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Katrina Housing Crisis Still Hampers Gulf Coast Recovery

New report offers most comprehensive look yet at Louisiana housing recovery programs three years after hurricanes

For Immediate Release

New Orleans – Three years after Hurricanes Katrina and Rita battered the homes of hundreds thousands of Louisianans, too many residents are still unable to afford to rebuild their homes or find an affordable place to rent, according to a new housing report by the national research and advocacy group PolicyLink.

The new report, “*A Long Way Home: The State of Housing Recovery in Louisiana 2008*,” shows that while some progress has been made during the past year, thousands of residents who want to return home are facing a critical rental housing shortage, inadequate rebuilding grants and a recovery plagued by red tape and ever-changing rules.

“For three years, Louisianans have been working hard to get back home,” said co-author Kalima Rose, the director of the PolicyLink Louisiana Initiative. “But enormous obstacles still stand in the way of a true recovery. Workers can find few places to rent. Homeowners are short on funds to rebuild. A fair, just housing recovery is vital to the overall recovery of the Gulf Coast.”

The report, which can be viewed at www.PolicyLink.org/ThreeYearsLater, analyzes the three major federally funded housing recovery programs – the Road Home (for homeowners) and the small and large rental programs (for renters). Together, these programs allocate nearly \$12 billion in federal recovery funds to restore housing in Louisiana.

Some key findings:

- In New Orleans, 4 of every 5 Road Home recipients rebuilding their homes did not get enough money to cover their repairs. Statewide, more than 2 of every 3 face the same predicament.
- Statewide, the average Road Home applicant fell more than \$35,000 short of the money they need to rebuild their home. The shortfall hit highly flooded, historically African-American communities particularly hard.
- Nearly 40,000 low-income homeowners received an average of about \$27,000 each from an additional Road Home grant program designed to help vulnerable residents.
- Renters still face huge hurdles—only 2 in 5 damaged affordable rental units statewide will be repaired or replaced with recovery assistance. In the New Orleans metro region, it’s an even more dismal rate of 1 in 3.
- The national credit crunch and personal financial vulnerability keeps many mom-and-pop landlords from being able to rebuild through the small rental repair program. Meant to restore more than 10,000 rental homes, the program has completed only 82.
- Nearly 28,000 families nationwide still rely on disaster rental assistance, with 14,000 in the greater New Orleans metro region alone. There will not be nearly enough affordable rental units on the market by the time the assistance runs out in March 2009.

The report -- featuring a broad array of statistics, maps and policy recommendations -- is available at www.PolicyLink.org/ThreeYearsLater.

PolicyLink is a national research and action institute that has been working on the ground advancing equity in Louisiana for nearly three years. With an office in downtown New Orleans, PolicyLink is dedicated to the long-term recovery of the Gulf Coast.