



September 30, 2019

City of New Orleans
City Planning Commission
1300 Perdido Street, 7th Floor
New Orleans, LA 70112

Dear Mr. Rivers:

On behalf of Enterprise Community Partners, thank you for the opportunity to comment on the 2019 Housing Opportunity Study. Enterprise works with partners nationwide to finance, build and advocate for affordable housing for low- and moderate-income families. Since Hurricane Katrina, Enterprise has invested nearly \$450 million to support the production of more than 11,500 affordable homes in Louisiana and Mississippi.

At Enterprise, we believe that building opportunity starts with home – affordable places to live in flourishing communities linked to jobs, good schools, health care and transportation. Unfortunately, far too many New Orleanians do not have that access to opportunity that they, and the city, needs to thrive.

We appreciate the efforts the City Planning Commission (CPC) has made in recent years to confront rising unaffordability in New Orleans and the earnestness with which it has made taking on this enormous problem as part of its mission.

The Housing Opportunity Study has the potential for some of the boldest actions taken yet – not just to address housing affordability, but to make the city a more equitable place to live. As the CPC sets out on the study process, it should consider not just the causes of the current affordable housing crisis, but also deeper systemic issues around racial equity that have limited housing and economic opportunity for the citizens of New Orleans.

Issues around housing opportunity cannot be studied without examining racial inequities that plague our country and our city. These inequities are at the root of the problems New Orleans faces.

The report *The Racial Wealth Divide in New Orleans* from the CFED Racial Wealth Divide Initiative details the following racial disparities in New Orleans:

- “Median income for African American households is only \$25,806, compared to \$64,377 for white households”
- “The average Asian and African American home is worth half the value of the average white-owned home”
- “Families of color in New Orleans are six times more likely to live in poverty than white families”

Rising income inequality across the country has worsened racial inequities. Comparing pre-Katrina and post-Katrina New Orleans reveals stark changes that reflect growing inequality and changing demographic composition in the city. Consider the following statistics on Orleans Parish from The Data Center report, *Who Lives in New Orleans and Metro Parishes Now?*:

- Median household income, the poverty rate, and homeownership rates remain virtually unchanged from 2000 to 2017
- The percentage of households with children declined from 30% in 2000 to 18% in 2017, while the percentage of single-person households increased from 33% to 46% in the same timeframe
- The percentage of renters paying more than 50 percent of household income on housing costs rose to 38% in 2017 from 24% in 2004

The first bullet regarding static income and homeownership statistics mirror the national trend during this timeframe: those nearer the top of the income spectrum have gotten richer while incomes at the middle and the bottom have stagnated. This is a major contributing factor to rising housing unaffordability across the country. However, the trends in household size and composition in New Orleans are far more drastic than the national trend and reflect an additional consideration for examining the demographic trends in relation to the city's housing stock.

In addition to considering how New Orleans' population has been impacted by racial disparities and rising inequality in the Housing Opportunity Study, the CPC must take into account how racial disparities have been embedded into the U.S. housing system. These systemic inequities were examined in the "Undesign the Redline" exhibit, which Enterprise brought to New Orleans in partnership with local nonprofits and the Tulane Small Center. The exhibit highlighted the through line of racist motivation in U.S. housing policy and laid bare the history of cities use of zoning codes as a means of racial discrimination and exclusion. These actions shaped cities and neighborhoods, determining where citizens could live and what areas received investment on the basis of race.

Today, the legacy of zoning regulations still has a major impact. Rules that dictate lot and unit size also dictate, in effect, the household income needed to rent or buy a home in those locations. Zoning codes that limit the number of homes that may be built on a site also raise the household income required for families to live there. This is why these policies have been labeled "exclusionary zoning."

Given what we know about racial income disparities, the racial discriminatory effect of these zoning regulations is clear. Minneapolis is one city that decided to do something about this problem by eliminating single-family zoning. This study offers an opportunity to consider changes through the same lens.

We were very pleased that the CPC commissioners and staff took time out of their schedules to take a guided tour and engage with "Undesign the Redline." We hope that the history revealed

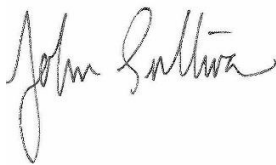
through the exhibit will help shape the thinking around how zoning changes may be used to reverse the racial and income disparities highlighted above.

Lastly, Enterprise has produced research and studies related to housing costs and policy responses that may be useful, listed below:

- *Proven Local Strategies For Expanding the Supply of Affordable Homes and Addressing Cost Challenges*, by Ahmad Abu-Khalaf, (<https://www.enterprisecommunity.org/resources/proven-local-strategies-expanding-supply-affordable-homes-and-addressing-cost-challenges>)
- *Bending the Cost Curve: Solutions to Expand the Supply of Affordable Rentals*, by Andrew Jakobovics and Michael Spotts (<https://www.enterprisecommunity.org/resources/bending-cost-curve-solutions-expand-supply-affordable-rentals-13127>)
- *Understanding the Small and Medium Multifamily Housing Stock*, by Andrew Jakobovics, (<https://www.enterprisecommunity.org/resources/understanding-small-and-medium-multifamily-housing-stock-19423>)
- *Public Benefit from Publicly Owned Parcels: Effective Practices in Affordable Housing Development*, by Michael Spotts, Ahmad Abu-Khalaf and Genevieve Hale-Case (<https://www.enterprisecommunity.org/resources/public-benefit-publicly-owned-parcels-19782>)

Enterprise appreciates the opportunity to comment in advance of the public hearing for the Housing Opportunity Study, and we look forward to providing further input as the report process moves forward.

Sincerely,

A handwritten signature in black ink that reads "John Sullivan". The signature is written in a cursive, flowing style.

John Sullivan
Senior Director for State and Local Policy, Gulf Coast