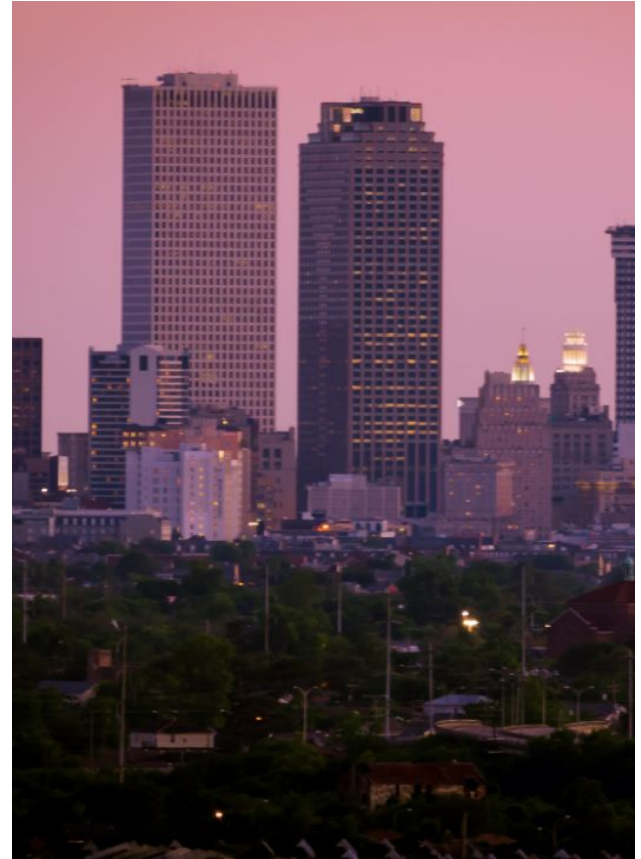
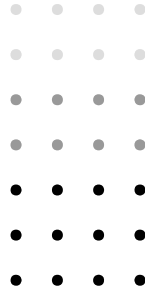


New Orleans

Homelessness Crisis

Policy Proposal

Team 97
October 2023



Content

Introduction

- a. The Eviction and Homelessness Crisis in New Orleans
- b. Problem Statement and Criteria

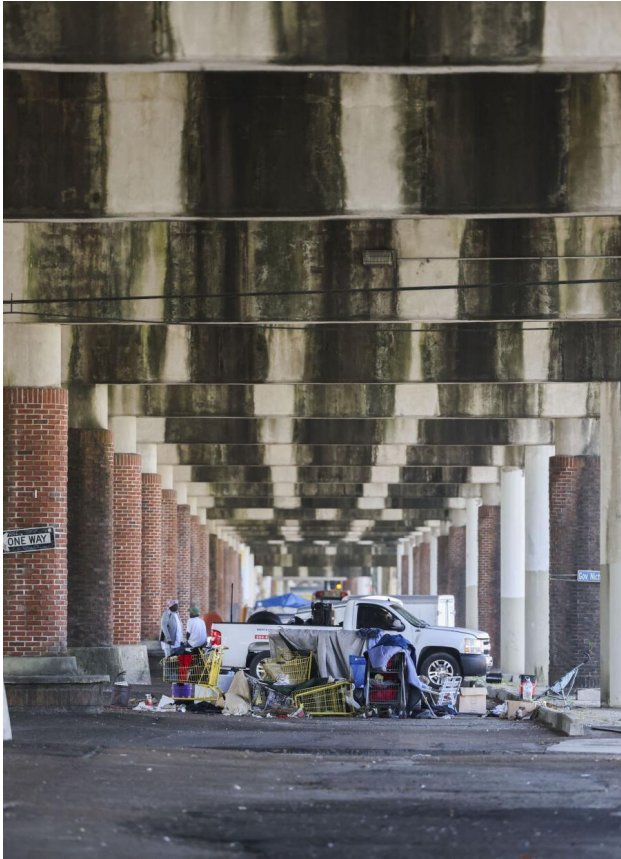
Our Proposal

- a. Policy Proposal
- b. Cost Estimates

Conclusion

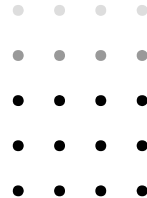
- a. Overall Evaluation: Feasibility and Estimated Impact





