

City of New Orleans
Neighborhoods
Rebuilding Plan
SUMMARY



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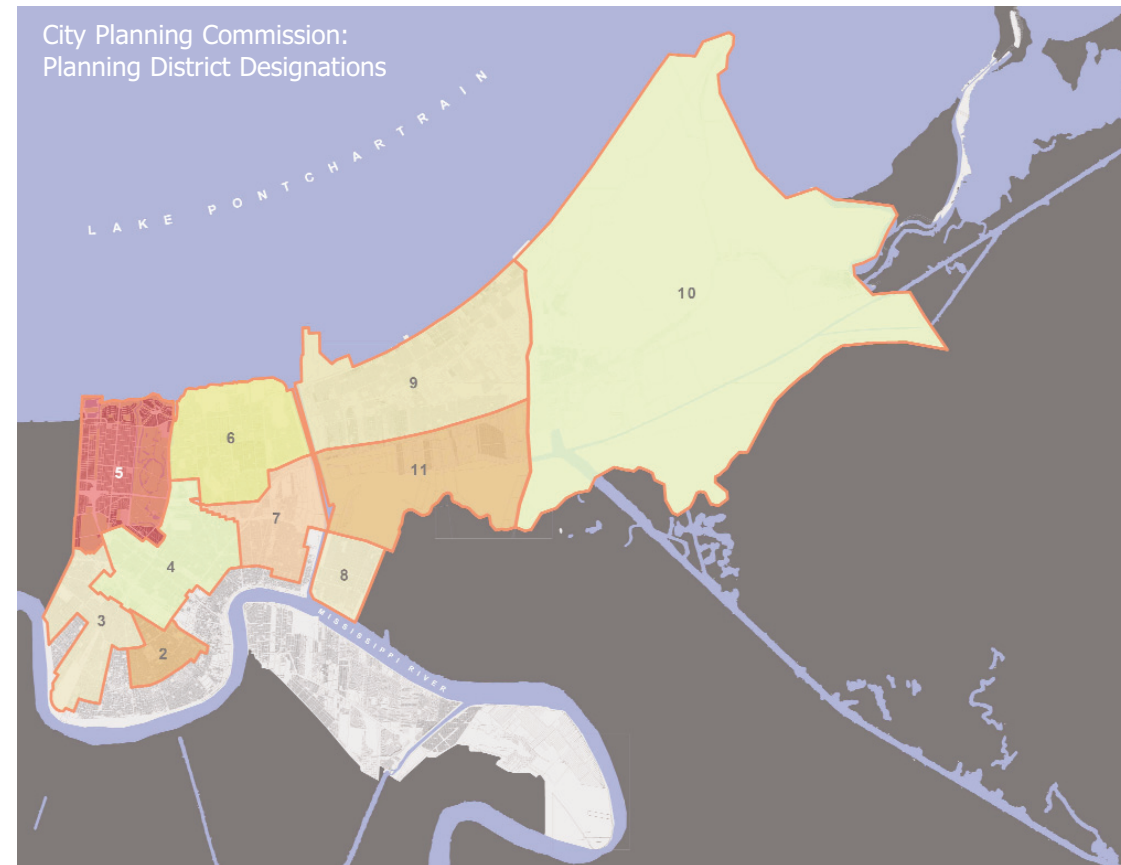
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Neighborhood Plan Reports
Volumes 1, 2 and 3

Resident Survey by Dr. Silas Lee



Neighborhood Plan Reports

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Planning District 2
Central City
Milan

Planning District 3
Audubon/ University
Freret
Hollygrove / Dixon
Leonidas / West Carrollton
Marlyville / Fountainebleau

Planning District 4
Fairgrounds
Faubourg St. John
Gert Town
Mid-City
St. Bernard
Treme / 6th Ward
Tulane / Gravier
7th Ward

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Planning District 5
City Park / Parkview
Country Club Gardens
Lakeshore
Lakeview
Lake Wood
Lake Vista

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Filmore
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Milneburg
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Planning District 7
Desire Area
Florida Area
St. Claude
St. Roch

Planning District 8
Holy Cross
Lower 9th Ward

Planning District 9
Edgelake / Little Woods
Pines Village
Plum Orchard
Read Blvd East
Read Blvd West
West Lake Forest

Planning District 10
Village de l'Est

Planning District 11
Viavant / Venetian Isles

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A. Introduction

Approximately 100 days after Hurricane Katrina struck, Motion M-05-592 was introduced by Councilmember Willard-Lewis and unanimously passed by the City Council of New Orleans. The Motion ensured that community-based neighborhood-by-neighborhood planning for flooded areas of the City would be central to decisions associated with the recovery of the most devastated areas of New Orleans. The Council was adamant that the families most impacted by the storm would play a central role in defining the future of their communities.

In late March of 2006, the City of New Orleans (City) contracted with a team of consultants to assist those neighborhoods flooded by Hurricane Katrina develop neighborhood level revitalization plans. These carefully prepared revitalization plans can be formed into a citywide recovery and improvement plan for submission to the State of Louisiana and federal government.

Specifically, the consultants were engaged to assist residents produce neighborhood-by-neighborhood recovery plans for up to forty-nine (49) City Planning Commission designated neighborhoods that sustained flooding in excess of two feet of water.

This product of the Neighborhoods Rebuilding Planning process that ran from contract execution through late-September includes:

- A summary report
- A series of 42 narrative neighborhood plans (covering all neighborhoods except one that chose to plan without the help of the City Council and a second consisting entirely of a Housing Authority of New Orleans property which is scheduled for demolition)
- A report associated with a resident survey completed as part of the planning process
- A plan book with summary images/maps for each of the neighborhoods as well as funding/project prioritization matrices.

Beyond the Introduction, this summary is divided into seven additional sections.

B. Context

Provides the contextual background for the planning effort and neighborhood plans

C. Boundaries of Neighborhoods Rebuilding Plan

Details what the planning process included and excluded in terms of scope

D. Why the Focus on Flooded Neighborhoods?

Explains the rationale for focusing planning on the 49 flooded neighborhoods in the City

E. Neighborhoods & Planning Teams

Outlines the neighborhoods that were included in the plan and the team structure/assignments

F. Guiding Assumptions, Predicated Upon Policies & Planning Methodology

Details those assumptions and policies that were used as the foundation upon which the Neighborhoods Rebuilding Plans have been built, and the planning methodology and process

G. Consultants Engaging the Community and Community Engaging the Consultants

Details the extensive and unique community involvement process undertaken in the development of this plan

H. Implementation Initiatives

Outlines the housing, economic development, land use, and implementation management recommendations developed as part of the plan.



B. Context

The plans highlight the most pressing recovery needs at the level of each individual neighborhood and across neighborhood boundaries in the flooded areas. Specific recovery projects are detailed and estimates are given for the investment required to sustain a robust recovery.

Given the commonality of neighborhood needs, the 42 plans address many of the same significant recovery issues.

Not entirely surprisingly, recovery goals/expectations of almost all neighborhoods are, in large part, quite similar...no matter how rich or poor, flooded or dry. The primary long-term objective for most neighborhood residents who lived in New Orleans prior to the storm is to bring the neighborhood back to the point where it was on August 27th, 2005, the last complete day before a mandatory evacuation was ordered. Neighborhoods want to rebuild the housing stock, restore streets and other infrastructure,

reopen schools, and see the neighborhood supermarket and pharmacy reopen. In addition, most of the plans articulate a second goal: to seek improvements that, from the perspective of residents, enhance neighborhoods beyond where they were in August 2005, and are unique to the specific neighborhood.

New Orleans has always been a city of dichotomies. Despite the high rates of poverty, poor performing schools, crumbling large public housing developments that limited investment surrounding them, and having one of the nation's highest rates of violent crime before Hurricane Katrina struck; 81 percent of residents in the survey conducted as part of this plan said they were generally satisfied with their neighborhood and quality of life prior to Katrina.

Given the scale of displacement and the abnormal tearing apart of lives, some of those opinions are probably attributed to a certain

degree of nostalgia. However, the close-knit nature of New Orleans (when compared to other large American cities), the fabric of the neighborhoods, and the natural attachment to home and all that it represents leads one to believe that this opinion would not have been terribly different if asked prior to the storm.

Moreover, what came up repeatedly in many lower income communities was a palatable fear that the word "improvement" was a euphemism for "displacement" or "gentrification." Some of this fear is the result of earlier post-Katrina redevelopment proposals that wanted to examine the wholesale redevelopment of neighborhoods in the city from the ground up. A good portion of the rest of the concern came from past experiences.

Improvements in areas such as the Lower Garden District, Irish Channel, Treme, Bywater, etc. over the last several years has resulted in higher income families moving into homes that for decades, if not

generations, were occupied by working class and lower income residents.

One of the great challenges with regard to implementing the plans developed as part of the Neighborhoods Rebuilding Plan process is the establishment of policies to ensure that measures of success include maintaining reasonably priced housing stock, while concurrently improving those basic services in terms of infrastructure, schools, and crime prevention that are so important to the future health of the community.

This summary provides a number of housing policies aimed at ensuring redevelopment occurs in a way that does not displace large numbers of residents. However, effectively addressing the persistent issues that faced the city in terms of education, economic development, poverty, and crime prior to Hurricane Katrina will substantially determine how far the City of New Orleans improves over the next decade.



The successful implementation of the neighborhood and citywide planning effort will be measured against two yardsticks. The first will examine how well and how quickly the middle income and more affluent communities of the City realize a return of population and property values to a level that existed, or beyond the level that existed, prior to Katrina. This will require the investment in the basic infrastructure improvements and some housing / economic development policies outlined in the neighborhood plans. Given that commerce drives the city and is the underlying force in the community, this effort is also dependent upon the return of the major pre-storm employers to the City.

The second yardstick will measure how well Gert Town, Mid-City, the Lower Ninth Ward, St. Roch, and other low-income neighborhoods throughout the City recover in relation to where they were prior to Katrina. If the storm did nothing else, it demolished any illusion that there aren't neighborhoods in cities

like New Orleans; where poverty is so persistent and severe that people are forced to choose between a home and food, or food and basic health care. Of the 47 neighborhoods for which plans were developed, thirteen (13) are communities where more than 50% of children under the age of five lived in poverty⁽¹⁾. For eleven (11) neighborhoods, more than two thirds of children lived below the poverty line. The second yardstick will measure how well the residents of these neighborhoods are able to achieve a significantly improved quality-of-life and stability as a result of the broad scale redevelopment in the City over the next period. The plans for each of the low-income neighborhoods try to detail the needs and establish the foundation for necessary incremental improvements to occur.

