

LOUISIANA'S STATE OF HOUSING

#PUTHOUSINGFIRST



Creating Neighborhood Developers

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HousingNOLA

2019 REPORT CARD

EVALUATION OF PROGRESS

TOWARDS A MORE EQUITABLE NEW ORLEANS



2019 Policy Victories

New Soft Second Funding

FANO Green Mortgage Product

Property Tax Relief Bills 79/80

Short Term Rental Regulations

The New Orleans City Council unanimously passed the Smart Housing Mix ordinance!

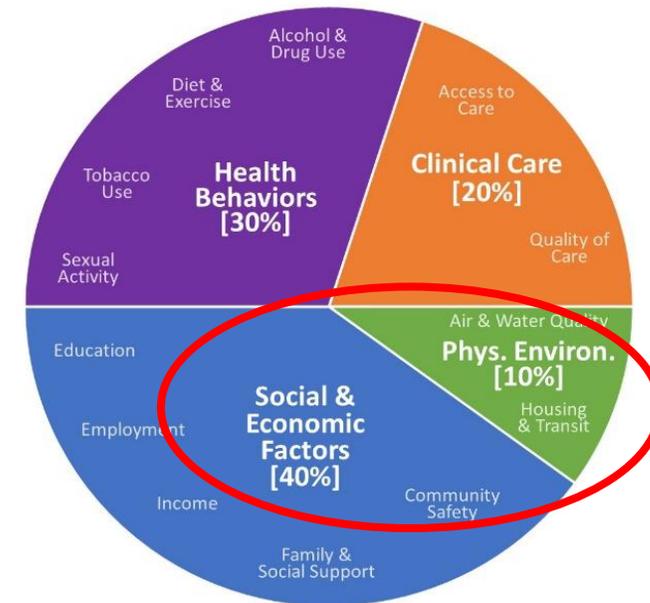


Senate Bill 109, which extends the foster care age from 18 to 21.

HOUSING IS CENTRAL TO OPPORTUNITY

- Stable and affordable housing is a cornerstone of household financial security and resilience
- Where your housing is located determines many outcomes: school quality, job accessibility, safety and health, and economic mobility
- Housing is increasingly recognized as a critical social determinant of health
- Affordable housing options support collective growth and prosperity of a community

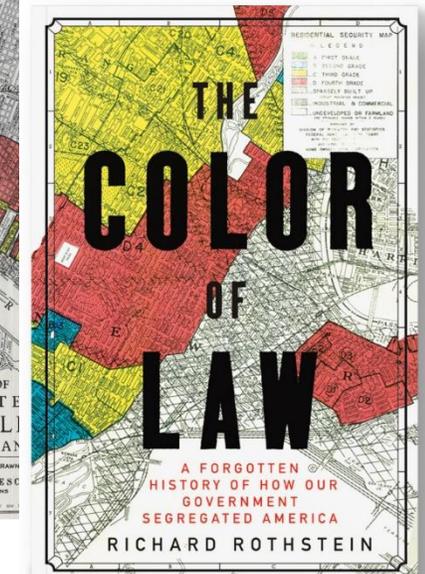
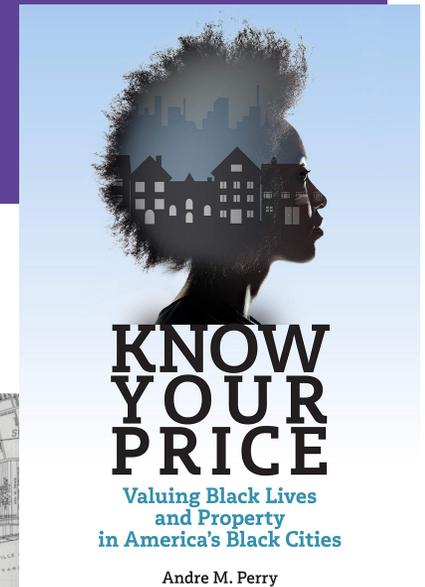
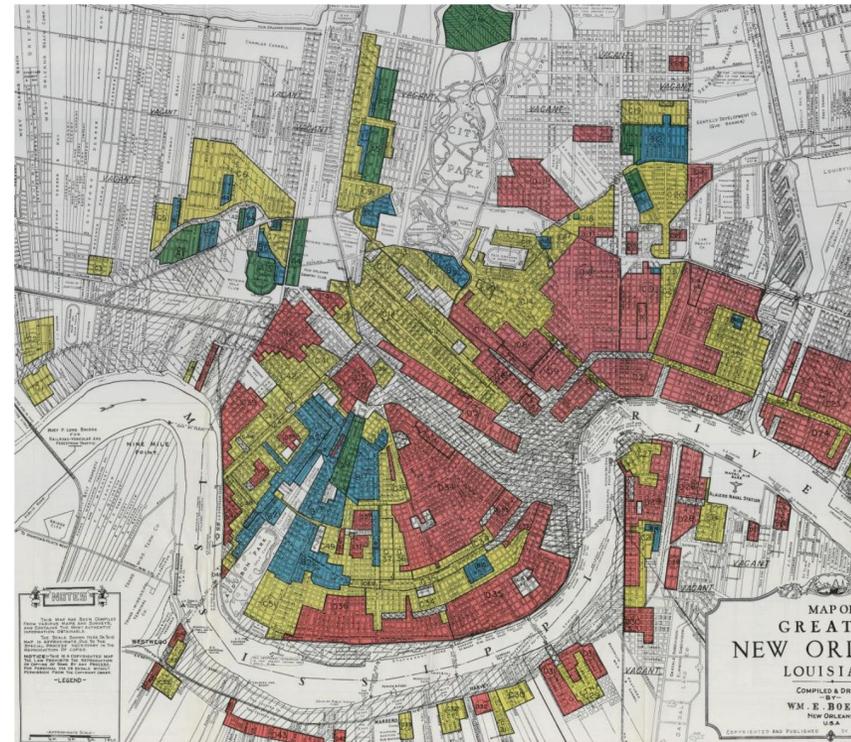
Figure 1: The Factors Impacting Health Outcomes



