

Affordable Housing in the Wake of Katrina

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SNAPSHOT OF PRE-KATRINA AFFORDABLE HOUSING

28% of Orleans Parish residents living below the federal poverty line.

Fair Market Rent Pre-K much lower but still unaffordable for a large percentage of population, for example a 2 br fmr was \$696 pre-K. SSI only about \$590, welfare for family eligible for 2 br only about \$200, and working poor family earning minimum wage working full time at 40 hours per week would only make about \$850 per month. Without a housing subsidy, housing costs not affordable.

What was state of subsidized stock pre-K?

PUBLIC HOUSING

HANO had about 7,200 units of public housing at 10 different sites but only 5,146 were occupied as of August 29, 2005. About 14,000 families lived in public housing totalling about 49,000 folks. Over 2,000 units vacant due to planned redevelopment of public housing at several sites. Over the past 10 years prior to Katrina, public housing units had decreased from about 13,000 due to HOPE VI, mixed income housing with only 30-40% of low-income units in replacement housing, loss of 1 for 1 replacement protection, demolition, and vouchering out of the public housing inventory.

VOUCHER PROGRAMS

HANO had about 9,400 authorized vouchers pre-Katrina with 8,981 actually leased up on August 29, 2005. The voucher program basically doubled over the past 10 years as public housing units have been demolished.

Jefferson Parish had about 2,700 vouchers in use pre-Katrina.

WAITING LISTS FOR PUBLIC HOUSING AND VOUCHERS

HANO's Public Housing waiting list was 6,572 pre-Katrina and the voucher waiting list had about 10,873 families pre-Katrina per 2006 Draft PHA Plan. It has been closed since Feb. 2002 except for special admission to elderly housing for those 55 and older at the Guste and Fischer complexes

HANO Voucher Waiting List closed since July 2001 with about 20,000 families applying for vouchers when list opened for 2 weeks. Prior to that the list had not been opened since 1994.

Voucher Waiting List in Jefferson Parish was also closed except for elderly/disabled for 1 project-based Section 8 complex.

HUD ASSISTED MULTIFAMILY/ ELDERLY HOUSING

HUD-Assisted Stock–Project-Based Section 8 Stock had approximately 20,000 units. Large number of units for elderly/disabled. Most of the waiting lists for the greater New Orleans area were closed for the HUD-Assisted stock pre-Katrina.

HOMELESSNESS

Homeless Population in Greater New Orleans Area was about 6,000 according to the most recent Point in Time Survey done by Unity for the Homeless.

TAX CREDIT PROPERTIES

Tax Credit Properties–Unknown on Total Number of Units Pre-Katrina was about 2000 (?) Unaffordable to families without subsidies who were at or below federal poverty guidelines at 30% of AMI which most working poor, elderly, and disabled families cannot afford. Rent restricted units targeted to families at either 50 to 60% of AMI.

KATRINA/RITA IMPACT ON AFFORDABLE HOUSING

122,000 homes suffered major/severe damage in Katrina/Rita impacted areas
82,000 rental properties with severe/major damage

70% of rental stock damaged in Orleans Parish
12% of rental stock damaged in Jefferson Parish

1) RISE IN RENTS– immediate jump in rents due to acute shortage of shortage of housing, FMR for 2 BR up by at least 35% post-Katrina. 2 BR FMR now \$. Rents now still about 40% higher than preKatrina as of August 2010.

2) PUBLIC HOUSING STOCK- HANO currently has about 2, 200 public housing units with only about 1,500 occupied.

3) VOUCHER PROGRAM HANO- HANO authorized for about 17,000 vouchers and currently has about 13,500 leased up. About 3200 vouchers are “on the street” now .

4) HUD ASSISTED MULTIFAMILY/ELDERLY STOCK

HUD's Damage Assessment report of May 23, 2006 to Congress shows that about 6,400 units of Section 8 Project Based stock had severe damage. These families, many elderly and needing Accessible units, would have qualified for DVP. Permanent losses of about 1,500 units of HUD assisted stock in the metro area.

POST-KATRINA AFFORDABLE HOUSING CHALLENGES AND RIGHT TO RETURN BARRIERS CHALLENGES

- 1) Zoning Restrictions Being Used to Block Affordable Housing Development
- 2) Looming End of FEMA Rental Assistance 2-28-7 (Homelessness and Possible New Influx)
- 3) Extension of Place in Service Date for GO Zone Tax Credits
- 4) Extremely slow pace of Road Home Homeowner's and Small Landlord Program
- 5) Expiration of Disaster Voucher Program in Sept. 2010
- 6) Making Sure Tax Credit Program Rules and Small Landlord Program Rules are Properly Monitored to serve low-income families and voucher holders

RIGHT TO RETURN BARRIERS

- 1) Cost to return– U.Haul one-way rentals as high as \$1500 from Texas
- 2) Lack of Schools for Public Housing Families Being Called Back to New Orleans
- 3) Increased Utility Costs and Inadequate Utility Allowances in Subsidized Housing
- 4) New Admission Criteria Restricting Ability to Reoccupy Affordable Housing
- 5) Extremely Weak Tenant Protections under Louisiana landlord-tenant law
- 6) Voucher Portability Issues
- 7) Lack of case management support services
- 8) High cost of security deposit

GLIMMERS OF HOPE FOR AFFORDABLE HOUSING (NOT Updated)

GO ZONE TAX CREDITS

- \$1.7 Billion in GO ZONE credits
- \$1.5 Billion in CDBG funds under Piggyback Program to pair with credits as subsidy
- Qualified Allocation Plan Improvements requires targeting of funds to areas in proportion to Hurricane damage and mixed income housing including extremely low income wiith market
- Set aside of funds for PSH–3,000 units with special needs

SMALL LANDLORD PROGRAM

- Fund development of 12,000 to 18,000 units of affordable housing at below market rents
Affordable to families at 80% to 50% of area median income. \$869 Million available to small Landlords, mid-size landlords, and a special set aside of 5% of funds for nonprofit pool. For example rent for a 2 bedroom affordable to a family at 50% of AMI would be about \$590. No applications available yet.

REOCCUPANCY OF PUBLIC HOUSING—1500 UNITS BY APRIL 2007 AND LITIGATION
and better policies under DVP

ROAD HOME HOMEOWNERS ASST PROGRAM – pre-storm value system improving, no penalties for elderly who want to sell out, awards finally beginning to come

INCLUSIONARY ZONING— 25% of all residential redevelopment under LRA’s Road Home
and New Orleans City Council currently considering a local ordinance