HOUSING FOR A RESILIENT NEW ORLEANS
A FIVE-YEAR STRATEGY
JUNE 2016
Eleven years ago Hurricane Katrina hit the Gulf Coast, and everything changed in the blink of an eye. The federal levees broke and put 80 percent of New Orleans under water. Thousands of homes were destroyed, and whole neighborhoods were left uninhabitable.

Even five years after the storm when I took office, the city was still struggling to recover. We were the most blighted city in America. Across the city, many basic public facilities were still essentially closed and a lot of uncertainty existed in the market. Some homeowners worried that their property values would never recover from the storm.

Since then, the world has witnessed a great comeback story. New Orleans is one of the fastest-growing major American cities. In the last six years, we added 15,000 new jobs. Billions of dollars are being invested in new public schools, parks, playgrounds, hospitals, grocery stores, libraries, community centers, police and fire stations, streets, and streetscapes.

We established new public–private partnerships, like the NOLA Business Alliance, to create jobs and started a City Office of Performance and Accountability to deliver better services to the people of New Orleans. We’ve also launched the One Stop Shop for Permitting, which has cut permit processing times from hours to about 15 minutes. This service makes New Orleans a better place to do business, especially for the construction and real estate industries.

The whole city has also come together to reduce blight faster than anywhere else in the country – 15,000 blighted units gone. Whole blocks of formerly blighted properties are coming back into commerce, and the private housing market set a record for the number of properties being bought and sold.

Now, citywide home values are up 54 percent, and some homes have doubled, even tripled, in value.¹ That means more money in the pockets of homeowners and more generational wealth for New Orleans families. With these positive developments also come a set of new challenges.

People are flocking here, but rising demand and job growth means that housing costs have risen by 50 percent since 2000.² Now, due to a broader loss of income-affordable rental units along with low-wage jobs and inadequate public transit, many New Orleanians pay more than 50 percent of their income just on housing costs.¹ That is unacceptable and unsustainable.

To help address this growing housing affordability crisis, more than $1 billion in new publicly financed affordable housing has been built or is about to come online. Look around the city at our completely redeveloped public housing including the new Desire Estates, Faubourg Lafitte, Florida, Harmony Oaks, Columbia Parc, Marrero Commons, and Bienville Basin.
Privilege Kudina was able to move her two daughters out of an abusive home into a transitional apartment and finally into the safe haven she’d always dreamed of providing them: a new home.

After taking a homebuyer training course, Kudina bought a two-story home for $140,000 with the help of a $65,000 second mortgage through the City’s Soft Second Mortgage Program. The no-interest loan allowed her monthly mortgage payments to be less than the rent in her previous apartment in Mid-City.

Before public housing did not give New Orleanians what they needed or what they deserved. So we have converted dangerous, rundown public housing into new, safe, high-quality, mixed-income communities with amenities like schools, health services, and transit.

With help from our federal and state partners and nonprofit and for-profit developers, we’ve created an additional 13,000 rental units for low-income families, and more than 17,000 families now receive assistance through the Housing Choice Voucher Program (also known as Section 8). We’ve also helped nearly 900 families buy their first home through our $52 million Soft Second Mortgage Program. Plus more than 460 homes across the City have been created through the $30 million Neighborhood Stabilization Program (NSP2). Another 700 families have been assisted through our owner-occupied rehab program.

We also worked to design and implement a new zoning Master Plan that provides development incentives for affordable housing in market-rate projects, which creates the basis for more mixed-income development throughout New Orleans. This year New Orleans received a $141 million grant through HUD’s National Disaster Resilience Competition. This award, which will leverage additional private-sector capital, supports a range of neighborhood projects, including demonstration projects that create and combine green space, public infrastructure, and storm water management. Also earlier this year, the New Orleans Redevelopment Authority (NORA) and the City launched the Lower 9th Ward Initiative, which will accelerate the redevelopment of 229 vacant or blighted properties in areas hardest hit by Hurricane Katrina.

It is clear we are already doing a lot to address these urgent needs. To make a difference and make the City affordable, a holistic approach is required. To that end, one reason housing is so unaffordable for some is that wages are too low and many can’t find work.

That is why we launched the Network for Economic Opportunity, which connects disadvantaged jobseekers and businesses to new opportunities. That’s why we passed HireNOLA, which requires contractors demonstrate at least one-third of all work hours on projects are being completed by local workers. We also increased the minimum wage for City employees to $10.10, adopted a living wage ordinance for local government contractors, and advocated for the State to raise the minimum wage for everyone else.

We must ensure that working people do not get priced out of New Orleans – they are the backbone of our City. The only way our entire community improves is if we all move forward together.

Through this plan, we will build or preserve 7,500 affordable housing units by 2021 (4,000 units by 2018 and another 3,500 units by 2021) and 6,125 additional families will receive rental assistance by 2021.

New Orleans is for everyone. It needs to be, or else it stops being New Orleans. In Housing for a Resilient New Orleans, we have designed a new approach so no one is left behind and everyone has a place in this precious City we call home.

Sincerely,
Mitchell J. Landrieu
Mayor, City of New Orleans
HOUSING FOR A RESILIENT NEW ORLEANS

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Introduction

*Housing for a Resilient New Orleans* presents an integrated housing framework that harnesses the growing strength of our local economy and confronts the challenge of providing affordable housing choices for all New Orleans residents. It is a deliberate approach with new policies and tools that will address both new and long-standing challenges so everyone can participate in the City’s growing prosperity.

This strategy transforms a broad vision into clear actions that will result in a more resilient New Orleans with vibrant neighborhoods and more affordable housing.