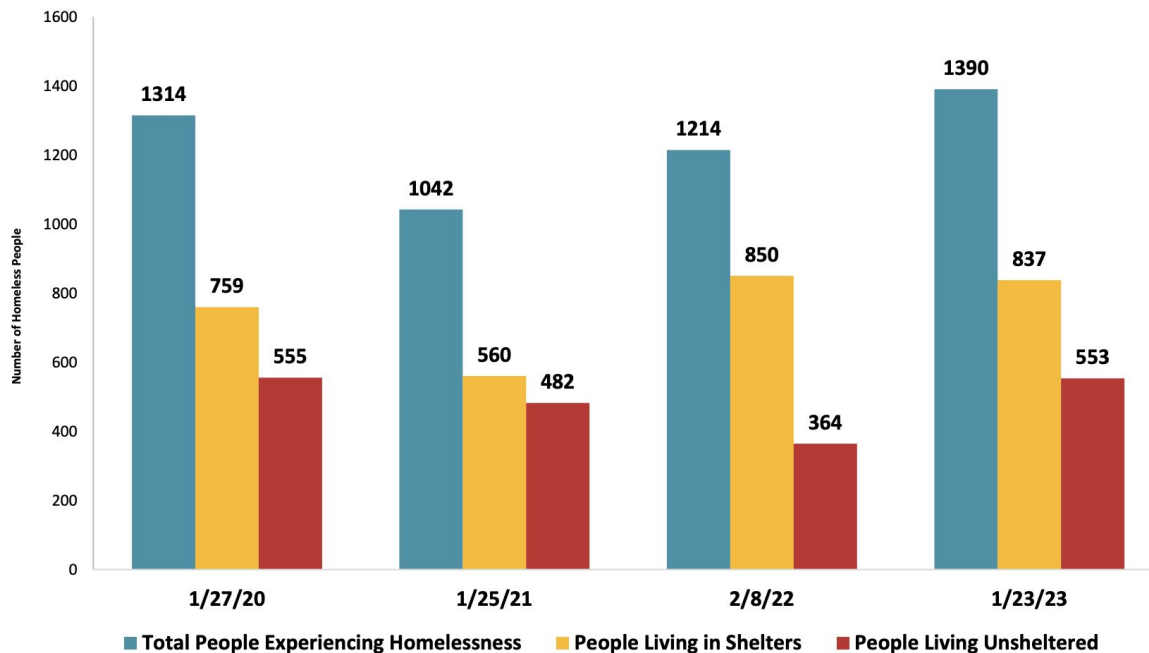
01

Background & Context



The Eviction and Homelessness
Crisis in New Orleans;
Problem Statement & Criteria

Increased Homelessness Post-Covid

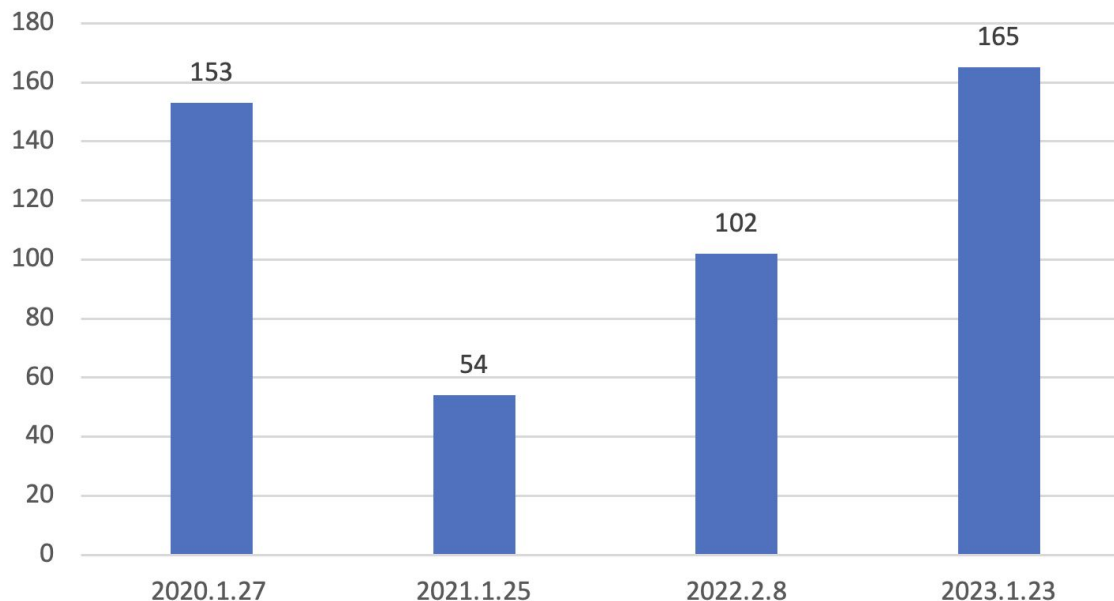


Graph A: The homeless population in New Orleans **increased 15%** since 2022¹

[1] *Progress Reversed: After Pandemic Initiatives Drive Homeless Down, Soaring Rents Push Numbers Back Up.* https://unitygno.org/wp-content/uploads/2023/09/2023_UNITY_PIT_Report.pdf.