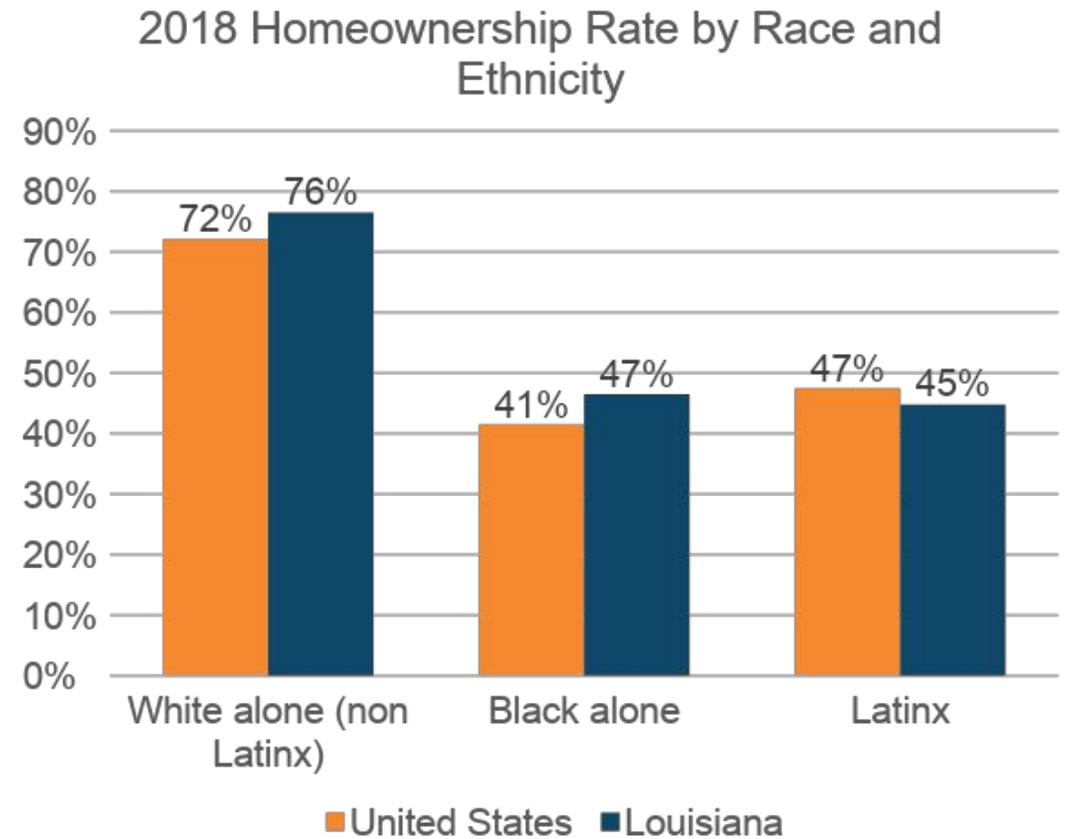
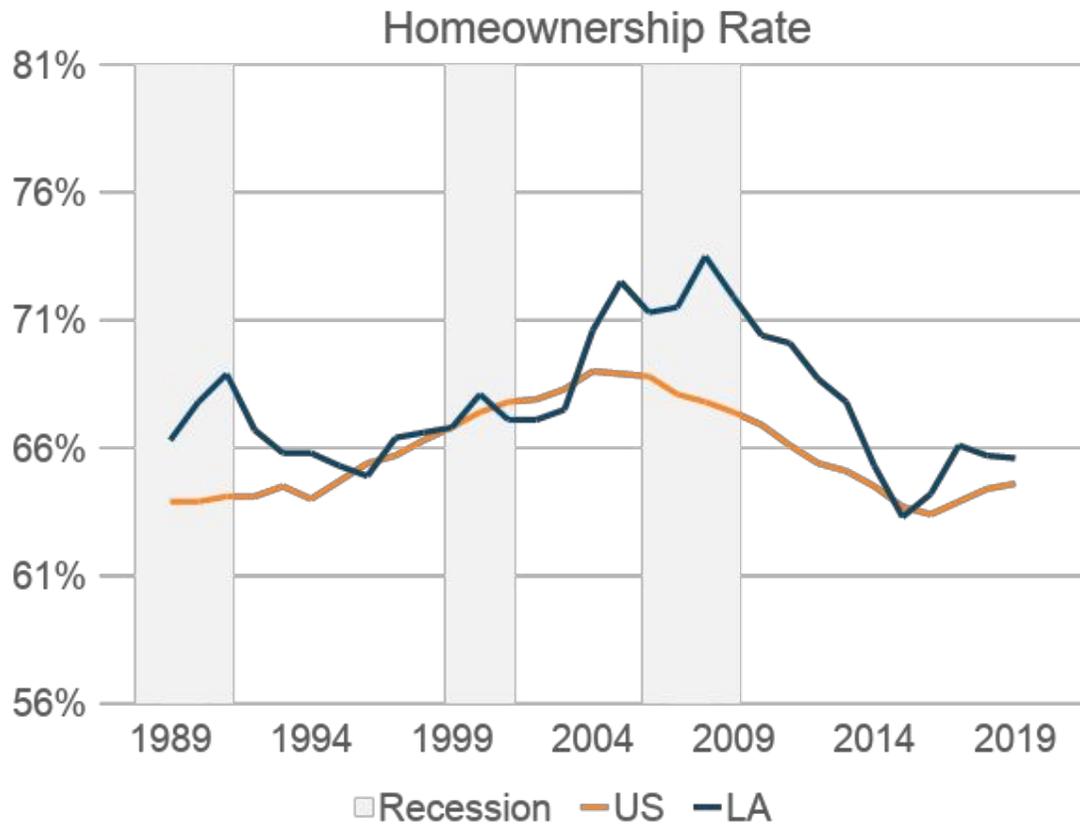
Source: Adapted from the University of Wisconsin's *County Health Rankings model (2014)*

DISCRIMINATION IS ROUTINE

- Overt discrimination against households of color by the government and private sector was legal for most of the 20th century
- Impacts of these practices are still apparent in residential segregation, disinvestment, and the racial wealth divide
- COVID has the potential to widen these disparities

