



**House Committee on Financial Services  
Subcommittee on Housing and Community Opportunity  
Field Hearing on the Status of the 'Big Four' Four Years After Hurricane Katrina**

**Prepared Statement of  
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August 21, 2009**

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Introduction

Chairwoman Waters and members of the Subcommittee on Housing and Community Opportunity, thank you for holding this important hearing and giving me the opportunity to testify on the state of public housing in New Orleans, Louisiana, and specifically on the “Big Four” public housing developments: C.J. Peete, B.W. Copper, St. Bernard, and Lafitte.

My name is Anita Sinha and I am a Senior Attorney at Advancement Project, a racial justice legal action organization that works with grassroots groups to achieve a just democracy. I am the director of Advancement Project’s Post-Katrina project, which since August 29, 2005, has been committed to helping residents fight for just reconstruction in New Orleans. During the months following the storm, we filed lawsuits that halted evictions from rental properties and the demolition of homes without due process. In the spring of 2006, we filed a lawsuit seeking to establish satellite voting for displaced voters. We have fought for the fair treatment of FEMA trailer residents, including successfully stopping the *en masse* eviction of residents from their trailers this summer.

Beyond the housing context, we have exposed the exploitation of immigrant workers and exclusion of African American workers from reconstruction jobs in post-Katrina New Orleans by publishing *And Injustice for All: Workers’ Lives in the Reconstruction of New Orleans* in July 2006. In the wake of this report, we founded, along with the National Immigration Law Center, the New Orleans Workers’ Center for Racial Justice. We also provide technical assistance to several grassroots groups in New Orleans, including Safe Streets/Strong Communities and Voices of the Ex-Offender (VOTE). Nationally, we have raised public awareness to the detrimental impact of post-Katrina reconstruction policies on communities of color, including through previous Congressional testimony and a short film, *This is My Home*, which documents the post-Katrina fight for New Orleans public housing.

On June 27, 2006, we filed *Anderson v. Jackson*, a class-action lawsuit on behalf of displaced New Orleans public housing residents, all of whom were African American, who wanted to return to their homes and New Orleans. Co-counsel in the case are: the law firm of Jenner & Block; Bill Quigley, Center for Constitutional Rights; Tracie Washington, Louisiana Justice Institute; and Davida Finger and Judson Mitchell, Loyola Law School. The action was filed against the U.S. Department of Housing and Urban Development (HUD), the Housing Authority of New Orleans (HANO), the Secretary of HUD, the HUD appointee of the HANO Board of Commissioners, and the HUD appointee of the HANO Executive Administrator. The case is currently before the U.S. District Court for the Eastern District of Louisiana.

As originally filed, *Anderson v. Jackson* alleged that, by failing to re-open public housing and subsequently proceeding to destroy residents’ homes, HUD and the other defendants have violated federal and state laws. First, we argued that defendants’ refusal to permit the return

of these 4,000 families has an adverse impact on African Americans and thus was unlawful under the Fair Housing Act (Title VIII of the Civil Rights Act of 1968). Statements of officials such as former Secretary Jackson and actions they took also violated the Fair Housing Act by denying housing on the basis of race. Second, plaintiffs claimed that defendants' actions and inaction constituted violations of the U.S. Housing Act of 1937. By failing to repair units leaving them to further deterioration, defendants effected a *de facto* demolition in violation of this Act. Defendants also failed to consult with residents about the demolition as legally required. Third, plaintiffs asserted that by denying them their homes without notice or an opportunity to be heard, defendants' actions violated the Due Process Clause of the U.S. Constitution. Fourth, plaintiffs made various state claims derived from their rights under their valid leases. Lastly, we argued that by not permitting displaced residents to return, and by not making special efforts to ensure their full participation in the planning and management of their return or reintegration, HUD was violating international law by not following the United Nations' resolution that adopted the "Guiding Principles on Internal Displacement," of which the U.S. was a co-sponsor.

While the lawsuit ultimately was not successful in halting the demolition of the Big Four, we continue to pursue justice for displaced residents through the *Anderson* litigation. The District Court in 2007 ruled that a class action of public housing residents, who have been on vouchers since Katrina and have incurred expenses they otherwise should not have paid for, may proceed with their claims.

Through our continued litigation in *Anderson v. Jackson* and the other support we provide to grassroots organizations, we know firsthand the dire situation facing both public housing residents displaced from the Big Four and others in need of stable, deeply affordable housing in New Orleans. The effects of prolonged displacement and living in flux have taken their toll on residents' personal health and the well-being of their communities. I am here to testify on behalf of our public housing clients who have been displaced and who continue to face barriers to returning to New Orleans and securing stable, affordable housing.