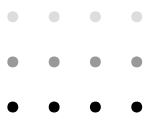
Soaring Family Homelessness

Family Homelessness

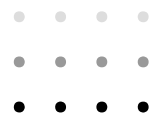


Graph B: Adults and children experiencing homelessness **increased 62%** since 2022¹

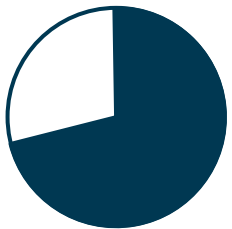
[1] *Progress Reversed: After Pandemic Initiatives Drive Homeless Down, Soaring Rents Push Numbers Back Up.* https://unitygno.org/wp-content/uploads/2023/09/2023_UNITY_PIT_Report.pdf.



Demographics of Homelessness



GENDER



71% men, 27% women

Education

38% without high school diploma

Race

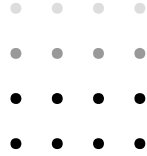


Disability



[1] Progress Reversed: After Pandemic Initiatives Drive Homeless Down, Soaring Rents Push Numbers Back Up. https://unitygno.org/wp-content/uploads/2023/09/2023_UNITY_PIT_Report.pdf.

Eviction



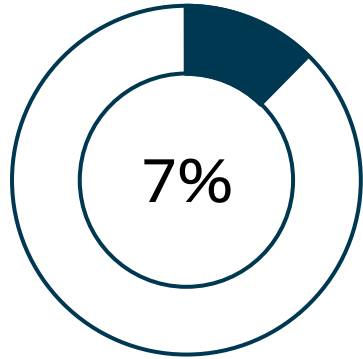
- Half of the New Orleans population are renters (75,311 renter households)
- Rents rose by 49% as income dropped by 8% from 2000 to 2019
- Rate of eviction in New Orleans nearly doubles the national average, with some neighborhoods close to 4 times national average
- Eviction filing process: at least five days for tenants notice + \$100 filing fees to courts (low cost)²



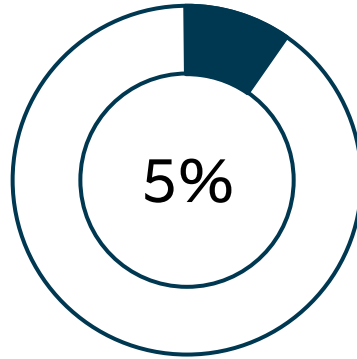
[2] Lab, Eviction. "New Orleans, Louisiana | Eviction Tracking System." *Eviction Lab*, <https://evictionlab.org/eviction-tracking/new-orleans-la/>. Accessed 22 Oct. 2023.

[Image] Stephanie Keith/Getty Images, via <https://www.npr.org/2021/08/06/1025212834/cdc-new-eviction-ban-moratorium-renters-landlords>

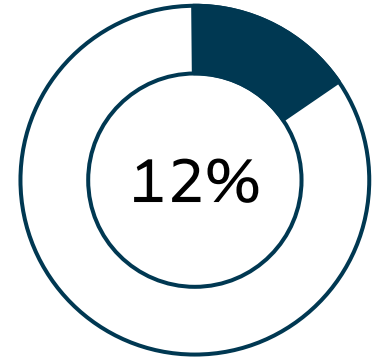
Eviction Statistics



Eviction filling rate



Households threatened rate



Serial filling rate

- Disproportionately impact neighborhoods with Black residents (1/4 evicted)
- Eviction rates are higher in neighborhoods that experienced **historic redlining and subsequent disinvestment**²

Lack of Tenant Protection in Landlord-Tenant Law



Habitability

Renters **may not withhold rent** even when the rental home is **uninhabitable**.

Tens of thousands of rental properties fell below basic habitability standards. If renters stop paying rents for an uninhabitable housing, they face risks of eviction.³



“Delinquent” debt

If the owner believes that **rent was still owed at the time of the eviction**, they can send the amount in controversy to a collection agency as a delinquent debt. Screening companies may place tenants on **‘do not rent’ list**, which make them discriminated in future renting and forced into undesirable neighborhoods.³



Rolling backlog

The New Orleans court does not effectively address eviction cases. Sometimes the eviction court may start addressing a case filed six months ago.⁴

[3] Jane Place Neighborhood Sustainability Initiative (JPNSI), and Davida Finger. *New Orleans Eviction Geography: Results of an Increasingly Precarious Housing Market*. 19 June 2019. *Social Science Research Network*, <https://papers.ssrn.com/abstract=3456929>.