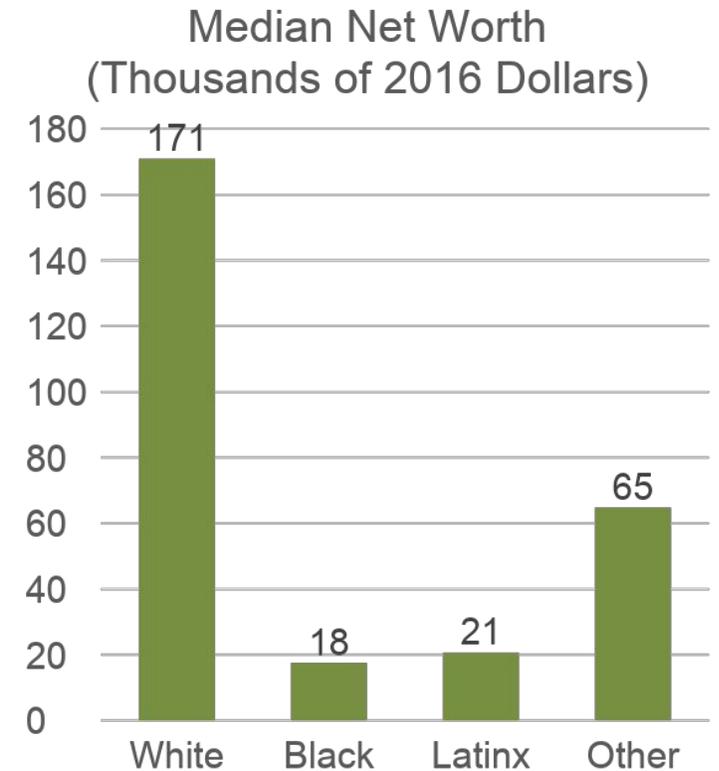
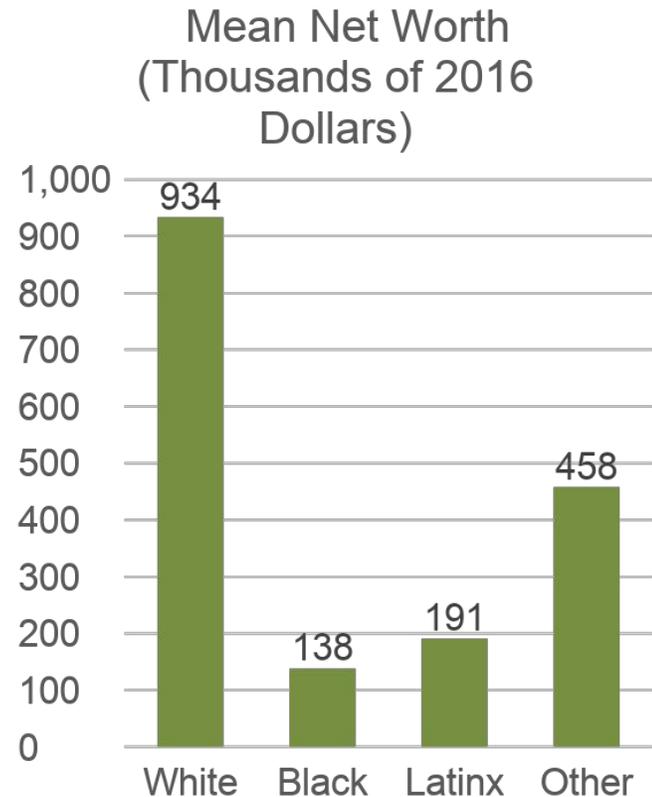


HOMEOWNERSHIP RATES ARE LOWER FOR BLACK AND LATINX FAMILIES THAN WHITE FAMILIES



BLACK AND LATINX WEALTH ALSO LAGS

- 32% of White, 37% of Black, and 39% of Latinx family assets are derived from housing wealth
- White families have an average of \$216K in housing wealth, while Black families have \$94K and Latinx families have \$130K

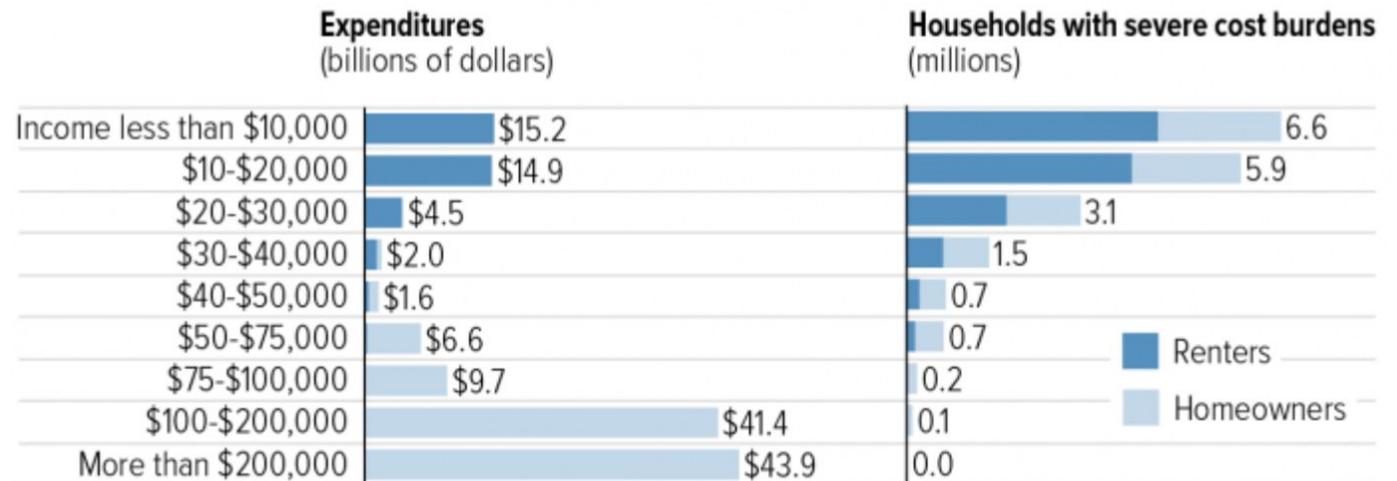


Source: Federal Reserve Board, Survey of Consumer Finances, Net Worth by Race/Ethnicity, 2016 Survey

CURRENT FEDERAL SUBSIDIES ARE INSUFFICIENT AND HAVE FAVORED WEALTHY HOMEOWNERS

- Only 1 in 4 renter households that qualify for assistance receive a housing subsidy
- Even after the Tax Cuts and Jobs Act, the Tax Foundation found that high-income households receive the vast majority of mortgage interest deduction benefit

