



August 12, 2022

To Whom It May Concern:

On behalf of HousingNOLA, I would like to thank the agencies for soliciting comments on a unified proposed Community Reinvestment Act (CRA) rule that seeks to retain key components of the CRA, modernize aspects where industry practices have outpaced the rules and strengthen the ability of the CRA to stabilize and revitalize communities. We genuinely appreciate the effort undertaken by the agencies to thoughtfully develop a complex and unified proposal, which is an improvement over the harmful CRA rule adopted and since rescinded by the Office of the Comptroller of the Currency. At the same time, we cannot support or endorse this proposal in its current form. It has been apparent for quite some time that New Orleans, like many communities, is facing serious challenges. Like almost every major city in the country, struggles with an affordable housing crisis, but New Orleans' crisis is different. Instead of newcomers pouring in and taking up every available space, sky high prices abound with thousands of empty occupiable homes and vacant land for development available in every corner of the city. The unsustainable cost of housing drives some to move to neighboring communities with cheaper rates, but many are forced out by eviction or foreclosure. It is not a coincidence that the country's housing crisis is so extreme in a majority African American city—the once former slave capital still injures black people at a ridiculous level.

Affordable housing is out of reach for most people of color living below AMI in all metropolitan areas in Louisiana. According to the 2020 Out of Reach Report published by the National Affordable Housing Coalition, most people in Louisiana do not earn enough to afford a basic rental home or apartment without being extremely cost burdened. Racism plays a key role in Louisiana's housing development system as evidenced by the disparities in housing ownership across the entire state as well as the perpetuation of redlining that is clear in every community – urban and rural. The Jim Crow era laws that are still upheld by employers, landlords, and most industries (finance, insurance, etc.) prevent BIPOC communities from being able to own property and have economic mobility as most white Louisianans do.

Though the lack of economic mobility is common in much of the South in Louisiana there is a greater lack of land and home ownership by BIPOC which is magnified by the impacts that natural disasters have had in the poorest communities. Resilience is built by allowing those most impacted to have the tools and resources necessary to solve for themselves. While almost half the people who live in New Orleans are housing insecure, the most marginalized group is low-income African American women with children who rent—particularly families that utilize subsidy programs like Housing Choice Voucher Programs (Section 8).

Despite having a comprehensive strategy that would end the city's housing crisis, leaders have ignored the needs of citizens and focused on investment strategies that prize development for the sake of development. Despite the connection to New Orleans' culture, Voodoo Economics simply doesn't work. We must intentionally address the long-standing biases around the concept of affordable housing to break this cycle. Affordable housing evokes thoughts of programs like Section 8, tax credits and permanent supportive housing, but that's not the only kind of affordable housing we need to create. We need policies that lower utility bills, increase wages and ensure equitable transportation. New Orleans' economy continues to be dominated by low-wage jobs.

New Orleans also needs more capital from diverse sources to invest in creating new housing opportunities. When the issue of affordable housing arises, we often look to government to solve such a major problem. *The HousingNOLA 10 Year Strategy and Implementation Plan* recognized that both public and private dollars are necessary to solve New Orleans' housing crisis. We must educate our financial institutions about the variety of investment opportunities needed. There are large funding gaps left that will have to be filled by the private sector through traditional and unconventional means. We also need our leaders to understand the economic impact, so we speak with one voice as we pursue resources that provide an equitable economic boon for the city of New Orleans. If all New Orleanians paid what they could afford on housing, the people of New Orleans would have an extra \$440 million annually to invest in the local economy—\$13,208,400,000.00 available in the New Orleans economy over the next 30 years. That is enough to support the \$37 billion in funding needed to stabilize the people of New Orleans. Despite this, most banks aren't willing to make the kind of investments that are needed to support the long-term recovery and renaissance New Orleans could experience and its people deserve.

Given these realities it is our belief that the CRA must address the following to help cities like New Orleans:


1. *Race and CRA*: Honor the CRA's statutory purpose and better incorporate race into CRA evaluations of banks.
2. *Community Development*: Preserve investments, fight displacement, promote digital equity and access for Native American communities, and protect our climate from further harm.
3. *Mortgages*: Prioritize LMI and BIPOC owner occupants and loan originations.
4. *Small business lending*: Focus on lending and technical assistance to the smallest businesses.
5. *Consumer Loans*: Make part of the retail lending test, but a qualitative review is critical.
6. *Branches and the Retail Services and Products Test*: Halt the industry march to close branches in LMI and communities of color.
7. *Accounts and the Retail Services and Products Test*: Further urge banks to develop responsive products.
8. *Assessment areas*: Create Deposit-Based Assessment Areas consistent with the statute.
9. *Community participation*: Enhance community participation so that CRA activity is tied to community needs, CRA ratings reflect community impact, and bank mergers are denied unless they provide a clear public benefit (and CBAs) that regulators will enforce.

The NPR is a good start and promises to make parts of CRA exams more rigorous, but we urge the agencies to extend the rigor of the large bank lending test to the other tests. We also ask the agencies to incorporate race in CRA exams, to expand the public reporting of their data collection proposals and to incorporate the other improvements discussed above. If CRA is improved while maintaining public input and accountability, we believe the proposed rule could help reduce inequalities, disinvestment, and other disadvantages in America's overlooked communities. New Orleans, like many cities, needs and deserves better.

Ending housing insecurity will require an approach that is innovative, comprehensive, and sustainable. No one community can do this alone. We need to harness the efforts of the private sector, government, and philanthropy to create robust and sustainable investment and development strategies that produce significant community impact. Over the past 16 years, billions have been invested to rebuild New Orleans' housing market. This investment was catalyzed initially by philanthropy and volunteer labor but is anchored by billions in insurance proceeds, private financing, and federal grants. Using today's construction costs that investment totals approximately \$ 50 billion. Our efforts build on the revolutionary work seventeen years and seeks to lay claim to the historic investment opportunities. This must be combined with an accountability and citizen engagement strategy that these funds do not follow previous patterns and don't bring stability to the people of New Orleans.

If you have any questions, please feel free to contact me at [amorris@housingnola.org](mailto:amorris@housingnola.org) or 504.224.8301.

Sincerely yours,



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