[4] “Almost Half of New Orleans Residents Are Renters. Advocates Worry an Eviction Crisis Looms.” *PBS NewsHour*, 12 Jan. 2022, <https://www.pbs.org/newshour/nation/almost-half-of-new-orleans-residents-are-renters-advocates-worry-an-eviction-crisis-looms>.

Recent Initiatives



OHSS Initiative

Aim: Relocate at least 100 people by the end of the year.
Budget: \$15m to Unity for 3 years, housing 240 people; \$14m for health care provider
Strategy: rent subsidy + services 2022-2023⁵



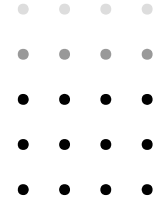
Shelter expansion

Aim: increase the number of beds from 100 to 346 at main shelters from 2022-23
Budget: \$5m⁶



Rental Registry

Aim: deter slumlords & restrict eviction
Strategy: subject landlords to put properties under inspections (proposal not yet passed)⁷

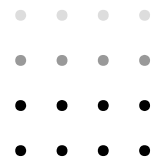


[5] Kasakove, Sophie. "Armed with Federal Funding, New Orleans Plans to Close Homeless Encampments and Offer Housing." *NOLA.Com*, 1 Oct. 2023, https://www.nola.com/news/politics/new-orleans-to-clear-homeless-encampments-offer-housing/article_e875714a-5cc1-11ee-8701-eb075445daac.html.

[6] Myers, Ben. "New Orleans Area Homelessness Soars with Rising Rent, Return of Evictions." *NOLA.Com*, 3 May 2023, https://www.nola.com/news/new-orleans-homelessness-surges-as-housing-costs-rise/article_5c5c7c52-e92c-11ed-b34b-2f406d317149.html.

[7] Sledge, Matt. "To deter slumlords, New Orleans might create rental registry, inspect properties." *NOLA.com*, Sep 16 2022, https://www.nola.com/news/politics/to-deter-slumlords-new-orleans-might-create-rental-registry-inspect-properties/article_667d46b8-360c-11ed-92c7-17af565cf95d.html

Why Might People Prefer Streets to Shelters?



Mental illness

Example: people with Schizophrenia may be fearful of large groups, uncertainty, and unfamiliar situations

Schedule

Check-in, check-outs, meal schedules make it difficult to find a job, especially for anyone not working during the day



Ventilation

Lack of air conditioning results in terrible heat during summer

Crowdedness

Demands for shelters are overwhelming, and crowded warehouse makes it hard to sleep



[5] Kasakove, Sophie. "Armed with Federal Funding, New Orleans Plans to Close Homeless Encampments and Offer Housing." *NOLA.Com*, 1 Oct. 2023, https://www.nola.com/news/politics/new-orleans-to-clear-homeless-encampments-offer-housing/article_e875714a-5cc1-11ee-8701-eb075445daac.html.

[6] Myers, Ben. "New Orleans Area Homelessness Soars with Rising Rent, Return of Evictions." *NOLA.Com*, 3 May 2023, https://www.nola.com/news/new-orleans-homelessness-surges-as-housing-costs-rise/article_5c5c7c52-e92c-11ed-b34b-2f406d317149.html.

[7] Sledge, Matt. "To deter slumlords, New Orleans might create rental registry, inspect properties." *NOLA.com*, Sep 16 2022, https://www.nola.com/news/politics/to-deter-slumlords-new-orleans-might-create-rental-registry-inspect-properties/article_667d46b8-360c-11ed-92c7-17af565cf95d.html

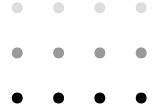
The problem is **three-fold**:

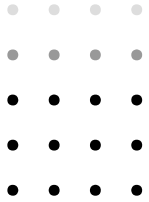
Due to **rising rents** and **lack of developers** interested in building affordable housing, there is a severe **lack of affordable housing** available.

This **unaffordability** and **lack of renter protections** contributes to the sustained **high eviction** rate in New Orleans.

Those who are unhoused remain so due to **inefficient dispersal of services** necessary to escape homelessness and **lack of financial support**.

Problem Statement





Criteria for Policies

EFFICACY

Targeting the
stated problems.