These actions are guided by the following core principles:

- **Equity** – *Housing for a Resilient New Orleans* recognizes the important role affordable housing plays in promoting equity, and the overall importance of helping low- and moderate-income New Orleanians build financial stability and live in thriving communities with linkages to jobs and transportation.

- **Collaboration** – *Housing for a Resilient New Orleans* acknowledges that the City alone cannot meet the growing need for affordable housing in New Orleans. The City will need support from committed local, state, and federal partners, especially between the City, NORA, and the Housing Authority of New Orleans (HANO).

- **Openness** – *Housing for a Resilient New Orleans* seeks to create transparent accountability for City-led initiatives by connecting proposed activities to the City’s broader performance management system called ResultsNOLA. It will be here where residents can track the City’s progress toward meeting its housing-related goals.

Furthermore, *Housing for a Resilient New Orleans* builds on the extensive, community-based work already completed through HousingNOLA, a cross-sector initiative that documented the state of housing within the City, noting the challenges that *Housing for a Resilient New Orleans* systematically addresses.

First, housing costs in New Orleans rose by about 50 percent since 2000. Demand for rental housing also increased within New Orleans, creating pressure on the city’s rental market. Notably, because of our significant job growth, New Orleans is an increasingly popular place to live. Simultaneously, some residents – those who returned to New Orleans following Hurricane Katrina, families who lost wealth during the 2008 Recession, and demographic groups like Millennials – are deferring homeownership due in part to higher home values.

At the same time, fewer public resources due to federal and state budget cuts, coupled with loss of “income-affordable” units, low-wage jobs, and inadequate transportation options, have limited housing options.

Together, these conditions have forced many New Orleanians to spend a high percentage of their monthly income on housing and other essential needs. Housing insecurity – when households pay more than 50 percent of their income on housing costs – disproportionately affects renters, African-Americans, and low-income New Orleanians at higher rates than other populations.
GOALS

Through *Housing for a Resilient New Orleans*, we will build or preserve 7,500 affordable housing units by 2021 (4,000 units by 2018 and another 3,500 units by 2021) and 6,125 additional families will receive rental assistance by 2021. This work will be accomplished through four complementary goals:

1. Support development of new affordable rental and homeownership opportunities.
2. Preserve affordability and improve quality of existing rental and homeownership opportunities.
3. Expand access to opportunity and promote mobility by leveraging the Assessment of Fair Housing (AFH) process and other fair housing principles.
4. Increase accessibility for vulnerable populations.

President Obama, pictured above with Mayor Landrieu, commemorated the 10th anniversary of Hurricane Katrina with a visit to Faubourg Lafitte on August 27, 2015, where he remarked:

“What you’re seeing here is an example of the incredible federal, state, and local partnerships that have helped to revitalize this community... and make sure not just that we recovered from the storm, but also that we started dealing with some of the structural inequities that existed long before the storm happened.”

81-year-old Emelda Paul, shown above, moved into her new one-bedroom apartment in Faubourg Lafitte, one of the City’s public housing developments and sources of affordable housing, in 2014. Paul, a nearly lifelong resident of this public housing development, fought for the demolition of the former Lafitte complex.

The redesign of Faubourg Lafitte was significantly shaped by former Lafitte residents who participated in planning workshops in Houston and Baton Rouge, where they lived following evacuation from Hurricane Katrina.
NOLA’s Housing Needs

Over the past six years, the Landrieu administration and its many partners have made significant progress and investment in affordable housing and economic and workforce development. Yet every month, many New Orleanians make difficult financial choices—paying rising housing costs (at the cost of other essential expenses), enduring substandard conditions, bearing long daily commutes and more. New Orleans must build and preserve more affordable housing to ensure a high quality of life for its residents and to become a more resilient place to live.

New Orleans has 47 affordable rental units for every 100 extremely & very low income residents.

Median monthly housing costs:
- Owners pay $1,053
- Renters pay $927

Annual household income needed to afford rent:
- $38K: Average annual income for 71% of workers
- $35K: Average annual income for service workers
- $23K: Annual income for 30%+ of local musicians
- 58% of households pay one-third or more of their monthly income on housing costs
- 37% of households pay one-half or more of their monthly income on housing costs

GOAL 1. Support development of new affordable rental & homeownership opportunities

OVERVIEW

As New Orleans continues to thrive and more people move here, the City needs to ensure local policies and practices increase the supply of rental and for-sale homes in all neighborhoods and for people and families at all income levels.

Over the last decade, the loss of income-affordable units, along with rising rents and home values, has resulted in an insufficient supply of high-quality, affordable housing options, especially for persons and families making less than $35,000 annually. Plus, the overall number of housing units has declined from a pre-Katrina level of 215,091 to 191,310 units.

For every 100 renters, New Orleans only has 47 affordable units for extremely and very low-income residents. That means individuals and families have to make impossible choices between paying higher housing costs and other needs, living in substandard conditions, or enduring long daily commutes.

The City plays a central role in boosting affordable housing production, especially in areas with access to transit, quality schools, and essential services. Key strategies to add new rental and for-sale homes over the next five years include:

- Leverage city-owned property and other public land for affordable housing development, especially in high-opportunity neighborhoods.
- Increase the supply and availability of affordable workforce housing.
- Introduce policies that require inclusion of affordable housing units in market-rate housing development.

LEVERAGE CITY-OWNED PROPERTY & OTHER PUBLIC LAND FOR AFFORDABLE HOUSING DEVELOPMENT

The City of New Orleans, HANO, NORA, and the city’s other public benefit corporations are some of the largest property holders within New Orleans – with access to vacant land, single-family properties, or underused/obsolete buildings. The City can also exert its authority over hundreds of tax-adjudicated or lien-foreclosure properties in order to push them into commerce for affordable housing, including properties located in desirable areas.

