

November 13, 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 Revised Annual Report (attached) to the City Council, as required by New Orleans City Code, Sec. 70-415.342. The Advisory Committee voted 5 to 1 to submit this report at our last meeting on November 12, 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

November 12, 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 September 29, 2025 included a 2026 General Fund revenue forecast of \$725,566,564.¹ The City Charter requires 2%, or \$14,511,331, to be set aside for the 2026 HTF. Of that sum, no more than 5%, or \$25,567, is reserved for a rainy day fund and no more than 10%, or \$1,451,133, is reserved to support administration of the fund.

The remaining 85%, or \$12,334,632, 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 \$1,850,195, 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, incorporating recent amendments from City Council, 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.

¹ FINAL_REC Presentation 9-29-25, slide 16, presented at the Revenue Estimating Conference, September 29, 2025, <https://council.nola.gov/meetings/2025/20250929-revenue-estimating-conference/>.

The Committee initially proposed following the ordinance framework suggesting one-third of the funds be allocated to homeownership opportunities and two-thirds be allocated to rental opportunities. With the amendments from City Council and the Committee’s additional changes, this report now proposes a 50/50 split between rental and homeownership opportunities. This allocation is somewhat misaligned with 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 We make this proposal to prioritize programs that will bring units online quickly, but commit to ensuring that future allocations make up for this discrepancy with regard to rental housing.

It should also be noted that more than half 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 \$3,357,349, or 27% of the program funds, to rental supply expansion programs and 23%, or \$2,867,901, to rental preservation. This 23% for rental preservation is also augmented by a \$5M rental preservation program recently announced by the Office of Community Development. That will bring the total resources for rental preservation to \$7,867,901, which is more than twice the amount intended for rental supply expansion.

Top Line Allocations

	Required	Discretionary	Total	Share
Homeownership	\$1.9M	\$4.2M	\$6.1M	50%
Rental Supply Expansion	\$1.9M	\$1.5M	\$3.4M	27%
Rental Preservation	\$1.9M	\$1M	\$2.9M	23%

Homeownership Allocations

The Advisory Committee proposes splitting the \$6,109,382 allocated for homeownership programs between three programs: 1) construction subsidies for new for-sale affordable homes, 2) an owner-occupied roof rehab program to assist lower-income homeowners with the cost of a fortified roof, and 3) programs to assist first-time homebuyers, lower-income homeowners, or small landlords in putting a fortified roof on their home/property. The subsidy per unit for the roof rehab programs are expected to be substantially less, ensuring nearly eight times as many roof

² American Community Survey 2023, 1 year estimates.

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

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 all three 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	34%	\$100K	21
Owner Occupied Roof Rehab	\$3,054,691	50%	\$25K	122
Flexible Fortified Roof Rehab	\$1,000,000	16%	\$25K	40

Rental Supply Expansion Allocations

The Committee proposes dedicating the entire \$3,357,349 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 initially proposed allocating \$6,350,863 to this program. City Council reduced that to \$2,350,863, not out of opposition to the program, but because of concerns that the developments would be delayed in permitting given the current lack of capacity in that department. The Committee responded with this compromise allocation of \$3,357,349 and a commitment from FNO to assist with technical assistance to ensure a pipeline of qualified developers with shovel-ready projects, in order to streamline permitting. At the November 12, 2025 meeting, the Committee heard significant push back from the public on this decrease in funds for SMFA and on the importance of serving renters with the greatest needs. The Committee agreed to pass this report with the understanding that the current Committee members will strongly advocate to restore SMFA funding to at least the full \$6M amount in future years.

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	\$3,357,349	100%	All Rental: \$125K Mixed Tenure: \$70K	26-53

Rental Preservation Allocations

The Committee proposes dedicating the entire \$2,867,901 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.

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	\$2,867,901	100%	\$15K-\$50K	57-191

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 \$1,451,133 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 five 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: \$3,054,691

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 \$25K 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 \$25K subsidy to cover the fortified roof, as well as other repairs necessary to proceed with installation of the fortified roof. Low-income homeowners who need more expensive repairs should be referred to OCD's owner-occupied rehab program. Households that don't income qualify for OCD's program should be referred FNO's RE-UP 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.
- Consider prioritizing contractors who apply with clusters of qualified homeowners in specific geographic areas, in furtherance of the goal of driving down insurance rates throughout that area.

Flexible Fortified Roof Rehab: \$1,000,000

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

- Offer forgivable loans, non-forgivable loans, or other types of assistance in the amount of up to \$25,000 per roof to buyers and/or owners utilizing FNO Legacy Renovation Loans or RE-UP owner-occupied loan programs to finance fortified roofs.
- Allow the \$25K to cover the fortified roof, as well as other repairs necessary to proceed with installation of the fortified roof.
- Target the program at buyers/owners up to 120% AMI. Households/owners earning under 80% AMI should be eligible for fully forgivable loans or grants.
- Small landlords that meet the following conditions may be eligible for the program:
 - Roof rehab targets a small rental property with four or fewer units
 - Currently leasing all units within the subject property at a rate that is affordable to households earning under 80% AMI
 - Willing to hold all rental units affordable at 80% AMI or lower for a period of 3-10 years, depending on the loan/subsidy amount.

Small Multifamily Construction Subsidy: \$3,357,349

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

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

- 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 \$70K/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 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.).
- Ensure that developers applying to create mixed-tenure developments have the appropriate condominium incorporation documents prepared at the time of application.
- Provide technical assistance to ensure a pipeline of qualified developers with shovel-ready projects, in order to streamline permitting.

Small Rental Rehab: \$2,867,901

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.

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.

- 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.

Appendix I: 2026 Budget Spreadsheet

2026 REC General Fund Estimate			\$725,566,564	
HTF Total		2%	\$14,511,331	
Rainy Day		5%	\$725,567	
Admin Costs		10%	\$1,451,133	
Program Funds		85%	\$12,334,632	
Required Program Funds				
Homeowner		15%	\$1,850,195	
Rental Supply Expansion		15%	\$1,850,195	
Rental Preservation		15%	\$1,850,195	
Top Line Allocations				
	Required	Discretionary	Total	Share
Homeowner	\$1,850,195	\$4,259,187	\$6,109,382	50%
Rental Supply Expansion	\$1,850,195	\$1,507,154	\$3,357,349	27%
Rental Preservation	\$1,850,195	\$1,017,706	\$2,867,901	23%
Homeowner Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Homeownership Construction Subsidies	NORA	\$2,054,691	\$100,000	21
Owner Occupied Roof Rehab	NORA	\$3,054,691	\$25,000	122
Flexible Fortified Roof Rehab	FNO	\$1,000,000	\$25,000	40
Total		\$6,109,382		183
Rental Supply Expansion Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Small Multifamily Construction Subsidy	FNO	\$3,357,349	\$125,000/\$70,000	26-53
Total		\$3,357,349		26-53
Rental Preservation Programs				
	Admin	Amount	Est. Subsidy/Unit	Est. Units
Small Rental Rehab	NORA	\$2,867,901	\$15,000-\$50,000	57-191
Total		\$2,867,901		57-191
Total Estimated Units Funded				266-427