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## **For Immediate Release**

### **HANO Board of Commissioners Takes Action to Transition Ownership and Managerial Duties of the Estates to HANO**

**(New Orleans, Louisiana)** On September 4, 2024, the Board of Commissioners of the Housing Authority of New Orleans (HANO) passed Resolution No, 2024-\_\_\_ to transition ownership of the four properties known as “The Estates” from private ownership to HANO control. HANO takes this action as The Micheals Organization (Michaels), which owns The Estates, announced that it will withdraw from the properties. The Estates were developed under a U.S. Department of Housing and Urban Development (HUD) program that allows private companies to own public housing. HANO intends to gain control of The Estates by January 1, 2025.

“I want to assure all tenants of the Estates that day-to-day operations will continue as normal,” said HANO Executive Director Evette Hester. “A management team will be in place by January 1 and community support services will not be affected.”

This is the first step in a process that requires approvals from HUD, the Industrial Development Board of the City of New Orleans, Inc. (IDB), the Louisiana Housing Corporation, bondholders, and private lenders. While HANO works through the approval processes, Michaels has agreed to allow increased HANO oversight for the remainder of the year to plan for a seamless management transition. Once HANO owns The Estates, it will explore the most advantageous means to recapitalize and refresh The Estates to preserve it for current and future residents. HANO will be consulting with residents of The Estates and will keep the public informed as the situation develops.

Since May, HANO has been working with HUD, IDB, Michaels, and lenders to facilitate a smooth handover that will not displace any tenants. HANO is requesting approvals from HUD that will allow all the residents of the public housing units to remain and pay only 30% of their incomes toward rent. Their subsidy would change from public housing subsidy to project-based voucher (PBV) assistance. This is not a privatization plan or a plan to remove affordable housing units from the City. Entities wholly controlled by HANO will own The Estates and a long-term affordable housing covenant will be recorded in the land records. The PBV assistance will provide a more stable funding platform for The Estates to allow for improved services to residents. HANO’s plan is consistent with later suggestions made by the Citywide Resident Advisory Board in its August 23, 2024 letter to the HANO Executive Director and President.

From the minute HANO learned that Michaels intended to leave The Estates, HANO has been laser-focused on solutions that would keep all residents in place and preserve an important affordable housing resource. HANO and Michaels will be addressing specific resident concerns separately and directly to the residents.

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### **About The Housing Authority of New Orleans**

The Housing Authority of New Orleans (HANO) is focused on providing affordable housing opportunities for low-income residents of the city of New Orleans while laying the foundation for economic sustainability. HANO serves approximately 22,000 low-income families through a combination of their Housing Choice Voucher Program and public housing units. HANO also serves public housing needs for the elderly, disabled, and veterans. Visit [hano.org](http://hano.org) to learn more.