The level of community involvement in planning for the future of the City of New Orleans was nothing short of extraordinary. Over 7,500 residents participated in nearly 100 published meetings,

and countless others participated in hundreds of additional group meetings of a smaller scale. The positive tone and hopefulness that is the underlying consistent theme of the plans developed as part of this process is a voicing of the determination and grit of New Orleanians to rebuild their City.

Although the physical improvements outlined in these plans are probably not enough in and of themselves to ensure the revitalization of one of America's great cities...they're a good start.

⁽¹⁾ Households with less than \$17,603 for a family of four (2000 dollars) in total annual income.



C. Boundaries of Neighborhoods Rebuilding Plan

There are a series of city planning and assessment efforts necessary to obtain a complete picture of the scale and cost associated with rebuilding the City of New Orleans.

The Neighborhoods Rebuilding Plan addresses redevelopment needs at the neighborhood level and planning-district level for those neighborhoods that were flooded by Hurricane Katrina. The plans provide an assessment of what is required to return neighborhoods to the state that existed prior to Hurricane Katrina or to a level of revitalization beyond where the community was prior to Hurricane Katrina. This enhanced revitalization goal is particularly true for those neighborhoods with a high degree of blight, public facilities in poor condition, and generally where population and housing values were decreasing at a slow but steady pace over the past several decades.

Not addressed in the Neighborhoods Rebuilding Plan, but required for the functional

restoration of the flooded areas of the City are:

- Flood protection and flood mitigation planning being addressed by the federal government.
- Industry-specific recovery strategies associated with the major private employment and service categories in Orleans Parish, such as; health care, hospitality, retail and restaurants. These industries have broadly struggled since the storm due, partially, to a lack of employees, but also because of the shift in markets. They are so central to the Parish economy that they deserve their own recovery plan at the City as opposed to regional level.
- The reconstruction needs of the utility systems including water, sewer, electricity, telecommunications, and cable television.
- Large scale transit or airport improvements, to the extent that

these improvements were directly noted by individual neighborhoods.

- Although the Neighborhoods Rebuilding Plan addresses individual school issues at the neighborhood level, there is no detailed overall school redevelopment/revitalization plan that addresses the phasing, relocation, funding, and school standard issues provided as part of these reports.
- A plan for the reconstruction of the major public housing properties, including resident relocation and accommodation issues.
- Detailed analysis of economic development project gap funding needs. Although the Neighborhood Rebuilding Plan highlights where there may be prime opportunities for public / private partnerships associated with the redevelopment of the City, the plan does not provide an estimate of the cost to the public sector for these projects. The plan

only refers these projects for further study.

- While the plans do address land regulating and zoning to some extent in specific cases, the plans are not a comprehensive land use plan or zoning policy statement in any sense.

Overall, the Neighborhoods Rebuilding Plan provides the basis for directing much of the funding from the state and federal funding agencies, however, the plan was bounded by constraints of scope, time, and objective.



D. Why Focus on Flooded Neighborhoods?

One of the most persistent questions that the planning teams were asked was “Why did the planning effort exclusively focus on the flooded neighborhoods rather than the entire City of New Orleans?”

The answer is in two parts:

1. As early as October 2005, the Urban Land Institute and some members of Congress were advocating the establishment of policies to ensure that large areas in the flooded sections of the City not be rebuilt. The City Council made a decision to focus the planning effort on the flooded neighborhoods first-and-foremost in order to provide residents of the flooded neighborhoods a process that would allow them to formally voice and define what would become of their communities;

2. The federal legislation authorizing the Community Development Block Grant (CDBG) funds at the center of revitalization funding specifically attests that the

funds are to be used in areas of “concentrated distress” where a majority of homes had major or severe damage from the storm. This level of distress is almost exclusively found in the flooded neighborhoods.

While those neighborhoods that sustained little or no flooding have clearly been impacted by Hurricane Katrina, most of the challenges of the non-flooded neighborhoods (once weekly trash service, diminishment of transit service, job loss due to the shrinking of the workforce and economy) can be mitigated to a large extent by the return of population and commerce to the flooded areas of the City.

For all of the above stated reasons, the focus on the flooded neighborhoods is the most practical and directed method of ensuring that the City as a whole recovers.

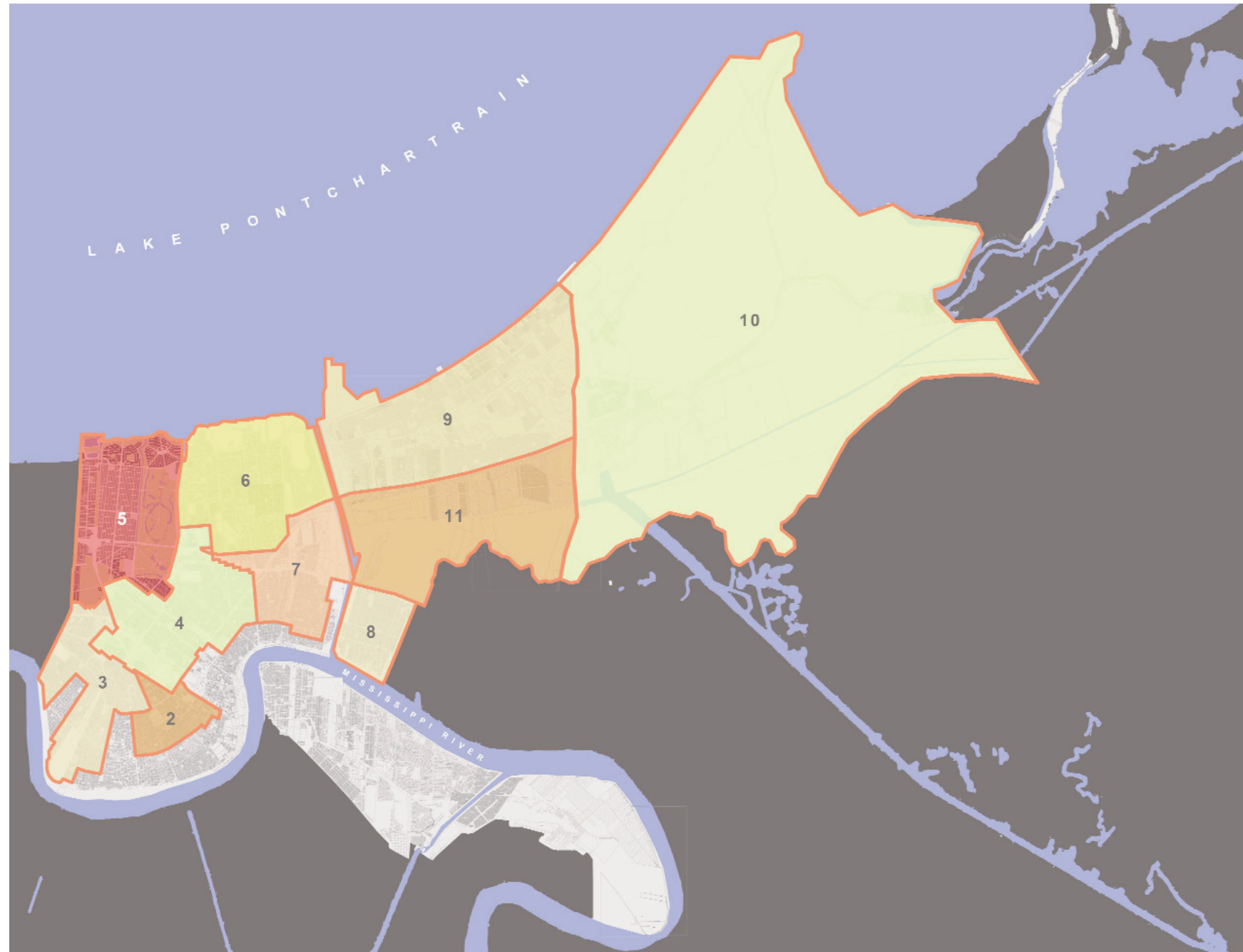


E. Neighborhoods and Planning Teams

I. The Neighborhoods

The following map details the 49 neighborhoods that were originally included as part of the Neighborhoods Rebuilding Plan. This represents more than two-thirds of the total neighborhoods and population delineated by the City Planning Commission and almost 90 percent of the land mass of the City. As previously discussed, 42 plans have been produced covering 47 neighborhoods.

The neighborhoods were broken down into seven groupings and each grouping was assigned a planning team. With the exception of Planning District 4, which was split between two consultants, neighborhoods in the same district were assigned to the same consultant. This made coordination of meetings and multi-district planning initiatives as seamless as possible.



Map:

City Planning Commission:
Planning District Designations

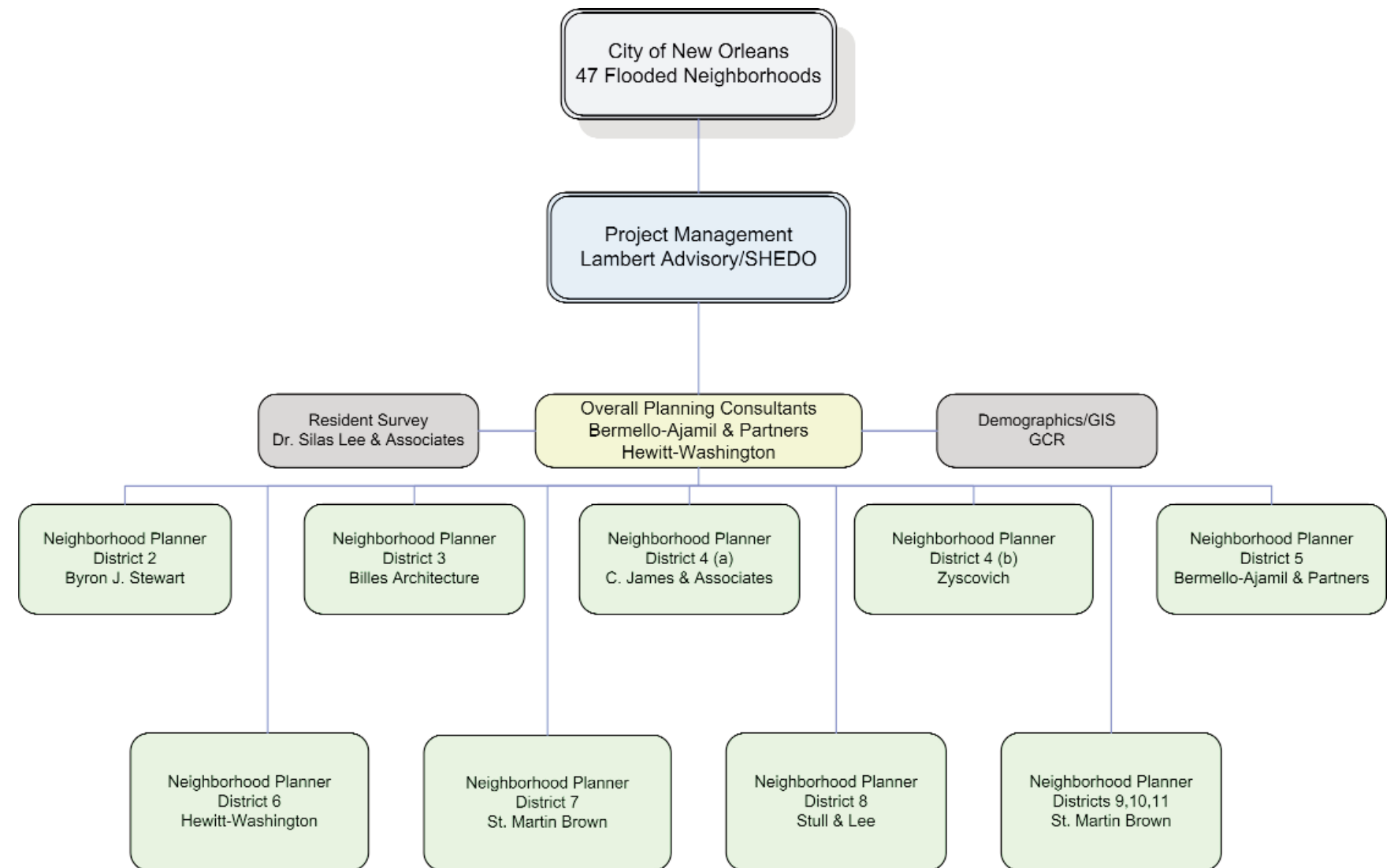


II. The Consultant Team

At its core, the consultant team was made up of seven firms that served as the neighborhood planners and were each assigned a number of the 49 neighborhoods. Of the seven, four were based in New Orleans and three firms from outside the City (Boston and Miami).

Day-to-day urban design of the effort was directed by a two-firm team made up of one local firm (Hewitt & Washington) and Miami-based Bermello Ajamil & Partners, Inc., who had overseen the multi-neighborhood planning effort in south Miami-Dade County after Hurricane Andrew.

Also on the team were GCR and Associates, a New Orleans based data management/analysis firm that provided the backup support for demographic and other relevant data for all of the planning firms. Dr. Silas Lee & Associates, the leading pollster and consumer survey firm in New Orleans,



conducted a random sample survey of New Orleans residents regarding their experiences pre- and post-Katrina, and their expectations as it related to their personal lives and recovery overall.

Overall project management and coordination functions were shared by SHEDO and Lambert Advisory of New Orleans and Miami respectively.

The team was chosen for its broad experience in and knowledge of New Orleans neighborhoods (all but one of the firms had long-term experience working in various neighborhoods of the City), its ability to connect and build trust and rapport with residents and, in the case of two of the firms experience in post disaster planning and implementation.



F. Guiding Assumptions, Predicated Upon Policies and Planning Methodology

I. Guiding Assumptions and Predicated Upon Policies

The Neighborhoods Rebuilding Plans are predicated upon two sets of assumptions. The first set was generally understood or committed to by the time the planning effort began, and includes the following:

- *With the commitment of Federal Government, a flood protection system would be designed to withstand future catastrophic loss from a 1 in 100 year storm*
- *Implementation of stringent building codes to further limit future wind damage*
- *The underlying street grid and urban structure of the city while rebuilding would generally be respected*
- *Establishing an organized, coherent, and operable Hurricane Evacuation Program that provides a high degree of confidence to residents and businesses that the loss of life sustained as a result of Hurricane Katrina will not reoccur.*

Given that the Neighborhoods Rebuilding planning effort began at a time where there were significant unknowns, the plan was also predicated upon a second group of assumptions about yet-to-be promulgated policies. Many of these early assumptions have become actual policies and, therefore, the 42 plans are well grounded in the reality of the policy and market framework that now exists. Indeed, it is the policy and market framework established by Federal and State policy decisions, more than anything included within the 42 plans that defines how the City of New Orleans will be rebuilt over the next decade. The second set of assumptions included the following:

- That there would be a commitment on behalf of the National Flood Insurance Program (NFIP) to re-insure flooded areas consistent with common past practice with regard to areas protected by levees based upon the levees holding in a 1 in 100 year storm

- That the U.S. Army Corps of Engineers (USACE) is on an aggressive path to repair and improve the flood control system and those benchmarks will be met so that there is market and community confidence that the flood protection system will withstand the impact of another Katrina level storm by the end of 2007 and broader protection by the end of 2010
- That New Orleans' 1984 Base Flood Elevation Map would not significantly be changed by FEMA's Recovery Guidance Advisory Base Flood Elevation (ABFE) of April 12, 2006
- That the release of housing assistance funds by Louisiana Recovery Authority (LRA) would not establish reconstruction standards that were more stringent than those required by FEMA. For example, including provisions in the Road Home Program that would require homeowners to rebuild to the ABFE standards even if the home was less than 50 percent damaged
- That the LRA's housing assistance program would

encourage reconstruction of damaged homes and new residential construction for both owner and renter occupied housing in Orleans Parish while discouraging residents from transferring home equity outside of the area

- That the City would adopt the Advisory Base Flood Elevations that would allow homeowners to access the Increased Cost of Compliance assistance provided through the NFIP
- That the City and/or State would codify additional housing recovery initiatives to further assist in recovery of residential areas including:
 - Lot Next Door program described later in this document;
 - Targeted Elderly Housing Road Home Initiative
 - The earmark future program income for revitalization of pre-storm community development communities
- That adequate funding would exist through the CDBG and other non – housing targeted funds to address infrastructure, public



facility repairs, and other public realm improvements.

II. Planning Methodology

The 42 plans produced by the Neighborhoods Rebuilding Planning effort are in a form generally consistent with the requirements of the City of New Orleans Planning Commission's June, 2006 Neighborhood Planning Guide.

Although this guide was issued several months after the consultant contract and scope of work were finalized, the planning team believed it important that all plans developed by or on behalf of neighborhoods be provided in a common format. The team therefore adopted the Planning Guide for the structure upon which the 42 Neighborhoods Rebuilding Plans would be submitted. However, although the consultants followed the guide as it related to format of the plans, the initial scope of work included in the contract with the City of New Orleans continued to March 30,

2006 provided the framework for the overall effort. The methodology and planning process included the following elements:

- *Initial Scoping Meeting and Assessment of Existing Conditions* – The consultant teams gathered all information accessible and available at the beginning of the planning effort including condition assessments, demographic information, data on flood levels and impacts, etc, distributed this information to the team, held meetings with the community to review, assess the information, and use the information as a guide in the development of plan options;
- *Concept Plan Development Options* – Based upon the data collected in the assessment phase and community input regarding existing hurdles to redevelopment since the storm and conditions that existed prior to the storm, that made redevelopment problematic, a series of development plan options were developed and vetted for each neighborhood. These were presented

at neighborhood meetings, discussed at length, and further refined based upon neighborhood needs and desires;

- *Selection of Recommended Neighborhood Rebuilding Plan* – A third round of meetings was used to help guide the community in determining those elements, among all options, that should be part of the final neighborhood plan. Additionally, this task was utilized to develop a ranking or prioritization of projects in order to determine those elements of the plan that were critical to fund in order to realize broad based recovery of neighborhoods, which elements were more mid-term in nature but needed, and which were more long-term improvements that would form the basis for substantial improvement in the neighborhoods over the next decade;
- *Neighborhoods Rebuilding Plan Prioritization and Funding Matrix* - Informed by the collected information, community input and involvement, and vetting of various planning options, a final plan was

developed for each neighborhood that was then subdivided into individual projects, largely for the purposes of submitting the plan to the potential funders. A funding matrix was developed that identified the potential funders for each project and an estimated cost of individual projects on an order of magnitude unit cost basis. The prioritization was based upon the priorities developed with the community in each of the meetings and with a perspective on the need to phase certain improvements before others (i.e. underground utility improvements before streets); and,

- *General Meeting Comprising all Neighborhoods* – All of the neighborhood plans were presented on September 23, 2006 in an afternoon meeting. The meeting addressed how each of the plans for the flooded neighborhoods would integrate into an overall recovery plan for the City, and how certain elements that may not have been aligned with projects/elements in adjoining neighborhood plans would be addressed.



G. Consultants Engaging the Community and Community Engaging the Consultants

As previously noted, the Neighborhoods Rebuilding Plan community engagement process included nearly 100 noticed meetings with approximately 7,500 residents in attendance and literally hundreds of other smaller scale meetings held throughout the City every day and every night of the week with and without the consultant teams in attendance.

When the Neighborhoods Rebuilding Planning process began, it appeared that three meetings per neighborhood or planning-district were going to suffice in order to complete the plans.

Nothing could be further from the truth.

Because the stakes were so high and emotions so deep, and because many neighborhoods had begun planning with little to modest direction on their own in order to “prove their viability,” it quickly became apparent that three very structured meeting was insufficient

to build a rapport and trust with the neighborhood groups. It was critical to the success of this effort that neighborhood residents not view city planning as something to be afraid of, and reframe it as something that was constructive.

As a result, the neighborhood planning consultants began to engage the neighborhoods groups and leaders anywhere and everywhere possible and on the terms of the neighbors. The teams met in homes, under tents, on the street, in playgrounds, and most importantly in houses of worship. Without the tremendous hospitality in making space available at all times of day or night, it is difficult to image how the process would have not ground to a halt.

Where post-Katrina grass roots community planning efforts were on-going, the team joined in, where there was no effort underway, the team helped communities get organized around the best models in other areas of the City with committee structures

and on-going task and reporting responsibilities.

However, from the start it was always made clear that the plans that were to be produced were not those of the consultants, the City, State, or federal agencies but of the neighborhood residents themselves. While professional guidance was required, the City Council made it clear at the outset that if the communities did not believe the plans were their own and were organized in such a way to ensure that recovery was in their best interest, the process would fail because there was no inherent buy in to the process.

What the consultants brought to the participation process was information about pre-storm and current conditions that would help define the community needs and reconstruction plan, and a consistent structure for the plans for submission to the City and state and federal funders. Their professional experience and background both in and outside of

New Orleans provided some context as to which elements of each plan might be implemented in the short term, mid- and long-term.