### *The Time is Now*

While the dire situation in post-Katrina New Orleans has warranted attention since that fateful day in August 2005, the current economic downturn requires that particular attention be paid to the assistance needed by these vulnerable communities. According to the Louisiana Workforce Commission, the number of unemployed in Louisiana skyrocketed in one month, from 130,216 in May 2009 to 163,468 in June 2009.<sup>1</sup> In New Orleans, the unemployment rate in June 2009 was up more than two percent from one year ago.<sup>2</sup>

While the housing crisis across the country is significant, it is particularly acute in New Orleans, which continues to suffer from a dearth of housing opportunities. Nationally, 1.5 million properties in the first six months of 2009 have undergone some level of foreclosure

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<sup>1</sup> Louisiana Workforce Commission. (2009, July 24). *Louisiana private sector jobs increase in June*. [Press Release]. Retrieved August 18, 2009, from <http://www.laworks.net/Downloads/LMI/lmipressrelease.pdf>

<sup>2</sup> United States Department of Labor. (2009, July 29). *Metropolitan area employment and unemployment*. Retrieved August 17, 2009, from <http://www.bls.gov/news.release/pdf/metro.pdf> (Note: this is not seasonally adjusted).

filing.<sup>3</sup> Orleans Parish has experienced the highest foreclosure rate in Louisiana, with one in every 460 housing units receiving a filing.<sup>4</sup>

Even by conservative estimates,<sup>5</sup> close to a million people across the country are homeless.<sup>6</sup> The number homeless is projected to double this year if the government does not take significant action to ameliorate the affordable housing crisis.<sup>7</sup> In New Orleans, the homeless rate has more than doubled since Katrina, and according to a March 2009 report, Louisiana has the highest rate of homeless children in the country.<sup>8</sup>

While the homeless population surges, the rate of rebuilding housing in post-Katrina New Orleans is staggeringly slow. Nearly a third of properties in New Orleans are considered “empty or blighted.”<sup>9</sup> The actual number of unoccupied residential addresses is nearly the same as in Detroit, a much bigger city, and the percent of blighted properties is greater than that in Washington, DC; Baltimore; Pittsburgh; and multiple cities in Ohio.<sup>10</sup> These are stark indicators that there continues to be a severe shortfall of affordable housing in New Orleans. A permanent housing plan for the most vulnerable survivors of Hurricane Katrina, including displaced residents of the Big Four, is only possible if the federal government acknowledges and addresses significant problems immediately.

### **Problem Number 1: Limited Options for Public Housing Residents**

On September 21, 2007, HUD approved the demolition of most of New Orleans’ public housing and a replacement of far fewer public housing units. Thereafter, 4,000 public housing units in New Orleans—more than 70 percent of the city’s public housing stock—were demolished. The disposition plans we are aware of for the Big Four show the following:

- At St. Bernard, 1,400 public housing units will be replaced with 595 total units, of which only 160, or 11 percent of the original number of units, will be public housing units;
- At C.J. Peete, 723 public housing units will be replaced with 410 total units, of which 154, or 21 percent of the original number of units, will be public housing units;

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<sup>3</sup> RealtyTrac. (2009, July 16). *1.9 million foreclosure filings reported on more than 1.5 million U.S. properties in first half of 2009*. Retrieved August 16, 2009, from

<http://www.realtytrac.com/ContentManagement/PressRelease.aspx?channelid=9&ItemID=6802#statetable>.

<sup>4</sup> Data collection change behind foreclosure surge in N.O. (2009, July 16). *New Orleans City Business*. Retrieved August 18, 2009, from <http://www.neworleanscitybusiness.com/UpToTheMinute.cfm?recID=25772>

<sup>5</sup> “Conservative” because these estimates use the technical definition of homeless, which includes individuals on the street or in shelters but does not account for people who are forced to live with family and friends.

<sup>6</sup> National Low Income Housing Coalition. (2009, February 6). *What we mean by housing: An open letter to Congress and the Administration on the Economic Recovery Bill*. Retrieved August 15, 2009, from [https://www2398.sslldomain.com/nlihc/detail/article.cfm?article\\_id=5793&cid=28](https://www2398.sslldomain.com/nlihc/detail/article.cfm?article_id=5793&cid=28)

<sup>7</sup> *Id.*

<sup>8</sup> The National Center on Family Homelessness. (2009, March). *America’s youngest outcasts: State report card on child homelessness*. (Retrieved August 18, 2009, from [http://www.homelesschildrenamerica.org/pdf/rc\\_full\\_report.pdf](http://www.homelesschildrenamerica.org/pdf/rc_full_report.pdf)

<sup>9</sup> High foreclosure rates post new problems for hurricane season. (2009, June 3). *The Online Magazine of the Institute for Southern Studies*. Retrieved August 18, 2009, from <http://www.southernstudies.org/2009/06/post-11.html>

