

The New Orleans Index at Five

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Reviewing Key Reforms After Hurricane Katrina

COMMUNITY ACTION: BRINGING PEOPLE HOME TO STRONGER NEIGHBORHOODS

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Introduction

There is no doubt that the loss of home, and all that went with it—the dispersion of families, neighbors, social networks; the loss of family records and cultural histories to the flood waters; and the loss of loved ones—was the most centrally wrenching and traumatizing part of Katrina and the floods of 2005. Over 200,000 households faced major or severe damage to their homes.¹ In New Orleans alone, 134,000 housing units — 70 percent of all occupied units—suffered damage from Hurricane Katrina and the subsequent flooding.²

In the five years following that loss, residents, friends, families, neighborhoods, organizations, volunteers, students, university faculties, governments, philanthropies, developers, legal aid, and all manner of faith institutions rose up to help recreate what was lost in the city loved by so many. This multitude of actors worked to address the catastrophic loss by rebuilding homes, neighborhoods and communities, and with that, delivering hundreds of thousands of acts of healing. And in the process, new civic partnerships have emerged; culture bearers have come home; and residents have become urban planners, organizers, and community developers. The best of the recovery has built on cultural strengths, historic and creative architectural craft, an energy conservation ethic, safer and more sustainable homes and communities.

Promise in the Face of Huge Challenges

The most promising development over the last five years of efforts to rebuild neighborhoods that provide opportunities for all residents is the emergence of what may be the greatest concentration of community and neighborhood developers in the nation—both homegrown and transplants.³ This new capacity and community infrastructure promises to continue the unfinished business of the recovery in partnership with those still working to recover their lives and homes. While the handful of organizations focused on community development before the storm grew and strengthened, dozens of new organizations and networks of organizations rose up post-Katrina to focus on particular neighborhoods and on more vulnerable populations. These organizations have taken on each wave of redevelopment in the neighborhoods they serve, and have increasingly focused on the heavily flooded, mostly African American communities that have been the slowest to recovery. They have helped

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homeowners navigate the often frustrating Road Home recovery bureaucracy, applied millions of hours of volunteer sweat equity to each unique owner's need. They have pressed the owners of blighted properties to take action, and negotiated with the redevelopment authorities for properties and uses of land under their control to enact new neighborhood visions. They have built new rental homes for seniors, for people rendered homeless by the floods, and for those displaced from public housing.

These organizations grew up out of deep love of the city, their neighbors, their quest for cultural continuity, and their desperate need to reweave the social fabric decimated by the scattering of their people. The population of New Orleans fell from 455,188 before Katrina (July 2005) to 208,548 afterward (July 2006)—a loss of over half of the city's population. Four years later, the population was back up to 354,850. Eighty percent of the pre-Katrina number of households has returned (including newcomers),⁴ and 78 percent of the population.⁵ But African American communities have had the hardest time returning, with their city share of population falling from 66.7 percent in 2000 to 60.7 in 2008,⁶ constituting approximately 88,000 unreturned residents. These organizations continue to focus on changing that reality.

They have been innovators at every turn, facing intractable challenges and finding a way forward. They have pushed for and won on multiple fronts: rebuilding sustainable, green, affordable homes; forging relevant systems of counseling and case management; pressing for rental subsidies, additional grants and matching resources when residents housing needs continued unmet. They have partnered with (or grown from) philanthropy to show the public sector the way, and they have pushed government to be more effective, accountable and transparent. And they have continued to focus on the disparate impact faced by African American communities and their right to return. They have looked beyond housing recovery to push for the opening of schools, health clinics, grocery stores, transportation services, and parks in their communities. And they have played leadership roles in planning for their communities and rebuilding for long-term resilience.⁷

History of the Challenge

Key trends

New Orleans is a city of unique neighborhoods with long histories, deep loyalties, and family lineages over generations. Prior to Katrina, like many older cities in America, segregation had been growing in the decades prior to the floods, fueled in part by a city losing population and white residents moving out to surrounding suburban parishes. So, while the percentage of people in poverty stayed relatively constant between 1970 and 2000 at 26 to 28 percent of the population, by 2000, the number of census tracts identified as "extreme poverty" grew from 28 to 40—a two-thirds increase.⁸

The entities charged with addressing poverty were failing—at city, state and federal levels. The Housing Authority of New Orleans (HANO), a central agency responsible for providing housing and community development services to low-income people, had been characterized as a poorly functioning organization since 1977.⁹ Its main strategy for addressing concentrated poverty pre-Katrina primarily was the decommissioning and redevelopment of its troubled public housing complexes. The strategy largely consisted of moving the majority of families into other communities of high poverty with the use of Housing Choice Vouchers—making the former public housing place *less* poor, but not providing greater opportunity for the people who moved. In 1996, the federal government

took HANO into receivership.¹⁰ During these decades of management decline, HANO helped reinforce the perception of public housing as a poorly run government program. Under a revolving door of receivers, HANO continued post-Katrina to mismanage its own affairs even as it was handed the huge tasks of rehousing its residents, repairing and redeveloping its hurricane- and flood-damaged properties, and serving a vastly expanded population reliant on housing subsidies.¹¹ Under these conditions, officials from federal to state to local supported the lock out of residents and demolition of almost 3,000 occupied public housing units¹²—a large share undamaged—despite residents calling for a phased redevelopment in the face of catastrophic housing losses in the city.