EFFICIENCY

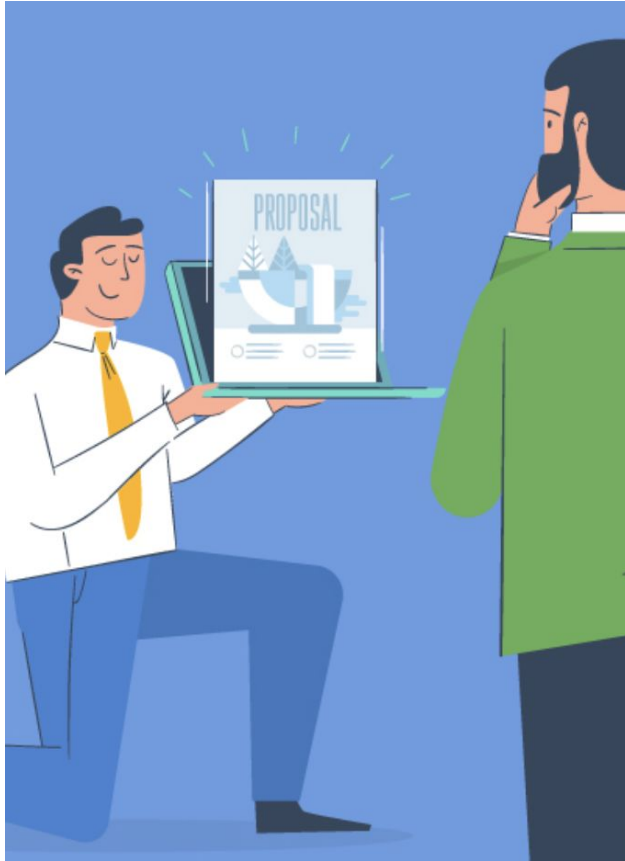
Costing the least to
attain the desired
purposes.

EQUITY

Aid the homeless
population in
urgent of housing.

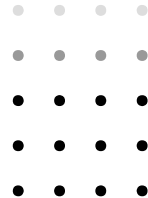
FEASIBILITY

Financially and
politically feasible.

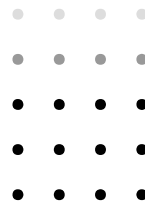


02

Our Proposal



Proposal Overview



01 Home Rehabilitation Program

02 Direct Payment Program

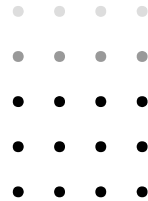
03 Legal Reform

04 Evaluation



2.1

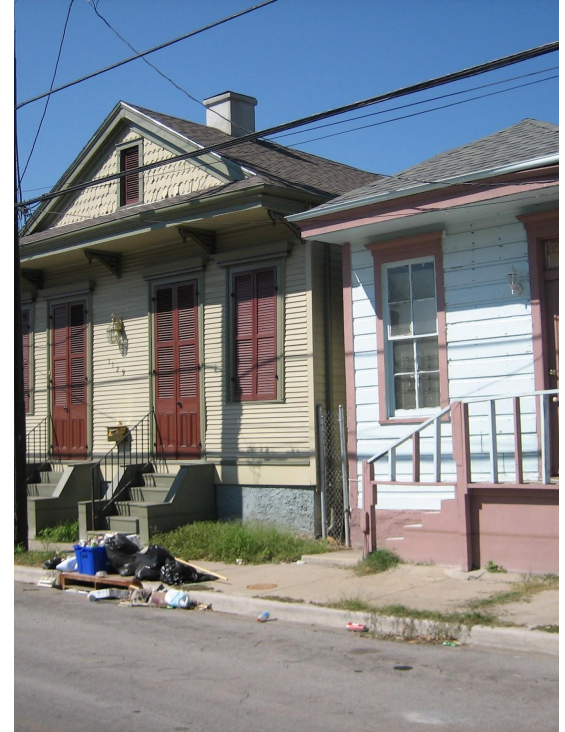
Home Rehabilitation Program



Restoring dilapidated and vacant properties and returning them to market as affordable housing

Home Rehabilitation Program: A 2-year pilot program

- Create a new program designed to disburse funds to private and nonprofit developers for the purpose of restoring dilapidated and vacant properties that would qualify as affordable housing
- HousingNOLA predicts that there are 3,340 dilapidated properties that could be reactivated as affordable housing
- Restoring these properties would increase the supply of affordable housing, repopulate and improve neighborhoods, and return properties to tax rolls



[7] *Housing for All Action Plan: Directing Investment to Create an Equitable, Affordable, and Strong New Orleans*. HousingNOLA, 2022, p. 44, <https://fluxconsole.com/files/item/87/133762/2022%20Housing%20For%20All%20Action%20Plan%202002-19-22%20FINAL.pdf>.

[Image] <https://upload.wikimedia.org/wikipedia/commons/8/80/TremeStoopsFloodLine.jpg>

Program Mechanics

1. Private and nonprofit developers would apply for funds for the rehabilitation of a property
2. The program would disburse a grant that would cover up to 60% of the estimated project costs, with a matching fund requirement of at least 40% of estimated project costs
3. Once rehabilitated, the property would enter the rental market based on affordable housing practices. This entails income restrictions and rent restrictions that make the properties affordable for low and very-low-income renters. These restrictions would last for a compliance period of 15 years.
4. Priority will be given to projects with lower estimated rehabilitation costs

Why This Program?