<sup>10</sup> Greater New Orleans Community Data Center. (2009, July 20). *National benchmarks for blight*. Retrieved August 15, 2009, from <http://www.gnocdc.org/BenchmarksforBlight/>

- At B.W. Cooper, 1,546 public housing units will be replaced by 410 total units, of which only 154, or 10 percent of the original number of units, will be public housing units; and
- At Lafitte, 896 public housing units will be replaced by 1,500 units, of which only 264, or 17 percent, will be public housing units.<sup>11</sup>

We are unsure as to whether these plans represent the most current redevelopment plans for the Big Four, especially in light of the present economic climate. There are currently 2,474 public housing units in New Orleans.<sup>12</sup> This is not nearly enough housing to meet the need. We have cause for concern that even the fraction of public housing units promised will not be built. For example, C.J. Peete developer's website states that only *seven* public housing units are going to be built on the redeveloped site.<sup>13</sup> In addition to the number of public housing units being built, we are concerned about the timing of their construction. Specifically, we are concerned that phased construction may not include public housing units in the initial phase. Thus, the neediest families may be the last to get homes.

Without the construction of stable, deeply affordable housing, there are few other options for displaced public housing families in New Orleans. The most recent data available shows that in Orleans Parish, 38,000 affordable housing units sustained severe or major damage from Hurricane Katrina, and as of August 2008, only 37 percent of this stock had been replaced.<sup>14</sup> As of 2009, rents for apartments in New Orleans are 40 percent higher than pre-Katrina rates.<sup>15</sup> The findings of a 2009 report are sobering:

- The annual median family income in Orleans Parish is \$59,800. The monthly median family income is \$4,950. In Orleans Parish, an extremely low-income family earns \$17,940 annually. For an extremely low income family, monthly rent of \$449 or less is affordable.
- The Fair Market Rent for a two-bedroom rental unit in Orleans Parish is \$1,030. HUD estimates that the 2009 Fair Market Rent for a two-bedroom unit in Orleans Parish has increased 89 percent since the 2000 census.
- A renter household needs an annual income of \$41,200 in order for a two-bedroom rental unit at Fair Market Rent to be affordable.
- The minimum wage in Orleans Parish in 2009 is \$6.55. A renter earning the minimum wage must work 121 hours per week to afford a two-bedroom rental unit at Fair Market Rent. A household needs three full-time jobs paying the minimum wage in order to afford a two-bedroom rental unit at Fair Market Rent.<sup>16</sup>

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<sup>11</sup> Quigley, B. (2006, December 29). Why is HUD using tens of millions in Katrina money to bulldoze 4,534 public housing apartments in New Orleans when it costs less to repair and open them up?: A Tale of Two Sisters. *Counterpunch*. Retrieved August 15, 2009, from <http://www.counterpunch.org/quigley12292006.html>.

<sup>12</sup> Bureau of Governmental Research. (2009, May). *The house that Uncle Sam built*. Retrieved August 19, 2009, from [http://www.bgr.org/pdf/reports/BGR-09\\_Housing.pdf](http://www.bgr.org/pdf/reports/BGR-09_Housing.pdf)

<sup>13</sup> McCormack Baron Salazar Website, Development Map, New Orleans. Retrieved August 18, 2009, from <http://www.mccormackbaron.com/HTML/map/MBSdevelopmentmap.html>

<sup>14</sup> PolicyLink. (2008). *A long way home: The state of housing recovery in Louisiana 2008*. Retrieved August 14, 2009, from <http://www.policylink.org/threeyearslater/equityatlas.pdf>

<sup>15</sup> *Supra* note 10.

<sup>16</sup> National Low Income Housing Coalition. (2009, April). *Out of reach 2009: Persistent problems, new challenges for renters*. Retrieved August 18, 2009, from <http://www.nlihc.org/oor/oor2009/data.cfm?getcounty=on&county=10698&state=LA>

## *Vouchers Alone are an Inadequate Response*

In February 2009, the Ad Hoc Subcommittee on Disaster Recovery of the Committee on Homeland Security and Governmental Affairs of the U.S. Senate released a report stating that HUD's three main voucher programs created to provide relief in areas impacted by Hurricane Katrina only provided actual relief to a small percentage of the total displaced population.<sup>17</sup> The report found that creating thousands of additional vouchers did not create one unit of additional housing.<sup>18</sup> FEMA Acting Assistant Administrator for Disaster Assistance Directorate, David Garratt, testified before the Ad Hoc Subcommittee stating, "If there is no public housing, if there are no other forms of housing available at or near the fair market rent, then having a voucher in your hand is not worth a lot."<sup>19</sup> Even those who administer vouchers agree: the need for brick and mortar solutions in New Orleans must take precedence and vouchers do not fill that void.