Meanwhile, the city of New Orleans faced its own challenges of underperformance matched by an overall weak housing finance and development system. Federal resources meant to address poverty sometimes lined the pockets of ineffective developers, were left unspent, or were sometimes allocated to good partners that addressed real housing needs, but not in ways that leveraged other resources.¹³ The community development sector was uneven in New Orleans pre-Katrina. There were a few strong organizations, but others were shells for graft. While there were good first time homebuyers programs, they were not complimented by a robust system of community development finance. There was little dynamism in leveraging the public funds with the private sector. Public policies deployed in other parts of urban America to invest in declining neighborhoods and foster inclusion—housing trust funds, inclusionary zoning, and housing needs assessments—were not utilized in the New Orleans area to spread housing opportunity. The system of code enforcement was completely broken, meaning tenants lived in substandard properties with no recourse, and neighbors had to tolerate eyesores and real dangers associated due to the lack of maintenance and abandonment. Moratoriums on multifamily housing development were spreading across the region, partly in reaction to the actions and perceptions of the housing authority, and partly due to long practices of racial exclusion. The Department of Justice was called in to investigate violations of fair housing law.

Similar challenges faced the state. In 2004, Governor Kathleen Babineaux Blanco had formed a “Solutions to Poverty” network to try to tackle the roots of persistent poverty across the state.¹⁴ In every region of the state, community leaders identified quality affordable housing as a critical need. Yet in 2004, the state had comparatively little experience, infrastructure or resources with which to foster a robust program for affordable housing development. No meaningful funding was allocated to the state’s housing trust fund. There was no statewide housing advocacy network, unlike at least 40 other states.¹⁵ There were no statewide policy mechanisms for directing affordable homes into all the state’s parishes.

Just as state leaders prepared to address the challenge, hurricanes Katrina and Rita and the breached levees destroyed more than 200,000 homes. In the weeks after the storm, the Louisiana Recovery Authority was formed to ultimately steer \$13 billion in housing recovery funding. A legislature historically indifferent to housing policy would vote to approve proposed plans. And the Louisiana Housing Finance Agency, which had been allocating \$8 million a year in Low Income Housing Tax Credits, found itself responsible for directing a congressional allocation of \$170 million in tax credits.¹⁶ Overall, this represented \$1.7 billion in equity over ten years to repair and replace damaged multifamily rental housing across southern Louisiana.¹⁷

This set of dynamics set the stage for the transformations community developers and neighborhood leaders would set in motion in the post-Katrina years. While their progress

is long and deep, their continued work for the next decade will be critical to the long term prosperity of New Orleans. These actors will be key to restoring the homes disaster-impacted residents need to fully participate in the community; and they will be key to ensuring that such housing is linked to other neighborhood and regional opportunities. The challenges of recovery from a catastrophic disaster are only magnified when compounded by poverty.

Major Developments since Hurricane Katrina

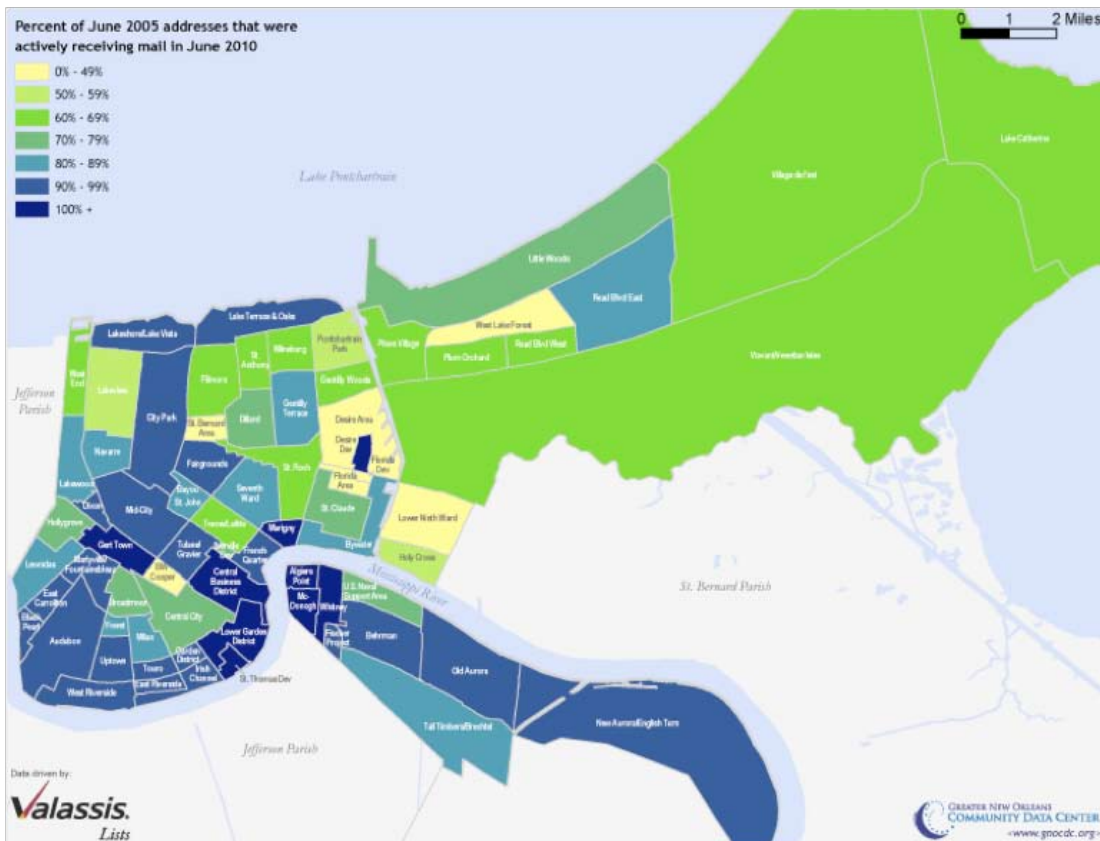
From the beginning of recovery discussions, residents wanted to build their communities back better—stronger, safer, and more equitably. Neighborhood leaders were called to action when Mayor Ray Nagin’s Bring New Orleans Back Commission announced in November of 2005 that heavily flooded neighborhoods would have to prove their viability through enough returned residents in the next four months to “warrant” city investment. These leaders rose up from the swirling political chaos and began driving what their communities needed:

- Neighborhood recovery that included their homes, infrastructure, services and amenities
- Help for people to be able to come home to greater opportunity, and
- Stronger, sustainable, energy efficient homes.