The planners also detailed which elements had certain barriers associated with them that needed to be mitigated prior to implementation, and which were more difficult to implement (for a variety of factors) than the community believed them to be. Professional guidance that was rendered was built based on trust. This was particularly important given the fact that two prior and related post-Katrina initial planning efforts, by the Urban Land Institute and Bring New Orleans Back Commission had ended with the perception among many of the community’s residents that urban planning or recovery planning was something to fight rather than embrace. Although not initially intended to be the case, a secondary but critical outcome of the neighborhood planning participation process has been that it has served to enhance

The City of New Orleans and Neighborhoods Rebuilding Team wish to Thank the following Meeting Sites and Staff for their Tremendous Hospitality:

- | | | |
|--------------------------------------|----------------------------------------------|--------------------------------------------|
| 1. Grace Episcopal Church | 9. The Holy Name of Jesus School | 18. Lake Vista United Methodist Church |
| 2. Jewish Community Center | 10. Audubon Senior Center | 19. St. Peter Claver Church Hall |
| 3. St. Joan of Arc Church | 11. Central City EOC | 20. St. Dominick Catholic Church |
| 4. Holy Rosary Cafeteria | 12. Our Lady Star of the Sea Catholic Church | 21. First Baptist Church – Fellowship Hall |
| 5. Total Community Action Building | 13. Holy Angels Convent | 22. Israelite Baptist Church |
| 6. St. Joseph Catholic Church | 14. University of New Orleans | |
| 7. Corpus Christi Catholic Church | 15. St. Augustine Church | |
| 8. St. Maria Goretti Catholic Church | 16. St. Leo the Great Auditorium | |
| | 17. Holy Ghost Catholic Church | |





the organization and level of community involvement in the community that will carry through to the rebuilding and policy implementation efforts. This extends to community organizing across and between neighborhoods. The plans do not only include recommendations for capital projects but policy initiative and adjustments that are important to the future of the City.

Other important aspects of community participation process were the three displaced resident meetings held in Baton Rouge, Atlanta, and Houston for those who wanted a say in the future of their neighborhood or city but were not able to travel to New Orleans to participate in the process. These three outreach meetings were central to obtaining the input of residents who in many cases had a different perspective on the barriers to redevelopment and returning to the City in comparison to those who lived in New Orleans.

Finally, and given the personal crisis that many families were going through as they made decisions about rebuilding their lives, many of the participants in meetings were seeking information and were facing challenges beyond those that could reasonably be addressed by planners. Therefore, a number of meetings that were held with residents were organized with a dual purpose. On the one hand, information was gathered from the community regarding desires and challenges with regard to the long-term future of their communities that made the plans relevant to each of the neighborhoods. On the other, representatives of various service providers and governmental agencies (FEMA, LRA, Entergy, Sewage and Water Board, etc.) were invited to set up information tables or answer questions that might come up regarding immediate concerns and issues and how they might apply or access certain programs.

Overall, the community participation process was extraordinary in terms of scope, participation levels, and the fact that organized communities eager to guide and participate in the revitalization of neighborhoods are now in place.



H. Implementation Initiatives

While the plans principally are organized neighborhood-by-neighborhood, there are a number of policy areas that were discussed in virtually every neighborhood and are central to multiple neighborhoods in relation to recovery. These fall into three categories:

- I. Housing – Based upon the data and community planning process, three housing policies or initiatives that go beyond the current structure of the Louisiana Road Home Program and Low Income Housing Tax Credit program were recommended to hasten and broaden the housing recovery in the City.
- II. Economic Development – While city and region-wide economic development issues are beyond the scope of this planning effort, given the neighborhood orientation, restoring commercial activity at the neighborhood level was ranked as one of the most significant needs of the community. Therefore, this plan details a

specific policy oriented toward encouraging retail investment in designated commercial districts or zones in the City.

III. Land Use and Implementation Management – While there are a variety of proposals suggesting how the recovery process should be managed going forward, the neighborhood level planning effort clarified a number of policies related to land use and the management of the implementation process that must be undertaken or enhanced in order to realize the momentum around the City’s renewal. These proposed policies are outlined herein.

The following summarizes each of these policy recommendations

I. Housing

A. LOT NEXT DOOR

It is critical to the recovery of New Orleans that residential redevelopment in neighborhoods

across the City takes place in short order.

The speedy restoration and expansion of quality housing in neighborhoods will replace the blight, encourage the return and commitment of homeowners and renters alike, and enhance the values of nearby properties (concurrently increasing the City’s tax base).

To be truly comprehensive, the array of housing and neighborhood development programs to be implemented in the coming months must address many persistent barriers to neighborhood development that existed before the hurricane struck, as well as the problems caused by Katrina.

A key issue will be how to effectively encourage redevelopment of homes and residential lots that fall into public ownership.

The Lot Next Door program is one of a series of proposed policies

developed as part of the Neighborhoods Rebuilding Program. Each of these policies is proposed to support the market driven redevelopment of neighborhoods throughout New Orleans.

Simply put, the Lot Next Door program will offer those homeowners committed to rebuilding their homes the ability to purchase publicly owned adjoining lots before these lots are offered to any other buyers. Homeowners will have this option whether the property is in public ownership through the adjudication process or through the sale of the lot to a public entity through the Road Home or other public acquisition program.

Rationale

It is unclear exactly how many residential properties will end up in some form of public ownership through the Road Home or adjudication efforts. It is reasonably certain, however, that





many thousands of properties in neighborhoods throughout New Orleans will be owned by some governmental entity over the next several years.

Several specific market and housing policy rationales suggest that the Lot Next Door program can be a significant vehicle for redevelopment in post Katrina New Orleans.

Reliance on Property Owners Committed to Future of Neighborhood and City – It is clear that residents seeking to rebuild homes in flooded neighborhoods have made a special level of commitment to New Orleans. Despite all the challenges and all the unknowns, these families are relying on the future of the City and their neighborhood. They are the backbone of the recovery and the foundation of neighborhood stability, and are among the most likely to continue to invest in the neighborhoods' and the City's future.



Encourage Redevelopment in a Way that Better Matches City's Housing Stock with 2006 Market Demand - There are many communities within New Orleans where existing small lots and houses, often platted and built between the 1920s and the 1950s, do not meet the demands of today's middle income housing market.

These homes, many in the older neighborhoods, were built at a time when the house size and layout expectations of middle-income families were different. As a result, even before Katrina, many middle-income families were seeking generally larger homes in reasonably affordable neighborhoods such as Algiers and Eastern New Orleans, or outside the City.

This led to a beginning of a transition from homeowner occupied to rental housing in many neighborhoods. This was a typical situation in areas such as the Seventh Ward, Lower Ninth Ward,



St Roch, St Claude, Ponchartrain Park and some areas of Lakeview and Gentilly.

The Lot Next Door program provides a mechanism for committed residents to build larger homes, or to even expand their homes to multiple lots, rather than being constrained to rebuilding on the existing small footprint of the house.

This is a market driven method of modernizing the housing stock in neighborhoods where there is already a demonstrated depth of homeownership.

Enhances Stability in Rental Housing Market - The Lot Next Door program may also help to restore the rental stock in the City in a healthy manner. Homeowners who purchase the Lot Next Door have the option of building a second unit on the lot as opposed to expanding their existing home onto the property. In this regard, the homeowner can build either another for-sale home next door, or



a rental property. However, unlike many of the problems associated with absentee landlords, the owner of the rental property will be living immediately next door to the rental mitigating many of the challenges associated with absentee ownership.

Maintain and Build Wealth within Community - The Lot Next Door will help maintain and build wealth in the community and neighborhoods as well as creates an incentive for people "on the fence" around rebuilding. Homeowners who avail themselves of the program have the ability of expanding their property ownership and the option may provide incentive to some residents who might otherwise not rebuild.

Relative Ease of Program Administration - The Lot Next Door Program is reasonably easy to administer and will not slow down the rebuilding process. Families who are interested in participating will register with the program and will be notified when and if the lot



next door becomes available. They will have 45 days to make a non-refundable deposit on the lot based upon a percentage of the City determined fair market value or sales value, whichever is lower, before it is otherwise sold on the open market or packaged for sale. They will also incur a requirement to begin the rebuilding process within the same time frame required of any other purchaser. Assistance programs providing incentives for rebuilding in some neighborhoods can be provided to the Lot Next Door purchasers.

Potential Program Challenges

While there are substantial benefits that outweigh the limitations of the implementation of the Lot Next Door program, there are also several potential issues to be considered when adopting the program. These include the following:

May Encourage the Reduction of Total Number of Units in City - It is likely that the widespread implementation of the program

could result in a net decrease in the number of homes redeveloped on the purchased lots, as compared to the number of homes existing before Katrina.

However, even if maximum housing production was possible, small houses on small lots will not be easily absorbed in a marketplace that requires a more generous living space and lot.

Requires Management and Monitoring Capabilities on Behalf of City - While the Lot Next Door Program is reasonably easy to establish and manage at the outset based upon a simple registry and set of criteria, there is a need for ongoing monitoring of the program to ensure that purchasers meet their obligation to redevelop the property they purchased in a timely manner, that they maintain residency for a prescribed period on at least one of the two lots they own, and that there is a strategy for enforcement if owners don't meet program requirements. However, no matter who acquires lots in

public ownership (large corporation, not-for-profit developer, etc.) there is a need for a monitoring process.

Will Likely Place Properties in the Hands of Some Inexperienced and Undercapitalized Owners - The most likely challenge with transferring ownership to small property owners is that despite the best intentions, many owners may not have the experience in hiring an architect/contractor, monitoring the construction process, or managing rental units. Many may not have the requisite capital to redevelop the lot next door. While there are likely to be market driven strategies that will mitigate this issue, this has the potential of slowing the redevelopment somewhat.

Program Mechanics

The program should work as follows:

- Any residential lot in City ownership, New Orleans Redevelopment Authority (NORA)

ownership, in ownership of a new entity charged with the disposition of real estate through the Road Home Program, or that is adjudicated will be assessed for both current condition and value. A purchase price ranging from zero to the appraised fair market value of the asset will be placed on the property.

- All lots held or controlled as described above will be mapped and cataloged in GIS, and the information will be uniformly available through the web. Information to be listed within the database will include street address, property Tax ID, the purchase price being asked by the entity, appraised fair market value, survey of property boundaries and measurements, lot size, zoning, and any other relevant information including any known hazards on the property.