Vouchers are also unfit substitutes for public housing because they impose additional financial and administrative burdens on vulnerable families. Across the country, residents identify numerous barriers to successful use of vouchers, including: costly credit checks and security deposits; limited search time due to voucher expiration dates and employment; denial of housing due to relatives with criminal backgrounds; discrimination based on status as a public housing resident or voucher user; and competition for units in better neighborhoods. Many residents report that relocation counselors pressure them to move to undesirable neighborhoods.<sup>20</sup> These same barriers and dynamics exist for residents in New Orleans.

Additionally, opportunities to use the vouchers for housing are curtailed by discrimination against renters of color. The 2000 Housing Discrimination Study showed "continuing, substantial discrimination" against Blacks and Latinos in the rental of housing.<sup>21</sup> In rental tests conducted by HUD in 2000, Whites were favored over Blacks 21.6 percent of the time and over Latinos 25.7 percent of the time.<sup>22</sup> HUD's own studies show that "the rate of illegal race and national origin discrimination in housing rental has remained virtually constant over the past three decades."<sup>23</sup>

In New Orleans, a study entitled *No Home for the Holidays* showed that Black displaced residents seeking housing encountered discrimination in 66 percent of their attempts to

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<sup>17</sup> Ad Hoc Subcommittee on Disaster Recovery of the Committee on Homeland Security and Governmental Affairs United States Senate. (2009, February). *Far from home: Deficiencies in federal disaster housing assistance after Hurricanes Katrina and Rita and recommendations for improvement*. Retrieved August 18, 2009, from [http://landrieu.senate.gov/news/Disaster\\_Housing\\_Investigation.pdf](http://landrieu.senate.gov/news/Disaster_Housing_Investigation.pdf)

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> Note, When hope falls short: HOPE VI, accountability, and the privatization of public housing. (2003). [Electronic Version]. *Harvard Law Review*, 116, 1490-91.

<sup>21</sup> Roisman, F. (2005). Keeping the promise: Ending racial discrimination and segregation in federally funded housing. [Electronic Version]. *Howard Law Journal*, 48, 916.

<sup>22</sup> Schwemm, R. G. (2007). Housing rights article: Why do landlords still discriminate (and what can be done about it?). [Electronic Version]. *Thurgood Marshall Law Review*, 40, 456-57.

<sup>23</sup> *Id.*

locate housing.<sup>24</sup> An audit of the New Orleans metro area rental market for housing discrimination based on race found discrimination against African Americans in 57.5 percent of transactions.<sup>25</sup> Such stark data means that racial discrimination, combined with other barriers to housing in the New Orleans Metro area for residents in need of subsidized housing, creates “barriers to housing” that are “nearly insurmountable.”<sup>26</sup> Moreover, discrimination against African Americans in the parishes surrounding New Orleans is significant, rendering their housing choices in the neighborhoods just outside New Orleans similarly restrictive. Jefferson Parish has been described as “Louisiana's most notoriously racist parish.”<sup>27</sup> After Hurricane Katrina, St. Bernard Parish passed an ordinance requiring property owners to rent only to blood relatives, and because parish property is overwhelmingly owned by Whites, the law effectively prohibited African Americans from renting property.<sup>28</sup>

### **Problem Number 2: The Lost Road Home—Resident Relocation and Return**

The current location of many residents displaced from the Big Four is simply not known.<sup>29</sup> This is because HANO officials admitted that after Hurricane Katrina, they did not systematically keep track of the location of public housing residents. For example, HANO admitted that they did not have a formal system to get updated addresses from residents when residents called disaster hotlines.<sup>30</sup> Moreover, it is also unlikely that residents were asked in a broad or systematic way about their intent to return to the Big Four.<sup>31</sup>

In light of HANO's poor tracking system, and because public housing residents have been forced into unstable living conditions since the storm, we are concerned that housing opportunities at the Big Four redeveloped sites will pass by displaced residents. For example, the waiting list for public housing on the redeveloped St. Bernard site was only open for 23 days.<sup>32</sup> We do not think that was a reasonable time for residents to receive the pertinent information and submit their applications. Tactics such as keeping waiting lists open for an unreasonably short period of time will only lead to misleading information about how many families do in fact want and need to return to the Big Four redeveloped sites.

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<sup>24</sup> James Perry, Executive Director, Greater New Orleans Fair Housing Action Center and President, Louisiana Housing Alliance on behalf of The National Low Income Housing Coalition. (2007, September 25).