With those goals in mind, community leaders and their partners have advanced a series of promising developments.

Figure 1. Repopulation of Neighborhoods¹⁸
as of June 2010

Community development organizations are focused on the yellow, green, and lightest blue tracts of the map, largely African American communities that have been the slowest to recover.



Rise of Strong Community-Based Groups Reviving Key Neighborhoods

The intentional and spirited approach of diverse communities and their indigenous leadership have birthed many a renewal from the ruins. Patricia Jones, executive director of the 9th Ward Neighborhood Empowerment Network Association (NENA), has built a formidable organization to take on her community's Herculean challenge. "At this point," she said, "we have to own what we are dealing with."¹⁹ For them, it means counseling families one by one; coordinating action; challenging the state and its agencies to move resources; working with the New Orleans Redevelopment Authority to transfer land for redevelopment so that they can bring back whole blocks; and making sure that residents are clustered, and that there is infrastructure to support a neighborhood.

They are developing a community land trust to leverage subsidy and ensure the affordability and sustainability of the land, homes and businesses they rebuild.²⁰

On community infrastructure, only one of six schools to be financed through FEMA funds has been rebuilt, and the community is desperate for a high school. Bus service is still at a fraction of pre-Katrina levels. They are fostering small community businesses so that money will remain in the community. And they are focused on getting their own African American contractors on projects—confronting ongoing frustration that statutory goals for local contracting and hiring are not being met.

NENA's focus on "clustering"—bringing back an entire block at a time and anchoring commercial amenities and infrastructure—is a strategic effort that community developers have adopted across the more damaged and blighted portions of the city. Groups are employing a range of strategies from property swaps, to building new homes on property owners' lots with sweat equity, to counseling distressed owners to draw down every available resource in a range of confusing options, to creating lease-to-own strategies for renters with federal Section 8 housing choice rental vouchers, to using federal Neighborhood Stabilization Program funds to rehab properties sold to the state by homeowners who opted not to return to create opportunities for first time homebuyers. The level of creativity, financial knitting and leverage, navigation of bureaucracy, patience and humor required was no small act of fortitude, especially when the majority of homeowners in her neighborhood had financing gaps that averaged \$75,355.²¹

Further up in the Upper 9th Ward, Branford Marsalis, Harry Connick Jr, and New Orleans Habitat for Humanity channeled over 18,000 volunteers to build 72 affordable ownership homes and 10 senior apartments in "Musicians Village" on eight acres across several blocks.²² The homes ring the blocks, with performance grounds and open space as their collective backyards. Construction recently began on the Ellis Marsalis Center for Music, dedicated to the development of the next generation of New Orleans musicians. "With this Center we celebrate this most vital part of our culture," said Branford Marsalis.²³

Community developers are focused on bringing back entire blocks at a time to stabilize neighborhoods. Musicians Village features 82 homes and a performing arts center.

Figure 2: Musicians Village²⁴
and the Ellis Marsalis Center for Music



Project Home Again, a nonprofit developed by the Leonard and Louise Riggio Foundation took on the recovery of a neighborhood in Gentilly, an older working- and middle-class African American community that was badly flooded. Project Home Again worked through a land swap model, allowing any low- or moderate-income family with property in the area to swap for a lot in their construction zone, where they in turn got a new, modest, two- or three-bedroom, elevated, energy efficient Craftsman home. Forty homes now make up a beautiful, colorful neighborhood that has gone further than most in providing safety, sustainability, and the preservation of historic community social connections.

Organizations like these have played the most significant role in helping homeowners who did not get enough rebuilding resources (or were victims of contractor fraud) to return.²⁵ A property-based survey of the most damaged neighborhoods by Beacon of Hope found that 32 percent of the recipients that had received Road Home funds were still not back in their homes²⁶—constituting as many as 10,000 homes,²⁷ and making organizations like Project Home Again and NENA critical to both family and neighborhood recovery.

Strong Neighborhood Networks

Kysha Robinson, Una Anderson, Fred Johnson, Carol Bebelle, and Don Boutte are only a few of the hundreds of citizen leaders that have focused on the recovery and opportunity structures of Central City—a historic neighborhood that met the definition of extreme poverty prior to Katrina. The Central City Renaissance Alliance, the New Orleans Neighborhood Development Collaborative, Neighborhood Development Foundation, Ashe Cultural Center and Churches Supporting Churches have all worked individually and collectively with dozens of partner organizations since Katrina to take on each recovery challenge in turn, and are an example of how progressive, successive community development can begin to transform entire neighborhoods. They created a Community Benefits Coalition to negotiate with developers. They advocated for opening schools in Central City and won both a new early childhood center and a KIPP charter school associated with the redevelopment of the recently opened Harmony Oaks

(formerly CJ Peete public housing). They rallied political support for locating the Louisiana Civil Rights Museum in Central City. They supported the expansion of Ashe Cultural Arts Center, a community hub, and Cafe Reconcile, a workforce development social enterprise that serve their own residents as well as the residents from across the city. They established co-located offices of Central City Renaissance Alliance, the Louisiana Association of Nonprofit Organizations, Good Work Network, and Idea Village on historic O. C. Haley Boulevard—all mission driven organizations to foster the redevelopment of the area. These enterprises are adjacent to where the new offices of the New Orleans Redevelopment Authority will soon be breaking ground, and the beautiful Muses mixed income rental housing development will soon be opened for tenants.²⁸ Local and national foundations all invested in their growing success. And now community developers Jericho Road and the New Orleans Neighborhood Development Collaborative are tackling both pre- and post-Katrina blight in the neighborhoods and working aggressively with neighbors, strategically buying problem properties to “tip” blocks one at a time for first time homebuyers and rental assistance voucher holders.²⁹

