

October 2, 2025

Lora W. Johnson
Clerk of Council
1300 Perdido St. Rm. 1E09
New Orleans, LA 70112

Dear Ms. Johnson,

As co-chair of the New Orleans Housing Trust Fund Advisory Committee, I'm submitting our Annual Report (attached) to the City Council, as required by New Orleans City Code, Sec. 70-415.342. The Advisory Committee voted unanimously to submit this report at our last meeting on September 26, 2025.

Sincerely,

Maxwell Ciardullo
3702 St. Claude Ave.
New Orleans, LA 70117
202-492-4381

New Orleans Housing Trust Fund Annual Report, 2025

Prepared by the Housing Trust Fund Advisory Committee

September 25, 2025

Report Overview

According to the ordinance establishing the New Orleans Housing Trust Fund (HTF), the annual report and budget must contain the following four sections:

1. A detailed accounting of all fund revenues and expenditures over the preceding year.
2. Year-long data on the quarterly performance measures for the preceding year.
3. A proposed budget for the upcoming fiscal year, specifying the program funds to be allocated per purpose, as defined in New Orleans City Code, Sec. 70-415.339.
4. An implementation plan for all proposed expenditures, as well as any other information requested by the council.

The HTF will not receive its first allocation until January 2026, therefore items #1 and #2 are not yet applicable and this annual report will focus on items #3 and #4.

3. Proposed 2026 Budget for Program Funds

The most recent Revenue Estimating Conference on August 27, 2025 included a 2026 General Fund revenue forecast of \$732,510,118.¹ The City Charter requires 2%, or \$14,650,202, to be set aside for the 2026 HTF. Of that sum, no more than 5%, or \$732,510, is reserved for a rainy day fund and no more than 10%, or \$1,465,020, is reserved to support administration of the fund.

The remaining 85%, or \$12,452,672, are the program funds to be allocated to one of three purposes: creating and preserving affordable homeownership, expanding the supply of affordable rental units, and preserving affordable rental units. The HTF ordinance requires a minimum of 15%, or \$1,867,901, of the program funds be spent on each of those purposes and for the Advisory Committee to submit a proposed budget that allocates the remaining program funds. The following is a detailed budget narrative for the Advisory Committee's proposed allocations and it is accompanied by a budget spreadsheet in Appendix I.

Top Line Allocations

In our first year proposal, the Committee seeks to closely follow the guidelines and recommendations in the HTF ordinance and establish a baseline against which future allocations can be measured. The Committee has also found consensus on a priority for programs that will bring units online quickly and will not siphon the majority of the funds available for one single program or development.

The Committee proposes following the ordinance framework suggesting one-third of the funds be allocated to homeownership opportunities and two-thirds be allocated to rental opportunities.

¹ FINAL_REC Presentation 08-27-2025 v1.5_08.22.2025, slide 25, presented at the Revenue Estimating Conference, August 27, 2025, <https://council.nola.gov/meetings/2025/20250827-revenue-estimating-conference/>.

This allocation also follows the data showing that 61% of severely cost burdened households in New Orleans are renters and that there are twice as many renter households below the poverty line (8,441) than homeowner households below the poverty line (3,579).²

It should also be noted that more than one-third of the program funds are likely to support homeownership opportunities because the rental supply program that the Advisory Committee is recommending will allow developers to create mixed-tenure buildings with both homeowners and renters.³ The City, through the Office of Community Development (OCD), also consistently allocates a portion of its entitlement dollars from the U.S. Office of Housing and Development (HUD) to support a soft second mortgage program to help lower-income first-time homebuyers and an owner-occupied rehab program to help lower-income homeowners with larger maintenance issues.

Within the rental allocations, the Advisory Committee proposes allocating \$6,350,863, or 51% of the program funds, to rental supply expansion programs and 15%, or \$1,867,901, to rental preservation. This 15% for rental preservation is the minimum amount allowed by the ordinance and the Advisory Committee is making that proposal because of an anticipated \$5M rental preservation program that is expected to be announced by the Office of Community Development in the next month. That will bring the total resources for rental preservation to \$6,867,901, which is generally in line with the amount intended for rental supply expansion.

Because rental preservation of substandard units is such a high need, the Advisory Committee also proposes a contingency plan if the Office of Community Development does not award its funding by the end of the budget year (December 1, 2025). In that scenario, the total rental allocation of \$8,218,764 should be split evenly between rental supply expansion and rental preservation, resulting in \$2,241,481 being shifted from rental supply expansion to rental preservation so that each purpose receives \$4,109,382.