In coordination with HANO, NORA, and the city’s other public benefit corporations, the City will develop a comprehensive asset management strategy for its property holdings and set an annual target for affordable housing production on public land. Actions as part of this strategy include:

- Action 1. Reserve a percentage of tax-adjudicated properties for affordable housing development in target neighborhoods as identified through the City’s AFH process.
• **Action 2.** Increase NORA’s use of priority bids at sheriff’s auctions to secure blighted properties for affordable housing along major corridors and corners with its $5 million strategic acquisition fund. Identification of future properties will be informed and coordinated with place-based strategies through the City’s AFH process.

• **Action 3.** Evaluate the City’s disposition process for city-owned land and propose adjustments to this process to quickly identify targeted properties that can be reserved for affordable housing.

• **Action 4.** Reinvest a portion of proceeds from the sale of public property to develop affordable housing.

• **Action 5.** Develop a public education and outreach campaign to the local development community about availability of tax-adjudicated property and hold training sessions prior to each auction of these properties.

• **Action 6.** Issue a “call to action” for other public agencies, such as Orleans Parish School Board, to use their property holdings to support affordable housing development.

**INCREASE THE SUPPLY & AVAILABILITY OF AFFORDABLE WORKFORCE HOUSING**

The City will pursue creative financing tactics and partnerships to increase housing opportunities affordable to New Orleans’ workforce, specifically targeted to income levels among two specific populations: 1) service workers, artists, and culture bearers, who may require a deeper housing subsidy; and 2) teachers, educators, and public safety officers, who may not be served through existing City programs.

To support development of workforce housing, the City will explore the following actions:

• **Action 1.** Create a sustainable source of funding to support workforce housing.

• **Action 2.** Build partnerships with the Finance Authority of New Orleans (FANO) to leverage its Expand to Homeownership Grant Program, which offers downpayment assistance and closing costs to homebuyers, with other homeownership strategies.

• **Action 3.** Engage local employers, such as educational and medical anchor institutions, about offering “live-near-your-work” incentive programs to expand the number of residents who live within close proximity to their jobs.

• **Action 4.** Continue to work with the Regional Transit Authority (RTA) to ensure that public transit serves areas with higher concentrations of affordable housing and transit-dependent populations.
INTRODUCE POLICIES THAT REQUIRE INCLUSION OF AFFORDABLE HOUSING UNITS IN MARKET-RATE HOUSING DEVELOPMENT

The City recognizes a growing need to ensure market-rate development occurring in high-opportunity neighborhoods includes affordable housing, and the City will adopt an inclusionary housing policy for this purpose. We also plan to streamline our existing and new regulations governing housing development by exploring ways to create more consistent development processes.

To increase the production of affordable housing and ease of development, the City will undertake the following actions:

- **Action 1.** Amend the Comprehensive Zoning Ordinance to require developers of market-rate, residential housing to include affordable housing units in new or significantly reconstructed projects. This policy will account for neighborhood market conditions, especially in areas experiencing market pressure, and the catalytic effects of large-scale, multifamily projects or significant public investments.

- **Action 2.** Explore value capture tactics related to public investments or decisions that result in new development potential, such as “upzonings,” and use these monies in ways that support the goals outlined in *Housing for a Resilient New Orleans*.

- **Action 3.** Conduct an audit of existing programs to identify administrative and regulatory barriers to affordable housing development.

- **Action 4.** Expedite permitting and review processes for projects built using the City’s affordable housing programs.

- **Action 5.** Produce a “Developer Toolkit” to communicate policies, processes, incentives, and resources to build affordable housing throughout the City.
GOAL 2. Preserve affordability and quality of existing rental & homeownership opportunities

OVERVIEW

The existing housing stock in New Orleans exhibits unique characteristics that require policies that preserve affordability and practices that account for their size, age, and location. In New Orleans, 71 percent of housing is single-family homes (attached or detached) or small-scale multifamily properties with 1–4 units. Seventy-nine percent of the City’s housing stock was built prior to 1980. The financial resources needed for the physical upkeep of these kinds of older properties is significant, and most property owners have limited access to capital for significant repairs. That means properties may either fall into disrepair or become prohibitively expensive as property owners seek to pay for costly repairs through higher rents.

By preventing loss and improving the quality of existing affordable properties and lowering the costs associated with homeownership, the City can help prevent displacement and create long-term stability within its neighborhoods. Key strategies include:

- Create incentives to preserve income-affordable rents at unsubsidized properties.
- Protect the quality and affordability of government-assisted rental properties.
- Assist homeowners in financial distress.
- Proactively address substandard conditions of rental properties.
- Clarify regulations related to short-term rental properties.

CREATE INCENTIVES TO PRESERVE INCOME-AFFORDABLE RENTS AT UNSUBSIDIZED PROPERTIES

A majority of New Orleanians rent unsubsidized properties in the private marketplace. “Income-affordable” properties, while offering rents affordable to low- or moderate-income persons, do not have any affordability provisions set through government programs attached to them. These properties play a vital role in providing low-cost housing for New Orleanians, yet a large number of them are not being served by the City’s existing affordable housing programs.

- **Action 1.** Establish a small-site affordable rental pilot program to target properties within high-opportunity areas at risk of becoming unaffordable to low- or moderate-income persons. The pilot will offer several ways to extend affordability. Ways to extend affordability include supporting acquisition of single-family attached or small apartment buildings from property owners or providing grants to small-scale property owners to undertake renovations in exchange for offering affordable rents for a period of time.
PROTECT THE QUALITY AND AFFORDABILITY OF GOVERNMENT-ASSISTED RENTAL PROPERTIES

Properties receiving federal subsidies are required to keep rents affordable for periods ranging from 5 to 30 years. As these affordability requirements expire, property owners who received the federal subsidy have the option to convert their properties to market-rate housing.