These networked consortiums of nonprofit partners, working together for recovery, are replicated across New Orleans neighborhoods. New City Partners, a network of over 50 organizations, is putting in place the transit, schools, housing, greenways, and small business corridors to revive the Lafitte, Tremé, and Gravier neighborhoods and support the in-progress redevelopment of the Lafitte public housing complex.³⁰ Members of the group have worked to win federal grants for streetcar extensions, and push for the dismantling of the interstate highway that decimated the historic commercial district of Tremé, one of the important early free black communities in the United States.

Greater Attention to Economically Integrated Housing and Neighborhoods

More economic integration of housing has been pursued in almost all new rental housing development. The Louisiana Housing Finance Agency radically changed its development policies and priorities and fostered income mixing, the integration of permanent supportive housing for people with disabilities in every development, and energy efficiency standards in many of the more than 4,289 new and rehabbed apartments that have come on line.³¹ Several of these developments have been nominated for national quality awards.³² The completion of 1,490 small rental properties that have used Disaster Community Development Block Grant funds to repair 2,157 affordable rental homes also provide affordability across diverse damaged neighborhoods.³³ And while not adequately replacing thousands of public housing units or reducing the despair of residents locked out of their homes post-Katrina, the redeveloped public housing will provide diverse housing tenures and affordability levels, from senior housing to public housing to affordable home ownership.

While all of these are promising advancements, they do not equal the scale of the housing lost or provide enough affordable homes to those who lost a home they could afford pre-Katrina. Rents are still about 40 percent higher than pre-Katrina, and residents, neighborhood leaders, housing advocates, HUD, HANO, and the Louisiana Recovery Authority have had to continually readjust and work out new avenues to try and meet the needs of those still not safely housed.

Expanding the Affordable Housing Tools to Serve Vulnerable Populations

When the Louisiana Recovery Authority set out its Road Home plan for renters in 2006,

it set goals for the Louisiana Housing Finance Agency to create as many as 33,000 affordable rental housing units with as many as 9,000 deeply affordable units for households earning less than 40 percent of the area median income. Seventy percent of this goal was targeted at restoring lost rental housing in Orleans Parish.³⁴ To date, just under 4,300 units have come on line in New Orleans under these programs due to many unanticipated constraints.³⁵ These included higher costs of construction, the national economic downturn that collapsed the value of the tax credits, and persistent resistance to affordable developments by myriad state and local actors that touch some part of the deal.³⁶

While the need for more affordable rental homes persist, Louisiana housing advocates have been effective in ensuring that many seriously disabled residents who lost their homes during the flood find permanent housing. The development of the Louisiana Permanent Supportive Housing Program (PSH) shows great promise as a national model for the delivery of affordable housing with support services to severely disabled households. When fully implemented, it will provide about 3,000 deeply affordable homes to disabled households who earn less than half of the New Orleans area median income.³⁷

In a bold move engendered by disability advocates and faith-based leaders, the Louisiana Housing Finance Agency (LHFA) made an unprecedented requirement that all developers seeking CDBG Piggyback funds paired with Gulf Opportunity Zone Low Income Housing Tax Credits would set aside at least 5 percent of their units as PSH.³⁸ The Louisiana Recovery Authority set aside \$72.9 million of Road Home Community Development Block Grant (CDBG) funds to provide for supportive services to these households for up to five years. But the projects still needed PSH vouchers to provide deeper subsidy for the most vulnerable populations, such as those on Supplemental Security Income (SSI) with incomes at about 20 percent of median income. Unity of Greater New Orleans led a three year advocacy effort in partnership with a wide array of government and nonprofit partners to win a 2008 Congressional appropriation to provide permanent housing vouchers for this program.³⁹

While still in its infancy, the PSH program shows great promise in impacting the lives of those fortunate enough to be admitted to it.⁴⁰ The 535 disabled residents living in the new tax credit developments in New Orleans are extremely pleased by the high quality of housing in the new developments. Martha Kegel, Director of Unity of Greater New Orleans said, "This initiative created something incredibly positive in the aftermath of one of our nation's greatest tragedies, providing a way for some of the most vulnerable residents of our region to get the housing and supports they needed."⁴¹

The Federal Role

While the replacement of permanent housing has been far slower than anticipated, both Congress and the Obama administration have stepped up to allocate more rental assistance to many households. After a disaster, FEMA typically provides short term rental assistance under its Individual Assistance Program. That program is not income based or means tested. But due to the catastrophic nature of losses from hurricanes Katrina and Rita and the floods, FEMA was still providing rental assistance or other temporary housing assistance to about 45,000 families in early 2007. On April 26, 2007, FEMA announced that it would extend rental payments for an additional 18 months which would end February 28, 2009, with HUD taking over administration of housing assistance.

FEMA data estimated that 79 percent of the families were renters and about 19 percent homeowners before the disaster. Their median annual income was about \$14,000. With incomes that low, the idea that most families could transition to self-sufficiency by the end of the Disaster Housing Assistance Program (DHAP) was unrealistic. While thousands of participants were able to transition to other permanent housing options by the end of the program, thousands of others faced possible homelessness without permanent housing voucher assistance.

