

Associated Neighborhood Development (AND)
 A Shared Initiative, Inc.
 Bayou District Foundation
 Broadmoor Development Corporation
 Chase
 Committee for a Better New Orleans (CBNO)
 Covenant House
 Crescent City Community Land Trust
 Enterprise Community Partners, Inc.
 First NBC Bank
 Foundation for Louisiana
 GCR Inc.
 Global Green USA
 Green Coast Enterprises
 Harmony Neighborhood Development
 Historic Restoration, Inc.
 Home Builders Association of Greater New Orleans (HBA)
 Iberia Bank
 Jericho Road, Episcopal Housing Initiative
 Jerusalem Economic Development Corporation (JEDC)
 Louisiana Appleseed
 Louisiana Association of Affordable Housing Providers (LAAHP)
 Louisiana Association of Nonprofit Organizations (LANO)



Louisiana Homebuyer Education Collaborative
 Louisiana Housing Alliance (LHA)
 Lower 9th Ward (NENA)
 Lower 9th Ward Homeownership Association
 lowernine.org
 Make It Right
 New Orleans Area Habitat for Humanity
 New Orleans Neighborhood Development Foundation (NDF)
 NO/AIDS Task Force
 Operation Comeback
 Pontchartrain Park CDC
 Preservation Resource Center (PRC)
 Project Home Again
 Project Homecoming, Inc.
 Providence Community Housing
 Puentes New Orleans
 Rebuilding Together New Orleans
 Redmellon
 Renaissance Neighborhood Development Corporation
 St. Bernard Project
 UNITY of Greater New Orleans
 Urban Focus, LLC
 Volunteers of America (VOA)
 Whitney Bank

April 17, 2014

Rep. Thomas P. Willmott
 House Ways & Means Committee
 Louisiana House of Representatives
 Delivered by Email

Dear Representative Willmott,

This letter is written in opposition to House Bill 420 which was deferred during the Ways & Means Committee on April 8, 2014.

The Greater New Orleans Housing Alliance advocates for the housing needs of the Greater New Orleans community. GNOHA is a collaborative of non-profit housing builders and community development corporations working to rebuild the housing stock available in the City of New Orleans after Hurricane Katrina devastated the City's infrastructure. The sharp decrease in the supply of available housing in New Orleans exacerbated the housing affordability crisis for the city's low-income households, and led to new affordability problems for the city's middle-income households. Our mission is to collaborate and support efforts to build workforce housing for the citizens of the Greater New Orleans area in an ethical and efficient manner.

GNOHA advocates for the development of a range of affordable housing options including safe rental housing, financially responsible homeownership, scattered sites and multi-family units. GNOHA's platform takes a holistic approach to the housing development continuum from the early stages of project ideation through predevelopment, construction, tenant and homeowner selection and training.

House Bill 420 will have a marked impact on housing in Louisiana. This proposed bill looks only at the dollar amount of the tax credits or HOME funds initially received, but it doesn't consider the impact of the credit on the value of the property.

- LIHTC properties do not receive an annual subsidy because the credits are routinely sold to third-party investors for construction costs.
- LIHTC properties carry thirty-year-long restrictive covenants as well as restrictions on raising rents.
- LIHTC properties are open only to low income households with incomes below a set maximum threshold. As such, the developers are restricted in the amount of rent they may charge their tenants.
- When a LIHTC property is sold, the new buyer would receive no benefit from the initial tax credit.

Therefore, the neither the tax credit, HOME or Federal Home Loan Program funds, nor other federal capital sources used to develop the housing should be considered in determining the properties' true value.

In short, properties partially funded with federal funds, in terms of value, are not similarly situated to an ordinary private complex, which are generally valued based on their actual income produced. These properties have a different financing scheme, a restricted clientele, minimal liquidity and very few financing avenues.

GNOHA seeks to create change in the Greater New Orleans community through public policy advocacy and public education. On behalf of our members, the organization advocates for the preservation and production of affordable housing for people within the Greater New Orleans metropolitan region, and places a special emphasis on the needs of the most vulnerable in society - seniors, people with disabilities, low-wage workers and low-income families.

We would implore you and the committee to vote down this bill as it would compromise our efforts to serve the most vulnerable members of our society. If you have any questions, please feel free to call me at 504-821-7227 or email me at amorris@gnoha.org. Thank you for your consideration.

Sincerely,



Andreanecia M. Morris
Board of Governors, Chair
Greater New Orleans Housing Alliance