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Fewer Homes for Katrina's Poorest Victims
*An Analysis of Subsidized Homes in Post-Katrina New Orleans*¹
December 2007

In the two-plus years since Hurricane Katrina hit, New Orleans' poorest families have faced the most difficult time returning home. The lack of resources dedicated by the Department of Housing and Urban Development/HUD (the agency responsible for housing the poorest Americans), and its local counterpart (the Housing Authority of New Orleans/HANO) to restore its pre-Katrina housing stock leaves seniors, people with disabilities, and the working poor with few options. A new PolicyLink analysis of the agency's progress in restoring its subsidized homes found that it only has approved resources to rebuild just over a third of those homes. The programs examined in this brief are those that supply housing to people earning under \$15,900 – including minimum wage workers who make \$12,168 annually working 40 hours a week, as many New Orleans service workers do.

Federal and Local Housing Agencies are not meeting the needs of Low-Income New Orleanians

Before Katrina, the federal Department of Housing and Urban Development (HUD) and the Housing Authority of New Orleans (HANO) had a portfolio of approximately 12,000 units for very low-income residents earning under \$15,900 annually (below 30 percent of area median income). These homes were spread across 50 developments and financed under several programs that assisted families and individuals. They included:

- Traditional public housing in 10 developments with 6,606 units (pre-Katrina 4,606 were occupied, 2,000 emptied for redevelopment); (now, 4,529 of these units slated for demolition)
- Scattered site public housing (the agency provided 773 units in private complexes)
- Senior housing programs, supportive housing with social services to people with disabilities, and low wage worker housing comprised another 4,475 homes.

¹ From October-December 2007, PolicyLink conducted a broad survey of HUD/HANO databases of pre-Katrina units, conferred with local experts with deep knowledge of these developments, site-visited developments and interviewed tenants and landlords to determine status of properties.

Currently occupied homes and money earmarked so far for redevelopment will restore just over *one-third* (4,538) of the pre-Katrina units serving the lowest income households. No comprehensive plan or resources to address the remainder of the loss has been put forward.²

The Surge in Rents and the Squeezing of Rental Market Leave Poorest Without Options

- This significant cut in subsidized housing is occurring alongside a tremendous loss of private-market rental housing—across the entire income spectrum.
- In New Orleans, 51,700 rental units were seriously damaged or destroyed by the 2005 hurricanes. Rents in many parts of the city have since doubled, with once-common affordable rentals now virtually impossible to find³.
- Federal recovery programs are projected to restore only 43 percent of the city's total rental losses (from extremely low income public housing to market rate rentals).

More federal resources are required to restore pre-Katrina homes for the most vulnerable residents.

- HUD should detail a plan and resources for restoring all of its pre-Katrina portfolio.
- The Gulf Coast Housing Recovery Act, sponsored by Sens. Chris Dodd (D-CT) and Mary Landrieu (D-LA), would provide resources to restore the pre-Katrina occupied public housing units through new developments. Senator David Vitter (R LA) opposes this legislation. The remainder of federally-subsidized housing lost remains unaddressed by any proposal.
- Congressional FY '08 appropriations could meet all or part of this need.

The table on the following page illustrates the change in units supported by federal subsidy pre- and post-Katrina for extremely low-income families (i.e. those earning below 30% Area Median Income [AMI] in Orleans Parish, or \$15,900 a year). Occupants of this housing typically include families with one or more wage earners in service sector or minimum wage jobs, seniors, and people with disabilities.

² Of the 12,000 units, 9,891 were occupied pre-Katrina, and just over 2,000 were closed for redevelopment. Current resources will cover restoring almost half of the occupied units.

³ "Hope Needs Help", PolicyLink, August 2007, p 5,
<http://www.policylink.org/HopeNeedsHelp/HopeNeedsHelp.pdf>

**Table 1. Progress on Pre-Katrina HUD/HANO portfolio
of deeply affordable homes⁴**

Type of Program	Pre-Katrina Subsidized Units ⁵	Pre-Katrina Occupied Units	Pre-Katrina Under 30% AMI Units	Post-Katrina Temporary Units	Post-Katrina Occupied or Ready for Occupancy Under 30% AMI Units ⁶	Post-Katrina Pipeline of Funded Under 30% AMI Units ⁷	Post-Katrina Total Occupied, Ready for Occupancy & Pipeline Under 30% AMI Units	Percentage of Former Units to be Replaced or Reopened ⁸
Public Housing ⁹	6,606	4,606 ¹⁰	4,606	397 ¹¹	1,445 ¹²	1,273 ¹³	2,718	41%
Public Housing Scattered Sites	773	540	540	0	160	59	219	28%
HUD Assisted ¹⁴	4,745	4,745	4,685	0	539	962 ¹⁵	1,501	32%
TOTALS	12,124	9,891	9,831	397	2,144	2,294	4,438	37%

⁴ For an analysis of funding to redevelop public housing units in the Big Four developments, see “Bringing Louisiana Renters Home”, PolicyLink, June 2007, p 30. <http://www.policylink.org/documents/LRHC.pdf>

⁵ All units in public housing, including formerly occupied units closed by HANO prior to Katrina.

⁶ HUD, “Multifamily Assistance and Section 8 Contracts Database,” available at <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>. HANO,” Weekly Unit Count Tracking, Nov 23, 2007”. Additional information on status of units gathered by phone calls and site visits to formerly subsidized developments. Many of these units were rehabbed using private insurance.

⁷ Louisiana Housing Finance Agency, “Project Pipeline Report, 2006-2008,” (Baton Rouge, LA: Louisiana Housing Finance Agency, 2007). ,” Weekly Unit Count Tracking, Nov 23, 2007”. Units will be affordable to families making under 30% AMI funded through Gulf Opportunity Zone Tax Credits and the CDBG Piggyback program that are located in either rehabs of former subsidized developments or new development plans.

⁸ Percentage of Total Ready for Occupancy, Occupied and Pipeline units affordable to under 30% AMI families compared to Pre-Katrina subsidized units.

⁹ St. Bernard, CJ Peete, BW Cooper, Lafitte, Desire, Fischer, Guste, Iberville, River Garden, and Florida

¹⁰ All units in public housing developments that were occupied by families as of Aug 29, 2005.

¹¹ HANO,” Weekly Unit Count Tracking, Nov 23, 2007”. Temporary units at Lafitte and BW Cooper occupied, ready for occupancy or under repair as of Oct 3, 2007 that will be demolished as part of final redevelopment plans.

¹² HANO,” Weekly Unit Count Tracking, Nov 23, 2007”. Includes Total Units Currently Occupied and Available. Does not include temporary units under repair in Big 4 Developments (BW Cooper, Lafitte, St. Bernard and CJ Peete). Assumes units rehabbed and tracked by HANO to be under 30% AMI.

¹³ A large portion of this number comes from the increase of open units in Guste, Fischer and Iberville from pre-Katrina.

¹⁴ PD&R, LIHTC Database, available at <http://lihtc.huduser.org/>; HUD, “Multifamily Assistance and Section 8 Contracts Database,” available at <http://www.hud.gov/offices/hsg/mfh/exp/mfhdiscl.cfm>. Includes HUD Sections 202, 811, 236 and Project Based Section 8 units.

¹⁵ Louisiana Housing Finance Agency, “Project Pipeline Report, 2006-2008,” (Baton Rouge, LA: Louisiana Housing Finance Agency, 2007). Includes 483 units in new developments affordable to families under 30% of AMI being developed through Gulf Opportunity Low Income Housing Tax Credits and CDBG Piggyback Funds.