

RESOLUTION

NO. R-25-274

CITY HALL: May 8, 2025

BY: COUNCILMEMBER MORENO

SECONDED BY:

WHEREAS, the city of New Orleans supports and encourages the restoration, development, improvement, and expansion of existing structures in downtown, historic, and economic development districts through the granting of restoration tax abatements, in accordance with state law; and

WHEREAS, the restoration tax abatement program is currently governed by City Council City Council Resolution No. R-20-10, which provides the approval of restoration tax abatements, and all renewals and transfers thereof; and

WHEREAS, the Council desires to enact a comprehensive revision of the policies and procedures in Resolution No. R-20-10 in order to clarify and improve the application and approval process, as well to clearly define eligibility and approval criteria; **NOW THEREFORE**

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the rules, requirements, and procedures set forth in the attached Exhibit A, incorporated herein and made a part hereof, are hereby adopted and shall govern the award of restoration tax abatements, as authorized by Article VII, Section 21(H) of the Louisiana Constitution and its implementing legislation.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That all this Resolution shall supersede and replace all previous resolutions related to the restoration tax abatement program, including without limitation City Council Resolution No. R-20-10, and shall govern the approval of any and all restoration tax abatements, renewals, and transfers applied

for after the date of adoption. Any applicant who has submitted an application for a new project and paid all advance notification fees on or after the effective date of this resolution shall be evaluated under the guidelines in effect prior to the adoption of this Resolution.

BE IT FURTHER RESOLVED, That the Clerk of Council shall advertise this Resolution in the manner reserved for the adoption of Council rules and regulations affecting the public and, upon adoption, shall transmit certified copies of this resolution to the Chief Administrative Office, the City's Office of Economic Development and the Mayor's Office of Intergovernmental Relations.

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

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.

EXHIBIT A

NEW ORLEANS CITY COUNCIL RESOLUTION R-25-274

RESTORATION TAX ABATEMENT APPROVAL PROCEDURE

A. Initial Approval and Eligibility Requirements.

Any initial request for a restoration tax abatement through the Restoration Tax Abatement Program, or any renewal or transfer thereof, shall be applied for through the Office of Economic Development and shall be subject to approval by the City Council and to the requirements and limitations set forth herein. A separate application must be filed for each structure being restored, renovated, improved or developed. A restoration tax abatement may be approved for an initial term not to exceed five years. Any application submitted for approval by the City Council must first satisfy any pre-submission filing requirements mandated by the Louisiana Office of Economic Development, including (if applicable to the project) any required advance-notification filings.

1. **Eligibility.** A project must meet each of the following requirements to be eligible for a restoration tax abatement.
 - a. The project must involve the restoration, remediation, or redevelopment of an existing structure located within the Downtown Development District, a historic district, an opportunity zone, or an economic development district.
 - b. The structure must be either:
 - i. Designed or intended primarily for a use classified as commercial within the Comprehensive Zoning Ordinance use tables. Notwithstanding the foregoing, a residential use including more than three dwelling units on a lot shall constitute a commercial use for purposes of this Resolution.
 - ii. A residential structure consisting of three dwelling units or less that shall, upon completion of the project, be occupied during the period of tax abatement by the

owner as the owner's primary residence, as determined through criteria established by the Office of Economic Development. For purposes of establishing owner occupancy, the term "owner" includes any natural person holding a usufruct over the entire property, any natural person who is a beneficiary of a trust that owns the property, and any natural person holding an ownership interest of at least 20 percent in a juridical person that owns the property.

- c. No dwelling unit located on the lot containing the structure subject to the tax abatement may be permitted for short-term rentals at the time of the application or otherwise used for short-term rentals, with or without a permit, during the period of tax abatement.
- d. The structure subject to the tax abatement may not be used during the period of tax abatement as a gaming establishment, including but not limited to a casino, river boat, dockside terminal, bingo hall, racetrack, or betting parlor.
- e. All outstanding property taxes shall have been paid at of the time of the application.
- f. No property taxes may have been paid on the basis of an assessed valuation that includes any improvements made as part of the project. For purposes of this requirement, a payment under protest made in accordance with La. R.S. 47:1998 shall not render a property ineligible.
- g. The proposed project and improvements will extend the useful life of the building for at least 20 years.
- h. The project shall involve a minimum renovation investment of 25 percent of the pre-improved assessment value of the existing structure for the tax year immediately preceding the commencement of the expansion, restoration, improvement, or development.
- i. The applicant has complied with all procedural and filing requirements imposed by the State of Louisiana, including any advance-notice filings, if applicable.

