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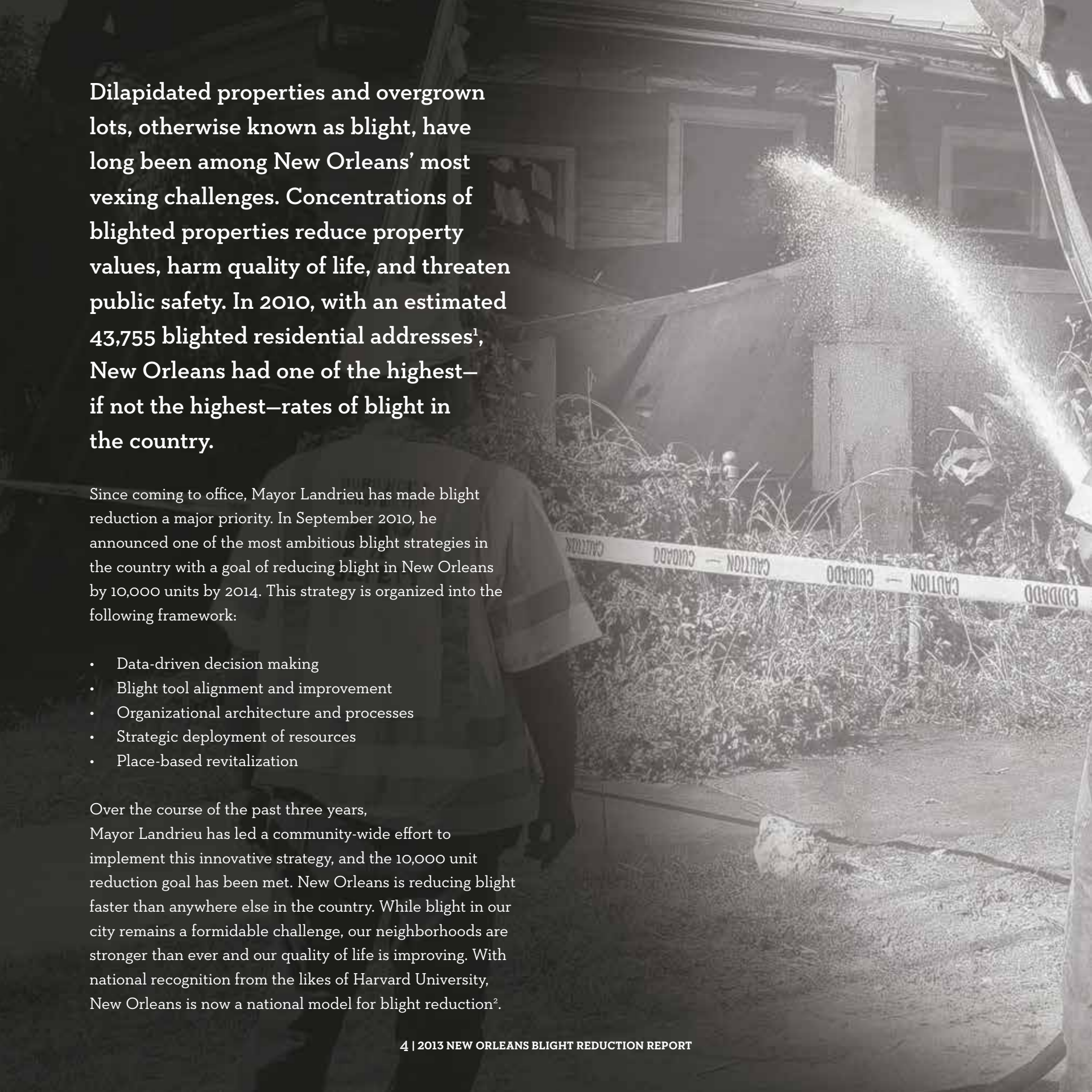
BLIGHT REDUCTION REPORT

CITY OF NEW ORLEANS



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Dilapidated properties and overgrown lots, otherwise known as blight, have long been among New Orleans' most vexing challenges. Concentrations of blighted properties reduce property values, harm quality of life, and threaten public safety. In 2010, with an estimated 43,755 blighted residential addresses¹, New Orleans had one of the highest—if not the highest—rates of blight in the country.

Since coming to office, Mayor Landrieu has made blight reduction a major priority. In September 2010, he announced one of the most ambitious blight strategies in the country with a goal of reducing blight in New Orleans by 10,000 units by 2014. This strategy is organized into the following framework:

- Data-driven decision making
- Blight tool alignment and improvement
- Organizational architecture and processes
- Strategic deployment of resources
- Place-based revitalization

Over the course of the past three years, Mayor Landrieu has led a community-wide effort to implement this innovative strategy, and the 10,000 unit reduction goal has been met. New Orleans is reducing blight faster than anywhere else in the country. While blight in our city remains a formidable challenge, our neighborhoods are stronger than ever and our quality of life is improving. With national recognition from the likes of Harvard University, New Orleans is now a national model for blight reduction².




NATIONAL RECOGNITION

In 2012, the Harvard University Kennedy School of Government Ash Center for Democratic Governance and Innovation recognized New Orleans' blight reduction strategy as a "Bright Idea in Government." The Bright Ideas initiative is designed to promote creative government initiatives and partnerships and create an online community where innovative ideas can be proposed, shared, and disseminated.

¹Plyer, Allison and Elaine Ortiz. *Optimizing Blight Strategies: Deploying Limited Resources in Different Neighborhood Housing Markets*. November 30, 2010
< <http://www.gnocdc.org/OptimizingBlightStrategies/index.html> >
²Times-Picayune story about Harvard Bright Idea award. Times-Picayune, "City's Blight Abatement Program Wins National Award," September 26, 2010.