Functions similarly to the Rental Housing Development HOME Rental Housing Program, but focuses specifically on rehabilitation projects



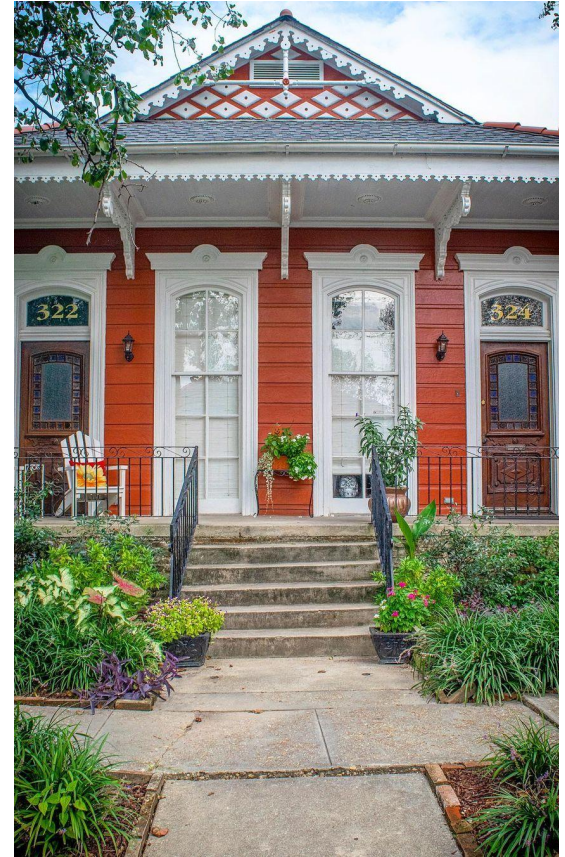
Follows similar affordable housing restrictions as the Low-Income Housing Tax Credit program, which have proved effective



Rehabilitating properties is targets the housing needs of specific neighborhoods, thus contributing to urban renewal and strengthening communities



Creating a new program focuses resources more effectively than adding to an existing program





Pilot Program Cost Estimates



1. Allocate \$10,000,000 each year for 2 years
 - \$20,000,000 disbursed over the lifetime of the program
 - According to HousingNOLA, the average cost of property rehabilitation is \$520,000
 - Project grants will cover up to 60% of estimated project costs
 - From this, we can calculate that the average grant given per rehabilitation will be at most \$312,000
 2. 2 new employees for the execution of the program at \$75,000 per year
- Program costs may be slightly mitigated by additional property taxes from rehabilitated properties and decreased strain on public services related to homelessness

Total cost: \$20,300,000.00

Measuring Program Success:



Based on cost estimates, 70+ properties will be rehabilitated and returned to market after the 2 years of pilot program funding.

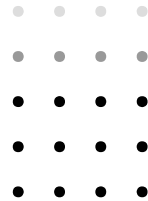


We will track project progress as well as tenancy rates, tenant overturn, and neighborhood populations.



After the first 2 years, we will change the project grant restrictions to more effectively satisfy need.





2.2

Direct Payment Program

Putting money in the hands of those who need it the most

2-Year Pilot Program Payments



Individual

\$500/individual per month for 12 months



Family

\$700/guardian and \$400/dependent per month for 12 months

Pilot Program Timeline

01

Policy



Enacted: Day 0

02

Application



For the 12 months starting from day 0, application is open

03

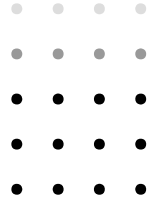
Payments



For the 12 months starting from date of recipient acceptance into program, recipients receive payments

**Max:
2 Years**

Pilot Program Mechanics



Apply

For individuals and families who are experiencing homelessness



Qualify

Applicants' housing situations verified by social workers



Pick-up

Receivers would get payment via direct deposit or pick up payment each month from the Low Barrier Shelter

Pilot Program Mechanics: Apply



Application

Simple application that asks about home status

Outreach to shelters

Social workers help those at shelters fill out the application



Outreach to encampments

During weekly outreach to encampments⁹, encourage and assist with application

Pilot Program Mechanics: Qualify

Social workers

Hire 3 new social workers to verify applications



Social worker support

The three new social workers at the Low Barrier Shelter will also support Direct Payment recipients, offering basic services when recipients come in for pick-up

Pilot Program Mechanics: Pick-Up



Pick-up

Recipients receive payments via direct deposit or pick up from Low Barrier Shelter each month