In New Orleans, about 1,200 of these federal subsidies will expire by 2021; nearly 4,900 (or 75 percent) will expire by 2031. The City has an opportunity to put robust monitoring practices in place to track these properties and create incentives to encourage their long-term affordability.

The City will create a new strategy that leverages local, state, and federal funding in ways that extend affordability periods beyond the original provisions and stems conversion to market-rate housing. Actions include:

- **Action 1.** Evaluate local criteria used to allocate funding for state and federal programs and update this criteria in ways that extend affordability periods with a special focus on properties within ¼ and ½ mile of existing light rail or high-frequency bus routes.

- **Action 2.** Explore development of a housing preservation ordinance, requiring owners who received federal assistance to notify the City or NORA of plans to terminate a project's subsidy prior to the end of the compliance period. Under this policy, if a property owner wants to exit ownership, pre-qualified affordable housing developers would be given priority to bid on these projects in exchange for continuing the affordability provisions.

- **Action 3.** Continue to collaborate with HANO on targeted public investments in the Iberville Choice Neighborhood to maximize the production of affordable housing associated with this initiative.

- **Action 4.** Create an outreach program to educate and encourage property owners/landlords to accept Housing Choice Vouchers, especially for rental properties located in high-opportunity areas.

ASSIST HOMEOWNERS IN FINANCIAL DISTRESS

About 68,505 residents in New Orleans own their homes, and about one-third of them qualify as low-income. Through targeting existing resources that help lower the costs associated with homeownership, the City will expand the number of individual homeowners served by these resources and stabilize neighborhoods.
Actions include:

- **Action 1.** Partner with nonprofit organizations to conduct targeted outreach to older adults and persons with disabilities to increase their participation in Special Assessments Levels/Freezes already offered by Orleans Parish. This existing tax abatement program places a freeze on the assessed value of a property (and by extension, amount of property taxes) for homeowners aged 65 years and older, persons with disabilities, or surviving spouses of a member of the armed forces.

- **Action 2.** Analyze the needs and geographic distribution of low-income homeowners or homeowners with special needs and conduct targeted outreach about energy efficiency retrofit and weatherization programs to ensure these resources are being distributed to the City’s most vulnerable populations. These programs, such as Energy Smart through the City’s partnership with Entergy and the Weatherization Assistance Program through the Louisiana Housing Corporation (LHC), are intended to lower utility costs – and in turn, lower homeowners’ utility bills and overall housing costs.

**PROACTIVELY ADDRESS SUBSTANDARD CONDITIONS OF RENTAL PROPERTIES**

In 2015 alone, the City inspected nearly 15,000 properties in response to code violation complaints and assisted property owners in resolving approximately 900 violations. Like many cities, New Orleans relies on a combination of referrals from community members and visual inspections to identify violations.

However, this process cannot account for health and safety issues that are not readily apparent from an external inspection. For many residents with limited affordable housing choices, they do not report these types of violations for fear of losing their home if an inspection finds the home uninhabitable or if they fear retaliation from a landlord. The prevalence of substandard conditions threatens the health, safety, and well-being of New Orleanians, and the City can do more to protect its residents.

The City plans to take a more strategic approach to preserving privately-owned rental properties through the following actions:

- **Action 1.** Establish a rental registry program. This program, phased in over time, would register all rental units in the City and license a majority of the City’s rental properties. Registered properties would be subject to periodic minimum property maintenance inspections to ensure rental properties meet basic health and safety standards.

- **Action 2.** Conduct education and outreach to property owners, management companies, tenants, and housing advocacy groups to educate them on the rental ordinances and provide a point of contact in City Hall to answer questions and provide information on resources to assist landlords come into compliance with the program.

- **Action 3.** Engage local community development financial institutions (called CDFIs) and other financial intermediaries to provide capital to assist owners in resolving their violations related to rental registry inspections.
• **Action 4.** Allocate funding for emergency assistance to help residents who may need to move if a rental registry inspection finds a home uninhabitable.

**CLARIFY REGULATIONS RELATED TO SHORT-TERM RENTAL PROPERTIES**

New Orleans, like many other cities that serve as tourist destinations, has experienced a proliferation of short-term rental properties through online platforms such as AirBnB and VRBO, that list rentals of residential dwellings for less than 30 days. A 2016 study by the City Planning Commission estimates between 2,000 and 4,000 short-term rentals in the City at any given time. Many of these properties are located in the French Quarter or adjacent neighborhoods along the Mississippi River. The same study suggests that the proliferation of these unregulated rentals, which are difficult to track, may contribute to the City’s growing need for affordable housing.

Today, New Orleans lacks a comprehensive policy to regulate and limit the use of short-term rentals. The City can ensure its policies balance the evolving nature of the sharing economy within New Orleans with the City’s goals to preserve affordable rental housing and prevent displacement. Regulating short-term rentals through thoughtful, clear policy would accomplish both.

• **Action 1.** Amend the Comprehensive Zoning Ordinance to regulate and limit short-term rentals throughout the City. Under this approach, all short-term rental operators would need a license to operate a rental property, with the fewest restrictions on owner-occupied properties and those in commercial districts.

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**Blight 2.0**

After reducing blight by 15,000 units and pioneering new best practices over the last six years, the City is now implementing a new proactive block-by-block approach. This approach directs more resources to fight blight in nine geographic zones, beginning in areas with schools and other community investments.