[Testimony before the United States Senate Committee on Banking, Housing, and Urban Affairs]. Retrieved August 17, 2009, from [http://banking.senate.gov/public\\_files/perry.pdf](http://banking.senate.gov/public_files/perry.pdf)

<sup>25</sup> *Id.*

<sup>26</sup> Beveridge, A. (2007, June 13). The impact on low-income African Americans of the planned demolition of public housing in New Orleans, Louisiana and the redevelopment of the sites. (p. 12). (on file with author).

<sup>27</sup> Eaton, R. (2006). Escape denied: The Gretna Bridge and the Government's armed blockade in the wake of Katrina. [Electronic Version]. *Texas Wesleyan Law Review*, 13, 134.

<sup>28</sup> Lawyer's Committee for Civil Rights Under Law. (2006, November 2). Fair housing advocates seek to halt discriminatory zoning rule. [Press Release]. Retrieved August 15, 2009, from <http://www.lawyerscomm.org/2005website/publications/press/press110206.html>

<sup>29</sup> *Supra* note 17.

<sup>30</sup> Dorian Rawles, Deputy Executive Director, HANO. (2007, June 28). [Testimony]. (on file with author).

<sup>31</sup> *Id.*

<sup>32</sup> *See* Exhibit A, Columbia Parc Development Update (2009, July).

### **Problem Number 3: Obstacles to Reoccupying Public Housing and Other Stable Affordable Housing**

#### *Disinvesting in and Keeping Vacant Existing Public Housing in New Orleans*

Iberville, one of the public housing developments that residents saved from destruction, now appears slated for demolition. The telltale signs are present: disinvestment and rumors of redevelopment. Iberville residents have urged HANO, with only minor success, to perform essential repairs and maintenance to the complex and within units.<sup>33</sup> And while no details have been agreed upon yet, Mayor Ray Nagin in May announced plans for a mixed-income development.<sup>34</sup> HANO officials have said that an advisory committee regarding Iberville would start meeting in the summer of 2009.<sup>35</sup>

At Lafitte, 94 units were repaired for reoccupancy in 2007 and 2008. HUD and HANO spent \$2.7 million dollars (\$28,723 per unit) to renovate these units. In March, residents who were able to reoccupy the units were afraid of being arrested and losing their belongings if they did not leave their homes by a certain date—a date prior to the expiration of their leases.<sup>36</sup> In fact, we had heard numerous reports prior to this incident that residents were discouraged from reoccupying these units, and that those who did move back were subject to constant harassment. Their leases ultimately expired, and now the 94 units sit unoccupied.

#### *Illegal Work Requirements*

HUD regulations allow a PHA to use admission preferences for “working families.” A working family, as defined by federal law, is where the head, spouse, or sole member is employed.<sup>37</sup> The preference therefore is available to a family as long as one member—the head, spouse, or sole member—is working. The work preference is also available for families where the head, spouse, or sole member is elderly or a person with disabilities.<sup>38</sup>

There is no legal authority supporting a work requirement as a condition of admission or continued occupancy of public housing.<sup>39</sup> The U.S. Housing Act establishes eligibility requirements for residents of federal assisted housing.<sup>40</sup> Residents must be “low-income families” as defined by federal law. There is no mention of any requirement that the head of

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<sup>33</sup> Reckdahl, K. (2009, July 25). Infusion of federal money brings hope to some in Iberville complex. [Electronic Version]. *The Times Picayune*. Retrieved August 19, 2009, from [http://www.nola.com/news/index.ssf/2009/07/infusion\\_of\\_federal\\_money\\_brin.html](http://www.nola.com/news/index.ssf/2009/07/infusion_of_federal_money_brin.html).

<sup>34</sup> Reckdahl, K. (2009, May 26). Rumbblings of change echo through Iberville. *The Times Picayune*, p. 1.

<sup>35</sup> *Id.*

<sup>36</sup> Reckdahl, K. (2009, March 28). Lafitte public housing residents ordered to leave at once. *The Times Picayune*. Retrieved August 18, 2009, from [http://www.nola.com/news/index.ssf/2009/03/lafitte\\_public\\_housing\\_residen.html](http://www.nola.com/news/index.ssf/2009/03/lafitte_public_housing_residen.html)

<sup>37</sup> 24 C.F.R. § 960.206 (2009).

<sup>38</sup> *Id.*

<sup>39</sup> The Moving to Work (MTW) demonstration program allows a waiver of these provisions. HANO is not one of the participating PHAs in MTW. Thus, there is no legal authority that allows HANO or any of its agents to implement work requirements. Additionally, HANO is currently under a receivership and troubled PHAs are not eligible for MTW status.

<sup>40</sup> 42 U.S.C. § 1437n (2009).

the family or any other member of the family must be working.<sup>41</sup> Each adult member of a household must perform eight hours of community service or self-sufficiency activities each month, but is exempt if working, elderly, disabled, or exempt from work under state welfare laws.<sup>42</sup> Importantly, however, the statute stops short of any work requirement.

