighborhood leaders, and others met with staff to discuss existing barriers in the City's zoning ordinance. Informational flyers and comment boxes were placed at throughout our libraries and recreational centers. There were plans to hold additional city-wide meetings and complete the study in Q.1 of 2020; however, the study was delayed when the city was the victim of a cyber-attack that shut down access to all documents and ability to correspond. Since then, there have been ongoing efforts to complete the study, but due to the global pandemic and subsequent staffing shortages, it has proven difficult, and we are in need of updated input. Our proposal includes a request for funding to hold public engagement around the Housing Opportunities Study.

Post Grant Award Engagement Plan

As part of this funding opportunity, CPC and DSP are asking for funding to develop a robust community stakeholder and engagement strategy to complete the Housing Opportunity Study. We will continue to engage members of the public encouraging participation in the process at our City Planning Commission and City Council meetings over zoning and land use items. CPC and DSP staff are committed to continued engagement with our identified stakeholders and will work to bring in additional stakeholders, especially those that are not typically included in the processes when decisions are made but are often either excluded or the recipient of adverse actions, into the discussions during the grant period.

V.A.1.b.iv. Affirmatively Furthering Fair Housing

The City of New Orleans strives to create communities that affirmatively further fair housing principles. The three programs proposed would benefit the protected classes. The Housing Opportunities Study (HOS) is intended to help identify the barriers within the City's regulatory schema that prevent housing opportunities for people with protected characteristics and develop proposals to overcome them. The Healthy Homes Diversion Program will prioritize areas of disinvestment and protected class groups, and the Affordable Housing Office will streamline the process to develop affordable housing in neighborhoods of opportunity while building capacity among emerging developers so the city has more housing available for residents and families within protected classes.

Addressing desegregation while increasing housing choice and opportunity for protected class groups

New Orleans segregation history did not solidify until after the Civil War, as up until then enslaved free people of color, and white residents were often co-living in shared neighborhoods. After the war ended, the enactment of Jim Crow Laws and the Plessy V. Ferguson decision created a system of separate but equal leading to the city's adoption of a Racial Zoning Law in 1924. Deemed unconstitutional by the Supreme Court of the United States, the striking of the law did not deter officials from finding ways to segregate the city based on race. Single-family zoning was enacted and allowed only one use – single-family homes. Black neighborhoods were "allowed" to contain other uses, such as, multi-family apartments, commercial businesses, heavy industrial uses, and toxic hazardous uses, none of which were allowed in the city's single-family zones. The formation of this segregated development pattern paved the way for the Home Owners Loan Corporation (HOLC) to create the city's Redlining Maps in the 1930s which in turn determined which neighborhoods were suitable for home loans by local banks. Those living in neighborhoods, deemed to be "unsuitable" or "hazardous" were unable to secure a home mortgage. Thus, the racial wealth gap and segregated neighborhoods were solidified in New Orleans.

New Orleans has adopted four zoning ordinances and corresponding maps throughout its history as a city, the first in 1929, and again in 1953, 1970, and lastly in 2015. Though incremental changes to allow more or less density and varying uses have been made in each iteration, the maps are largely based on what was in place at the time. Therefore, the zoning map created in 1929 influenced what was adopted in 1953, and the 1953 map provided context for the 1970s map, and finally, the 1970s zoning map has influenced the adoption of the City's current Comprehensive Zoning Ordinance.

This is important context for understanding the challenge and need for completing the HOS and to take a deep dive into addressing the city's segregationist development pattern while addressing current needs of the city's residents. We are fortunate in New Orleans to have so many unique neighborhoods, providing residents with a sense of place, culture, character, and despite the difficulty at times of living in a city with its drawbacks, these neighborhoods provide a quality-of-life residents view as worth protecting, and rightfully so. However, we are in an affordable housing crisis and our city is not providing all our residents, especially our BIPOC residents, with equal opportunity to obtain safe, affordable, secure housing. By maintaining the current zoning restrictions and not providing opportunities for new housing types or sizes, we are denying a

segment of our population the opportunity from obtaining housing to raise their children, growing wealth, and obtaining educational and employment opportunities. Analyzing 2022 U.S. Census Bureau data covering race, ethnicity, and age, the Data Center https://www.datacenterresearch.org/ reports:

