



NEW ORLEANS SMART HOUSING MIX STUDY



Why This Report Matters

New Orleans is facing an affordable housing crisis. In 2015, 56% of New Orleans' renters paid more than one third and 33% paid over half of their income on housing costs. Together we can and must work to provide high-quality, safe and accessible housing that is affordable to individuals and families of all income levels throughout New Orleans. In order to achieve this goal, we need housing policies that respond to the needs of the citizens and is shaped by the facts.

Recognizing this need, HousingNOLA and the Greater New Orleans Housing Alliance (GNOHA) engaged Grounded Solutions Network to research and facilitate a discussion on whether an inclusionary housing policy could work in New Orleans and, if so, how to tailor such a policy to fit the city's unique needs and housing market.

This recommendations report is the final deliverable for that engagement. It is also the result of a collective effort of dozens of experts and policymakers who provided insight and feedback over the course of an eight-month process.



What is a Smart Housing Mix Policy?

Inclusionary housing programs are local policies that tap the economic gains from rising real estate values to create affordable housing for lower income families. As housing prices rise, developers and land owners are able to make greater profit for building commercial and residential developments. Inclusionary policies seek to "capture" a portion of the higher value by requiring that developers include affordable housing in developments that otherwise would not include it.

Recommendations

The following are key recommendations on the design of a Smart Housing Mix policy that is fair and feasible for the City of New Orleans:

- Require new development, adaptive reuse projects, and substantial rehabilitation projects to include 12% of their housing units as affordable.
- The program should be mandatory in central and transit-oriented development (TOD) neighborhoods, voluntary elsewhere.
- Incentivize on-site development but provide maximum flexibility by allowing developers to pay a fee, build offsite, preserve a building or dedicate land as alternatives.
- Offer a standard, unified package of incentives to accompany Smart Housing Mix requirements. The unified incentive package should include:
 - Density bonuses
 - Parking reductions
 - Development by-right as a method for speed and predictability in granting development approvals
 - A standard, RTA or PILOT offering for rental developments with the amount set by a simple formula rather than negotiation
- Require 99-year terms of affordability.