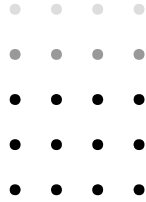
From other shelters

Hire a driver and purchase a city vehicle to shuttle recipients from other shelters to pick up Direct Payments



From encampments

Hire a driver and purchase a city vehicle to shuttle recipients from encampments to pick up Direct Payments



Program Reasoning

If successful, the program cost would greatly reduce over time, as people would become housed; in line with other cities' efforts^{10, 11}

2-Year Pilot Program

Putting money in people's hands gives agency
Simple application → fewer bureaucratic
barriers

Direct Payments

Recipients of payments are also
disproportionately unbanked¹², so don't want to
rely on bank accounts

Cash Payment Option

[10] Sullivan, Andy. "U.S. Cities Try New Way to Help the Poor: Give Them Money." *Reuters*, 21 Dec. 2021. [www.reuters.com, https://www.reuters.com/world/us/us-cities-try-new-way-help-poor-give-them-money-2021-12-21/](https://www.reuters.com/world/us/us-cities-try-new-way-help-poor-give-them-money-2021-12-21/).

[11] *Rise Up Cambridge*. <https://www.cambridgema.gov/en/riseup>. Accessed 22 Oct. 2023.

[12] *2021 FDIC National Survey of Unbanked and Underbanked Households*. <https://www.fdic.gov/analysis/household-survey/index.html>. Accessed 22 Oct. 2023.

[Image] <https://www.whcc.com/top-news/monroe-county-families-earn-extra-500/>

Pilot Program Cost Estimates: Payments

	Average Monthly Payment	2023 Snapshot Homeless Population (source: PBS)	Snapshots Tend to Undercount - Adjustment:	# Recipients (in 2 years)	Total cost (2 years):
Individuals	1 individual: \$500	895 people (estimate)	1000 people (estimate)	$1000 * 1.65 = 1650$	9,900,000
Families	1 parent + 2 children: \$700 + 2*\$400 = \$1,500	165 families (KNOWN) * 3 people = 495 people (estimate)	190 families * 3 people = 570 people (estimate)	190 * 1.65 = 314 families * 3 people = 942 people	5,652,000
		= 1,390 people (KNOWN)	= 1,570 people	= 2,592 people	15,552,000
				Note: 1.65 estimate is based on the idea that 40% of the homeless population is unsheltered	

[13] "We're Barely Making It.' Why More New Orleans Families Are without Stable Housing." *PBS NewsHour*, 14 July 2023, <https://www.pbs.org/newshour/nation/were-barely-making-it-why-more-new-orleans-families-are-without-stable-housing>.

[14] Brasted, Chelsea. "Recent Progress Erased as New Orleans-Area Unhoused Population Increases." *Axios*, Axios Media, 11 May 2023, <https://www.axios.com/local/new-orleans/2023/05/11/homeless-population-increase-new-orleans-area>.

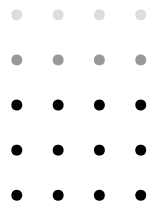
Pilot Program Cost Estimates: Other

	Components	Calculation	Cost
Program administration (applications, basic additional services)	Social workers (3)	$\$75,000 * 3 * 2 \text{ years}$	\$225,000
Transportation for pick-up	Minivan	Used market rate: ~\$22,000	\$22,000
	Minivan up-keep	\$2,000	\$2,000
	Driver	$\$55,000 * 1 * 2 \text{ years}$	\$55,000
	Gas	20 mpg at \$3.35/gallon * 150 miles/week * 52 weeks * 2 years	\$2,652
			\$306,652
		Minivan price source: Carfax	
		Gas price source: AAA	

[15] Used Minivans for Sale near New Orleans, LA (with Photos) - CARFAX. https://www.carfax.com/Used-Minivans-New-Orleans-LA_bt5_c22603. Accessed 22 Oct. 2023.

[16] AAA Gas Prices. <https://gasprices.aaa.com/?state=LA>. Accessed 22 Oct. 2023.

