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Media Contacts:

Karen Mackey

kmackey@hano.org

504.670.3454

HUD Initiates Review of Guste High Rise; HANO Commits to Protecting Residents and Protecting the Community's Voice

New Orleans – The U.S. Department of Housing and Urban Development (HUD) has directed a review of Guste High Rise under Section 33 of the U.S. Housing Act. This action is being mandated by HUD pursuant to federal law and initiates a multi-year process. It is not a decision by the Housing Authority of New Orleans (HANO), and no immediate changes to residents' housing will occur. HUD is in the midst of a nationwide review of public housing developments with more than 250 units, which have exhibited high operating costs and high vacancy rates. The review will determine if conversion to tenant-based assistance where vouchers are provided to residents is more effective, or if the buildings can be modernized to bring higher quality of life, lower vacancy rates, and more efficiency.

"New Orleans cannot afford to lose affordable housing units in the middle of an affordable housing crisis, and we will do everything possible to advocate for the residents of Guste High Rise," said Marjorianna Willman, Executive Director of HANO. "HANO did not initiate this federal review, but we will be at the table with HUD and the Guste Homes Resident Management Corporation to be the residents' strongest advocate."

Guste High Rise has deep roots in the community and has been home to generations of New Orleanians. The property is managed by the Guste Homes Resident Management Corporation (GHRMC). HANO recognizes the cultural and historical significance of Guste High Rise and the community it supports and will urge HUD to exempt Guste High Rise from the mandatory conversion process.

The Section 33 Mandatory Conversion requires the submission of a conversion plan to HUD's Special Applications Center (SAC) that outlines all the application requirements, including resident and community consultation, an environmental review, HANO board approval, and much more. HANO must state how it intends to better serve the residents of Guste High Rise during a five-year period. HANO must prove to HUD the costs and benefits of rehabilitating the building as well as providing vouchers to tenants. Upon approval of the plan, tenant-based vouchers would be made available to each household. Tenants may use those vouchers to remain at Guste High Rise or seek other housing.

Under HUD's federally mandated criteria, large public housing developments are evaluated based on sustained vacancy levels and operating costs. Guste High Rise has experienced vacancy rates exceeding HUD's thresholds for the past three years, with the current vacancy rate at approximately 22% and

increasing each year over the past three years. In addition, the annual cost to operate and maintain the building is approximately \$9.1 million, compared to an estimated \$4.4 million to provide tenant-based rental assistance to residents. These metrics are part of HUD's nationwide framework that triggered the required review and do not reflect a policy determination by HANO about the importance of the building.

HANO submitted the required assessment to HUD on January 22, 2026, ahead of the January 28, 2026, deadline. Included in the response was a request to have a meeting with HUD's Property Solutions Panel for further guidance on the conversion process and available options.

HANO met with the HUD Panel on February 9, 2026. During the discussion, HANO laid out three factors that should exempt Guste High Rise from the conversion process.

1. Guste High Rise houses elderly and disabled populations, not general occupancy residents. The conversion process specifically targets general occupancy public housing units. An error was made in 2017 by the previous HANO administration that failed to extend the correct population designation.
2. HANO recognizes the need for repositioning the building and indicated such in the last Annual Action Plan, which was approved by HUD. HANO recently commissioned a Physical Needs Assessment (PNA) to better understand the condition of the building. Moving through the conversion process limits the various repositioning tools currently available to HANO and unnecessarily restricts the agency.
3. Most importantly, the City of New Orleans is experiencing a severe affordable housing shortage. Tenant-based vouchers alone are not helpful to the tenants without suitable, affordable housing options.

"The HUD Property Solutions meeting was productive. HUD was appreciative of HANO's responsiveness and seemed receptive to HANO's concerns," said Marjorianna Willman. "The next step is for HANO to submit a formal request for reconsideration that captures the unique circumstances involving Guste High Rise."

HANO is committed to ensuring that residents are fully informed and meaningfully engaged at every stage. HANO is being proactive and will assemble a community-based team consisting of Guste High Rise residents, the GHRMC, community leaders, and housing advocates to provide input that will help shape any future plans for the Guste High Rise site. HANO is approaching this moment with transparency, respect for the legacy of Guste High Rise, and a resident-first focus. Additional public updates and opportunities for resident and community engagement will be announced.

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About 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 over 22,000 low-income families through its affordable housing programs. HANO also serves public housing needs for the elderly, disabled, and veterans.

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