In addition to undertaking this targeted approach, other actions to fight blight include:

• **Action 1.** Expand the voluntary compliance program citywide, drawing on a recent pilot program. This program operates under the philosophy that property owners would address violations earlier if given the opportunity. This program encourages voluntary compliance in two ways: 1) sending “nudge” letters with general information following a 311 complaint and assessing no fees if violations are resolved within 30 days; and 2) sending a “nudge” inspection notice that documents specific violations and assessing no fees if violations are resolved within 30 days. The City also launched an online portal where property owners can upload photos to demonstrate abatement.

• **Action 2.** Identify properties that can be returned to productive use. Through data sharing across agencies, the City will identify properties that can be returned to commerce and apply the appropriate code enforcement tools to these properties to facilitate this process.
GOAL 3. Expand access to opportunity & promote mobility by leveraging the AFH process & other fair housing principles

OVERVIEW

As the City supports development of more affordable housing and creates more policies and tools to preserve existing affordable housing, we need to consider how it connects to other public investments and amenities. As one of the first cities in the country that will be submitting an Assessment of Fair Housing (AFH), our City can leverage this process to help us evaluate our existing place-based approach and better align it with fair housing principles and further advance the implementation of Housing for a Resilient New Orleans.

The U.S. Department of Housing and Urban Development (HUD) released a new rule in July 2015 on Affirmatively Furthering Fair Housing, or AFFH, that will guide the City’s work. This fair housing rule embraces a “balanced approach” between place-based capital investments in low-income communities and strategies promoting mobility that allow low-income households to gain access to safe neighborhoods and high-performing schools. Every HUD grantee will submit an AFH that sets goals and priorities based on local data and community participation. Implementation of these activities will be supported by local, state, and federal resources, as articulated in the City’s upcoming Consolidated Plan for federal formula block grant program funds. The plan is a required document by the federal government separate from Housing for a Resilient New Orleans that identifies the City’s housing and community development priorities over the next five years.

Mayor Landrieu has agreed to play a leadership role on fair housing issues at the request of HUD Secretary Julián Castro. New Orleans has an opportunity to set the tone of this national conversation and serve as a model for translating local fair housing principles into action. Developing the assessment will begin with data analysis and community outreach and participation as the City works to define the composition of activities that present an effective, balanced approach to fair housing in New Orleans.

In addition to identifying contributing factors to segregation and other fair housing issues, the AFH planning process will enable the City of New Orleans to collectively determine how we define the terms “balanced approach” and “access to opportunity” – definitions which can then be applied to investment strategies. The City will work with community stakeholders through this process to prioritize the contributing factors to fair housing issues and set goals for making progress.

The City’s AFH will guide identification of target neighborhoods, with priority given based on access to transportation, jobs, healthcare, and quality schools. The City will also leverage public land near transit to support equitable transit-oriented development, which creates opportunities for low-income people and families to live near transit, lowers household costs by reducing dependence on driving, and increases access to job opportunities.
Creating opportunity and mobility for low-income households in New Orleans will involve these key strategies:

- Build a targeted, data-driven approach for making investments in affordable housing by integrating federal, state, and local data sources to analyze assets, such as high-performing schools and parks, transportation routes, and job centers.

- Maximize the impact of the City’s housing investments by aligning and connecting them to other public investments in capital infrastructure, transportation, workforce and economic development, and education.

**BUILD A TARGETED, DATA-DRIVEN APPROACH FOR MAKING INVESTMENTS IN AFFORDABLE HOUSING BY INTEGRATING FEDERAL, STATE, AND LOCAL DATA SOURCES TO ANALYZE ASSETS**

*Housing for a Resilient New Orleans* will rely on strategies and actions developed through the AFH process as part of our commitment to direct future public investments in ways that reduce segregation and address disparities in access to opportunity. Namely, the City will ensure that these goals are achieved by integrating the strategies and actions identified through its AFH process into its Consolidated Plan, Annual Action Plans, and HANO’s public housing plan. These plans will more closely specify how these critical resources will be invested.

Through data analysis, including tools provided by HUD as part of the AFH development process and local knowledge collected through stakeholder and resident engagement, New Orleans will further refine the place-based and mobility-based strategies we have been using to ensure our housing investments produce the greatest impact.

Preliminary actions as part of the AFH process include:

- **Action 1.** Create a “base map” for the City of New Orleans, which includes community assets (schools, parks, libraries etc.), employment centers, transportation routes, and other data that community stakeholders suggest represent “access to opportunity” within New Orleans. This analysis will build on the City’s existing place-based strategy areas and market value assessment.

- **Action 2.** Encourage community partners to help develop and improve upon the base map throughout the outreach process by identifying additional data about assets or barriers to opportunity.

- **Action 3.** Use this map to identify current “neighborhoods of opportunity” that are well-suited for mobility strategies as well as “targeted neighborhood revitalization areas” that would provide additional opportunity through strategic investments.

These neighborhoods will be integrated into the City’s affordable housing investment strategies. While these neighborhoods have not been identified yet, *Housing for a Resilient New Orleans draws* on the City’s fair housing approach to ensure strategies and actions within this document support a balanced approach to affirmatively furthering fair housing.

**OBJECTIVE:** Identify target neighborhoods for mobility- and place-based strategies.
MAXIMIZE THE IMPACT OF THE CITY’S HOUSING INVESTMENTS BY ALIGNING AND CONNECTING THEM TO OTHER PUBLIC INVESTMENTS

Even with strong goals to develop new affordable housing units, the success of these efforts depends on improving employment and wage rates, expanding opportunities for education, and leveraging other City investments and programs, such as transportation and workforce development.