- 46% of New Orleans Black children and 25% of Hispanic children live in poverty compared to 8% of White children
- Severely cost-burdened renters rose from 23% to 35%
- 49% of Black households own their homes compared to 64% of White households

These disparities are evidence of systemic policy making, including land use and zoning decisions, perpetuating poverty, and inequality. Perhaps the greatest barrier to affordable housing development is maintaining the status quo. Our proposal to address land use and zoning issues through a meaningful housing study includes cultivating discussions with the community to include conversations about race and equity while looking at neighborhoods of opportunity for the inclusion of additional housing types and sizes.

Anti-displacement Measures

The Healthy Homes Diversion Program is being created solely for the purpose of avoiding displacement. Though it is extremely important and necessary to ensure renters have safe and secure housing, the Healthy Homes Ordinance will require properties to follow the city's life safety, building, and zoning codes. Concern about finding a substantial number of properties out-of-compliance and in need of repair has prompted the staff to create a diversion program for landlords and tenants to allow pathways for compliance and prevent displacement. This diversion program will connect landlords to resources, including low-interest loans for landlords with insufficient capital, that will allow them to complete necessary repairs and keep property in commerce. This program will focus on naturally-affordable housing to ensure that citizens can stay in their homes and to reduce the demand for new affordable housing in the City.

Addressing resistance to the proposal

The Louisiana Fair Housing Action Center released a report titled "Delayed Until Downsized or Denied: Neighborhood Associations Lead the Charge Against Affordable Housing and Perpetuate Segregation in New Orleans" in 2022 addressing "Not In My Back Yard (NIMBY)" opponents of affordable housing. Outlining the loss of housing units due to decision makers and existing land use approval processes, the report states there is a strong tilt favoring neighborhood associations often comprised of "small, but well-organized groups of mostly white homeowners." The process of moving an affordable housing development through the land use entitlement approval process is cumbersome this reason. The staff will rely on its partners to overcome them in bringing the conversation to the table to enlist the voices of those that are often absent from the decision-making processes because they lack the privilege to participate in traditional ways.

The LAFHAC report provides several recommendations for combating NIMBYism. We should push our decision makers to defend affordable housing development against opposition and weigh opposition against recommendations from the Assessment of Fair Housing (AFH) and

HousingNOLA plans more heavily than neighborhood associations, develop an affordable housing advisory committee comprised of residents living in subsidized housing to speak at and inform decision makers at public hearings of the need for affordable housing, and among other recommendations, we should build an equitable community engagement infrastructure that is designed with "stakeholders that represent the diversity of the city's population. The study will help to balance political and legal concerns while ensuring that all voices can be heard.

Tracking progress and evaluating effectiveness

The housing study would serve as a living document and is intended to provide the groundwork for subsequent text amendments to change regulations within the Comprehensive Zoning Ordinance. The public and decision-makers will be able to reference the housing study, which will have incorporated the public engagement process and housing need metrics to advocate for and implement other needed changes to help incentivize the creation of affordable housing.

The Healthy Homes Diversion Program and the Affordable Housing Office are both designed to set up systems for tracking number of units developed, in need of, and in receipt of remediation. This will be the first ever data compiled to show how many actual rental units are in the City of New Orleans. This information will help inform existing and future need for additional tools. Additionally, having the information will allow us to track and analyze neighborhood data to determine where we are effectively addressing segregation and equity and where we need to focus.

V.A.1.b.v Budget and Timeline

Housing Opportunities Study and Policy Development

The City will solicit a firm with significant housing policy experience to examine the housing crisis in New Orleans and develop actionable strategies to provide greater access to opportunities for housing for current and new residents at all incomes levels. This study will provide a deep examination of all codes and policies that affect the city's housing market including the City Code, Comprehensive Zoning Ordinance, Building Code, and policies and procedures for City's providers of affordable housing and housing subsidies.

This study will be paired with a significant public engagement strategy intended to gather ideas, comments and concerns surrounding housing and changes in housing policy. A series of engagement events will occur at every milestone of the study development process, engaging with the public in their communities to receive comments and ideas, refine recommendations, and build support from the city's residents for positive changes across the city.