Federal Housing Expenditures Poorly Matched to Need

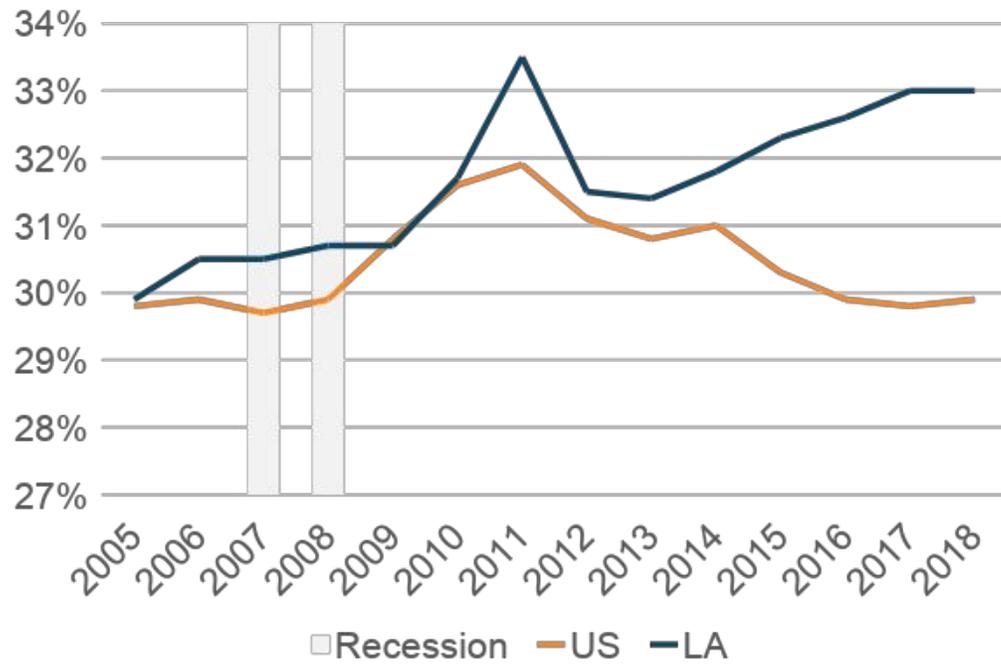


Notes: Data are for 2015. Homeowner expenditures include the mortgage interest and property tax deductions; income figures are for tax filing units. Rental expenditures include total outlays for the Housing Choice Voucher, Section 8 Project-Based, Public Housing, Housing for the Elderly (Section 202), and Housing for People with Disabilities (Section 811) programs; income figures are for households. Data on the income of beneficiaries of various housing expenditures are available only for these programs, which represent about three-fourths of homeownership and rental spending. HUD defines households with severe cost burdens as those paying more than half their income for housing.

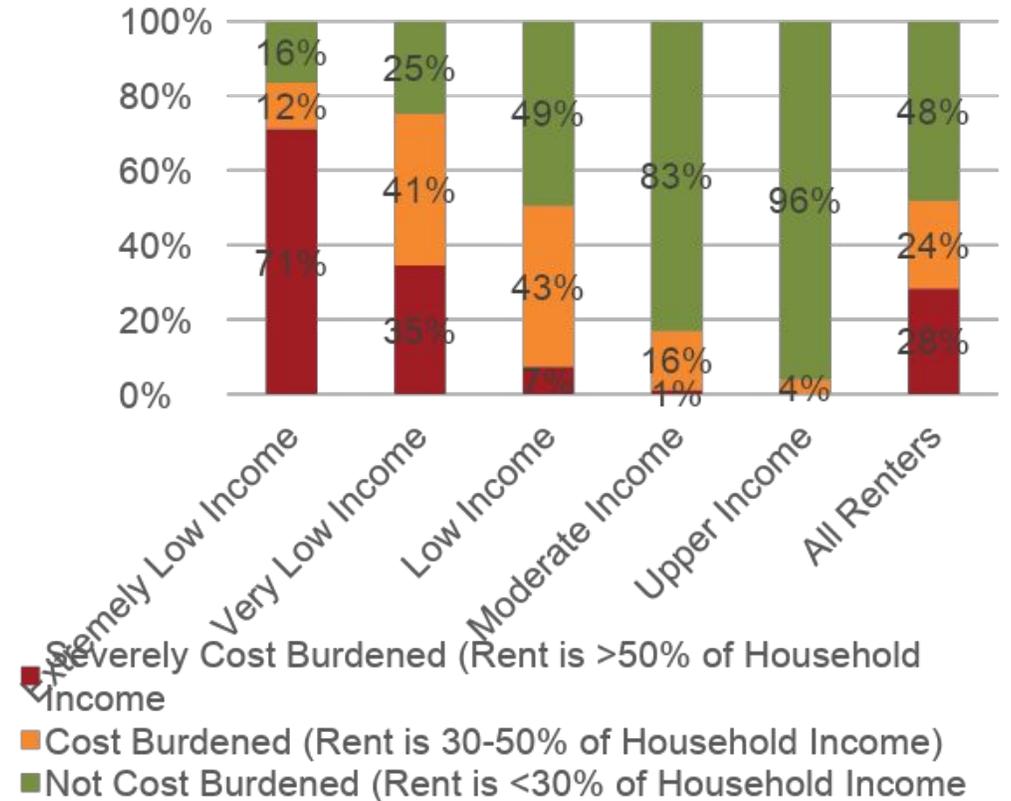
Sources: CBPP analysis of HUD program data, Census data on number of households and cost burdens in each income group, Joint Committee on Taxation tax expenditure estimates, and the Office of Management and Budget public budget database

RENTERS IN LOUISIANA ARE INCREASINGLY COST BURDENED

Median Gross Rent as a Percentage of Household Income (Renter Households Only)



% Cost Burdened Renter HHs by Income



Source: U.S. Census ACS 1-Year estimates

What is affordable housing in Louisiana?

MIT LIVING
WAGE
\$23.05

COVID UI
RATE
\$15.00

POVERTY
WAGE
\$10.25

RENTAL
WAGE
\$17.48

HOUSINGLOUISIANA

HousingLOUISIANA is a statewide network of housing practitioners and advocates whose primary goal is to ensure that all Louisiana's housing needs are met.

Through our statewide network of the nine regional housing alliances in Alexandria, Baton Rouge, Houma-Thibodaux, Lafayette, Lake Charles, Monroe, New Orleans, Northshore, and Shreveport, we work to better coordinate efforts and build collaboration across the state on housing issues.



*A Tale of Two Cities:
Lake Charles & New Orleans*



Calcasieu Parish



Orleans Parish



Lake Charles

How Much Does It Cost To Live In the Lake Charles Area?

\$16.10

per hour*

\$33,480

annually*

\$7.25

minimum wage

\$16.77

estimated hourly mean renter wage*

*this data comes from the NLIHC and is based on the average cost of a 2 bedroom home in the Lake Charles Area which is \$837

- Increase permanent and emergency housing opportunities
- Review zoning ordinances that can prevent the development of affordable housing and/or create more affordable housing opportunities
- Recruit more local developers to partner with and commit to affordable housing development
- Increase homeownership opportunities for low- and moderate income renters (Section 8 homeownership program, mobile homeownership as affordable option, Soft Second Programs)
- Set habitability requirements for landlords and the city to abide by, such as a Rental Registry
- Section 8 Reform

Lake Charles COVID-19 Housing Crisis

RENTAL HOUSING INSECURITY

4,777 renter households that pay at least 30% of their income on rent have lost their jobs due to COVID. With a median rent of \$800,

the rent gap is \$479/month.