The City will integrate its housing work across sectors, aligning its work across City departments and agencies and with external partners through the following actions:

- **Action 1.** Develop a comprehensive investment strategy to align cross-sector, City-led activities and direct funding in ways that meet the needs of residents and specific neighborhoods.

- **Action 2.** Coordinate implementation of the newly developed comprehensive investment strategy through the City’s Development Committee, a team composed of representatives from City departments and agencies and staffed by the Office of Place Based Development.

- **Action 3.** Coordinate the development of housing investment plans with external housing partners, such as the Interagency Council on Homelessness, Greater New Orleans Housing Alliance, New Orleans Regional AIDS Planning Council, LHC, and philanthropic partners, among others.

- **Action 4.** Expand existing and explore new employment–workforce housing partnerships with the business community through the New Orleans Business Alliance, Network for Economic Opportunity, and Greater New Orleans, Inc.

- **Action 5.** Engage anchor institutions on creating local hiring and procurement targets and help identify and remove barriers to meeting those targets.

- **Action 6.** Identify development incentives, such as tax increment financing (TIF) and payments-in-lieu-of-taxes (PILOTS) that could finance affordable housing and other neighborhood improvements in coordination with the Office of Economic Development.

- **Action 7.** Explore catalytic economic development opportunities eligible under Section 108, a federal funding source to support economic development, housing rehabilitation, and resilience improvements.

- **Action 8.** Advocate for changes to the State of Louisiana’s Qualified Allocation Plan (QAP) to be approved by LHC that adds proximity to transit (e.g., light rail or high-frequency bus service) as a criterion for scoring projects for tax credits.

- **Action 9.** Prioritize access to transit in selection criteria for the City’s affordable housing programs.
GOAL 4. Increase accessibility for vulnerable populations

OVERVIEW

Despite a 65 percent decline in homelessness since 2010, on any given night about 1,600 persons are homeless in the City of New Orleans, including 63 families in a recent count. Nearly one-half of all homeless persons are sheltered in transitional housing or an emergency shelter, while another 789 persons are considered “unsheltered,” living on the streets or in abandoned houses.

New Orleans also faces challenges in providing accessible housing to vulnerable populations, including seniors and persons with disabilities, who are respectively 11 percent and 14 percent of the City’s population. The City also currently serves 653 persons living with HIV/AIDS through its housing assistance programs and aims to make housing more accessible to persons with criminal records.

These populations face wide-ranging housing challenges, including discriminatory rental practices, difficulty paying rent and utilities, and lack of available transitional or permanent supportive housing units, to name a few. Key strategies to support vulnerable populations include:

- Build local capacity and leverage mainstream resources to move persons experiencing homelessness into permanent housing.
- Support creation of and improvements to housing for vulnerable populations.

BUILD LOCAL CAPACITY AND LEVERAGE MAINSTREAM RESOURCES TO MOVE PERSONS EXPERIENCING HOMELESSNESS INTO PERMANENT HOUSING

Building on the success of reaching "functional zero" in veterans' homelessness, the City will pursue the same goal for family, youth and chronic homelessness through a coordinated, multifaceted effort. Actions to improve the effectiveness of homeless services include:

- **Action 1.** In partnership with HANO and the Veterans’ Administration, prioritize new veterans experiencing homelessness for available rent subsidies.
- **Action 2.** Encourage existing owners and managers of affordable multifamily rental housing to adopt a homeless preference for vacant apartments, getting tenant referrals from UNITY’s waitlist.
- **Action 3.** Support the Rapid Rehousing for Families program.
- **Action 4.** Support the use of navigators to assist homeless families in connecting to supportive services tailored to their needs and completing necessary paperwork to determine eligibility and gain access to mainstream assistance programs, such as TANF.

Michael Washington, pictured above, was one of our homeless veterans. Washington served in the Air Force Reserve for six years. Soon after his honorable discharge and suffering from mental illness, he became homeless and remained chronically homeless for 20 years. An outreach team found him sleeping under a bus stand in New Orleans and helped him apply for housing. He now lives in his own apartment. He says it feels good to finally feel human again.

OBJECTIVE: Reach “functional zero” in persons experiencing homelessness, in which homelessness is rare, brief, and non-recurring.
• **Action 5.** Work with partners to expand or maintain emergency shelter capacity for homeless families and other special populations.

• **Action 6.** Establish a best-practice “low-barrier” shelter that serves as the front door for homeless persons entering the broader Continuum of Care. This shelter provides immediate assistance to homeless individuals, with connections to mental health and medical services while case managers pursue permanent housing options.

• **Action 7.** Match the Downtown Development District’s annual contribution to support operations for the low-barrier shelter.

• **Action 8.** Work with existing homeless shelters to lower barriers to entry.

• **Action 9.** Consider additional federal resources, such as Medicaid, to support homeless persons as they seek to access permanent supportive housing, substance abuse or mental health treatment, and recovery support services.

• **Action 10.** Leverage existing partnerships with the philanthropic, faith-based, and service sectors to create financial “match” opportunities to expand high-priority homeless services that are not Medicaid-eligible.

• **Action 11.** Work with LHC to continue making permanent supportive housing projects a priority for Low-Income Housing Tax Credits (LIHTC) and prioritize these projects for gap funding from the City.

• **Action 12.** Dedicate more funds to emergency rental assistance for homeless individuals and families.

• **Action 13.** Create a master plan for the soon-to-be-vacant Veterans’ Administration campus that maintains or expands the existing homeless service facilities at that location.

