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U.S. Department of Housing and Urban Development Volunteers of America

Volunteers of America Wells Fargo Whitney Bank May 22, 2018

Office of the Governor PO Box 94004 Baton Rouge, LA 70804

Dear Governor John Bel Edwards,

The Louisiana Legislature recently made the detrimental decision to pass a bill banning municipal and parish governments from establishing inclusionary zoning policies. Senator Martiny's bill, which replaces the phrase "inclusionary zoning" with "voluntary economic incentive policies," makes it so that affordable housing policies would be voluntary, rather than mandated as recommended by New Orleans' City Planning Commission and City Council. With this measure, the State Legislature will prevent municipalities from creating and enforcing policies that support affordable housing across Louisiana. The wide ripple of effects that will undoubtedly occur from the implementation of this bill will be devastating for our state, as New Orleans and many other cities throughout Louisiana are in the midst of an affordable housing crisis.

The Greater New Orleans Housing Alliance (GNOHA), alongside our many local and statewide affordable housing advocates and allies, are deeply disappointed in the decision of the state government to allow this bill to pass. It's nearly unfathomable to think that throughout our long and frantic history, our elected officials in the State Capitol have yet to realize that the market cannot and will not correct itself. The reason market rate housing doesn't serve low to moderate income households is not because developers are bad seeds or have ill intentions. Construction costs are high and land is very expensive. However, with inclusionary zoning policies, we can help market rate developers actually create those lower priced homes that cities across Louisiana need. Inclusionary zoning has become the smart way to do equitable housing in many cities across the U.S.

Other cities in Louisiana's, notably Lake Charles and Calcasieu Parish, inventory of affordable houses on the market is down while at the same time there has been a gradual increase in their workforce since 2012. Housing costs are rising, yet wages have remained stagnant. Increasingly, we are seeing awareness around affordable units coming offline now and in the coming years. This will only serve to aggravate the issue. A mandatory inclusionary zoning policy will open the pipeline to creating long-term affordable opportunities for residents across our state.

Without the powerful tool of mandatory inclusionary zoning, our City Council and others around the state will be rendered helpless in creating equitable, sustainable, and affordable homes for all. <u>HousingNOLA</u> and GNOHA, in tandem with statewide affordable housing allies and partners, have spent years working within our communities to identify their unique needs

and establish a process and plan to meet those needs moving forward. Historically, affordable housing developers have relied heavily on federal dollars to fund the purchase of land and to pay for construction. However, with federal funding drying up, local solutions are becoming more important across the country, especially local solutions where the market growth can help pay for more affordable homes.

At the mercy of our state lawmakers, New Orleans will continue down its current path of displacement and disparity, straying further from the goals outlined in Housing NOLA's <u>10-Year Strategy Plan</u> and <u>Smart Housing Mix</u>. A study by the <u>National</u> <u>Equity Atlas</u> showed that when renters thrive, cities thrive. If New Orleans renters were able to pay an amount they could afford on housing, they would have an extra \$7,200 per household to spend in their communities each year. Statewide, Louisiana renters would have an extra \$1.5B to contribute each year. Not only would this have a tremendous impact on economic development, but it would also help diminish the racial and gender inequities that have plagued New Orleans and the entire State of Louisiana for decades. For these reasons and so many more, GNOHA urges you, our State Governor, to intervene, veto Senate Bill 462, and remedy this situation before it's too late. We have to put housing first for the residents of Louisiana.

Thank you for your consideration, and please feel free to contact me at 504.224.8301 or <u>amorris@gnoha.org</u> with any questions.

Sincerely,

Incheoneus Il llorus

Andreanecia M. Morris President/Chair, Greater New Orleans Housing Alliance