The rent gap reflects the difference between the median rent in a parish and 30% of a household's income if they are receiving state benefits. \$247/week for state benefits x 4.33 weeks in a month x 30% = \$321. An assumption is made that each household is a single-income household.

COMPOUNDING IMPACTS

19% of rental households are spending more than 30% on housing (rent burdened) **AND** jobless due to COVID.

The number of rent burdened households at risk of losing their homes due to COVID...

4,777

The anticipated monthly rental gap for rent burdened households impacted by COVID...

\$2,288,482

Visit cpex.org for more information

Lake Charles MSA Rental Assistance Estimate

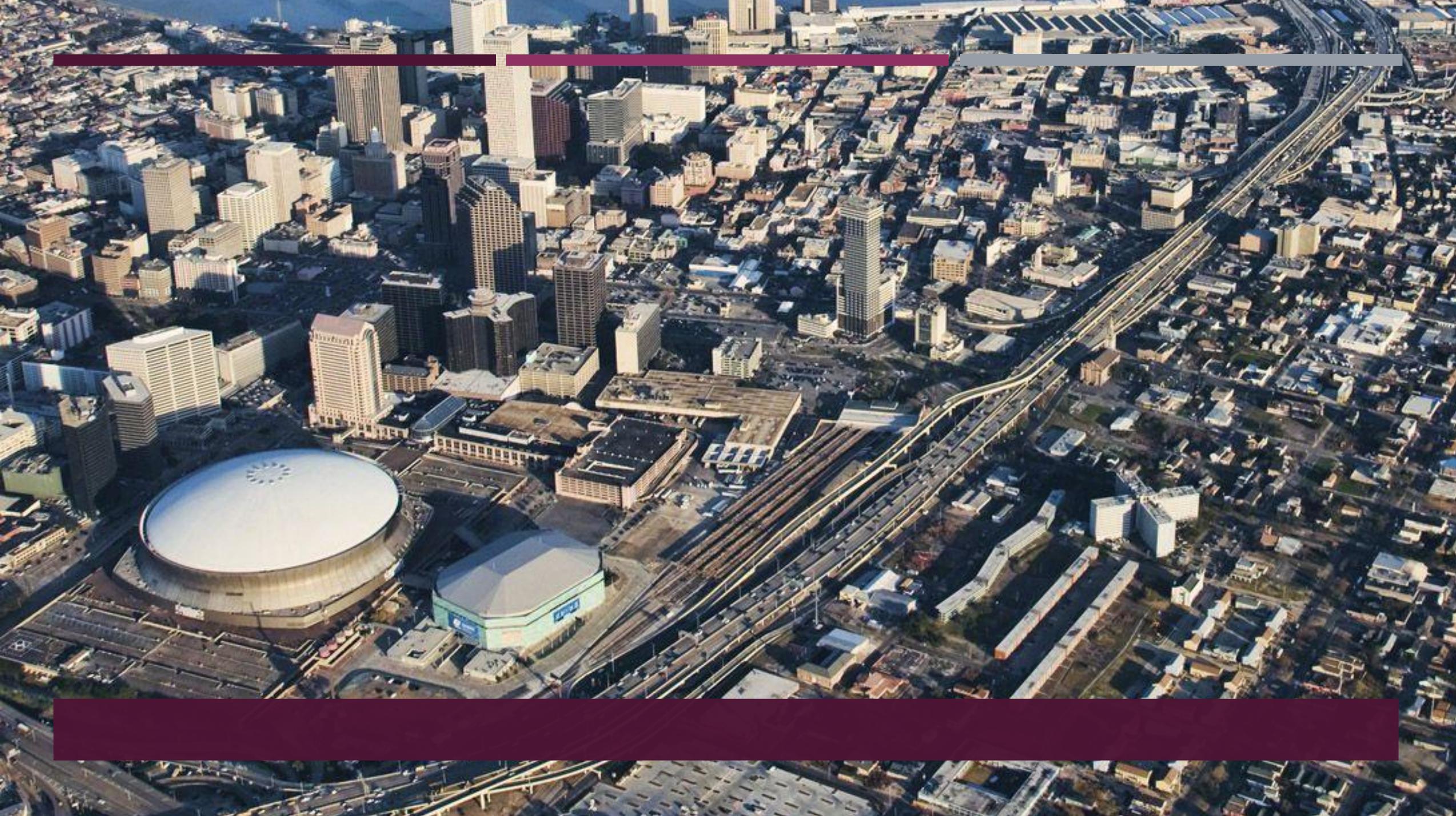
	Projected Nonfarm Payroll ⁽¹⁾⁽²⁾	# of Renter Households		\$ of Rental Assistance	
		Unemployed ⁽³⁾	W/Reduced Income	Unemployed	W/Reduced Income
January 2020 (Actual)	110,800	-	-	\$ -	\$ -
April 2020	95,800	7,560	217	\$ -	\$ 92,360
May 2020	95,800	7,560	217	\$ -	\$ 92,360
June 2020	95,800	7,560	217	\$ -	\$ 92,360
July 2020	95,000	7,963	229	\$ -	\$ 97,286
August 2020	95,000	7,963	229	\$ 4,004,890	\$ 97,286
September 2020	95,000	7,963	229	\$ 4,004,890	\$ 97,286
October 2020	96,000	7,459	214	\$ 3,751,416	\$ 91,129
November 2020	96,000	7,459	214	\$ 3,751,416	\$ 91,129
December 2020	96,000	7,459	214	\$ 3,751,416	\$ 91,129
January 2021	98,000	6,451	185	\$ 3,244,468	\$ 78,814
February 2021	98,000	6,451	185	\$ 3,244,468	\$ 78,814
March 2021	98,000	6,451	185	\$ 3,244,468	\$ 78,814
April 2021	97,000	6,955	200	\$ 3,497,942	\$ 84,971
May 2021	97,000	6,955	200	\$ 3,497,942	\$ 84,971
June 2021	97,000	6,955	200	\$ 3,497,942	\$ 84,971
July 2021	97,700	6,602	190	\$ 3,320,510	\$ 80,661

Total Rental Assistance Needed Through December 2020 \$ 20,106,352

Total Rental Assistance Needed Through July 2021 \$ 44,226,107







New Orleans

How Much Does It Cost To Live In the New Orleans Metro?