**SUPPORT CREATION OF AND IMPROVEMENTS TO HOUSING FOR VULNERABLE POPULATIONS**

Accessible housing for persons with disabilities, persons living with HIV/AIDS, and seniors, especially in areas with access to healthcare and other services, are critical to quality of life and the long-term well-being for these New Orleanians.

Several strategies in *Housing for a Resilient New Orleans* directly and indirectly benefit these populations, including leveraging public land to build or preserve affordable housing near transit and healthcare services and conducting targeted outreach about property tax freezes and energy efficiency upgrades. These efforts also stabilize neighborhoods by helping seniors and other long-time residents remain in their communities.

The City can also provide leadership and guidance to confront housing discrimination against persons living with HIV/AIDS and persons with criminal records – an unfortunate, but common occurrence within New Orleans.

Actions to support these vulnerable populations include:

• **Action 1.** Include universal design principles as a criterion for projects receiving City monies to enable current and future seniors to age in place.
IMPLEMENTING A NEW VISION FOR COMMUNITY DEVELOPMENT

Ending homelessness

The Landrieu administration has made ending homelessness a top priority. As a result of work done by the City and its committed partners, New Orleans has experienced historic declines in its homeless population.

Since 2010, the number of persons experiencing homelessness fell by 65 percent, from nearly 5,000 homeless people to about 1,600 on any given night. But too many people are still living without a home.

Guided in part by our Ten Year Plan to End Homelessness, New Orleans – and our partners like UNITY of Greater New Orleans (UNITY), the State of Louisiana, the Department of Veterans’ Affairs, NORA, and many others – opened several major, new homeless facilities. These facilities include the Community Resource and Referral Center on Gravier Street, permanent supportive housing at the Keller Building, Sacred Heart Apartments on Canal Street, and the Williams Building on Louisiana Avenue. Additionally, the Mission is in the midst of a historic renovation using more than $3 million in public money. In addition, ongoing work with City Council, the Downtown Development District, and others to open a new low-barrier homeless shelter will help get more people on a pathway to permanent housing.

Along with these facilities, New Orleans also generally improved our homeless services delivery system and in the process, pioneered national best practices. In 2015, New Orleans became the first city in America to functionally end veterans’ homelessness, housing all 227 homeless veterans in the City. Led by the City, the Veterans’ Administration, and UNITY, New Orleans has a new system where we can rapidly identify, engage, shelter, and house veterans who may be newly homeless or new to the City. Through this new system, New Orleans has housed another 215 veterans.

Now the goal is to continue implementing our Ten Year Plan to End Homelessness, applying the same focus and best practices to not only veterans but also those chronically homeless, youth, and families.
Implementing

_Housing for a Resilient New Orleans_

_Housing for a Resilient New Orleans_ provides a comprehensive direction for the City’s affordable housing work, addressing the growing need to preserve and build affordable housing and expand access to opportunity across New Orleans. This plan sets an ambitious goal for the City of New Orleans to preserve or build 7,500 affordable units by 2021 (see Table 1).

**FUNDING**

Accomplishing the goals outlined in this strategy will require maintaining the City’s 2016 level of investment of $17.3 million. With $10 million per year available in recurring funding, New Orleans will need to identify another $7 million each year in resources to offset the reductions in federal funding.

In addition to its existing resources, _Housing for a Resilient New Orleans_ proposes developing new revenue sources to increase monies for affordable housing development, as well as investments that promote mobility and access to opportunity. These local revenue sources include using proceeds from the sale of public property, value capture, development fees, and tax increment financing.

The City of New Orleans has a successful record of attracting competitive public, private, and philanthropic funding opportunities for past and ongoing work, and the City will continue to pursue this valuable source of funding as new opportunities arise.

**MILESTONES**

Strategies in _Housing for a Resilient New Orleans_ will be pursued over two timeframes: two-year milestones by 2018 and five-year milestones by 2021. Notable two-year milestones include:

- Adopting an inclusionary housing policy.
- Completing the City’s AFH.
- Adding or preserving 4,000 housing units.
- Completing 100 public housing units for seniors at Faubourg Lafitte.
- Developing a comprehensive asset management strategy for the City, NORA, and HANO.
- Launching the City’s rental registry program.
- Introducing clearer regulations for short-term rental properties.
- Reaching “functional zero” in family homelessness.
- Expanding current emergency shelter capacity for families.
- Establishing and operating a best-practice, low-barrier homeless shelter.
- Creating or expanding several new local sources of revenue to increase funding for affordable housing.
Our federal and state partners have played a critical role in building the resilience of New Orleans – and we need their continued commitment to accomplish our goals locally.

As part of that commitment, the City urges Congress to preserve essential federal funding programs and tools through the following actions:

- **Action 1.** Advocate for the restoration of full funding for the HOME Investment Partnerships Program (HOME). Funding for HOME should be restored to $1.25 billion. Despite the effectiveness of the program, HOME has been cut dramatically in recent years. HOME is the most flexible resource for states and municipalities to address pressing local affordable housing needs, including urgent repairs to homes of low-income owners and gap financing for new development, permanent supportive housing, and homeownership opportunities.

- **Action 2.** Advocate for the expansion of LIHTC. LIHTC is the most effective tool for encouraging private investment in the production and preservation of affordable rental housing. We support proposals to increase LIHTC resources by 50 percent – a proposal that would dramatically increase the supply of safe, affordable homes nationwide.

- **Action 3.** Advocate for the protection of funding for critical housing programs. HUD’s Section 4 capacity-building program should be fully funded as a stand-alone program to provide resources and tools for nonprofit housing development organizations to carry out their essential work. Expanded funding is also needed for project-based rental assistance and Housing Choice Vouchers.