On September 30, 2008, Congress appropriated \$85 million to provide permanent housing choice vouchers for eligible families who still needed housing assistance beyond the end of DHAP Katrina. Congress later appropriated another \$80 million to provide additional permanent housing assistance to those still in trailers as of June 24, 2009 and to other disaster impacted populations.⁴²

HUD Secretary Shaun Donovan and Secretary Janet Napolitano of the Department of Homeland Security twice extended the program to ensure the 4,400 eligible families could be transitioned.

This assessment of need and alignment of resources has been more consistent under the Obama administration.⁴³ In addition to PSH vouchers and vouchers under the DHAP conversion, HUD notified HANO earlier this year that its voucher program would be funded at about \$162 million which should support almost 17,000 vouchers, about 4,000 more than its current 13,000 utilized vouchers.⁴⁴ HUD's commitment of additional voucher resources to New Orleans provides creative matching of resources. Market rate housing vacancies in New Orleans were near 13 percent as of September 2009; these additional vouchers can help house those on waiting lists while stabilizing property owners who have invested in bringing back their properties.⁴⁵

Reform of the Troubled Housing Authority

Another bright spot of the last year was HUD's decision in October of 2009 to remove HUD staff as HANO's administrative receiver and to contract with the private management company of Gilmore Kean to manage the day to day operations of the agency.⁴⁶ Known for turning around the notorious Washington D.C. Housing Authority, firm principal David Gilmore completed a 90-day assessment that was extremely candid about the dysfunction of the agency. Yet HUD has concluded that HANO is fixable likely within a three-year period with a plan to return it to local control.⁴⁷ Under Gilmore Kean's leadership, a 12-member local advisory board of civil rights, legal aid, community development, health, and tenant council leaders was appointed. Further, HANO obligated all of its \$34.6 million in American Recovery and Reinvestment Act (ARRA) funding in a timely fashion and has begun to restore some confidence among some resident leaders.⁴⁸ HANO has taken proactive and creative steps to get its vouchers leased up, while being responsive to housing needs of the homeless, disabled, and domestic violence victims. It is working with multiple nonprofit agencies to ensure that vulnerable populations have access to housing vouchers. It plans to "project base" as many of its new vouchers as possible which could put vacant units back into commerce with long term housing affordability.⁴⁹ Cynthia Wiggins, tenant council president at Guste Community Housing sees all of these as good signs. "Hopefully the Housing Authority can get on the same page with the new mayor to change mindsets and make the neighborhoods right," she said.⁵⁰

The Private, Philanthropic, and Local Role

The place-based approach of neighborhood recovery, and the people-based approach of providing housing supports to vulnerable residents, continues to transform the recovery. The community developers of the new Harmony Oaks development apply a deep case management approach to helping residents access training or services that will allow them to economically strengthen their households. Urban Strategies, the national nonprofit that provides these services to public housing redevelopment communities, is now going to move its services to the Central City neighborhood beyond Harmony Oaks where residents have similar needs.

Philanthropy has played an invaluable role in investing in these initiatives, these leaders, and the physical development and human capital that is making transformation possible. The Louisiana Disaster Recovery Foundation, the Greater New Orleans Foundation, the Patrick F. Taylor Foundation, the Ford, Surdna, Rockefeller, Marguerite Casey and Annie E. Casey foundations, Oxfam America, and many others have invested individually, and collective philanthropic support through the Community Revitalization Fund at the Greater New Orleans Foundation. This fund fosters this local leadership that is bringing the best parts of the city back to itself. This growing collective action has powered the development of physical and human infrastructure that will stand as critical capacity for years to come, and can only bode well for delivering on the aspirations of the returning and recovering residents in the city.

Additionally, Mayor Mitch Landrieu recently convened many of the leaders in this story to serve as his housing transition team. Perhaps the City, too, can remake its housing and community development leadership.

Cautions and Implications for Future Policies and Actions

Despite this progress, serious cautions remain for many residents and many neighborhoods.

When the Louisiana Recovery Authority set out its Road Home plan for renters in 2006, it set goals to address a portion of the 82,000 rental homes damaged or destroyed with 31,000 to 36,000 below-market rate rental housing units between the multifamily and small rental repair programs. In its action plan to HUD, the LRA noted that 55 percent of damaged homes in New Orleans were rental units, with 20 percent of those lost rental units (16,000) affordable to extremely low income households.⁵¹

In September 2009, HANO opened its voucher waiting list for about two weeks. This was the first time the list had been opened to the general public since July 2001. HANO received 28,960 pre-applications.⁵² The agency estimates that it only has about 4,000 vouchers to issue. Based on those that reported and removing those that did not report income, 83.5 percent, or 20,336 households, had incomes at or below 30 percent of area median income. These families are simply priced out of the private rental market. They also cannot afford rents in shallow subsidy programs such as the Low Income Housing Tax Credit (LIHTC) program or the Road Home Small Rental Repair Program (SRRP) that are currently redeveloping rental homes as shown by the representative examples below:

Chart 1: Many Renters Need Deeper Subsidy Post-Katrina⁵³

Resident needing affordable home	2010 Current HUD Fair Market Rent (FMR)	2010 Low Income Housing Tax Credit Rent (LIHTC) with Owner Paying Utilities	2010 Small Rental Property Program Rent (SRRP) with Owner Paying Utilities	Affordability Gap
Eloise M. 71 year-old senior Monthly income: \$1034 Affordable rent: \$310	1 Bedroom \$840	1 Bedroom \$689	1 Bedroom \$ 616	FMR \$530 LIHTC \$379 SRRP \$306
Florence S. 2 kids/disabled family Monthly income: \$674 Affordable rent: \$202	2 Bedroom \$982	2 Bedroom \$826	2 Bedroom \$742	FMR \$780 LIHTC \$624 SRRP \$540
Maria C. 5 Kids/fulltime worker (\$7 hr/40 hrs week) Monthly income: \$1213 Affordable rent: \$364	3 Bedroom \$1261	3 Bedroom \$933	3 Bedroom \$743	FMR \$897 LIHTC \$590 SRRP \$490

When Mayor Landrieu gave his State of the City address in June, he emphasized housing: “... key to the health of our city is affordable housing In addition, blight is a major issue for all of us ...with over 55,000 blighted properties in the city. Over a quarter of residential addresses—27 percent—are still unoccupied, becoming breeding grounds for crime and plummeting property values.”