Study and Policy Development: $1,010,000
Community Engagement: $700,000
Grant Management: $90,000
Total: $1,800,000

Affordable Housing Permitting and Services Office

Create a program establishing the Affordable Housing Permitting and Services Office (AHPSO) located with the City's collective of permitting departments named the Office of Business and External Affairs (OBES). The AHPSO will be responsible for coordination between various departments involved in the housing review process and tasked with communicating with the City's financial and economic development agencies. This office will also provide outreach and training for the city's development community with emphasis on BIPOC property owners and small developers.

Capacity Building: Developer School and Landlord School: $310,000
Affordable Housing Permitting and Services Office: $2,332,500
Grant Management: $115,500
Total: $2,758,000

Healthy Homes Diversion Program

PRO Housing Grant Funds will allow us to establish the Healthy Homes Diversion Program as a companion program to the city's adopted Healthy Homes Program Funds will be used to hire consultants to help us set up a tracking system for identifying properties, property owners, and the needed remediation. Our goal is to take this a step further to set up a landlord diversion program where we connect property owners with resources to remediate and weatherize their property, which will benefit the tenant as well. We will work with our partner agencies in creating resources and providing technical assistance to set up a list of resources. Finally, we would set up a tenant protection program. As part of this grant opportunity, we have enlisted the consult of Southeast Louisiana Legal Services (SLLS), an established firm assisting families facing eviction, to assist us in creating model leases, tenant education and consult. PRO Housing Grant Funds would be used to further develop these initiatives with the goal of creating a diversion program that results in qualified property owners being able to maintain their properties and provide their tenants with safe and secure living conditions.

Healthy Homes Diversion Office: $837,000
Data Collection and Studies: $600,000
Healthy Homes Diversion Low Interest Loan Program: $3,750,000
Grant Management: $71,850
Total: $5,258,850

Total Requested Amount
$9,816,850

TIMELINE OF ACTIVITY AND MILESTONES

Activity	Milestone
Housing Opportunities Study and Policy Development	• Request for Proposals published: Within one month of receiving grant funds • RFPs evaluated and firm selected: Within three months of receiving grant funds • Contract executed and study process begins: 3-4 months of receiving grant funds • Initial citywide Public Engagement and background research: July 2024 through September 2024 • Preliminary findings presented at second round of citywide community meetings: October - December 2024 • Draft study and recommendations presented at third round of citywide community meetings: March - May 2025 • Adoption of plan by City Planning Commission June 2025
Establish Affordable Housing Permitting and Services Office	• Budget allocated for five positions within new office and position publicly advertised: Within one month of receiving grant funds • Resumes reviewed and interviews conducted: Within 3-4 months of receiving grant funds • Onboarding personnel and establishing policies, procedures, and duties of office: 4-6 months of receiving grant funds • CAO policy memorandum distributed to all City departments instructing them on role of AHPSO and the offices function within the City's processes: Within 6 months of receiving grant funds • Request for Proposals for Developer Technical and Capacity Building curriculum published: October 2024 • RFPs evaluated and firm selected: November 2024 • Contract executed and program development begins: December 2024.
Healthy Homes Diversion Program	• Request for Proposals published: Within one month of receiving grant funds • RFPs evaluated and firm selected: Within three months of receiving grant funds • Contract executed and study process begins: 3-4 months of receiving grant funds • Budget allocated for two positions within Healthy Homes Diversion Program and positions publicly advertised: Within one month of receiving grant funds

	• Budget allocated for one position to administer Healthy Homes Diversion Low Interest Loan Program: Within one month of receiving grant funds • Resumes reviewed and interviews conducted: Within 3-4 months of receiving grant funds • Request for Proposals for Landlord School published: August 2024 • RFPs evaluated and firm selected: October 2024 • Contract executed and program development begins November 2024

Each of the above activities are important to advancing affordable housing development and preserving existing affordable housing; however, we would prioritize funding for the Housing Opportunities Study due to the need for a comprehensive citizen-engaged document to drive policy decisions. If we were to receive 50% of our requested amount, we would be able to conduct the Housing Opportunities Study and implement the Healthy Homes Diversion Program.