- Any homeowner (including town home and condominium owners) will be able to register for the program through a registry



maintained by Neighborhood One. Residents will be able to register in person or on-line. At the time of registration, proof of property ownership of the homeowner's primary residential property registered in the name of the registrant and occupancy as the primary resident through proof of homestead exemption and/or utility bills/phone records will be required. Authority to act on behalf of multiple owners will also be required. The homeowner will be asked to provide a range of contact information so if the Lot Next Door does become available, the City can quickly and easily contact the owner. Finally, the City should work to line up financial institutions that will pre-approve participating owners for purchase financing.

- If the Lot Next Door does become available for sale through one or more of the public entities, the City will attempt to contact the registrant through the contact information provided, letting them know that the Lot Next Door has become available. The City will

provide them with the purchase price, direct them to how they can find more information about the lot, and notify them that they have 45 days to make a non-refundable deposit of 20 percent of the purchase price to purchase the lot before it is packaged for sale on the open market. The 45-day window is a short time within which to make a decision and identify funding, but is needed to ensure that the lots are moved from public to private ownership and commerce in a reasonable time frame. The purchaser will then be provided an additional 90 to 120 days to actually close on the sale.

- Upon sale through the Lot Next Door, the purchaser will be required to certify that they will stay in or expand their current home for a period not less than 36 months. With few exceptions, financial penalties will be imposed should the owner move prior to the 36 months are complete.

- In cases where two next-door neighbors are registered for a

middle lot that falls into public ownership, the homeowner who is the highest bidder over the minimum purchase price will be sold the lot.

- The requirements placed on Lot Next Door purchasing homeowners to build on, or in some other way bring the lot back into commerce through the development or expansion of the existing home and accessory buildings will be the same as for any other open market buyer. The purchaser will have six months to begin construction and eighteen months to complete construction.

- As part of the Lot Next Door program, the City will maintain information about development funding assistance programs, builders, financing options, etc., that purchasers can use to expand upon or rebuild a home on the acquired property.

- If one or more next-door homeowners (where one exists) declines to purchase the lot next

door, the lot will be packaged for sale with other lots on the open market. At no time, however, shall a lot be offered at a lower price than the minimum purchase price established or offered to a registered next-door homeowner without returning to that homeowner with an offer to purchase at the new lowered purchase price.

Elderly Road Home Tie-In

What has become quite apparent through the neighborhood planning process is that senior households, which have ties to the community and have expressed some of the strongest voices for rebuilding and returning to the City, also face some of the most significant challenges in redeveloping or rebuilding their homes.

There are many areas of the City that had a high concentration of elderly homeowners (Lower Ninth, Ponchartrain Park, and Lakeview) and sustained substantial damage. Those areas will require the



demolition and reconstruction of many homes. Historically, the challenges dealing with contractors, permit inspectors, lenders, etc., has proved particularly challenging for many elderly households after experiencing the trauma (physical and psychological) that has been visited upon other communities after disasters. Additionally, there are a substantial number of areas of the City including Lakeview and areas of Gentilly, among others, where rebuilding homes with damage in excess of 50 percent will require the total reconstruction at three feet above grade or the Base Flood Elevations whichever is greater. Many of these homes will have to be raised close to one story, making them a difficult housing product type for people with physical challenges.

Elderly homeowners are clearly a special case with specific needs, and currently there are no programs targeted to this subgroup of homeowners.

A targeted elderly homeowner program is needed to allow elderly households to tie their Road Home grant to senior only elevator multi-story condominium projects to be developed throughout the City. There has been wide support for dedicated multi-family senior housing products in many parts of the City, but particularly in areas where younger homeowners have aging parents living nearby. In some cases, there may be a need to increase the grant amount or provide a low interest loan to the household if there is a gap between the values of the buyout (and insurance proceeds) and the cost of the condominium unit.

The multi-story condominium option has a number of obvious advantages for senior households. First, it is an elevator product type that mitigates stairs, it is centrally managed, and upkeep is the responsibility of a professional manager.

However, there are several reasons why the market on its own will not

cause the development of these types of units, and why a direct tie in with the Road Home program is required:

1. The notion of purchasing a condominium “off of plans” for elderly households is a very difficult decision at this point without some direct government oversight and control to ensure that the units are built in a timely fashion and that the money received from the Road Home program will be released on draw downs that will be monitored appropriately.
2. Given all of the risks associated with developing new middle and moderate-income housing product in New Orleans today, particularly in flooded neighborhoods, developers also need incentives to make the projects viable. Developers will save substantial interest expense by having the units pre-sold through the Road Home program and having funds readily available based upon a standard draw and completion of work schedule.

Additionally, the true pre-sale nature of the effort will substantially reduce the investment hurdles required by investors for the development of the product making it broadly attractive to a wider group of housing developers.

3. Finally, there are likely to be funding gaps for some moderate-income elderly households given the modest value of homes in many areas of the City and the relative high cost of constructing multi-story housing product today. Through a low interest loan or additional grant program, the Road Home will be able to fill these funding gaps for the developer and the homeowner in a seamless fashion and write down costs to a point where it is affordable to moderate and middle income senior households.

Program Mechanics

The basic program mechanics are as follows:

- Issuance of Request for Proposals from For-Profit and Not-For-Profit Developers – A request



for proposal will be issued to developers who have site control and multi-family development experience for sites that are appropriately zoned for multi-family residential use or have a strong likelihood of being rezoned for multi-family residential use. In most cases, the property will serve as the developer's investment in project. The responses to the request will require a proforma be submitted with the submission, a breakdown of unit mix by bedroom/bath, a general project description, and a preliminary site plan and schematic diagram of typical floor plans. Developers will be encouraged to offer a mix of one and two bedroom units.

- Housing Option as Part of Road Home for Seniors - Pre-approved senior housing development will be made available as an option within the buyout through Road Home Program for households over 55 years of age. Project information will be provided to senior homeowners. If senior household opt for the purchase of

one of the condominium units, their Road Home grant funds will be placed into escrow along with any equity/insurance proceeds the household will be using to purchase the unit, in addition to any financing commitment. Once a threshold number of units are "purchased," construction can begin.

- Gap Funding - Targeted gap funding up to \$50,000 per unit (soft second no interest loans or low interest loan) will be provided for owners who do not have enough equity (including insurance proceeds and transfer of existing mortgages) to purchase the condominium unit at pre-approved market price. However, upon resale, for those households where gap funding was provided, the sale of a unit will trigger a recapture of a certain proportion of the write down equity in the unit (should the value of the unit increase) on a year-to-year decreasing schedule. For example, 100 percent for the first three years, and then decreasing at 10 percent per year thereafter.

- Maintenance Fees & Reserve for Replacement - Purchasers will have to pass an income test related to monthly maintenance fees to ensure that they have the means to pay ongoing maintenance and a required reserve for replacement funding needs. Preferably, some gap funding may be structured to forward fund a portion of the reserve for replacement, mitigating the need to fund these improvements on an on-going basis.

- Establish Escrow Accounts – As with the release of Road Home monies for rebuilding, Road Home Senior Housing monies will also be placed in an interest bearing escrow account that the developer can only draw down upon based on a pre-approved delivery and draw down schedule.

- Restrict Resale for 10 years to Senior Households - Re-sales for the first ten years will be allowed only to other senior households. After that time, resale

will be opened up to any purchaser in order to allow for a more natural market turnover of units and building of reinvestment/equity in the property.

B. USE OF SECOND GENERATION FUNDS AND EXPANSION OF HOME PURCHASER ASSISTANCE PROGRAMS

One of the principal issues that have come up time and again in neighborhood meetings is the question of how properties that end up in public ownership either through the adjudicated or buy back process will be resold in the market.

While the Lot Next Door program provides one method for recycling lots in the market, there are going to be numerous lots that are not acquired by next-door neighbors that are going to have to be sold to third party purchasers. Assuming that there are few new regulations associated with developing housing (i.e. some



requirement that certain units must be homeownership vs. rental) it is likely that the value placed on many properties for sale will determine how quickly that property will be rebuilt for housing. Additionally, and realistically, there are a variety of neighborhoods throughout the City, where reducing the cost of a lot or unit to essentially zero will not be enough to ensure the redevelopment of the property. These are generally those neighborhoods where land values were quite low prior to Katrina and homes were not built unless there was significant targeted public assistance related to construction.

Given the different market factors influencing the redevelopment of housing in different neighborhoods, there are a variety of strategies that will have to be employed with regard to the sale of lots acquired through the acquisition program on the open market. These strategies include the following.

Recycle Second Generation Proceeds from Higher Income

Neighborhood Property Sales to Properties in Neighborhoods where Values are Lower - There are a number of neighborhoods in New Orleans generally having high concentrations of blighted and adjudicated properties prior to Hurricane Katrina. In those areas, the market value of residential land is nearly zero or the cost of development and land exceeds what purchasers or renters will and can pay. In these cases, it will be necessary to write down the construction cost of units so they are affordable to families at or below median incomes and in turn cause the redevelopment of these properties. Prior to Hurricane Katrina, the City through the HOME or NHIF programs would have to invest approximately \$30,000 in subsidy for a single family for sale unit and up to \$20,000 for a rental to cause the rehabilitation of a unit to be affordable to families below 80 percent of median income. Typically, rental units in these neighborhoods also had Low Income Housing Tax Credit (LIHTC) equity layered into the development

budget, reducing the maximum income family to be served to 60 percent of median. Because there is an underlying market value that properties can be underwritten to, the write down required will likely not be significantly different post Katrina, with the exception of capturing significant construction cost increases that have occurred. The principal difference today is the number of blighted and adjudicated properties and therefore the need for expansion of the total dollars available to write down the cost of housing.

Remembering that there were not enough dollars in the system to address all of the properties and families in need prior to the storm, the amount available for writing down the cost of affordable housing after Katrina is more of a Federal and State policy question as opposed to a general assessment of need. However, what New Orleans can do is stretch the use of the extraordinary expansion of CDBG dollars that will now be invested in middle and upper

income areas to purchase homes for the first time. One of the key sources of funding to expand and improve the affordable housing stock in the City is to establish policies that recycle the sales proceeds from housing in neighborhoods where market value for housing exists to neighborhoods where there is little or no existing housing land values, and significant subsidy is required to provide high quality housing to low and moderate income families. In this way, the City will be using the program income from public to private sales of lots in higher income neighborhoods to assist the redevelopment of housing in the low-income areas. This also will help focus the use of CDBG funds in the low-income neighborhoods consistent with the principal program objectives.