- j. The project is not for general maintenance, routine repairs, minor renovations, or insured damages.
 - k. The expansion of an existing structure shall not exceed ten percent of the original building footprint at ground level.
 - l. The project complies with the Comprehensive Zoning Ordinance and will secure all required permits to undertake the work contemplated.
2. **Initial Application.** Each initial application for a restoration tax abatement shall be submitted to the OED on forms prepared by that office, together with any documents, forms, analyses, appraisals and affidavits the OED may reasonably require to assess eligibility and to evaluate the approval criteria.
3. **Determination of Eligibility.** Upon receipt of a completed application and all required documentation, the OED shall determine whether the project meets the eligibility requirements set forth herein. If the property is deemed ineligible for a restoration tax abatement, OED shall notify the applicant in writing and shall set forth the reasons the project has been deemed ineligible. This notification may be made by e-mail.
4. **Appeals.** An applicant deemed ineligible for a restoration tax abatement may appeal the determination of ineligibility to the Council by filing a written appeal to the Clerk of Council within 7 days of receipt of the notice of ineligibility from the OED. The appeal submission shall include a copy of the notice of ineligibility from the OED and a statement outlining the reasons the OED erred in determining the project ineligible, together with supporting documentation. The appeal, which shall be docketed and heard by the Council in accordance with the procedure applicable to land-use items, shall be limited to whether OED committed a factual error in applying the eligibility criteria set forth herein. In deciding the appeal, the Council's review shall be limited to whether the OED erred factually in concluding that the property is ineligible for a restoration tax abatement. If the

appeal is granted, which shall be by motion, the application shall be deemed eligible for evaluation and approval in accordance with the subsequent sections. The denial of an appeal following the hearing or a failure by the Council to grant an appeal within 45 days of formal receipt on the Consent Agenda shall constitute denial of a restoration tax abatement.

B. Approval Procedure.

1. Once a fully completed application and all required submittals have been received and the project has been determined eligible, the OED or its designee shall prepare a report regarding the details of the project and a preliminary analysis of whether project meets each of the approval criteria set forth herein.
2. The OED shall convene an advisory review panel to review and make a recommendation to the Council regarding the application. The panel may include representatives from the Chief Administrative Office, City Attorney's Office, the OED, the Historic District Landmarks Commission, Office Supplier Diversity, Bureau of Treasury, and Office of Workforce Development.
3. Any meeting of an advisory review panel convened to review a restoration tax abatement application shall be noticed as a public meeting and held in accordance with the requirements of the Open Meetings Law. A reasonable opportunity for public comment shall be provided before any vote is taken.
4. At the meeting of an advisory review panel, the advisory review panel shall consider the application in light of each of the approval criteria set forth in the Section C. Following the discussion, the panel shall vote on whether the approval criteria, viewed in totality, justify the grant of a restoration tax abatement. The panel shall render a vote of strongly approve, approve, or disapprove. If the panel is unable to reach a majority with respect to

a recommendation, the panel shall be deemed to have decided to provide no recommendation.

5. Within 15 days of the panel decision, OED shall forward a copy of the decision, the preliminary report, and the advisory panel meeting minutes to the City Council, through the Clerk of Council, with a copy to the applicant. The OED shall simultaneously notify all impacted taxing authorities of the restoration tax abatement application.
6. The OED transmittal shall be received as a communication on the Consent Agenda in accordance with Council Rules and shall be treated as a district land-use item for purposes of scheduling and approval.
7. The Council shall recommend approval or denial of the restoration tax abatement application by resolution, which the OED shall forward to the Louisiana Department of Economic Development.

C. Initial Application Approval Criteria. The following criteria shall be used by the OED, the advisory review panel, and the Council in evaluating whether to recommend or approve an initial application for a restoration tax abatement:

1. The extent to which the project/improvements will return a blighted, dilapidated, or otherwise abandoned or underused property to commerce;
2. The extent to which the project/improvements will upgrade the usefulness of the property or preserve it in a manner that significantly improves its condition for a period of no less than 20 years;
3. The extent to which the project/improvements are architecturally and historically appropriate and will not negatively affect surrounding properties, including any deleterious effects on the historic character of the surrounding neighborhood;

4. The extent to which the project/improvement will enhance the value of the property and whether the enhancement will be sufficient to offset foregone tax revenue, as identified in the cost benefit analysis conducted by the OED;
5. Whether the proposed project/improvements will result in other economic or social benefits to the city that outweigh the foregone tax revenue over the useful life of the improvements and thereafter.
6. The applicant's history of compliance or non-compliance with the requirements of previous restoration tax abatements.
7. Whether the applicant will comply, or has demonstrated good-faith efforts to comply, with the goals for the City's Disadvantaged Business Enterprise (DBE) Program goals, as set forth in Section 70-459 of the City Code and as determined by Office of Supplier Diversity based upon all hard construction costs (including labor, materials, and immovable equipment) associated with the project;
8. Whether the applicant will comply, or has demonstrated good-faith efforts to comply, with the participation goals for local and disadvantaged local workers set forth in Section 70-499 of the City Code;
9. Whether the applicant will comply, or has demonstrated good-faith efforts to comply with the living wage and employee leave compensation goals set forth in Sections 70-806 and 70-807 of the City Code; and
10. For any eligible residential use considered commercial pursuant to Section A(1)(b)(i), whether the project satisfies the Inclusionary Zoning requirements set forth in Chapter 26, Article XII of the City Code and the corresponding provisions of the Comprehensive Zoning Ordinance, including the set-aside requirements for affordable housing units.