Exhibit E
Capacity
City of New Orleans

V.A.1.c.i Capacity

The New Orleans City Planning Commission (CPC) and the Department of Safety and Permits (DSP) are partnering in applying for and administering the ProHousing grant. Staff in both departments worked collaboratively to write this grant and will work collaboratively to facilitate the funds. The grant was written by CPC and DSP staff despite not having a grant-writing division within the departments. The staff felt the collective institutional knowledge would suffice without utilizing a contracted grant writing entity.

The City of New Orleans has broad experience administering grant awards from Federal Agencies and beyond. The City Planning Commission was recently awarded $2 Million by the Environmental Protection Agency (EPA) for a remediation project which will help renovate an expansive structure that's been vacant for over twelve (12) years, located in an amenity-rich neighborhood with high opportunity to create much needed housing. CPC facilitated a $2 Million grant to craft the City's Master Plan in 2010 - an expansive city-wide planning initiative, as well as a $250,000 for the Main Street Resilient Grant.

Additionally, there are many staff members from various internal departments that CPC and DSP can rely on for expertise in grant management. The City's Office of Community Development manages the CDBG Block Grant funds from HUD, and Department of Finance teams assist in orchestrating the receipt and spending of those dollars.

In terms of day-to-day grant management, the responsibility will be shared between the staffs of City Planning Commission and Department of Safety and Permits. Currently, there are six staff members between the two agencies that will be tasked with programming and delivering the grant once awarded. These staff members include:

Ashley Becnel – Chief Zoning Official, Department of Safety and Permits. Ms. Becnel has over 9 years of experience working in New Orleans' legal and regulatory departments.
Kelly Butler – Inclusionary Zoning Administrator, Department of Safety and Permits. Mrs. Butler has nearly 13 years of experience working in land-use planning with city council, the City Planning Commission and the Department of Safety and Permits.
Robert Rivers – Executive Director, City Planning Commission. Mr. Rivers has been the director of CPC for over a decade and will assist with support from the City Planning Commission, the City Council and the Mayor's Office along with high level administrative needs.
Larry Massey – Deputy Director, City Planning Commission. Mr. Massey has over a decade of experience and will be supervising and assisting with the management and administration of the grant.
Rachael Berg – Planning Administrator, Comprehensive Division of the City Planning Commission. Ms. Berg has over six years of experience working in long-range planning in the City Planning Commission. She will be directly involved with writing the Request for Proposals (RFP) to hire a contractor and in the daily requirements of facilitating a consultant with the Housing Opportunities Study.
Laura Bryan – Assistant Planning Administrator, Comprehensive Division of the City Planning Commission. Mrs. Bryan will assist Ms. Berg and Mr. Massey in facilitating the CPC portion of

the grant, the completion of the Housing Opportunities Study. Laura has over eight years working with the City in various roles related to urban policy and planning.

The City Planning Commission component requires the hiring of a consultant to deliver most of the work product for the Housing Opportunities Study, while the staff's role will be the management of the consultant. This is a practice CPC has utilized numerous times in the past, such as with the implementation of the Mandatory Inclusionary Zoning (MIZ) policy where a consultant was used to conduct a market analysis to determine which locations in the city could support a MIZ program. A consultant was also used to completely redo the Comprehensive Zoning Ordinance in 2015 that rezoned the entirety of the City and created new rules and regulations. In 2010, the City's current Master Plan was implemented utilizing a consultant. This document will guide the city's growth until 2030.

The DSP will utilize the grant funding to build capacity for the Healthy Homes Diversion Program and the Affordable Housing Office. In both cases, the City has already designated resources to assist in the funding of those staffs. Ashley Becnel, the Chief Zoning Official will be overseeing the Healthy Homes Diversion Program while Kelly Butler, the Inclusionary Zoning Administrator, will be overseeing the work for the Affordable Housing Office and the including the development of the processes for the administration of the program. They will be coordinating efforts to hire additional personnel.

Similar to the hiring of a consultant to deliver the work product for the Housing Opportunities Study, the Healthy Homes Diversion Program and the Affordable Housing Office will seek consultants for carrying out the specified scopes. Ms. Becnel and Mrs. Butler will be issuing the scopes of work for the RFPs based on the identified data and technological needs. They both have experience writing RFPs, selecting qualified applicants, and administering the contracts.