Pilot Program Cost Estimates: Offsets



Fewer people
in shelters



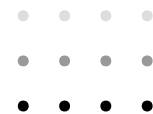
Fewer people
using shelter
social services



Fewer people in
encampments →
less outreach,
cleaning staff
needed



Pilot Program Evaluation



Total
homeless
population



1 year: 21%
decrease

2 years: 37%
decrease
= **876 people**

Sheltered
homeless
population



1 year: 25%
decrease

2 years: 45%
decrease total

Unsheltered
homeless
population



1 year: 15%
decrease

2 years: 25%
decrease total

Homeless
families

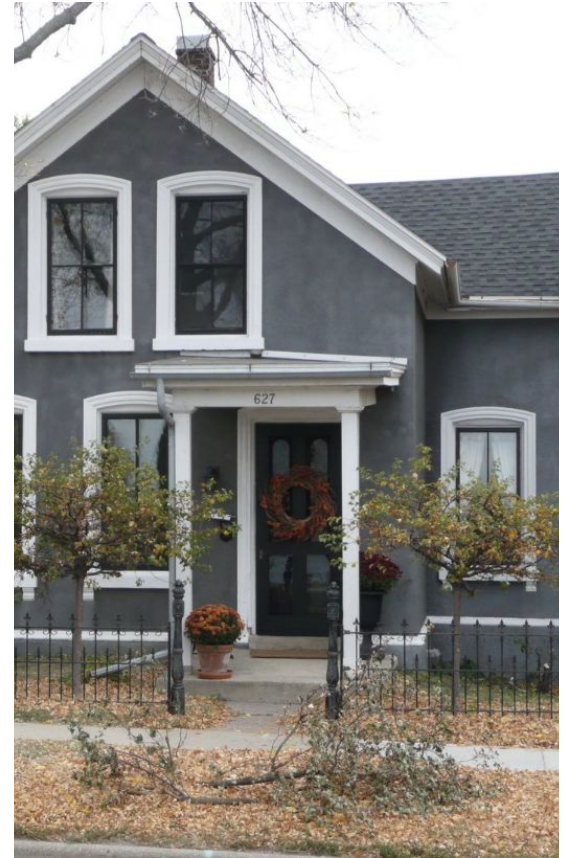
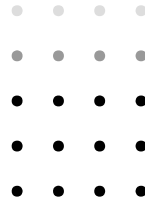


1 year: 33%
decrease

2 years: 67%
decrease total

After the 2-year pilot program...

- Goal: significantly decreased homelessness, so continued resources can target those most vulnerable
- Asses total homeless population, sheltered homeless population, unsheltered homeless population, and homeless family numbers
- Refit programs to the remaining higher-need but smaller population, as appropriate: **\$16M remaining for refit programs**



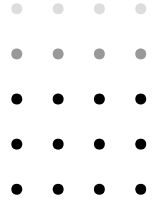


2.3

Legal Reforms

Balance the power between
landlord and tenant to
reduce eviction rate

Potential Reforms



Eviction notice

Replace 10-day no-cause eviction with 30-day notice (national average) and a 10 day grace period

Motivate housing provision

Matching commercial short-term-rental (STR) permits with affordable housing units

Proactive inspection

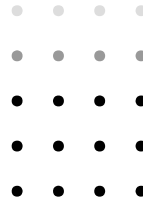
Hold landlords accountable for providing uninhabitable housing through basic inspection and establishing a rental registry

Feasibility of Legal Reform

Two factors may make legal reforms politically feasible in the long run:

1. The expanding influence of tenants' rights groups in New Orleans will work to protect tenant power.¹⁷
2. Our programs will increase the resources available to tenants and unhoused people, thus increasing their knowledge of their rights and their bargaining power

However, groups that lobby for the interests of landlords and against affordable housing may make these reforms difficult.



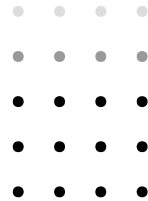
[Image] <https://www.icnl.org/resources/research/global-trends-ngo-law/enabling-reform-lessons-learned-from-progressive-ngo-legal-initiatives>

[17] Clapp, Jack. "Tenant Power", August 2th 2021, *Nola.com*, https://www.nola.com/gambit/news/the_latest/tenant-power/article_4cbf18a2-ef07-11eb-8b70-5b232e32a667.html; Healthy Homes NOLA, 2022, <https://healthyhomesnola.org/members>.



03

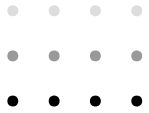
Conclusion



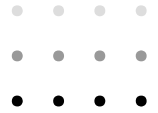
Increasing the supply of
affordable housing and
empowering residents with
greater agency

Proposal Summary and Costs

Proposal	Cost
Home Rehabilitation Project	\$20,300,000.00
Direct Payment Program	\$15,858,650.00
Legal Reform	\$0.00
Future funds	\$13,841,350.00
Total	\$50,000,000.00



Central Tenets



01

Renewal

By rehabilitating housing in existing neighborhoods, our policies reinvigorate neighborhoods and strengthen communities

02

Agency

By putting money directly in people's pockets, our policies allow people to have greater agency to make housing choices for themselves

03

Efficiency

Our policies allow people to be housed sooner, reducing future costs and strain on city resources

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Protection

By increasing legal protections of renters, our policies reduce new homelessness