\$20.73

*per hour**

\$43,120

*annually**

\$7.25

minimum wage

\$16.09

*estimated hourly mean renter wage**

*this data comes from the NLIHC and is based on the average cost of a 2 bedroom home in the New Orleans Area which is \$1,078

- Implement the Smart Housing Mix
- Increase transit-oriented development and density in high transit corridors to offset
- Increase African American homeownership opportunities
- Invest in sustainable development
- Increase support for aging-in-place policies
- Establish a centralized system for renter's rights and protections and landlord enforcement
- Increase funds to local Housing Trust Fund

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		Unemployed ⁽³⁾	W/Reduced Income	Unemployed	W/Reduced Income
January 2020 (Actual)	586,100	-	-	\$ -	\$ -
April 2020	500,100	50,224	1,695	\$ -	\$ 1,010,729
May 2020	500,100	50,224	1,695	\$ -	\$ 1,010,729
June 2020	500,100	50,224	1,695	\$ -	\$ 1,010,729
July 2020	500,100	50,224	1,695	\$ -	\$ 1,010,729
August 2020	503,500	48,238	1,628	\$ 31,640,758	\$ 970,770
September 2020	507,000	46,194	1,559	\$ 30,300,048	\$ 929,636
October 2020	510,100	44,384	1,498	\$ 29,112,562	\$ 893,203
November 2020	513,500	42,398	1,431	\$ 27,810,158	\$ 853,244
December 2020	517,000	40,354	1,362	\$ 26,469,448	\$ 812,109
January 2021	520,000	38,602	1,303	\$ 25,320,268	\$ 776,851
February 2021	523,500	36,558	1,234	\$ 23,979,558	\$ 735,717
March 2021	527,000	34,514	1,165	\$ 22,638,847	\$ 694,583
April 2021	530,000	32,762	1,106	\$ 21,489,667	\$ 659,325
May 2021	533,500	30,718	1,037	\$ 20,148,957	\$ 618,190
June 2021	537,000	28,674	968	\$ 18,808,247	\$ 577,056
July 2021	544,400	24,353	822	\$ 15,973,603	\$ 490,086

Total Rental Assistance Needed Through December 2020 \$ 153,834,852

Total Rental Assistance Needed Through July 2021 \$ 306,745,807

Lake Charles & New Orleans

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\$16.10
per hour*

\$33,480
annually*

\$7.25
minimum wage

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estimated hourly
mean renter wage*

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How Much Does It Cost To Live In the New Orleans Metro?

\$20.73
per hour*

\$43,120
annually*

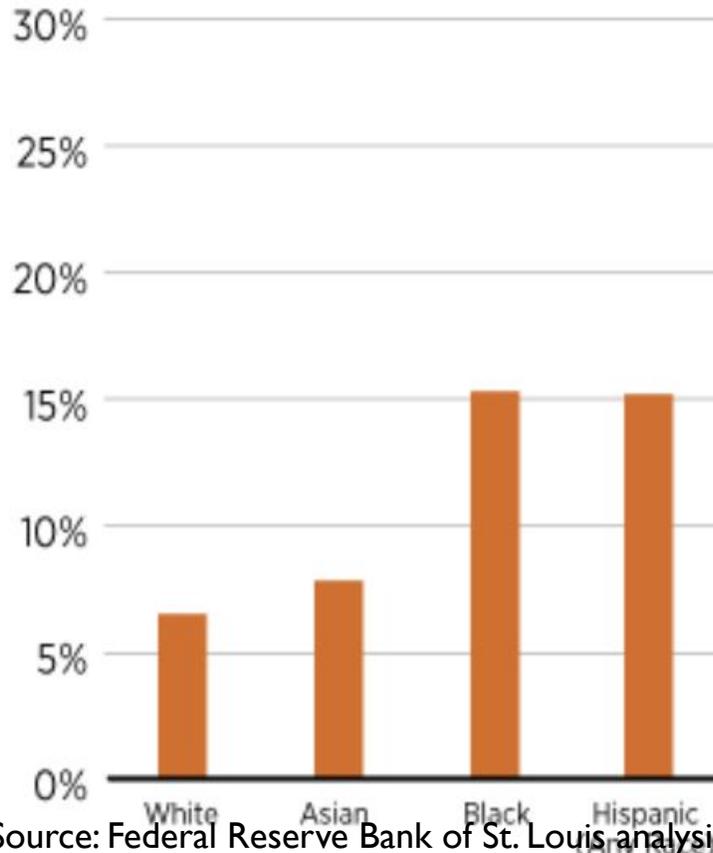
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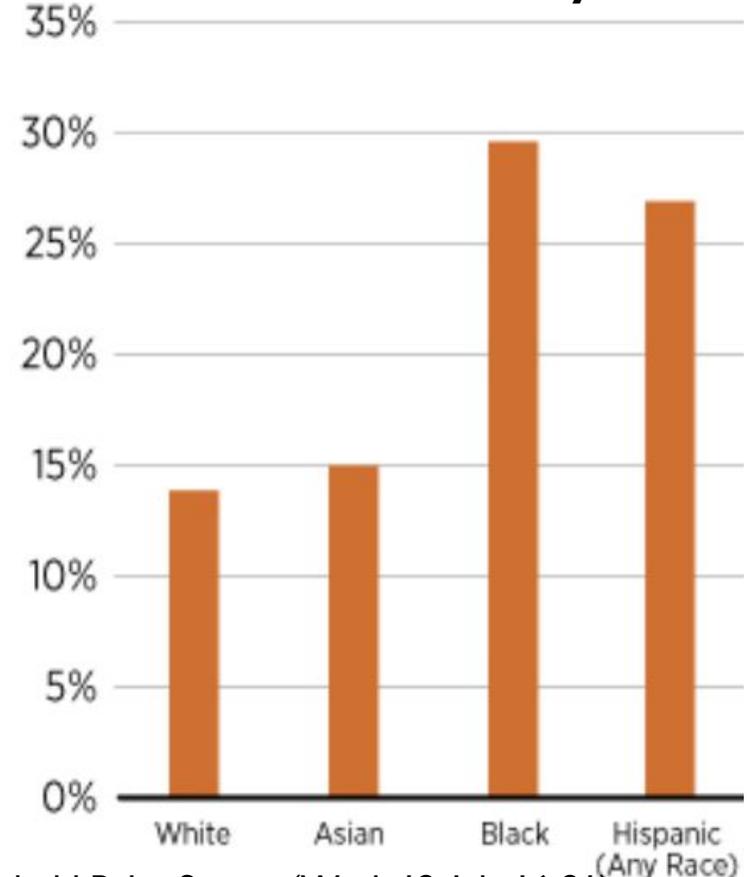
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COVID MAY EXACERBATE DISPARITIES BY RACE AND ETHNICITY