New Orleans has an exceptional track record of comprehensive planning since 2005, the year Hurricane Katrina devastated our city. City of New Orleans staff were directly involved in all major citywide comprehensive planning processes and the implementation of the subsequent projects and programs. Notably, the City's current Chief Administrative Officer served as director of the Louisiana Recovery Authority, the state entity responsible for Katrina/ Rita recovery efforts statewide, and NORA's current Executive Director was the state-wide Director of Community Planning for the Katrina recovery effort.

Exhibit F
Leverage
City of New Orleans

V.A.1.d.i Leverage

The City of New Orleans commits to 11% (approximately $990,000) financial leverage dedicated to supporting PRO Housing Grant Activities as follows:

- **City Planning Commission (CPC):** The CPC commits to staff time and resources in the amount of $336,172 over the five-year term of the grant.* This commitment includes the following:
    - ***Housing Opportunities Study ($293,262):***
        - *Local technical and logistical support for professional consultants*: The CPC will be responsible for contract administration and oversight. Additionally, the CPC will provide research and mapping support to project consultants. Finally, the CPC will be the liaison between the consultants and local stakeholders.
        - *Coordination of community engagement initiatives*: The CPC will coordinate required community engagement activities related to the Study, including interaction with the Director of Special Programs and Housing Engagement in the Mayor's Office of Neighborhood Engagement.
        - *Implementation of Study recommendations*: The CPC staff will be the lead with respect to administering the policy and legislative decision making processes necessary to implement the Study Recommendations.
    - ***Affordable Housing Office of Services ($42,910)***:
        - The CPC will provide staff support and resources to this new office, particularly with respect to land use entitlements and incentives, and the regulatory processes related to each.
- **Department of Safety & Permits (DSP):** DSP commits to staff time and resources in the amount of $368,407 over the five-year term of the grant.* This commitment includes the following:
    - ***Affordable Housing Office of Services***:
        - DSP will leverage existing funding commitments in support of the new Office. In particular, DSP will integrate the funding already committed to the City's Inclusionary Zoning Administrator position. ($111,786.50)
    - ***Healthy Homes Initiative***:
        - DSP will leverage existing funding commitments in support of this initiative. In particular, DSP will integrate the funding already committed to three Healthy Homes positions. ($256,620.46)
- **Office of Homeless Services and Strategy:** The Office of Homeless Services and Strategy commits staff time and resources in the amount of $50,000 over the five-year term of the grant. This commitment includes staff time and resources to provide subject matter expertise for the Housing Opportunities Study, as well as to perform outreach to inform citizens of the study and to provide education and resources to enable these citizens to participate in the study. The Office will further commit staff time to assist with identifying underserved and underheard populations and to facilitate connections with these residents. It also includes staff time and resources to provide education on the

Healthy Homes initiative and to work with the Affordable Housing Office of Services to provide with funding and direction feedback.

- **Office of Performance and Accountability (OPA):** OPA commits to staff time and resources in the amount of $15,000 over the five-year term of the grant, which includes the provision of data gathering, review, cleaning, and interpretation, as well as making this data publicly available to citizens of New Orleans through the creation and maintenance of an interactive dashboard.
- **Office of Community Development (OCD):** OCD commits to staff time and resources in the amount of over the five-year term of the grant, which includes staff time and office space, including supervising a dedicated staff person, dedicated to administering the Healthy Homes Diversion Low-Interest Loan Fund.
- **Louisiana Fair Housing Action Center (LAFHAC):** LAFHAC commits to staff time and resources in the amount of $ $16,814 over the five-year term of the grant. This commitment includes the following:
    - ***Housing Opportunity Study and Healthy Homes Initiative:*** LAFHAC commits to use staff time and resources to perform outreach to inform citizens they engage with of the study and to provide education and resources to enable these citizens to participate in the study and be heard. Furthermore, LAFHAC commits to assist the City with identifying underserved and underheard populations and to facilitate connections with these residents.
- **Greater New Orleans Housing Alliance (GNOHA):** GNOHA commits to staff time and resources in the amount of $200,000 over the five-year term of the grant. This commitment includes the following:
    - ***Housing Opportunity Study:*** GNOHA commits to use staff time and resources to perform outreach to inform citizens they engage with of the study and to provide education and resources to enable these citizens to participate in the study and be heard. Furthermore, GNOHA commits to assist the City with identifying underserved and underheard populations and to facilitate connections with these residents.
    - ***Affordable Housing Office of Services:*** GNOHA commits to provide funding in the amount of $200,000.00 as part of their existing "Own the Crescent" initiative to create additional capacity for BIPOC property owners and developers seeking to provide affordable housing, especially black women.
- **Southeast Louisiana Legal Services (SLLS):** SLLS commits to staff time and resources in the amount of $_____ over the five-year term of the grant. This commitment includes the following:
    - ***Housing Opportunity Study:*** SLLS commits to use staff time and resources to perform outreach to inform citizens they engage with of the study and to provide education and resources to enable these citizens to participate in the study and be heard. Furthermore, SLLS commits to assist the City with identifying underserved and underheard populations and to facilitate connections with these residents.
    - ***Affordable Housing Office of Services:*** SLLS commits to providing assistance with heirship issues on properties that may be standing in the way of developers