It is our understanding that all of the Big Four sites are considering implementing work preferences. At this point, at least two redeveloped sites with HANO public housing units have already adopted a likely illegal work requirement instead of a true work preference, even though HANO's work preference policy appears to be consistent with federal law.<sup>43</sup> For example, Columbia Residential, the developer of the St. Bernard site, is requiring that *all* adult applicants, not just the head or co-head of the household, be employed unless "handicapped, disabled, or elderly."<sup>44</sup> In addition, residents have been informed by developers that they must work at least 30 hours per week and have been employed for at least 6 months prior to applying for admission in order to be eligible. Lastly, in a newsletter dated June 25, 2009 sent to former residents, Columbia Residential states that HUD "granted waivers so that each individual property could maintain its own lists and establish priorities for accepting residents."

Again, there is no legal authority for HANO or private developers of mixed-income housing to impose work requirements for admission or as a condition for continued occupancy, nor is it a fair policy for involuntarily displaced families. The right to return and remain in New Orleans should not be further diluted by readmission policies that are overly restrictive, inconsistent at different properties, and likely illegal. Additionally, in the context of the economic crisis and the swelling joblessness, we must do all we can to ensure housing for impacted families. Work requirements masked as work preferences are likely to exacerbate the economic and housing crisis in New Orleans, pushing more people onto the streets. Now is not the time to enact more stringent barriers to accessing stable housing.

### *Credit and Extensive Background Checks*

Insisting on credit checks and scouring a family's record for criminal activity is a common way for both HANO and developers to deny vulnerable families housing. The families of the Big Four have been dealing with displacement for four years, and now have to contend with a bad economy while they strive to get back into a stable situation. In this context, linking affordable housing opportunities to whether they can pass a credit check presents an unfair obstacle to returning to public housing.

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<sup>41</sup> 42 U.S.C. § 1437a(b) (2009).

<sup>42</sup> 42 U.S.C. § 1437j(c) (2009).

<sup>43</sup> We have been informed that River Garden, not one of the Big Four but formerly known as St. Thomas, already has a work requirement for admission which is often and incorrectly described as a "work preference." The work requirement mandates that the head of household must have verifiable employment with the head working at least 20 hours per week. It extends to elderly and/or disabled families and to families where the head of household is enrolled in a job training program. Once admitted, River Garden management tells families that they must retain employment as a condition of continued occupancy. If a head of household loses or quits a job, and cannot quickly regain employment, the only housing the family can afford is in jeopardy.

<sup>44</sup> Columbia Residential (2009, May). *Frequently asked questions for former residents of St. Bernard projects*. Retrieved August 14, 2009, from <https://www.stbernardnow.com/questions.php>

Criminal background checks affect even those residents who are involved in minor incidents of wrongdoing. Moreover, the background checks have been conducted not only on the head of household, but on the entire family—including children. This has in some cases forced residents to kick a child off their leases and thus out on the streets so that they can ensure housing for themselves and remaining family members. Additionally, the results of background checks can become irrational. In fact, we know of one resident whose son had mental disabilities and had been arrested for a criminal activity; the charges were subsequently dropped, and yet, this family was still denied housing.

#### **Problem Number 4: Confusion and Chaos**

While there are a number of increasingly significant barriers to public housing residents getting into the redevelopment sites of the Big Four, a lack of understanding of the rules, regulations, and various steps by residents, due to complexly disorganized, constantly changing, and confusing policies and practices, has also emerged as a major barrier for residents. Efficiency and clarity of the HANO administration and case management are essential to vulnerable families' ability to return and access affordable housing. However, HANO appears to be providing inadequate information to residents about existing rules and new changes. Residents claim that HANO does not provide them with concrete information or respond to their questions or concerns. Whether in person or on the telephone, residents leave messages, anxious to hear from case managers, but these messages seem to be ignored, unread, or disregarded. Some residents complain that they never hear about different housing options or potential changes in policy before they occur. For example, residents of B.W. Cooper have said that there have not been any public meetings regarding the redevelopment of their homes.

Furthermore, because of the constant addition of new requirements, preferences, and rules regarding access to public housing, many residents simply cannot keep up with the myriad of policies and thus may be unknowingly violating a policy. Even more significantly, because of the extensive leases and requirements being used for the redevelopment sites, many residents do not understand what is required of them. Navigating through the intricacies of such leases is daunting and could even deter some residents from seeking the housing.