With over 10,000 homeowners who chose to rebuild their homes but have not been able to complete the job; and with over 28,000 households on waiting lists for affordable rental homes, the city will continue to need the creative community developers that are bringing back the Tremé, the 9th Ward, Gentilly, Mid-City, Broadmoor, New Orleans East, Central City, and more. These community leaders can be key strategists in how to best combine resources to address both the blight and housing challenges hand in hand.

Important next steps to be taken by key leaders to ensure that ultimate goals can be achieved:

- **Do not rescind or reallocate any unspent hurricane recovery funds.** Congress, HUD, and state legislators should keep these resources focused on unmet housing needs, neighborhood rehabilitation, blight reduction and community opportunity infrastructure. Apply these funds to remediate the disparate impact on African American neighborhoods and residents.
- **Grant time to lease 4,000 new rental homes.** HUD should give HANO additional time to get approximately 4,000 vouchers under lease without a strict application of the “use it or lose it” rules (voucher funding currently set to expire in September if not leased up; with over 28,000 on its waiting list for housing help, the agency needs time to work with new landlords and help people locate in communities of opportunity).
- **Open up more opportunity across the region.** HANO should affirmatively further fair housing by helping its families get to communities of opportunity—sample efforts include: (a) mapping current location of residents to evaluate current opportunity

access, (b) providing mobility counseling, (c) conducting outreach to property owners in high opportunity neighborhoods, (d) creating a regional voucher program, and (e) possibly changing fair market rents in different neighborhoods. Also, the city should codify zoning for multi-family housing in high-opportunity neighborhoods in upcoming Comprehensive Zoning Ordinance.

- **Encourage and promote work and greater self-sufficiency for public housing and voucher participants**, but do not implement work requirements that prohibit former residents from being able to return home to new developments.
- **Strengthen housing investments with new transit alignments, fresh food access, and new schools to build healthy places for residents to return.**

Sustain and build on progress to date

Build on the winners—continue to invest in local leadership, cross sector partnerships, and the comprehensive approach of local nonprofits doing neighborhood recovery.

Address the poverty issues of residents of high poverty neighborhoods—help HUD-assisted families and other neighborhood residents by expanding the kind of case management/life planning/skill-building support that residents of Harmony Oaks and Lafitte public housing are currently receiving, and foster workforce opportunities in the rebuilding of their neighborhood that can put them on new trajectories.

Continue to emphasize both affordability and sustainability. Build on the extensive knowledge base of contractors who can now development energy efficiency standards in residential housing more broadly across the region.

Conclusion

The world knew New Orleans and its incredible people and culture were worth saving. It also knew it wanted the city to recover in an economically stronger way. This city's change makers have taken the mantle upon themselves. If they were able to accomplish this much in the first five years after the worst urban disaster in modern history, they deserve the nation's support to finish the job of building the equitable, prosperous place they can bring home in the next five.

Endnotes

1. Kalima Rose, Annie Clark, and Dominique Duval-Diop, “A Long Way Home: The State of Housing Recovery in Louisiana 2008” (PolicyLink, 2008). Over 150,000 homeowners applied for rebuilding funds from the Road Home Program (LRA data, June 26, 2008), and FEMA estimated that 82,000 rental units received major or severe damage (FEMA estimates released February, 2006).
2. Greater New Orleans Community Data Center, “Hurricane Katrina Impact,” news release, April 15, 2010, available at www.gnocdc.org/Factsforfeatures/HurricaneKatrinaImpact/index.html.
3. The Greater New Orleans Housing Alliance (GNOHA) was formed in the spring of 2007. It is a collaborative of 40 non-profit housing builders and community development corporations and 29 housing advocacy, financial institutions, and government agencies who are working to rebuild the hardest hit neighborhoods of New Orleans. The Neighborhoods Partnership Network (NPN) brings together a citywide network of neighborhoods that was established after the Hurricane Katrina disaster to facilitate neighborhood collaboration, increase access to government and information, and strengthen the voices of individuals and communities across New Orleans. Together, these networks bring development expertise, neighborhood planning, and advocacy strength.
4. Allison Plyer, “Neighborhood Recovery Rates: Resiliency of New Orleanians Shown in Neighborhood Repopulation Numbers,” (Greater New Orleans Community Data Center, 2010), available at www.gnocdc.org/RecoveryByNeighborhood/index.html.
5. Greater New Orleans Community Data Center, “Census Population Estimates 2000-2009 for New Orleans MSA”, available at http://www.gnocdc.org/census_pop_estimates.html (March 23, 2010).
6. Allison Plyer and Elaine Ortiz, “Who Lives in New Orleans and the Metro Area Now? Based on 2008 U.S. Census Bureau Data,” (Greater New Orleans Community Data Center, 2009), available at www.gnocdc.org.
7. See essays of “New Orleans Index at Five: Reviewing Key Reforms after Hurricane Katrina” (Washington: Brookings Institution and Greater New Orleans Community Data Center, 2010), available at www.gnocdc.org/TheNewOrleansIndexAtFive/
8. Alan Berube and Bruce Katz, “Katrina’s Window: Confronting Concentrated Poverty Across America” (Washington: Brookings Institution, 2005). “Extreme poverty neighborhood” is defined as at least 40 percent of the residents having family incomes below the federal poverty level.
9. David Gilmore, *Operational Assessment of the Housing Authority of New Orleans*, report prepared for the U.S. Department of Housing and Urban Development, February 17, 2010.
10. Judy England-Joseph, *Public Housing: HUD’s Takeover of the Housing Authority of New Orleans*, U.S. General Accounting Office (GAO/T-REC-96-212, 1996).
11. David Gilmore, *Operational Assessment of the Housing Authority of New Orleans*.
12. Annie Clark and Kalima Rose, “Bringing Louisiana Renters Home: An Evaluation of the 2006-

