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EDITORIAL

What New Orleans Needs

The real estate industry and some Louisiana politicians have been promoting the fiction that New Orleans has all the housing it needs and should be allowed to divert hundreds of millions of dollars in federal aid from desperately needed affordable housing to projects like building roads and clearing abandoned buildings.

That would spell disaster for the tens of thousands of low-wage workers — full-time restaurant workers, home health care aides and maintenance workers — and the New Orleans economy that depends on them.

A new analysis by the nonpartisan Greater New Orleans Community Data Center shows that nearly half of the area's work force earns less than \$35,000 a year. Nearly 9 in 10 of the households earning between \$20,000 and \$35,000 a year have been priced out of the private market in Orleans Parish, where the gross rents have jumped more than 40 percent between 2004 and 2008.

City officials should be especially worried by statistics showing that area residents are more likely to pay at least half of their household incomes on rent and utilities than renters in more expensive cities like Phoenix, Las Vegas and New York. Unaffordable rent hurts the economy. It forces people to skimp on health care, leading them to rely more on government-subsidized emergency rooms. Families struggling with high rents move more often, which leads to reduced productivity, high employee turnover rates and increased worker training costs.

With rents so high, no one should be surprised that the homeless population of the New Orleans area appears to have doubled since Hurricane Katrina. A startling census of the homeless by a local social services consortium, Unity of Greater New Orleans, estimates that nearly 6,500 people, many of them elderly and suffering from debilitating illnesses, are living in abandoned buildings.

New Orleans will never fully recover unless it builds more affordable housing. Doing so would require help from Washington. The Department of Housing and Urban Development can help by making sure that Louisiana does not divert disaster money to less important projects. Congress can do its part by extending the life of the federal Gulf tax credit program, which would give

developers a strong incentive to build thousands of affordable apartments.

Louisiana must take responsibility by making sure planned affordable housing developments get built and by using Section 8 rent vouchers to make vacant, market-rate apartments affordable to low-income families.

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