#### **Problem Number 5: Job Opportunities are Not Going to Public Housing Residents**

The Section 3 Job Training and Employment program of the Housing and Urban Development Act of 1968 (Section 3) was created to ensure that redevelopment, maintenance, and other work opportunities relating to public housing went to public housing and other low-income residents. In light of the severe economic crisis and rate of unemployment both across the country and in New Orleans, Section 3 represents an important mechanism for resident job training and employment.

Section 3 provides that the training, employment, contracting, and other economic opportunities generated from federal financial assistance for housing and community development programs be offered to low-income workers, particularly public housing residents. Importantly, the obligation to comply with Section 3 applies to the entire project—

a project may receive funds from many sources, public and private, but if there are any public housing funds used, then Section 3 governs the entire project.<sup>45</sup> Additionally, other entities that receive HUD or other federal assistance are encouraged to provide the same opportunities to public housing and other low-income residents.<sup>46</sup>

Each recipient covered by Section 3 must submit to the HUD Assistant Secretary an annual report demonstrating its efforts related to the statute.<sup>47</sup> HUD also has access to all recipients' records related to Section 3, and therefore may affirmatively examine for compliance.<sup>48</sup> Section 3 regulations also urge the Assistant Secretary to conduct periodic reviews of selected recipients and contractors.<sup>49</sup>

Each of the Big Four redevelopment sites are subject to Section 3 requirements. We have heard concerns from public housing residents from each site that job training and employment opportunities have not been made widely available to public housing residents. Additionally, B.W. Cooper residents in particular have raised concerns about clear accounting of Section 3 compliance. Ensuring Section 3 compliance represents a significant way the government can ensure that low-income families, from a still-recovering region and despite these bad economic times, can improve their lives.

### *Unanswered Questions that Merit Investigation*

Again, we commend the Subcommittee on Housing and Community Opportunity for holding this vital hearing. We were not able to stop the demolition of the Big Four. But we do still have the opportunity to ensure that public housing residents displaced from these sites do not get left out of housing and employment opportunities. To achieve this goal, we submit that the following questions merit further investigation by the Subcommittee:

#### *Questions Concerning Redevelopment Plans for the Big Four*

- What are the current, actual finances secured by each of the Big Four developers? Do they have the finances secured to build the number of public housing units presented in their demolition and disposition plans?
- Is the building of public housing units included in the initial phase of construction on each of the Big Four sites?
- Do the developers of the Lafitte public housing site still plan on one-for-one replacement of public housing units? If so, do they presently have the finances to build 900 homes affordable to extremely low-income families? What is their timeline for the construction of these specific units?
- Has the current economic market in any way altered the redevelopment plans or timeline of the Big Four?

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<sup>45</sup> 24 C.F.R. §135.3(a)(3) (2009).

<sup>46</sup> 24 C.F.R. §135.3(3)(d) (2009).

<sup>47</sup> 24 C.F.R. §135.90 (2009).

<sup>48</sup> 24 C.F.R. §135.92 (2009).

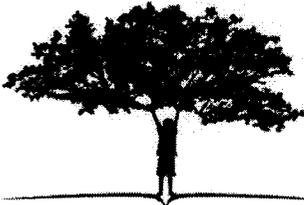
<sup>49</sup> 24 C.F.R. §135.74(a) (2009).

*Additional Questions Concerning Job and Housing Opportunities for the Big Four Public Housing Residents*

- Has HUD, as Columbia Residential states, granted waivers to the Big Four developers as to establishing priorities for accepting residents?
- Are the 94 units repaired at Lafitte going to be demolished before new public housing is made available? If so, what is the justification for this decision?
- Does HUD plan to move forward with demolishing units at Iberville before the rebuilding of public housing units? If so, what is the justification for this decision?
- What is HUD's system to ensure that the developers fully comply with the mandates of Section 3 and actively engage in sufficient oversight of HANO and the developers?

Society, let alone this Subcommittee, will never be able to reverse the lack of response and appropriate reaction by the government to Hurricane Katrina, particularly its lack of immediate action to assist the most vulnerable displaced communities. In this severe economic downturn, these vulnerable communities continue to bear the brunt of crisis. New obstacles have arisen that jeopardize their well-being and potential for securing stable housing. We cannot allow these communities to suffer any longer. We implore you to listen to the voices of the residents we represent and the residents who are present in this room. Now is the time to move obstacles out of the way, not impose more hurdles in their path. We have a window of opportunity now to improve the lives of low-income families from New Orleans by creating housing and job opportunities. We ask the government to help us seize it. Thank you.

# EXHIBIT A



# COLUMBIA PARC

at the bayou district



DEVELOPMENT UPDATE | *July 2009*

## GENERAL OVERVIEW OF THE PROJECT

*Columbia Parc at the Bayou District* is being built on the site of the former public housing development known as St. Bernard. The development is the first component of a comprehensive redevelopment of the area known as The Bayou District. Developed by **Columbia Residential and the Bayou District Foundation**, the redevelopment will include new city blocks, high quality mixed-income rental housing, single-family housing for purchase, new school and educational facilities, commercial development, a community center, management offices and other amenities for the entire neighborhood.