D. Renewals.

A restoration tax abatement may be renewed for one additional term of up to five years beyond the initial term by filing a renewal application through the Office of Economic Development. Renewal shall be subject to approval by the City Council in accordance with the requirements herein.

1. **Renewal Eligibility Requirements.** A project must meet each of the following requirements to be eligible for renewal of a restoration tax abatement.

a. The project has met and continues to meet the eligibility requirements for initial applications, as set forth in Section A(1); and

b. The project satisfies either of the following criteria:

i. In the case of a project involving any residential use, including a residential use with more than three residential units considered commercial pursuant to Section A(1)(b)(i), the project shall satisfy the Inclusionary Zoning requirements set forth in Chapter 26, Article XII of the City Code and the corresponding provisions of the Comprehensive Zoning Ordinance, or, if applicable, the requirements for Small Multi-Family Affordable Dwellings set forth in Section 20.3.SSS of the Comprehensive Zoning Ordinance, including the set-aside requirements for affordable housing units, or

ii. In the case of a non-residential use, the project includes an additional renovation investment, excluding any renovation investments described in the original application, of at least 25 percent of the post-improvement assessment value of the structure reflected in the initial application. The additional renovation investment shall include only scopes of work separate from the those planned or executed during the initial construction phase and may not include repairs or corrective repairs to work executed during the initial construction phase.

2. **Renewal Application.** Each application for a restoration tax abatement renewal shall be submitted to the OED on forms prepared by that office, together with any documents,

forms, analyses, appraisals and affidavits the OED may reasonably require to assess eligibility and to evaluate the approval criteria.

3. **Approval Procedure.** The procedure for determining and appealing initial eligibility, and for approving the initial application, shall apply to a renewal application, except that the approval criteria to be applied shall be as set forth in the subsequent section.
4. **Renewal Approval Criteria.** The following criteria shall be used by the OED, the advisory review panel, and the Council in evaluating whether to recommend or approve an application to renew a restoration tax abatement:
 - a. Whether the applicant has complied with the terms of the abatement contract during the initial term;
 - b. Whether the renewal will provide additional economic and social benefits to the City, not considered as part of the initial application, that justify the extension of the abatement period;
 - c. Whether special or unusual circumstances exist that justify the extension of the abatement period.
5. **Renewals Disfavored.** It is the policy of the Council that renewals should be rarely granted, except in cases where the developer has demonstrated a commitment to providing affordable housing or provides an economic or other benefit clearly sufficient to offset the additional abatement. The presumption against renewal should be considered when evaluating any renewal application.

E. Transfer

If property subject to a restoration tax abatement is sold or transferred, the exemption may be transferred for the remainder of its term to the new owner, provided such transfer is approved by the Council. Any transfer shall require the transferee to assume all of the transferor's duties, obligations, and liabilities relative to the restoration tax abatement. A transferred restoration tax abatement shall

not be eligible for renewal. Each application for a restoration tax abatement transfer shall be submitted to the OED on forms prepared by that office, together with any documents, forms, analyses, appraisals and affidavits the OED may reasonably require. A restoration tax abatement for property subject to a condominium declaration may not be transferred.

F. Compliance and Enforcement.

1. **Annual Reporting.** Each restoration tax abatement shall be subject to annual reporting requirements to enable the OED and other appropriate city agencies to assess whether the award recipient is in compliance with the requirements of the RTA contract. Reporting shall be made on forms prepared by the OED and shall be due, along with any other documentation reasonably requested by the OED to assess compliance, no later than November 1 following the completion of each contract year.

2. **Enforcement.** The provisions and requirements of this Resolution shall be deemed incorporated into any approved restoration tax abatement and shall remain in effect during the entirety of the abatement period. Any violations of the terms set forth herein or material misrepresentation in any application document or report shall be grounds for the City or any other appropriate person or agency to pursue any and all available legal remedies, including without limitation the termination the RTA contract, the institution of state enforcement proceedings, and the filing of suit seeking specific performance of the contract, injunctive relief, and/or damages, including rescission of the abatement and disgorgement of any tax monies that would otherwise have been payable during the period of abatement.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That all this Resolution shall supersede and replace all previous resolutions related to the Restoration Tax Abatement Program, including without limitation City Council Resolution No. R-20-10, and shall govern the approval of any and all restoration tax abatements, renewals, and transfers applied for after the date of adoption. Any applicant who has submitted an application for a new project

and paid all advance notification fees on or after the effective date of this resolution shall be evaluated under the guidelines in effect prior to the adoption of this Resolution.