Sell Adjacent Lots and Blocks of Lots in Public Ownership to Experienced For-Profit and Not-For-Profit Developers When Not Purchased Through The Lot Next Door - To the extent possible,



multiple adjacent lots within blocks and lots within adjacent blocks should be sold to experienced for-profit and not-for-profit builders who have the management and financial capacity to undertake multiple home redevelopment concurrently. The level of operating efficiency, marketing or management experience, speed and momentum that experienced builders can bring to the housing redevelopment effort is a necessary element given the scale and scope of revitalization required in the City.

Ensuring that experience builders have access to pools of assets is one of the single best ways of reducing the cost and time to market of redevelopment and ensuring that what is redeveloped is consistent with purchaser or renter demand. Additionally, some degree of concentrating rental properties is critical to obtain operating cost efficiencies as it relates to on-going operations and management. It is important, however, to manage the builder redevelopment process at multiple



levels. First, there needs to be clear time frames established associated with placing properties back in service as housing and to ensure that the redevelopment is done in a way consistent with current zoning.

Re-Sell Properties for Fair Market Value and Reduce Price of Lots Only When Very Specific Policy Objectives Are Being Met - For those residential properties that find their way into public ownership, the sale of the lots should be sold back into the market based upon some form of Fair Market Value/Appraisal Assessment (conducted by the public owning entity rather than the purchaser as is the case in the existing adjudicated disposition process due to lack of funding for appraisals). In some neighborhoods, the fair market value may be zero or close to zero, however there needs to be a formal process in place to determine the value of any given property. The principal reason why the public sector should not sell lots at below market value without



some very specific policy objective is that the sale of a large number of lots owned by government at below market will naturally drive down the value of properties sold in private transactions. This is not to the benefit of the neighborhoods. The exception is when lots are sold at reduced values in cases where the aim is to encourage certain types of housing units to be built or placed on the market such as for affordable rental housing, homes sold to buyers below a certain income threshold (i.e. 120 percent of median household income), etc. In this way, certain policy objectives can be achieved without negatively affecting broader real estate values. It is important that the entity charged with disposing of the properties constantly monitor various elements associated with the disposition process. For example, how the market value of properties changes over time during the recovery, or the level of concentration of any one type of household in a small area that runs against broader policy objectives



associated with the de-concentration of poverty.

Additionally, the calculation associated with any reduced value to meet broader objectives needs to be done on a property-by-property basis to ensure that the reduction causes the redevelopment of the property for the targeted purpose without creating a windfall profit for the builder or owner.

Given the scale of the redevelopment effort and flow of federal funds into the City, New Orleans has an once-in-a-lifetime opportunity to revitalize many of its lowest income communities for the benefit of both existing residents and new families.

The City can do this by writing down the cost of housing through the recycling of CDBG funds used to purchase properties in more affluent areas of the City. However, establishing targeted policies at this stage and putting the organizational structure in place in



short order will define the degree to which the rebuilding initiatives will be successful. Conversely, if the program income from property sales is used in an untargeted way or broadly redistributed outside of Orleans Parish, the hurdles and problems associated with revitalizing the City's low-income neighborhoods will only be exacerbated.

II. Economic Development

One of the economic development initiatives that many residents ranked higher than even the restoration of neighborhood schools or health care, was the return of the neighborhood supermarket and pharmacy. More broadly, communities were seeking an improvement in retail offerings, including restaurants and soft goods retailers in general.

This should not come as a surprise. Hurricane Katrina's impact on these businesses has been severe not only for what it has done in relation to the

customer base, but just as importantly to the pool of employees. Even large retailers such as the Wal-Mart Supercenter on Tchoupitoulas, left untouched by flooding, are operating at a fraction of the level they were prior to the storm due to an inability to identify employees to staff the entire store. Additionally, the degree, mix and quality of retail activity in New Orleans prior to Katrina in many neighborhoods was significantly below what neighbors in Jefferson or St. Bernard Parishes enjoyed. Therefore, it is almost certain improved retail would have been at the top of the list of desire and needs even if Katrina had never occurred.

Nevertheless, no matter the degree of community desire, restoring retail presents several hurdles that are difficult to overcome:

- First, and as noted above, the customer and employee base are not at a level where most of the pre-storm retail can be easily restored;

- Second, retail development in the city prior to Katrina was hampered by a lack of viable sites in key locations and income levels that often did not justify the attraction of certain types of retailers who preferred the broader income depth of Jefferson Parish to the west;

- Finally, government can only provide so many incentives to encourage retailers to locate in a certain area. Retail rents typically account for only six to eight percent of a retailer's total annual operating costs and total occupancy cost including utilities, property taxes, and rent are almost always less than 15 percent. Depth in an adequate customer base that drives profit from product sales and a ready workforce are much more important factors to the location decision of retailers than is the degree of rental concession they receive.

Broad provision of incentives to retailers on behalf of the State and City will have modest impact at the

early stages of redevelopment, and therefore we recommend a much more targeted two-tier retail revitalization strategy upon which the State and City can encourage retail reinvestment in the City.

The first tier strategy would be to identify two or three key nodes, primarily along the I-10 corridor where a broad package of enhanced incentives would be provided to retail developers and retailers who locate in these special zones. The I-10 corridor has some particular advantages in that it is generally within a 10 minute car ride from anywhere in the most heavily impacted neighborhoods in New Orleans, intersects with most transit routes in the City, is easily accessible for people who might shop in the Parish from outside of New Orleans, and places large scale retail development in a corridor that has already been defined by the Interstate without further eroding the fabric of historic neighborhoods or many of New Orleans' boulevards.



Furthermore, by encouraging the concentration of large scale retail development in two or three zones that are reasonably accessible, retailers will be able to draw from a much larger area than would be the case if the incentives were not targeted but could be utilized anywhere in the City.

Initially, and based upon the Neighborhoods Rebuilding Process community input, the three initial potential retail redevelopment zones would be located adjoining:

- The intersection of Interstate 10 and Carrollton Avenue
- Surrounding and including the Lake Forest Plaza Property (which is already a special designated economic development zone by the State)
- Where Chef Highway runs together with I-10, west of the “High rise”

While opportunities may exist in areas of the Seventh Ward or Treme as well, the concern is that

any major redevelopment zone in this area would further erode the historic fabric of these neighborhoods. Redevelopment of retail in these areas therefore needs to be handled with much greater care and in a more limiting fashion.

The incentives available to retailers in these zones would be modeled on the State of New Jersey’s Urban Enterprise Zone Program, one of the oldest and most aggressive in the nation as it relates to retail development. According the State of New Jersey, the UEZ program, started in 1983, has caused the investment of over \$19 billion in the 37 zones in the State, and attracted 8,000 firms to the zones that employ 150,000 people.

Simply, the State of New Jersey allows retailers in the zone to charge ½ of the State sales tax on “in person” purchases and the remaining ½ that is collected is reinvested in the zone for infrastructure and other economic development investments. Through

this incentive, the zones have not only been able to attract retailers who help to serve local residents, but also attract customers from other areas of the State and a multi-state region who are seeking to save on larger purchases.

The program is only valuable if it is limited in its application. Ten zones around the New Orleans region or even five in Orleans Parish would diminish the impact on the incentives, as the market area from which patrons would be drawn would shrink. The program must be targeted in such a way that it is only applied in the most devastated areas of the City as the incentive is designed to become a catalyst for further investment in these areas rather than only take business away from retailers outside of the zones.

Unlike a typical tax increment financing (TIF) incentive, the New Jersey structure ensures that some of the benefit accrues to the consumer and creates a reason for certain high value retailers to

locate in these zones. Additionally, and with the possible exception of the Lake Forest Plaza site and area which is already served by special TIF district legislation, the sales tax discount provides a certain marketing benefit to specific types of retailers where the average sale is quite large (i.e. furniture, electronics, or certain types of sports equipment) and are seeking locations to serve a regional rather than exclusively local market.

The second level of incentive can be more broadly provided within Main Street type initiatives in neighborhoods throughout the City. For example the proposed Town Center in the Lower Ninth Ward, Harrison Avenue in Lakeview, St. Claude Avenue, the intersection of Gentilly and Elysian Fields, etc. where the main concern is developing the infrastructure, landscape, and façade improvements necessary to support business development. This level of incentive can either come from the targeted use of





CDBG funds or through various TIF style incentive programs. However, it is important to develop targeted strategies and identify the funding for these areas the early stage of recovery so the improvements that are made in the recovery process are oriented to improving the commercial climate along these streets or within these districts. The level of investment required, the scale of development, and the most appropriate structure for the investment should be a key area of further study immediately following this planning process.

III. Implementation Management & Land Use Initiatives

While there has been a variety of recommendations over the past several months related to how the plans once complete will be implemented and more generally the recovery implementation management structure, the topic of recovery implementation constantly was brought up in community meetings. Therefore the plan would not be complete without

some discussion and referencing of these items. There is further detail of specific neighborhood policy recommendations or preferences in each of the neighborhood plans, but the recommendations outlined below were mentioned in most if not all of the neighborhoods covered by these plans.

A. CLEAN CITY UP

One of the most consistent themes in meetings was that neighborhoods could not really begin to recover before they were cleaned of debris and the demolition process was well underway and delimited.

Indeed, the plans themselves are not as specific as they otherwise could be because it was unclear throughout the planning process, which houses were going to be demolished to which houses would be re-occupied, and which would or would not have adequate funding through insurance proceeds, family funds and the Road Home program to rebuild.

While the strong enforcement of the gutting laws was generally welcomed, the backlog in terms of need and capacity in both the gutting and demolition of homes is one of the most troubling aspects of the recovery.

Given the scale of the effort and need, the gutting of homes is not something that should be left to the good will of volunteers. The demolition of homes should be without a backlog given the fact that it was clear as soon as the city was pumped dry that a large number of the City's homes would require demolition.

Federal, State, and local authorities must ensure that the cleanup process proceed posthaste, because without the completion of the cleanup and the damage to streets, sidewalks and landscaping that comes with it, it is very difficult if not impossible to implement the recovery plan. Furthermore, the cost to the city in public safety to monitor abandoned homes and streets is dramatically higher than need be if buildings were secured

and dangerous structures and flammable materials demolished or removed.

One of the biggest challenges in South Miami Dade County after Hurricane Andrew was securing and maintaining damaged homes abandoned after the storm. As with almost all blighted housing, these abandoned structures became havens for crime and only exacerbated the sense of abandonment in the neighborhoods. Only after the County took extensive measures to enforce the code, did the neighborhoods of South Dade begin to return to normalcy.