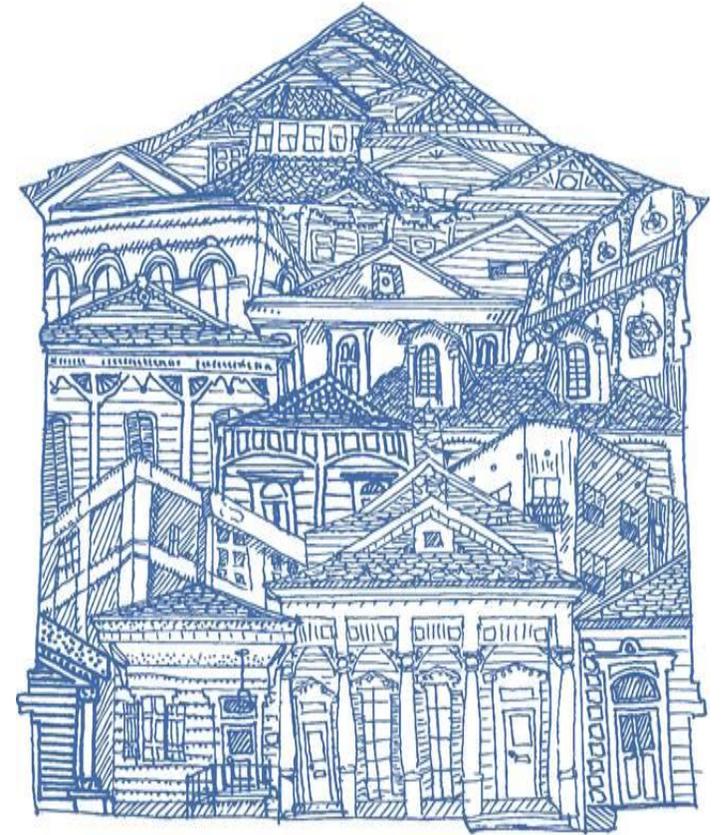
Late or Deferred Mortgage Payments



Late or Deferred Rent Payments



Source: Federal Reserve Bank of St. Louis analysis of U.S. Census Bureau 2020 Household Pulse Survey (Week 12, July 16-21)



PUT HOUSING FIRST

HEIRS' PROPERTY IS A BARRIER TO INTERGENERATIONAL WEALTH AND DESTABILIZES COMMUNITIES

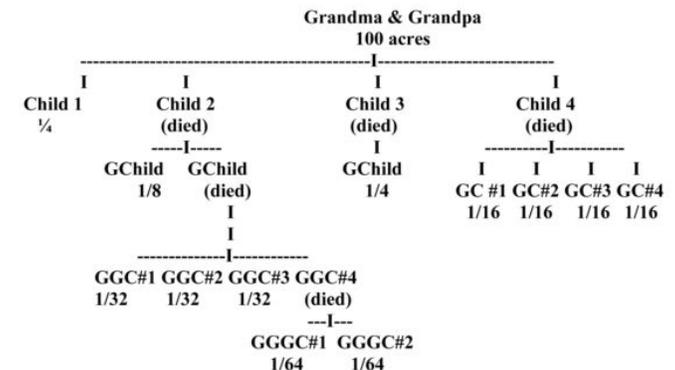
WHAT IS HEIRS' PROPERTY?

- Inherited intestate (without a will)
- Heirs are joint owners with undivided interest
- No clear, marketable title
- Vulnerable to disputes and predatory land deals

WHY IS IT IMPORTANT?

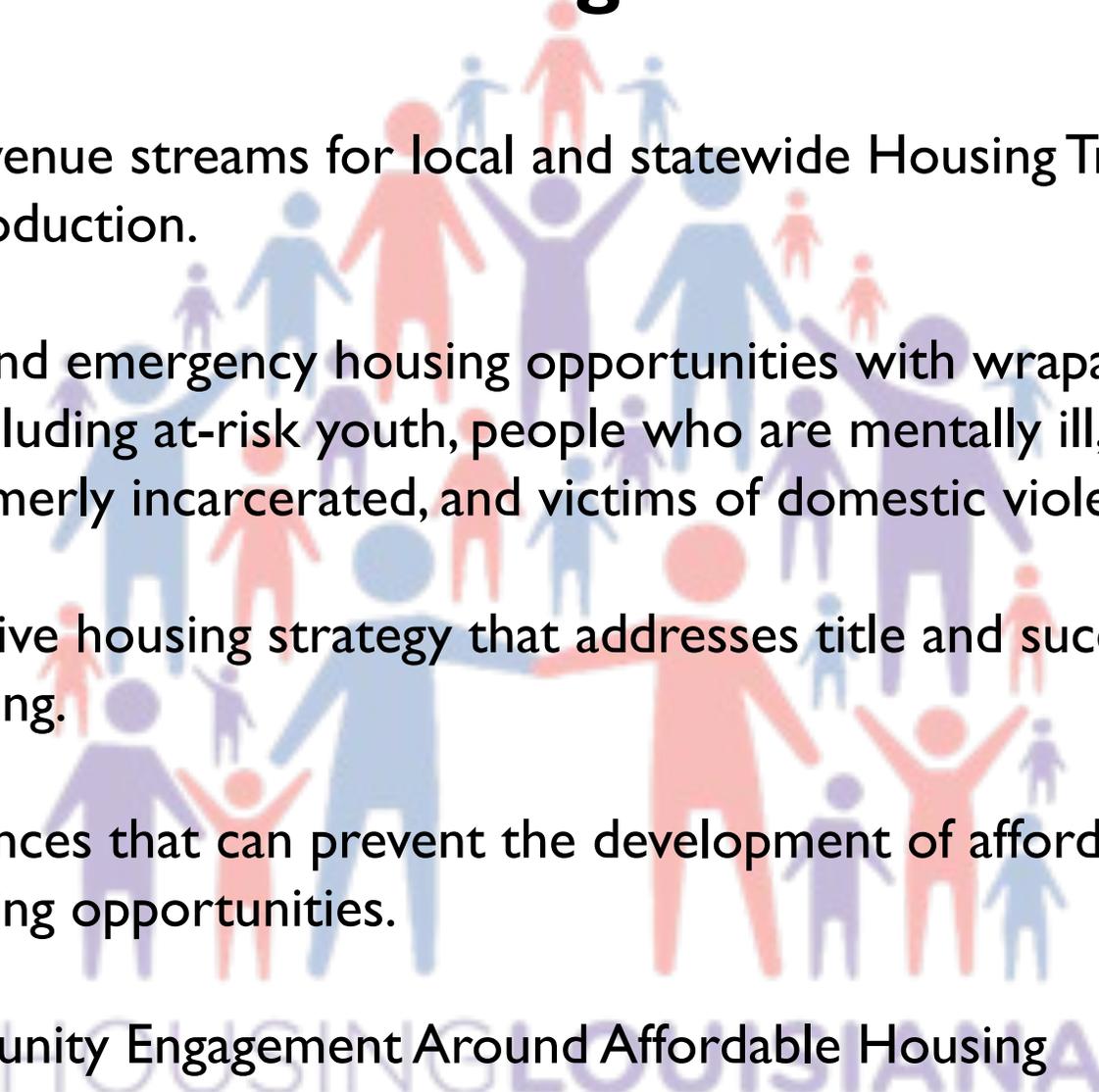
- Heirs cannot access grants or loans for property improvements