### Table 1. Housing targets by goal & related strategies

<table>
<thead>
<tr>
<th>Strategies</th>
<th>No. of units by 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support development of new affordable rental &amp; homeownership opportunities</strong></td>
<td></td>
</tr>
<tr>
<td>Leverage city-owned property and other public land for affordable housing development</td>
<td></td>
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<tr>
<td>Increase the supply and availability of affordable workforce housing</td>
<td></td>
</tr>
<tr>
<td>Introduce policies that require inclusion of affordable housing units in market-rate housing development</td>
<td></td>
</tr>
<tr>
<td>Other City-, NORA-, and HANO-sponsored construction projects</td>
<td></td>
</tr>
<tr>
<td><strong>Preserve affordability and quality of existing rental and homeownership opportunities</strong></td>
<td>1,500</td>
</tr>
<tr>
<td>Create incentives to preserve income-affordable rents at unsubsidized properties</td>
<td></td>
</tr>
<tr>
<td>Protect the quality and affordability of government-assisted rental properties</td>
<td></td>
</tr>
<tr>
<td>Assist homeowners in financial distress</td>
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<tr>
<td>Proactively address substandard conditions of rental properties</td>
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<tr>
<td>Clarify regulations related to short-term rental properties</td>
<td></td>
</tr>
<tr>
<td>Other City-, NORA-, and HANO-sponsored preservation projects</td>
<td></td>
</tr>
<tr>
<td><strong>Increase accessibility for vulnerable populations</strong></td>
<td>1,500</td>
</tr>
<tr>
<td>Build local capacity and leverage mainstream resources to move persons experiencing homelessness into permanent housing</td>
<td></td>
</tr>
<tr>
<td>Support creation of and improvements to housing for vulnerable populations</td>
<td></td>
</tr>
<tr>
<td>Other City-, NORA-, and HANO-sponsored vulnerable populations projects</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,500</strong></td>
</tr>
</tbody>
</table>

**ROLE OF OUR FEDERAL & STATE PARTNERS**

Our federal and state partners have played a critical role in building the resilience of New Orleans – and we need their continued commitment to accomplish our goals locally.
• **Action 4.** Advocate for more funding for communities of opportunity. Congress should permanently extend and expand the New Markets Tax Credit, promote equitable transit-oriented development, and encourage impact investing to provide resources for integrated housing and community development strategies. Creative approaches and coordinated investment strategies like these can help revitalize our most distressed communities.

At the state level, the City supports the following actions that help low- and moderate-income families:

• **Action 1.** Establish a dedicated revenue source for Louisiana’s Housing Trust Fund, which was created to support the construction and preservation of affordable homes. This fund should serve as a devoted source of funding for affordable housing in the State of Louisiana.

• **Action 2.** Establish a statewide minimum wage above the federal standard.

• **Action 3.** Double the state’s Earned Income Tax Credit to offset the impact of other tax increases on the working poor.

• **Action 4.** Advocate for LHC to continue practices that allocate resources to support a “fair share” of housing resources like LIHTC awards within New Orleans.

• **Action 5.** Advocate for the State to develop a fair process for allocating National Housing Trust Fund resources to meet the needs of urban areas.

**ROLE OF OUR NONPROFIT PARTNERS**

New Orleans is committed to growing the capacity of neighborhood-based and citywide nonprofit housing organizations. These organizations have played a significant role in addressing the unprecedented affordable housing crisis created by Hurricane Katrina and the flooding that followed. During that time, these organizations were on the front lines – harnessing generous philanthropic and corporate investment and thousands of volunteers to begin rebuilding neighborhoods, even before federal disaster recovery funding became available.

The City will continue to support these partners – many of which used state and local disaster recovery funds to expand and improve the quality of their housing production – through capacity-building efforts. Actions include:

• **Action 1.** Continue to provide Community Housing Development Organization (CHDO) operating funds which are intended to increase the capacity of local affordable housing developers to build or rehabilitate houses.

• **Action 2.** Formalize “One Table’s” coordinated funders table to support investment in high-priority, community development projects and assist developers with structuring deals and accessing available financing.

• **Action 3.** Coordinate capacity-building efforts for nonprofits with Enterprise Community Partners.
By working through partners to build additional capacity in these nonprofit organizations, they will be able to better access traditional private-sector capital and stretch limited public dollars further. They’ll also be able to sustain their organizations over the long-term, in turn enabling these organizations to maintain high-quality standards for new and existing affordable housing.

MEASURING & REPORTING PROGRESS

_Housing for a Resilient New Orleans_ connects its goals to existing performance measures used as part of ResultsNOLA, as well as suggests new performance measures. The Office of Performance and Accountability, which works with other City organizations to develop and track ResultsNOLA performance measures, will explore developing additional performance measures to be integrated into ResultsNOLA to effectively capture results from new or modified initiatives in _Housing for a Resilient New Orleans_.

Milestones will be measured through ResultsNOLA, the City’s annual performance monitoring system, with progress reported annually on the City’s interactive website at results.nola.gov.
REFERENCES


6. These figures were developed based on the City’s existing and projected pipeline of projects over the next 5 years, accounting for new policies, programs, and resources as part of this work. The rental assistance figures were estimated assuming HANO’s annual Housing Choice Voucher turnover continues at a rate of 7 percent annually.


12. Estimate tabulated by Enterprise Community Partners using data from the National Housing Preservation Database; data current through March 2016.


ACKNOWLEDGEMENTS

Report prepared by Enterprise Advisors and Gulf Coast Market Office, Enterprise Community Partners with support from the National Resource Network.

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PAGE iii: City of New Orleans

PAGE 2: Harry Connolly / Enterprise Community Partners

PAGE 3: The White House; City of New Orleans

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