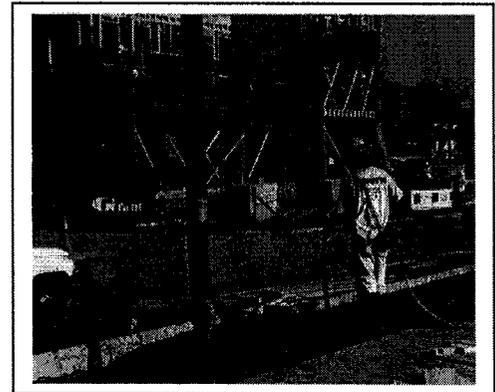
## CONSTRUCTION STATUS

Phase One construction includes ten (10) new city blocks containing 466 units of high quality mixed-income rental housing, one-third for former public housing eligible residents, one third for workforce housing, and one third for market-rate housing.

*Construction was approximately 20 percent complete as of June 30, 2009. Occupancy of first units is planned for the end of 2009, and all construction is scheduled to be completed by end of 2010.*

## GOALS AND COMPLIANCE FOR CONTRACTING AND EMPLOYMENT

In addition to meeting its primary mission of creating quality affordable housing in New Orleans, Columbia Residential and the Bayou District Foundation are committed to working with local companies, specifically firms owned by minorities, women and disabled people. In addition, the development team is committed to providing employment opportunities for low income and public housing residents.



**Section 3:** Section 3 of US Department of Housing and Urban Development regulations provide reporting requirements and set goals for hiring as a part of the redevelopment of a former public housing site. When new jobs are created by contractors, subcontractors and vendors, employment opportunities are provided to low-income and former public housing residents. Results are tracked through regular reporting of payrolls and hires to Housing Authority of New Orleans (HANO). (See below table).

Section 3 Goals	Current Status	Public Housing Residents
30% of all new hires	65% of new hires are Sect 3 qualified (total of 36 persons to date)	27% of new hires are public housing residents (10 persons to date)

*Additional hiring opportunities remain as the redevelopment continues through 2010 and as more trades begin hiring for the project.*

**Disadvantaged Business Enterprise Hiring (DBE):** The development team has committed to specific hiring goals for Disadvantaged Business Enterprises (DBEs), which include minority (MBE) and women-owned (WBE) businesses.

Type Business Enterprise	Goal	Current Status
Minority-owned	20%	21%
Women-owned	5%	6%

*More than \$20 million of new construction has been contracted with DBE firms and additional contracting opportunities remain.*

**Local contractors and suppliers:** The development team has committed to hiring contractors and suppliers who are based in Orleans Parish. Results are tracked and reported regularly to the New Orleans Industrial Development Board

Goal	Vertical Const.	Infrastructure
25%	32%	90%

*To date over \$32 million in contracts for the new construction and infrastructure are with firms located in Orleans Parish*



## RESIDENT RELOCATION AND RETURN

Pre-leasing began in July 2009 for occupancy in late 2009. Applications are currently being taken. Potential residents are encouraged to visit our Lifestyle Center at 6600 Franklin Avenue, New Orleans, LA 70122, or visit our website at [www.columbiaparc.com](http://www.columbiaparc.com) for more information on living opportunities at Columbia Parc.

**Site-based Waiting List:** The ranking and placement of pre-applications will be determined by the original date of occupancy in the former St. Bernard community. Applications for the public housing units on the site will be prioritized according to the following criteria:

- Individuals must have been residents of the former St. Bernard community at August 29, 2005.
- First priority for public housing units will be reserved for elderly and/or disabled former residents.
- Next priority for public housing units will be extended to families whose head of household is employed and has been employed for minimum of 6 consecutive months.

**Returning Residents:** Broad outreach has been initiated through various outlets, including monthly community meetings, mailers, collateral materials, advertisements. A website specifically for former residents interested in return has been launched: [www.stbernardnow.com](http://www.stbernardnow.com).

- Families in residence at the former St. Bernard community at the time of Hurricane Katrina, over 900 families, have been located, contacted, and surveyed. More than 400 families (44%) responded, requesting information and expressing interest in returning.
- After extensive outreach and advertising, the site-based waiting list establishing eligibility and qualification priority for returning residents opened on July 1, 2009, and will close on July 24, 2009. To date, nearly 300 qualified former residents have made application for this list.
- New Orleans based Kingsley House is providing community and supportive services for returning residents.

# ATTACHMENT A