MOTION

NO. M-16-167

CITY HALL: May 5, 2016

BY: COUNCILMEMBER BROSSETT

SECONDED BY: COUNCILMEMBER GRAY

WHEREAS, Families who pay more than 30 percent of their income on housing costs are considered cost burdened and families who pay more than 50 percent of their income on housing costs are considered severely cost burdened; and

WHEREAS, cost burdened and severely cost burdened families may have difficulty affording necessities such as food, clothing, transportation and medical care; and

WHEREAS, the HousingNOLA examined the current state of housing in New Orleans by highlighting key data points that illustrate changing demographics, decreasing affordability, and the increasing demand for housing throughout the city through its Preliminary Report released in August 2015 which found (1) In New Orleans, more than 70% of all households pay more than one third or more of their income towards housing costs; (2) there is a demand for approximately 33,000 units (new construction and rehabilitation) over the next 10 years in New Orleans; (3) if homeownership and rental levels remain constant over the next 10 years, there will be an even split between new homeownership units (16,921) and rental units (16,672) needed; (4) highest homeowner/buyer demand will be families earning between $29,717 and $44,575 and more than $44,575 for 2 bedroom and 3 bedroom units; (5) highest renter demand will be families earning less than $11,143 and more than $37,146, for 1 bedroom and 2 bedroom units; (6) "Fair market rent" in New Orleans for a 1 bedroom apartment is $767 monthly, or

$9,204 yearly; (7) median income in New Orleans is $37,146; median rent is $765; average home value is $183,700; and (8) African American households disproportionately pay more of their income towards housing costs; and

WHEREAS, the Data Center examined housing cost and affordability through its *Who Lives in New Orleans and Metro Parishes Now* report released in 2014 which concluded that (1) high housing costs can limit a region's ability to attract and retain the workforce essential for a healthy economy; (2) severe cost burdens of more than 50 percent of household income indicate a serious problem in housing affordability; (3) in 2004, 24 percent of renters in both New Orleans and the United States were severely cost burdened; (4) by 2013, 37 percent of renters in New Orleans were severely cost burdened while only 26 percent of renters nationally were severely cost-burdened; (5) the increase in severely cost burdened renters in New Orleans is correlated to the increase in the median gross rent for housing units; and (6) from 2004 to 2013, monthly rent plus utilities increased by 33 percent in New Orleans while increasing only 6 percent nationwide; and

WHEREAS, the failure of the local housing market to supply affordable housing units makes the City of New Orleans increasingly unaffordable for low income families and individuals; and

WHEREAS, one tool used in other cities is an Affordable Housing Impact Statement; and

WHEREAS, cities such as Austin, Texas and San Diego, California have had an Affordable Housing Impact Statement (AHIS) policy for several years; and

WHEREAS, Affordable Housing Impact Statements serve to inform, educate, and ensure that government process and action do not undermine the goal of the supply and affordability of housing; and

WHEREAS, Affordable Housing Impact Statements can proactively prevent immediate and future losses in the existing housing stock, identify opportunities to expand the future supply of housing, and identify opportunities to reduce gentrification; and

WHEREAS, the City Planning Commission promotes the public health, safety, and welfare of the New Orleans community through subdivision, zoning, and use regulation, capital improvement plans, major street plans and land use planning; and

WHEREAS, the Planning Commission also makes recommendations to the City Council on said matters, neighborhood improvements, environmental protection, capital budget amendments, and other policy matters; and

WHEREAS, the Council believes a City Planning Commission study examining affordable housing may create a multifaceted approach to addressing the challenges of providing affordable housing in a resilient and steadily growing city; **NOW THEREFORE**

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the City Planning Commission is hereby directed to conduct a public hearing and study to investigate how affordable housing impact can be assessed as part of land-use and building applications, including but not limited to the use of affordable housing impact statements, and to recommend potential changes to the Comprehensive Zoning Ordinance and other applicable codes, if necessary.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the City Planning Commission is hereby directed to conduct and complete the study within 120 days of the passage of this motion and conduct the public hearing within 60 days of the passage of this motion.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That in the process of conducting a public hearing and study relative to affordable housing impact as provided herein, the City Planning Commission and staff are directed and granted the flexibility to expand the scope of the study and make any and all legal and appropriate recommendations deemed necessary in light of the study, review, and public testimony resulting from this motion.

THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Brossett, Cantrell, Gray, Guidry, Head, Williams - 6

NAYS: 0

ABSENT: Ramsey - 1

AND THE MOTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED TO BE A TRUE AND CORRECT COPY

Lora W. Johnson

CLERK OF COUNCIL