alienating or mortgaging their properties in order to provide additional or higher-quality affordable housing.
    - ***Healthy Homes Initiative:*** SLLS commits to work with the City to create a model lease for landlords to use to ensure program compliance. SLLS further commits to work with tenants to understand and exercise their rights under the anti-retaliation measures of the Healthy Homes program.
- **The Data Center:** The Data Center commits to staff time and resources in the amount of $_____ over the five-year term of the grant. This commitment includes the following:
    - ***Housing Opportunity Study:*** The Data Center commits to providing assistance with gathering and interpreting data needed for the Housing Opportunity Study.
    - ***Healthy Homes Initiative:*** The Data Center commits to providing assistance with data gathering and analysis related to rental properties in the City of New Orleans and to help the office better target its efforts based on the data gathered.

*Note that under the City's Home Rule Charter, budgeting decisions for each City Department are made on an annual basis by the City Council. Accordingly, the above funding commitments are subject to budget approvals over the term of the grant.

Exhibit G
Long Term Effects
City of New Orleans

V.A.1.e.i. Long-Term Effect

CPC and DSP have designed each of its three grant funding proposals to address the affordable housing crisis now and for the future. All activities are meant to create pathways for affordable housing development throughout the city while maintaining and preserving our existing housing stock – including already income restricted affordable housing - but particularly those owned and operated by New Orleanians who need financial assistance.

Housing Study

At the end of the grant period, the residents of the City of New Orleans will have a comprehensive housing study that has thoroughly examined the barriers to affordable housing in the city's zoning ordinance and beyond. All New Orleanians will have had a voice in the zoning and land-use recommendations, and decision-makers will have a community-based data driven document with the voice of the people from which to base future land-use decisions. We will be armed with a road map for future changes both within and beyond the Comprehensive Zoning Ordinance to allow for a multi-pronged approach to the complex problem of affordable housing.

Healthy Homes Diversion Program

This funding opportunity provides DSP with the resources to obtain and track rental housing data that is specific to the number of units, locations, and quality of the City's housing stock. The purpose of this Plan is to facilitate improvement of the city's rental housing stock while keeping people in naturally affordable or subsidized housing.

DSP will use the funding to compile data, set up tracking systems, work with partner agencies and stakeholders to create a list of resources for property owners, while also providing tenants with protections and guidance. Once we have an idea of the need, we will use the data to coordinate with partner agencies to create pathways to compliance focusing on weatherization and retrofitting of units to reduce utility costs and eliminate health hazards.

The Healthy Homes Program is a desperately needed tool to help protect residents from sub-standard living situations, but not having resource assistance and pathways to bring properties into compliance will only exacerbate the affordable housing crisis.The Healthy Homes Diversion Program will ensure residents have safe and secure housing, will ensure small landlords are able to provide quality housing to New Orleans citizens, and will provide the staff with data to set up tracking mechanisms for enforcement of this program and to inform other City and local partner initiatives directed at rental housing affordability.