- May lead to blight, health and safety concerns, loss of tax revenue, and lower property values
- Disproportionately high among Black, Indigenous, People of Color, and low-income and low-wealth households





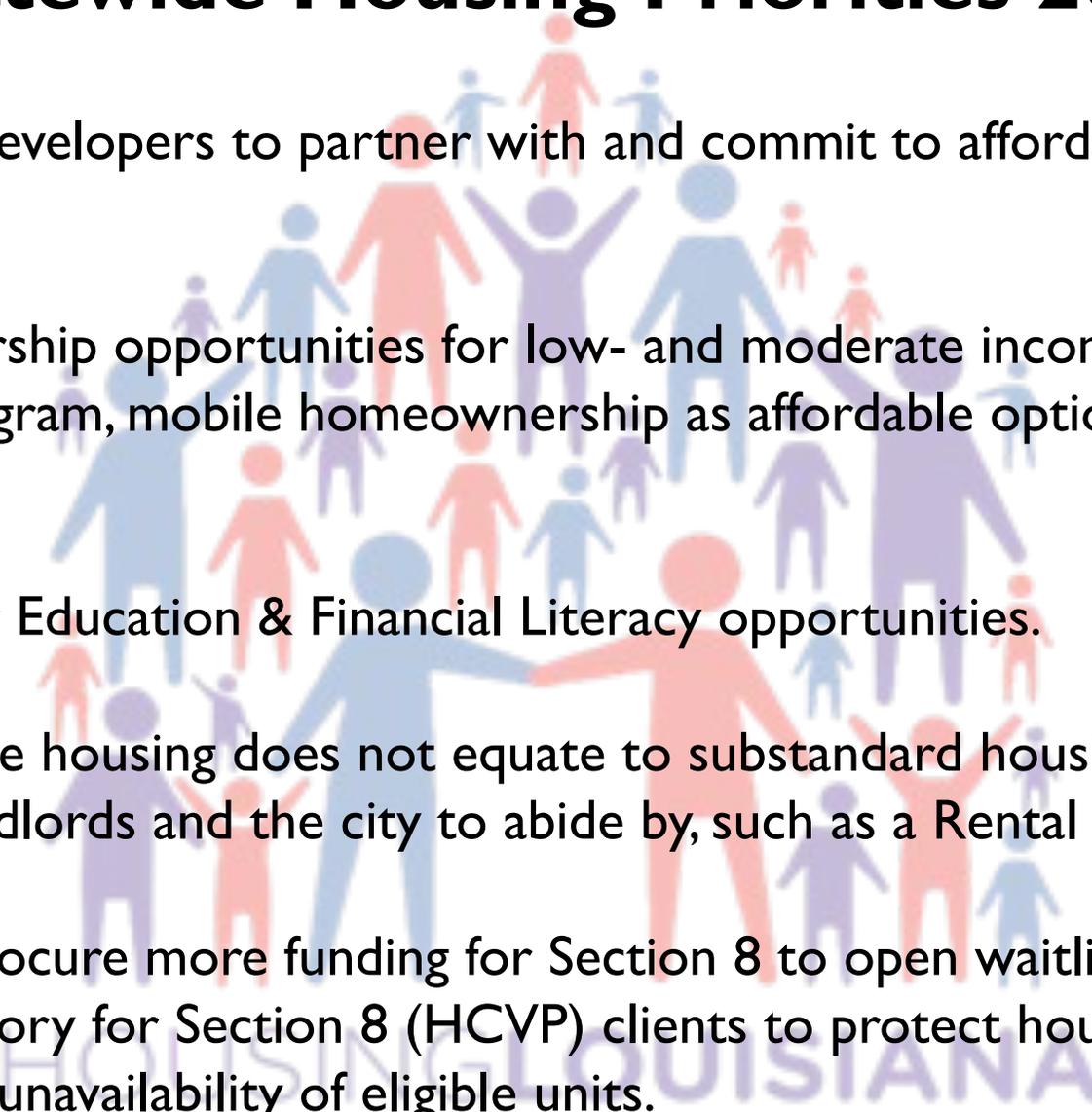
Statewide Housing Priorities 2020



1. Create designated revenue streams for local and statewide Housing Trust Funds to increase affordable housing production.
2. Increase permanent and emergency housing opportunities with wraparound services for special needs populations, including at-risk youth, people who are mentally ill, homeless individuals, people who were formerly incarcerated, and victims of domestic violence.
3. Create a comprehensive housing strategy that addresses title and succession issues to create more affordable housing.
4. Review zoning ordinances that can prevent the development of affordable housing and/or create more affordable housing opportunities.
5. Education and Community Engagement Around Affordable Housing



Statewide Housing Priorities 2020



6. Recruit more local developers to partner with and commit to affordable housing development.
7. Increase homeownership opportunities for low- and moderate income renters (Section 8 homeownership program, mobile homeownership as affordable option, Soft Second Programs).
8. Increase Homebuyer Education & Financial Literacy opportunities.
9. Ensure that affordable housing does not equate to substandard housing by setting habitability requirements for landlords and the city to abide by, such as a Rental Registry.
10. Section 8 Reform: Procure more funding for Section 8 to open waitlists and invest in more viable housing inventory for Section 8 (HCVP) clients to protect households from losing their vouchers from unavailability of eligible units.



We believe that our communities can provide high-quality, safe and accessible housing that is affordable to individuals and families of all income levels throughout Louisiana



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www.housingnola.org

www.gnoha.org

www.housinglouisiana.org