B. ZONING AND RELATED LAND USE POLICIES

In the neighborhood-by-neighborhood plans, there are several recommendations for specific changes from the existing land use to new or allowance for mix of uses. While it appears that some of these changes can be accommodated within the existing zoning code, this is certainly an



area for further analysis and delineation and was not part of the scope of this effort.

In four special cases however, there will be a need for a broad review of the zoning for certain specific areas. These include three areas: Edgewood Heights, The Agriculture Street area in the Desire neighborhood, and the area in the Mid-City neighborhood between the Orleans Parish Prison complex and Tulane Avenue where an enhanced buyout program should be undertaken for any residential development and zoning should be change exclusively to industrial use, or in the case of the area in Mid-City, public institutional use. The forth case is the Lower Ninth Ward neighborhood where the plan calls for the reorganization of some of the streets to allow for the development of a town center in what is now a single family zoned area and the expansion of the commercial district along North Claiborne and St. Claude. The proposal also calls for the reorganization of the parcels in the



area to accommodate this change, and the development of the town center will require a very specific block-by-block, lot-by-lot design and assessment along with a new zoning classification.

Other major proposals include the rezoning of Eastern New Orleans multifamily districts to provide for lower densities of development, and rezoning initiatives in Lakeview to encourage single-family development. However, in each of these cases these changes were being discussed long before Hurricane Katrina. The Neighborhoods Rebuilding Plan only further supports the community preferences for these changes. Other more modest proposals include the designation of planned unit development district at the Carrollton/I-10 interchange to allow for and encourage large scale mixed use development, the rezoning of areas along Claiborne Avenue to encourage a broader range of large format retailers to locate in the area, the re-designation of several sites for



senior multi-family housing, and the conversion of some formerly commercial buildings to residential use.

Overall, the plan highlighted some key broader land use concerns including:

- The current zoning classification system is overly complicated with 56 separate zoning categories and requires simplification. There was broad support in the community for developing a new Comprehensive Zoning Ordinance, as was the intention of the City prior to the Hurricane Katrina.
- Many neighborhoods want a more formal say in project approval process and want investors to be required to present their plans to the community before going to the Planning Commission or City Council.
- Many of the city's neighborhoods and particular neighborhoods with a significant



historic fabric want the City to consider any variances requests in special zoning overlay districts with extreme care. Many neighborhoods feel that the City has not done this in the past and it is having a domino effect on diminishing the nature of many boulevards and streets in the City.

- There is a broad interest in the City for exploring the expansion of local historic district status in neighborhoods throughout the City in order to maintain and support the redevelopment of these areas in a manner sensitive to the historic nature of the neighborhood. Each neighborhood plan details where further study is warranted with regard to the establishment of further historic controls. Neighborhoods are aware that broader historic designation comes at the price of significantly enhanced controls and costs associated with reconstruction but still felt that given the importance of the historic nature of many neighborhoods and the threat of loss, further controls may be warranted.





C. BUSINESS CENSUS AND NEIGHBORHOOD ECONOMIC DEVELOPMENT STRATEGY

It is important that an outcome of this plan is that a census of neighborhood businesses is undertaken and a strategy for the restoration of services and businesses in New Orleans' flooded neighborhoods is developed. While the plans designate areas for future commercial development or the focus of commercial development, information was not readily available on the demand for retail, office, and industrial space, how that is likely to change over time as the neighborhoods redevelop, and which areas of the City are most competitive today to attract what demand that exists.

The commercial areas of the flooded neighborhoods of the City have not received the attention they deserve and understand the economic and market dynamics affecting the redevelopment of these areas and shepherding that development in an informed way is

a critical element of the recovery at this juncture.

D. RECOVERY MANAGEMENT RECOMMENDATIONS

There are several recovery management recommendations that were consistently discussed in the neighborhood planning process, and which are of relevance to the management and implementation of the recovery. These include the following.

Appropriately Staff and Charge Accordingly for Enterprise Departments - Participants in the neighborhood planning meetings were concerned by reports and by statements made by members of the Planning Commission and Office of Safety & Permits that staff limitations were slowing the project approval process and in turn slowing the overall recovery. Therefore, there was strong agreement among participants that these departments having the ability to charge fees for their services be staffed, or the services

of the department contracted for (if staff is unable to be hired due to the current housing/cost of living crisis or difficulty finding qualified candidates) at the most appropriate level in order to hasten the review and approval process over the next several years.

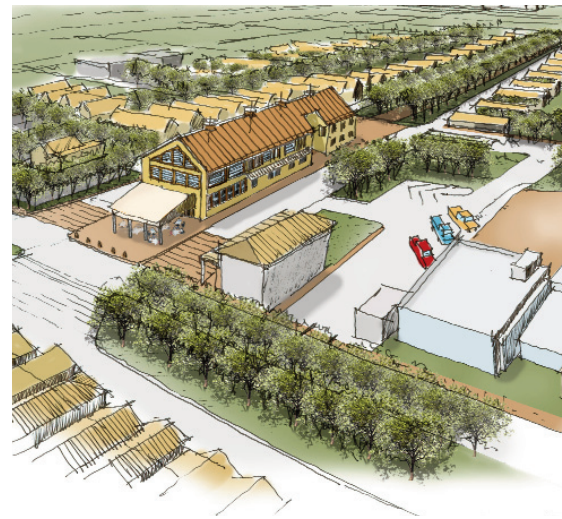
Cross-Reference all Funding Requests - One of the limitations of what can be gleaned from the Neighborhoods Rebuilding Plans funding matrices is that they have yet to be cross-referenced with the "PWs" and other funding requests submitted to FEMA and other funding entities. This is an undertaking that must be coordinated between city government, the various school districts, Sewage & Water Board, the Louisiana Department of Transportation & Development, the Regional Transit Authority, and any other public agency that operates public facilities in Orleans Parish.

This is a critical organizing meeting that needs to occur over a one or two day period, that will better

define which of the neighborhood level funding prioritizes and requests may have already received funding, requests for funding have been submitted (and to what entity), or are still outstanding.

Multi-Agency Coordination - No matter which agency is tasked with overseeing the recovery of the city, there is at least a perception among residents of the neighborhoods most impacted by the storm that there is little or no coordination between the key agencies and departments tasked with redeveloping the City. People would wonder out loud in meetings if Public Works (in charge of repairing and replacing streets) was coordinating with the Sewage and Water Board (responsible for much of the underground utility system) to ensure that utilities that run under streets were addressed prior to the streets being repaired, or if the school districts were coordinating with the NORD in the redevelopment of schools and recreation areas.





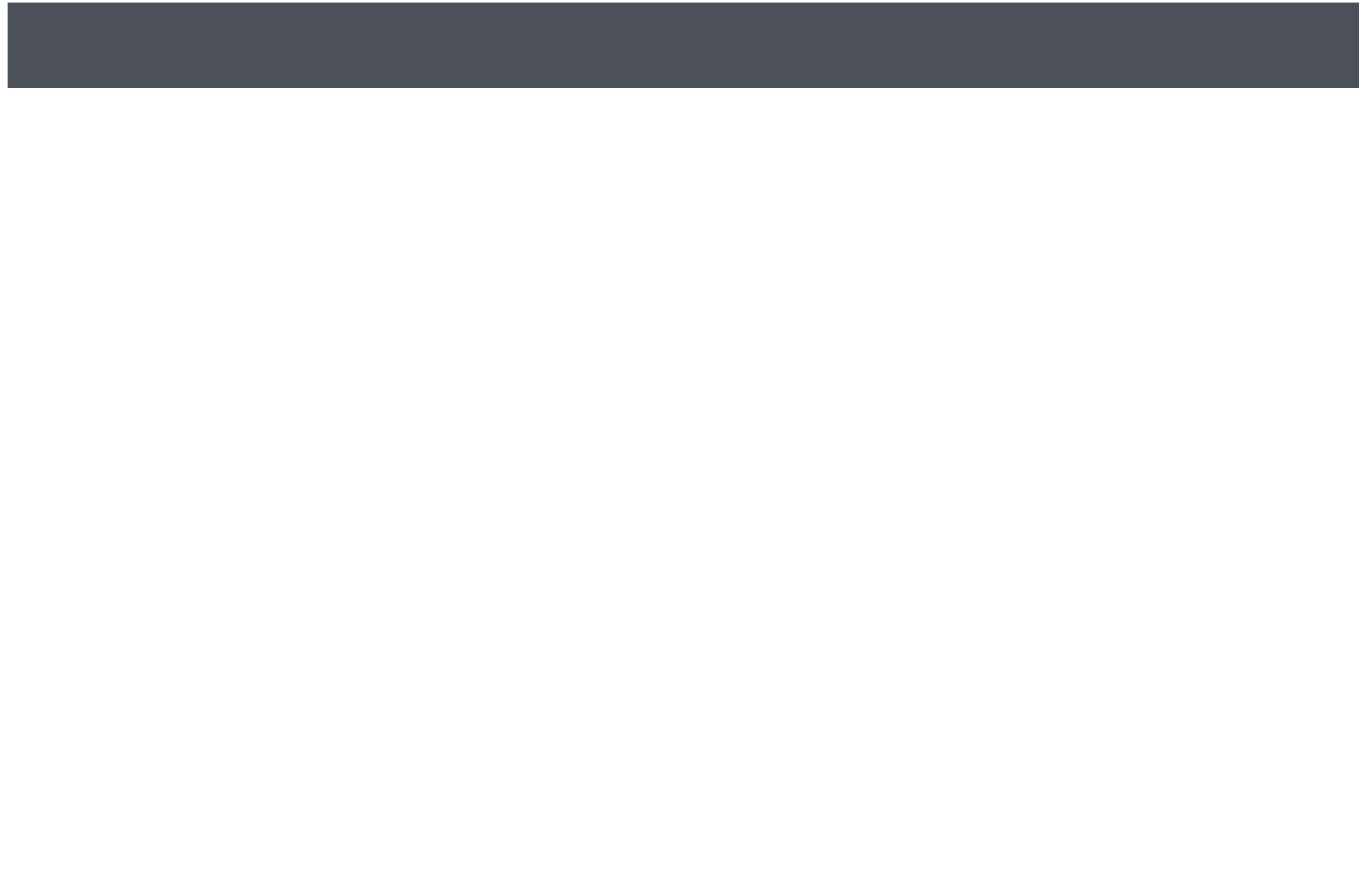
Even if this most obvious of processes is occurring on a regular basis, the sense of many community members is that this is not the case. Therefore this plan recommends that at minimum a bi-weekly “cabinet style” meeting be held at which all of the relevant department and agency heads are required to attend along with the Mayor and Governor’s staff to discuss recovery status, issues or challenges, and how the various agency’s will coordinate their efforts to address the issues or challenges over the following two weeks. The notes of these meetings can then be broadly distributed to the public and press.