Affordable Housing Development and Permitting Services Office

Affordable housing development is fraught with challenges. Obtaining site control, financing, zoning entitlements, and navigating the permitting processes are all contingent on timing. If any one of these factors fail, or is stalled in moving the development forward, the entire project is at

risk. Our grant proposal - to create an affordable housing development and permitting office - intends to provide surety for developers in the pre-development stage, throughout the permitting process from obtaining a building permit to the certificate of occupancy, and post development compliance and monitoring. Additionally, recognizing the need for building capacity among New Orleanian small developers and property owners, the office will provide training and technical assistance with the goal of growing the city's affordable housing stock, including small multi-family developments and affordable homeownership programs.

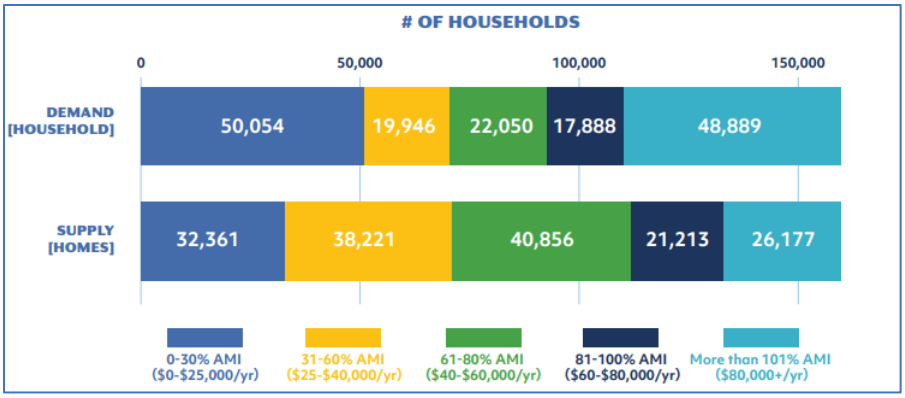
During the grant period, the office will be developed and will incorporate the current Inclusionary Zoning Office – a section within the City's zoning division in the Department of Safety and Permits. During the grant period we will track the following:

- Number of units produced
- Geographical location of units produced or not produced
- Number of developers and type of developer assisted for all projects
- Project pipeline
- Issues that arise related to existing codes and requirements
- Resources spent on assisting in the creation of affordable housing
- Cost savings to the City gained in ensuring affordable housing for its citizens

Currently, the office maintains a dashboard for inclusionary zoning affordable housing development required by the CZO. This will be the basis for expanding the forward-facing data. This information is important in identifying and tracking affordable housing development, but also for identifying areas, geographical and policy-driven, that need modification, improvement, or inclusion. At the end of the grant period, the staff will advocate for the office to be a permanent division within the Department of Safety and Permits by showing the number of affordable housing units developed with assistance from the office and the number of developers who utilized its services, including a cost-benefit analysis for the City budget. Their success will be our marker and will allow us to show the value to the city and to the public.

Long-term outcomes

The cumulative effect of the three proposed activities will add to and preserve New Orleans affordable housing stock and are intended to last long past the PRO Housing Grant fund's period of performance. HousingNOLA, one of the city's housing advocacy organizations, just released its 2023 Annual Report Card looking at the state of housing from August 2022-September 2023. The number of affordable housing units added over this period was just 295 units when the need is for more than 40,000 units, with most needed at the 30% and below AMI levels. Adding to this, the city is at risk of losing 13,000 expiring subsidized housing units.



Source: https://www.housingnola.org/plans/

As stated in the report, the above graph shows the distribution of housing demand and the rental supply. The acute demand for unavailable units (more than 17,000 units) at the 0-30% AMI level leads to competition for units at the next AMI level (31-60%). Our proposal, to remove zoning barriers as outlined in *Exhibit C– Need* section of this application - to allow more density on existing lots, allow development on smaller lots, and expand housing types throughout the zoning districts will create the pathways for affordable housing development. The Housing Opportunity Study will provide recommendations, many of which will require legislative action by the City Council. Success will be measured by how many barriers will be removed to allow development to move forward. The document will also be crucial for future master plan conversations. The current master plan was implemented in 2010 and has a 20-year shelf life.

The Healthy Homes Diversion Program and the Affordable Housing Office long-term impacts will be measured in units preserved and developed. Both actions are aimed at providing units for LMI residents and will be replicable by other cities looking to be proactive in their housing strategies.