2007 Gulf Opportunity Zone Rental Housing Restoration Program” (PolicyLink, 2007).

13. As reported by community housing organizations in a U.S. Department of Housing and Urban Development forum at Greater New Orleans Foundation, April 9, 2010.
14. See “Louisiana Solutions to Poverty: Engaging Ideas, Empowering People, Enhancing Lives,” (Governor’s Summit on Solutions to Poverty Summary Report and The First Annual Solutions to Poverty Initiative Roadmap and Action Plan, 2005), available at www.dss.state.la.us/assets/docs/searchable/OFS/solutionsToPoverty/GovernorsSummitSTOPReport.pdf
15. National Low Income Housing Coalition State Affiliates, “State Partners & State Level Information,” available at www.nlihc.org/partners/map.cfm.
16. This tax credit program was partnered with \$667 million in Disaster Community Development Block Grant funding administered by the Louisiana Office of Community Development to provide mixing of income-affordability levels in the new and repaired developments.
17. Clark and Rose, “Bringing Louisiana Renters Home.”
18. Allison Plyer, “Neighborhood Recovery Rates: Resiliency of New Orleanians Shown in Neighborhood Repopulation Numbers,” (Greater New Orleans Community Data Center, 2010) available at www.gnocdc.org/RecoveryByNeighborhood/index.html. Community development organizations are focused on the yellow, green, and lightest blue tracts of the map, largely African American communities that have been the slowest to recover.
19. Patricia Jones (Executive Director, 9th Ward Neighborhood Empowerment Network Association), Interview by author, March 30, 2010.
20. Ibid.
21. Rose, Clark, and Duval-Diop, “A Long Way Home,” 47. Grant awards calculated on pre-storm value severely underfinanced the cost of rebuilding, as damage estimates averaged double the pre-storm value of Lower 9th Ward homes. Since this analysis, the LRA has provided additional compensation grants to owners who earned less than 80 percent of the area median income and had not received the maximum \$150,000 award, helping some of these 9th Ward households.
22. New Orleans Area Habitat for Humanity, available at www.nolamusiciansvillage.org/about/ (May 25, 2010). Including the 72 homes in Musicians’ Village, New Orleans’ Habitat has helped over 300 households become homeowners since Katrina. See www.habitat-nola.org/
23. New Orleans Habitat Musician’s Village, available at www.nolamusiciansvillage.org/news/detail.asp?id=95.
24. Ibid. The approach taken to this Upper 9th Ward community—to bring back entire blocks together—is being pursued by neighborhood development organizations across the city.
25. A 2008 review of LRA data by PolicyLink found that Orleans parish homeowners receiving Road Home funds had an average gap of \$54,586 between resources received to rebuild and costs of replacement. Rose, Clark, and Duval-Diop, “A Long Way Home,” 47. The state subsequently got approval from HUD to award approximately 20,000 homeowners who earn less

than 80 percent of median income additional compensation grants up which will help some of these affected households finish. “Louisiana Recovery Authority, “Progress Report, February 2010,” 5, available at ira.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&nid=50&pnid=15&pid=69&fmid=0&catid=0&elid=0&ssid=0&printer=1.

26. David Hammer, “Road Home Rebuilding Covenants have had Mixed Results, Review Suggests,” *The Times-Picayune*, April 18, 2010.
27. Louisiana Recovery Authority, “Progress Report, Feb 2010.” As of January 1, 2010, 45,309 Orleans parish homeowners had received grants.
28. NORA will build new offices in Central City of the state Bond Commission approves their bonding application.
29. Una Anderson (Executive Director, New Orleans Neighborhood Development Corporation), phone interview with author, June 18, 2010.
30. See partnerships and asset mapping of community at “NEWCITY Partnerships,” available at www.providencecommunityhousing.org/NEWCITYflyer_03.03.09.pdf.
31. Louisiana Housing Finance Agency, “Housing Pipeline Report, Orleans Parish” (presentation to Housing Task Force, Transition New Orleans, March 19, 2010).
32. Volunteers of America’s “The Terraces on Tulane” senior housing development and “The Crescent Club” master planned, mixed use community of extremely low, very low, low and moderate income homes developed by Domain Cos are both finalists in the 2010 Affordable Housing Finance Readers Choice Awards.
33. “Status of Small Rental Property Program, Louisiana Recovery Authority” (PowerPoint presentation to U.S. Department of Housing and Urban Development, July 8, 2010), 11.
34. Louisiana Housing Finance Agency, “Housing Pipeline Report, Orleans Parish.”
35. Louisiana Office of Community Development, Division of Administration and the Louisiana Recovery Authority, “The Road Home Housing Programs Action Plan Amendment of Disaster Recovery Funds,” available at www.doa.la.gov/cdbg/dr/plans/Amend1-RoadHome-Approved_06_05_11.pdf
36. A recent inventory compiled by the Greater New Orleans Fair Housing Action Center found 11 developments in the Greater New Orleans MSA that had been denied development permits, had land rezoned to prevent their development, or had multifamily building moratoria imposed to prevent their development. Other developments are stuck in the state bond commission, where refusals to hear requests for bonding are sustained. And when the bottom fell out of the national low-income housing tax credit market, Congress agreed to make the credits refundable from Treasury; but Treasury ruled that this did not include Disaster Tax Credits, leaving these deals without financing.
37. Congressional funding for 3,000 PSH vouchers was obtained in June 2008, almost 3 years after Katrina. The Supplemental Appropriation Act of 2008, P.L. 110-252 provided \$20 million in federal project based voucher funding for 2,000 vouchers and \$50 million in Shelter Plus Care vouchers for 1,000 for a 5- year period. 1,890 are planned for the New Orleans.