Top Line Allocations

	Required	Discretionary	Total	Share
Homeownership	\$1.9M	\$2.2M	\$4.1M	33%
Rental Supply Expansion	\$1.9M	\$4.5M	\$6.4M	51%
Rental Preservation	\$1.9M	\$0M	\$1.9M	15%

Top Line Allocations, Contingency Plan

	Required	Discretionary	Total	Share
Homeownership	\$1.9M	\$2.2M	\$4.1M	33%

² American Community Survey 2023, 1 year estimates.

³ See “Rental Supply Expansion” section of the Proposed Budget for more details.

Rental Supply Expansion	\$1.9M	\$2.2M	\$4.1M	33%
Rental Preservation	\$1.9M	\$2.2M	\$4.1M	33%

Homeownership Allocations

The Advisory Committee proposes splitting the \$4,109,382 allocated for homeownership programs evenly between construction subsidies for new for-sale affordable homes and an owner-occupied roof rehab program to assist lower-income homeowners with the cost of a fortified roof. Though the funding is evenly split, the subsidy per unit for the roof rehab program is expected to be substantially less, ensuring nearly five times as many roof rehab units as new affordable for-sale homes. After the first year of operation, the Committee will closely assess how quickly units come online in both programs, as well as any obstacles to success, before proposing the next year’s allocation.

Homeownership Allocations

	Amount	Share	Est. Subsidy/ Unit	Est. Units
Homeownership Construction Subsidies	\$2,054,691	50%	\$100K	21
Owner Occupied Roof Rehab	\$2,054,691	50%	\$20K	103

Rental Supply Expansion Allocations

The Committee proposes dedicating the entire \$6,350,863 allocated to the Rental Supply Expansion purpose to a program that will offer construction subsidies to developers building or substantially rehabbing Small Multifamily Affordable (SMFA) buildings. Per recent zoning ordinances, SMFA buildings may be built by-right in most residential zones with up to four units as long as one unit is affordable. SMFA buildings may be constructed as one building with up to four units or as two buildings with up to two units in each building.

The Committee also proposes that this SMFA program be flexible enough to allow developers to build SMFA developments that are fully rental or mixed-tenure developments with two affordable for-sale units, each with an affordable rental unit that the new homeowner would own and manage. Because these mixed-tenure developments require far less subsidy per unit, they shouldn’t decrease the overall number of rental units, while also creating the opportunity for new homeowners to begin with a built-in income stream.

The Committee’s proposal for this funding to be allocated to smaller multifamily developments over larger Low Income Housing Tax Credit (LIHTC) developments stems from three factors:

1. Leaders of our local housing agencies testified before the Committee that the average funding gap needed by larger LIHTC developments is roughly \$12M (in the example of a

100 unit affordable development). That would require nearly the entire fund balance for a single year to serve a single development.

2. The Committee’s intention to prioritize programs that will bring units online quickly. The SMFA program’s ability to build by-right without a conditional use or zoning change process is especially helpful in this regard.
3. The HTF ordinance’s requirement that all programs affirmatively further fair housing. This alludes to the Fair Housing Act’s mandate that housing and community development dollars be used in a way that does not perpetuate segregation. SMFA developers will have much better odds of finding available residential lots in higher opportunity neighborhoods than a LIHTC developer, who requires much larger lots zoned for higher intensity uses.

Despite not proposing HTF funding for larger, multifamily developers, the Committee stands strongly in support of these developments and the integral role they play in our affordable housing ecosystem. In particular, the Committee urges the Mayor, CAO, and City Council to honor the commitments they have already made to LIHTC developers who have award letters in hand, and to prioritize those that are nearing their closing dates. It would be an incredible waste of time and resources to let these developments fall through at the last minute after their developers have jumped through dozens of hoops and met deadlines over the course of years. Failing to honor those award letters may also create legal liability for the City and undermine the trust of any developers or contractors seeking to work with HTF funds, as well as the trust of the public in the HTF process.

Rental Supply Expansion Allocations

	Amount	Share	Est. Subsidy/ Unit	Est. Units
Small Multifamily Construction Subsidy	\$6,350,863	100%	All Rental: \$125K Mixed Tenure: \$63K	50-100

Rental Preservation Allocations

The Committee proposes dedicating the entire \$1,867,901 allocation to a small rental rehab program to subsidize small landlords in making repairs to their properties in exchange for holding the units affordable for a certain period of time. As mentioned in the Top Line Allocation section, this funding will be complemented by a \$5M OCD-run program. If OCD does not award this funding by the end of the budget year (December 1, 2025), it will trigger a contingency allocation shifting \$2,241,481 from rental supply expansion to rental preservation.