Structure Recovery Organization Around Neighborhoods or Planning Districts - Finally, there was broad agreement among residents that the only way in which implementation would occur consistent with desires within the neighborhood plans is if the organization charged with overseeing the City’s recovery be structured in such a way that

teams of staff are assigned to specific neighborhoods on a full time basis and are responsible for implementing the plan at this decentralized level. Each sub-area should have a dedicated staff, project budget, be responsible for collecting and analyzing neighborhood level data, and be responsible for meeting specific goals and objectives.

While accountability, standards, and the organizational structure need to be in place at the citywide level, the organization responsible for the overall recovery of the City has a unique opportunity to establish a system where the overwhelming majority of money available for reconstruction flows down to the neighborhoods and provides flexible authority to staff/contractors who make decisions at the neighborhood level. This is opposed to establishing a centralized bureaucracy that will have a tendency to move slowly and not be responsive to community needs. Overall, the City needs to take care

not to create an organization whose heavily centralized structure makes program implementation sluggish.



APPENDIX
City of New Orleans
Neighborhoods Rebuilding Plan



Appendix: Summary of Matrices

What tie the Neighborhoods Rebuilding Plan to funding are the identification of specific projects and an estimate of initial cost (by project) for each neighborhood. The costs analyses are provided on an order-of-magnitude basis as to the scope and magnitude of the project proposed and the investment required to construct it. As such, variations as to the scope of the project could result in variations on the final cost of construction.

In the process of cost analyses, consultations were carried out with the City of New Orleans Public Works Department to identify general cost guidelines typically used for the calculation of street improvements and reconstruction; additionally, other sources of cost identification included the Means Cost Data and our team's professional experience inside and outside of New Orleans.

No single source of funding or financial plan will be capable of dealing with the capital improvement needs for total

redevelopment and reconstruction of all the neighborhood projects and needs.

The funding matrix included in each plan shows different funding sources that could be made available for specific projects and it should be expected that layering of multiple sources of funding will be required in most cases. The ability to obtain these funds will rest with the City of New Orleans and neighborhood groups and advisory committees. However, in the end, the ability to actually realize even the most basic of neighborhood improvements – streets, street signs, natural gas service, parks -

will rest with the determination of the President to follow through on his commitment to do whatever it takes to rebuild New Orleans, the willingness of Congress to appropriate the funds necessary for the reconstruction of the City's neighborhoods, and the State of Louisiana to insure that funds appropriated flow to the areas in most need in an expeditious fashion.

Each matrix in the individual plans match proposed projects with potential funding sources identified through the planning process and while not exhaustive in scope, it serves as a guide to where funds

could originate.

Each funding matrix, based upon consultation with neighborhood residents through the community meeting process, also ranked projects based upon priority of need with regard to recovery: "Early Action/Critical"; "Mid-Term/Needed"; and "Long Term/Desired". This ranking provides a general guide as to what communities believe is the most important priorities with regard to revitalization and redevelopment.

The table on the following page shows a summary of costs on a

	Early Action/ Critical	Mid-Term/ Needed	Long-Term/ Desired	Total
Total Estimated Cost	\$1,886,757,000	\$535,339,000	\$907,507,000	\$3,329,603,000
10% Design	\$188,676,000	\$53,434,000	\$90,751,000	\$332,860,000
20% Contingency	\$415,087,000	\$117,555,000	\$199,652,000	\$732,293,000
TOTAL	\$2,490,520,000	\$705,327,000	\$1,197,910,000	\$4,393,756,000



neighborhood-by-neighborhood basis, at the planning district level, as well as how the items ranked based upon neighborhood priorities. The chart below highlights the total cost for all of the neighborhoods combined with an estimated 10 percent design/soft cost and 20 percent contingency included to provide a broad estimate for funding and budgeting purposes. It is important to note that a second level of review is still required that will take projects in each individual matrix on an individual basis and compare these projects to those funding requests already submitted and committed to by one or more of the funding entities. This will help insure that there is no double counting of projects and funding requests.

Finally, there are a variety of items or initiatives listed within many of the funding matrices where a capital cost can not be attached or determined without further study, but the community believed needed to be a central part of the plan. These include:

- Undertaking specific further studies to determine the actual cost to governmental entities for certain public/private initiatives (for which we have noted the cost of the study)
- Housing initiatives for which there may be dollars already allocated through the Road Home, Low Income Housing Tax Credits, private funding sources (insurers, lenders, etc), or other sources but where the additional gap in funding is impossible to determine at this point
- Other policies including land use and zoning regulations which the community believed to be in the short and long term interest of the community
- Recurring operations (i.e. expanded police patrols, library operations, park operations, etc.) that either tie to certain capital improvements or are important to the health of the community through the expansion of existing services.

NEIGHBORHOODS REBUILDING PLAN IMPLEMENTATION PRIORITY MATRIX				
SUMMARY				
Neighborhood	Total Project Cost			
	Early Action	Mid Term	Long Term	Total
Planning District 2	\$90,420,000	\$8,205,000	\$350,000	\$98,975,000
Milan	\$45,670,000	\$6,655,000	\$150,000	\$52,475,000
Central City	\$44,750,000	\$1,550,000	\$200,000	\$46,500,000
Planning District 3	\$178,034,000	\$87,405,000	\$30,831,500	\$296,270,500
Hollygrove/Dixon	\$100,886,000	\$14,650,000	\$250,000	\$115,786,000
Leonidas	\$250,000	\$58,565,000	\$980,000	\$59,795,000
Marlyville-Fountainbleu	\$31,203,000	\$2,280,000	\$985,000	\$34,468,000
Freret	\$10,000,000	\$7,260,000	\$8,806,500	\$26,066,500
Audubon	\$35,695,000	\$4,650,000	\$19,810,000	\$60,155,000
Planning District 4	\$426,455,500	\$137,797,000	\$14,400,000	\$578,652,500
Faubourg St. John	\$15,170,000	\$9,480,000	\$0	\$24,650,000
Treme/6th Ward/Lafitte	\$41,250,000	\$54,350,000	\$0	\$95,600,000
7th Ward	\$73,355,000	\$25,360,000	\$0	\$98,715,000
Fairgrounds / Desaix	\$37,440,000	\$9,410,000	\$0	\$46,850,000
St. Bernard Area	\$25,800,000	\$2,795,000	\$0	\$28,595,000
Mid-City	\$109,138,500	\$30,012,000	\$12,950,000	\$152,100,500
Tulane Gravier	\$76,702,000	\$4,590,000	\$0	\$81,292,000
Gert Town	\$47,600,000	\$1,800,000	\$1,450,000	\$50,850,000
Planning District 5	\$188,672,200	\$41,794,000	\$6,140,000	\$236,606,200
Lakeview	\$144,201,200	\$25,500,000	\$5,690,000	\$175,391,200
Country Club Gardens	\$1,970,000	\$520,000	\$0	\$2,490,000
City Park / Parkview	\$2,818,000	\$500,000	\$450,000	\$3,768,000
Lakeshore	\$19,913,000	\$6,664,000	\$0	\$26,577,000
Lake Vista	\$18,200,000	\$2,630,000	\$0	\$20,830,000
Lakewood	\$1,570,000	\$5,980,000	\$0	\$7,550,000
Planning District 6	\$277,109,000	\$21,342,000	\$477,054,000	\$775,505,000
Filmore	\$58,422,000	\$825,000	\$98,424,000	\$157,671,000
St. Anthony	\$31,332,000	\$342,000	\$62,633,000	\$94,307,000
Milneburg	\$44,055,000	\$450,000	\$62,670,000	\$107,175,000
Pontilly	\$46,263,000	\$11,665,000	\$72,700,000	\$130,628,000
Gentilly Terrace	\$53,350,000	\$2,770,000	\$99,600,000	\$155,720,000
Dillard	\$32,390,000	\$1,565,000	\$58,567,000	\$92,522,000
Lake Terrace/Lake Oaks	\$11,297,000	\$3,725,000	\$22,460,000	\$37,482,000
Planning District 7	\$220,340,000	\$26,535,000	\$70,710,000	\$317,585,000
St. Claude	\$90,710,000	\$2,230,000	\$34,350,000	\$127,290,000
St Roch	\$65,745,000	\$20,405,000	\$16,825,000	\$102,975,000
Desire Area	\$41,275,000	\$1,860,000	\$8,035,000	\$51,170,000
Florida Area	\$22,610,000	\$2,040,000	\$11,500,000	\$36,150,000
Planning District 8	\$190,720,000	\$51,143,100	\$152,681,700	\$394,544,800
Lower 9th Ward	\$162,330,000	\$51,068,100	\$84,916,000	\$298,314,100
Holy Cross	\$28,390,000	\$75,000	\$67,765,700	\$96,230,700
Planning District 9	\$300,481,500	\$136,122,500	\$63,840,000	\$500,444,000
Edgelake/Little Woods	\$24,600,000	\$76,635,000	\$47,350,000	\$148,585,000
Pines Village	\$133,081,500	\$4,582,500	\$1,450,000	\$139,114,000
West Lake Forest	\$45,200,000	\$11,030,000	\$4,000,000	\$60,230,000
Plum Orchard	\$57,165,000	\$15,060,000	\$3,690,000	\$75,915,000
Read Blvd East	\$23,015,000	\$7,590,000	\$7,350,000	\$37,955,000
Read Blvd West	\$17,420,000	\$21,225,000	\$0	\$38,645,000
Planning District 10	\$14,455,000	\$19,495,000	\$91,500,000	\$125,450,000
Village de l'est	\$14,455,000	\$19,495,000	\$91,500,000	\$125,450,000
Planning District 11	\$70,000	\$4,500,000	\$0	\$4,570,000
Viavant/Venetian Isles	\$70,000	\$4,500,000	\$0	\$4,570,000
Total/Average	\$1,886,757,200	\$534,338,600	\$907,507,200	\$3,328,603,000
Cumulative	\$1,886,757,200	\$2,421,095,800	\$3,328,603,000	
with Design @ 10%	\$2,075,432,920	\$2,663,205,380	\$3,661,463,300	
with Contingency @20%	\$2,490,519,504	\$3,195,846,456	\$4,393,755,960	