38. Costs of construction escalated during the recovery; the Great Recession compromised many investors' commitments to projects; bank credit tightened; and developers did not propose projects at the deeper levels of affordability.
39. UNITY of Greater New Orleans, *Homeward Bound Newsletter 2* (2)(2010). Congressional funding for 3,000 PSH vouchers was obtained in June 2008, almost 3 years after Katrina. The Supplemental Appropriation Act of 2008, P.L. 110-252 provided \$20 million in federal project based voucher funding for 2,000 vouchers and \$50 million in Shelter Plus Care vouchers for 1,000 for a 5- year period. 1,890 are planned for the New Orleans.
40. As of the date of this essay, about 535 households have moved into PSH homes in New Orleans, and an effective partnership between federal, state, and nonprofit agencies are involved in operating the program including HUD, the newly created Louisiana Housing Authority, Unity of Greater New Orleans, the Louisiana State Department of Health and Human Hospitals, six local lead agencies, the Louisiana Housing Finance Agency, the Louisiana Office of Community Development, and numerous nonprofit agencies that provide case management to participants.
41. UNITY of Greater New Orleans, *Homeward Bound Newsletter*.
42. Congress allocated the funds under the Consolidated Appropriations Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329); See U.S. Department of Housing and Urban Development, "2009 Supplemental Appropriation Sec. 1203 Vouchers (THU to HCV)," available at www.hud.gov/offices/pih/publications/sec1203.cfm
43. John Washek (Edgemere Consulting), interview by author, May 28, 2010. Mr. Washek is a consultant with Gilmore Kean, new HUD Receiver for the Housing Authority of New Orleans.
44. As of July 16, 2010, HANO reported that within the prior 90 days, it had issued about 4,000 vouchers out of about 4,000 voucher slots. However, under HUD voucher funding rules, HANO will only be funded in 2011 based on the number of vouchers that are actually under lease, not simply issued, as of September 20, 2010. While voucher funding formulas are quite complicated, it is basically a "use it or lose it" system. Some adjustments can be requested by a housing authority for vouchers leased up through December 31. Such a revocation of funding would be a catastrophic loss for the New Orleans especially given the state of the local economy and recent job loss for workers impacted by the oil spill.
45. Allison Plyer, et. al., "Housing Production Needs: Three Scenarios for New Orleans: Annual Report November 2009," (Greater New Orleans Community Data Center, 2009), 10, available at www.gnocdc.org/HousingProductionScenarios/index.html
46. U.S. Department of Housing and Urban Development, "HUD Names New Leadership at Housing Authority of New Orleans," news release, October 2, 2009, available at portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2009/HUDNo.09-198
47. U.S. Department of Housing and Urban Development, "HUD Report Shows Serious Shortcomings in HANO Operations," news release, February 18, 2010, available at portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-034

48. Katy Reckdahl, "HANO Proves Doubters Wrong, Lines Up Plans for Stimulus Money," *The Times-Picayune*, March 17, 2010, available at www.nola.com/politics/index.ssf/2010/03/hano_proves_doubters_wrong_lin.html
49. Project based Section 8 attaches the subsidy to a unit rather than a tenant, providing long term affordability to that home.
50. Cynthia Wiggins (President and Chief Executive Officer, Guste Homes Resident Management Corporation), phone interview by author, July 1, 2010.
51. Louisiana Office of Community Development, Division of Administration and the Louisiana Recovery Authority, "The Road Home Housing Programs Action Plan Amendment of Disaster Recovery Funds."
52. U.S. Department of Housing and Urban Development. Office of Public and Indian Housing, *Annual Plan for Fiscal Year Beginning 10/2010*, May 13, 2010, available at www.hano.org/Postings/PHA%20Plan.pdf (May 30,2010) 8. Reported unduplicated applications.
53. Chart compiled by Southeast Louisiana Legal Services using various sources. Client examples come from organizational files. Rental data sources as follows: U.S. Department of Housing and Urban Development, "2010 Fair Market Rents," available at www.huduser.org/datasets/fmr.html; Novogradac & Company, "Rent and Income Limit Calculator," available at www.novoco.com/products/rentincome.php. The Road Home, "2010 Maximum Rents by AMI Tiers," available at www.road2la.org/rental-docs/2010_SRPPRentLimits.pdf.

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About The New Orleans Index at Five

Over the past five years, the Greater New Orleans Community Data Center and the Brookings Institution Metropolitan Policy Program have tracked the recovery of New Orleans and the metro area through the regular publication of *The New Orleans Index*—indicators of the social and economic recovery of the New Orleans metro. The Index’s value as a regularly updated, one-stop shop of Katrina recovery indicators has made it the go-to resource for national and local media, decision-makers across all levels of government, researchers, and leaders in the private sector and nonprofit community.

This year, *The New Orleans Index at Five* aims to move past disaster recovery to assess the remaking of a great American city and examine the extent to which New Orleans is poised to bounce back from any shock better than before. This Index is intended to be the first of a series of reports that measure progress and prosperity in the greater New Orleans area with indicators and essays that change over time depending on new data availability, relevance, and the needs of the community.

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