Again, the Committee opted to prioritize the rehab of smaller buildings rather than larger LIHTC buildings because the subsidies required for LIHTC buildings are so large and smaller rehab projects can produce units much faster.

Rental Preservation Allocations

	Amount	Share	Est. Subsidy/ Unit	Est. Units
Small Rental Rehab	\$1,867,901	100%	\$15K-\$50K	37-125

4. Implementation Plan

The New Orleans Redevelopment Authority (NORA) and Finance New Orleans (FNO) will act as administrators of the HTF, as per a Cooperative Endeavor Agreement (CEA) between the two agencies and the City of New Orleans. The ordinance allocates up to 10% or \$1,465,020 to support administration of the fund. That amount could potentially cover the salaries of roughly 15 full-time employees at these agencies, which seems far more than is needed to operate four relatively small housing programs. Given the excess, the Committee proposes that the administrators pass through some portion of these funds to the developers and contractors they choose in order to cover their administrative costs as well. This should ensure that the full amount of program funds budgeted for each program will actually serve qualified residents.

During the Committee's 2025 meetings, both agencies also committed to continuing their existing practice of selecting developers and contractors for HTF programs through transparent and objective scoring criteria.

What follows are additional details and instructions for implementing the four proposed housing programs.

Homeownership Construction Subsidies: \$2,054,691

The Committee proposes this program be run by the New Orleans Redevelopment Authority (NORA) in a similar fashion to its existing Orleans Housing Investment Program (OHIP) program. In particular, the Committee expects the program to:

- Offer a roughly \$100K subsidy to a qualified developer to build an affordable, for-sale home, though some portion of the subsidy could also subsidize the income-qualified buyer.
- Require all homes to be built with a fortified roof and other storm resilience upgrades, as per the climate resilience priority in the HTF ordinance.
- Set income limits at 100% of the Area Median Income (AMI).
- Ensure that there are no program stipulations that disadvantage community land trust (CLT) developers, in part because those developers are uniquely positioned to meet the HTF ordinance's priorities for creative and leveraged funding and long-term affordability.
- Ensure the homes remain affordable for at least 10 years, with a priority for longer-term affordability, per the HTF ordinance's priority for longer-term affordability terms.
- Ensure that building on NORA properties is not a requirement for participating developers.

- Offer a priority for developers who can produce units in areas designated as stronger-market neighborhoods by the New Orleans Market Value Analysis, as per the HTF ordinance's requirement that all funds must affirmatively further fair housing.⁴

Owner Occupied Roof Rehab: \$2,054,691

The Committee proposes this program be run by NORA. In particular, the Committee expects the program to:

- Offer a forgivable loan, in the amount of roughly \$20K per roof, to the selected contractor(s), who apply with a list of qualified homeowners and manage the rehab process. Debt should be forgiven when the construction is complete and the contractor can prove certification of the fortified roof.
- Allow the \$20K subsidy to cover other minimal related repairs, in addition to the fortified roof, that may fit under this cap. The program should prioritize homes that are otherwise in good shape, but need a new roof. Low-income homeowners who need more expensive repairs should be referred to OCD's owner-occupied rehab program.
- Target the program at households under 80% AMI, for which it should be fully forgivable, but allow households up to 120% AMI to apply with some repayment required.

Small Multifamily Construction Subsidy: \$6,350,863

The Committee proposes this program be run by FNO. In particular, the Committee expects the program to:

- Be open to developers building SMFA developments that are fully rental or mixed-tenure developments with two affordable for-sale units, each with an affordable rental unit that the new homeowner would own and manage.
- Be open to developers utilizing blighted properties or those that need significant rehab to construct these SMFA developments.
- Offer a roughly \$125K/unit subsidy to developers of all-rental developments and a roughly \$63K/unit subsidy to developers of mixed-tenure developments.
- Prioritize developers with a robust stewardship program for the mixed-tenure model to ensure new homeowners have the support to be responsible landlords.
- Require all homes to be built with a fortified roof and other storm resilience upgrades, as per the climate resilience priority in the HTF ordinance.
- Ensure that the majority of rental units are priced at 60% AMI and that none should be priced higher than 80% AMI, and that preference is given to developers who can produce the most units at the lowest AMI, as per the HTF ordinance's priority for lower affordability levels.
- Ensure that all rental units have at least a 30 year term of affordability, with a preference for even longer terms of affordability, as per the HTF ordinance's priority for longer terms of affordability.
- Ensure that any for-sale units are offered to buyers at 100% AMI or below and that the homes remain affordable for at least 10 years, with a priority for longer-term affordability, per the HTF ordinance's priority for longer affordability terms.
- Ensure that no units are used as short-term rentals.
- Ensure that there are no program stipulations that disadvantage community land trust (CLT) developers, in part because those developers are uniquely positioned to meet the HTF ordinance's priorities for creative and leveraged funding and long-term affordability.
- Offer a priority for developers who can produce units in areas designated as

⁴ *New Orleans Market Value Analysis 2023*, The Reinvestment Fund, November 2023, <https://noraworks.org/impact/#mva>.

stronger-market neighborhoods by the New Orleans Market Value Analysis, as per the HTF ordinance's requirement that all funds must affirmatively further fair housing.

- Require that developers of all-rental developments match national standards of renter protections and those protections are provided in all rental leases (Source of Income non-discrimination, Just Cause eviction protections, Louisiana Housing Corporation's criminal background screening policy,⁵ 30-day eviction notice, etc.).

Small Rental Rehab: \$1,867,901

The Committee proposes this program be run by NORA. In the case that the OCD Small Rental Rehab program is operational, the administrator should pass these funds through to the contractor OCD selects through its notice of funding availability process. In the case that the OCD Small Rental Rehab program is not operational, the Committee expects the administrator to craft a program that:

- Functions similarly to the Owner Occupied Roof Rehab, in that it utilizes contractors who manage the rehab process.
- Serves smaller landlords with four units or less.
- Offers up to \$50K of subsidy per unit with a maximum of \$200K per owner to cover fortified roofs and repairs to HVAC, weatherization, windows, and other issues that will ensure rental units pass Healthy Homes inspections.
- Requires deeper affordability levels and longer terms of affordability for larger subsidy amounts and requires contractors to work with landlords willing to hold units at 80% AMI or lower and for 3-10 years.
- Require that landlords match national standards of renter protections and those protections are provided in all rental leases (Source of Income non-discrimination, Just Cause eviction protections, Louisiana Housing Corporation's criminal background screening policy, 30-day eviction notice, etc.).

Public Facing Dashboard

The Committee proposes the public facing dashboard, as required by the HTF ordinance, be available by January 2026 and display the initial allocations proposed by the Committee and the final allocations approved by City Council. That dashboard should be available on the HTF Advisory Committee page of the City Council website and should be updated by the fund administrator on a quarterly basis with all of the quarterly reporting data points required by the HTF ordinance (New Orleans City Code Sec. 70-415.342(d)(1)), as well as data on units created/preserved by AMI limit and by geographical distribution.

⁵ "Memo: Fair Housing and Tenant Selection with Regard to Criminal Record Screening" Louisiana Housing Corporation, 7/14/21, www.lhc.la.gov/hubfs/Document%20Libraries/Housing%20Development/Compliance/Verifications/Fair%20Housing%20and%20Tenant%20Selection%20with%20Regard%20to%20Criminal%20Record%20Screening%20071421.pdf.

Appendix I: 2026 Budget Spreadsheet

2026 REC General Fund Estimate			\$732,510,118	
HTF Total		2%	\$14,650,202	
Rainy Day		5%	\$732,510	
Admin Costs		10%	\$1,465,020	
Program Funds		85%	\$12,452,672	
Required Program Funds				
Homeowner		15%	\$1,867,901	
Rental Supply Expansion		15%	\$1,867,901	
Rental Preservation		15%	\$1,867,901	
Top Line Allocations				
	Required	Discretionary	Total	Share
Homeowner	\$1,867,901	\$2,241,481	\$4,109,382	33%
Rental Supply Expansion	\$1,867,901	\$4,482,962	\$6,350,863	51%
Rental Preservation	\$1,867,901	\$0	\$1,867,901	15%
Homeowner Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Homeownership Construction Subsidies	NORA	\$2,054,691	\$100,000	21
Owner Occupied Roof Rehab	NORA	\$2,054,691	\$20,000	103
Total		\$4,109,382		123
Rental Supply Expansion Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Small Multifamily Construction Subsidy	FNO	\$6,350,863	\$125,000/\$62,500	50-100
Total		\$6,350,863		50-100
Rental Preservation Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Small Rental Rehab	NORA	\$1,867,901	\$15,000-\$50,000	37-125
Total		\$1,867,901		37-125
Total Estimated Units Funded				210-348