WHAT IS BLIGHT?

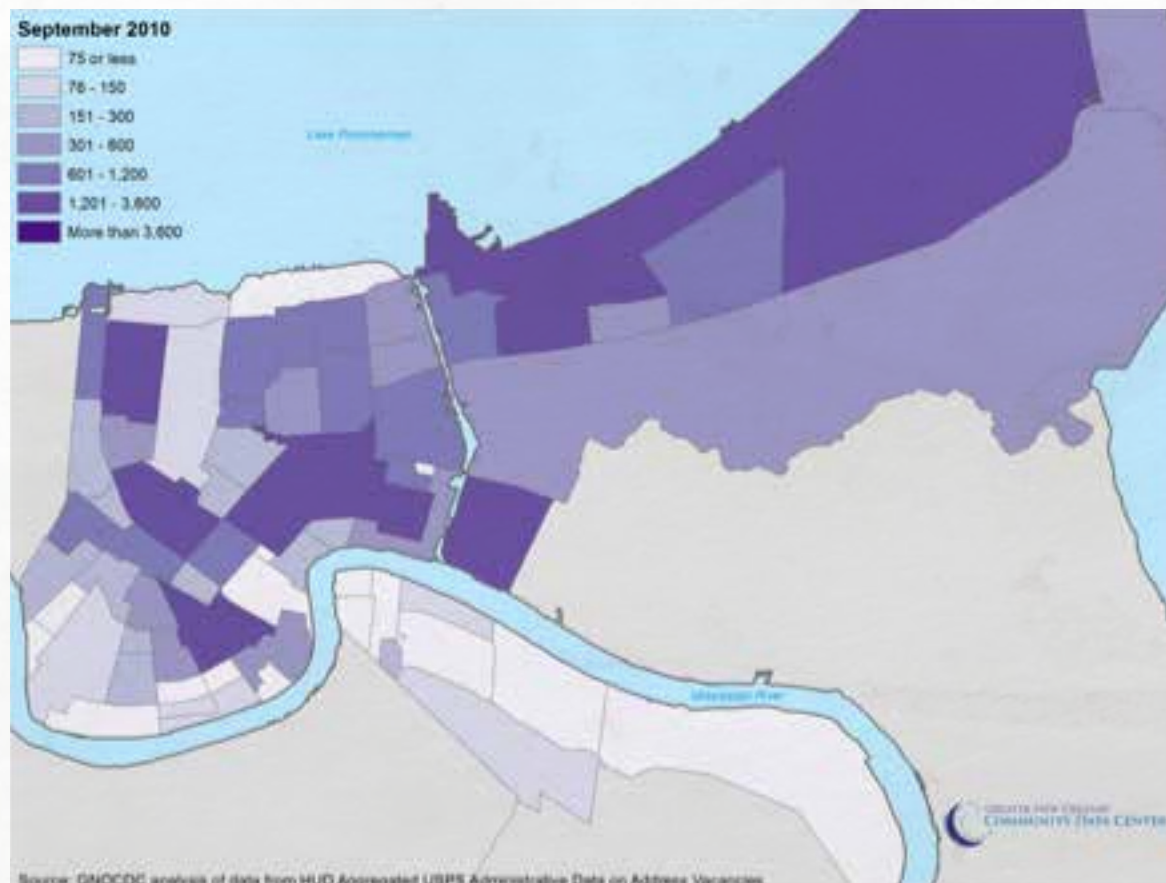


The legal definition of blighted properties and lots is described in Chapter 26 of the City Code. **Chapter 26** specifies the minimum standards to which property owners must comply and is enforced by the City's Code Enforcement and Hearings Bureau. Property owners in violation of Chapter 26 can be found guilty in an administrative hearings process. This results in fines of up to \$500 per violation per day, as well as authorization for the City to remediate the property through demolition and/or lot clearing. Code violation liens are assessed if fines are not paid; failure to pay liens provides the City with legal authority to foreclose on the property in a Sheriff's sale.

HOW MUCH BLIGHT DID NEW ORLEANS HAVE?

According to the Greater New Orleans Community Data Center's analysis of data from the United States Postal Service (USPS), there were approximately **43,755 blighted homes and empty lots** in New Orleans in September 2010. Coupled with **9,356 vacant but habitable housing units**, nearly 25% of residential homes and addresses in New Orleans were blighted or vacant, representing one of the highest rates of abandonment in the country, eclipsing other struggling cities like Baltimore, Cleveland, and Detroit.⁵

Blighted residential addresses or empty lots in New Orleans by neighborhood.





WHAT CAUSES BLIGHT?

DISASTERS -

In August 2005, the Hurricane Katrina disaster devastated New Orleans, flooding nearly 80% of the housing stock in the city. Unfortunately, many of those flooded structures failed to be rebuilt and became blighted.

ECONOMICS AND POPULATION DECLINE -

Blight is often a symptom of an imbalance between the supply and demand for housing, especially in cities that have experienced sustained population decline, such as New Orleans, whose population peaked in the 1960s.

RESPONSIBILITY OF PROPERTY OWNERS -

At the end of the day, every property has an owner and that owner is responsible for the maintenance of her property. The City's Code Enforcement and Hearings Bureau has the authority to penalize property owners who fail to comply with City Code.

³Plyer, Allison and Elaine Ortiz. Optimizing Blight Strategies: Deploying Limited Resources in Different Neighborhood Housing Markets. November 30, 2010 < <http://www.gnocdc.org/OptimizingBlightStrategies/index.html> >



BUILDING A STRATEGY

After being elected in February 2010, Mayor Landrieu, asked a taskforce of respected community leaders, chaired by Ellen Lee of the Greater New Orleans Foundation and David Marcello of the Tulane University Public Law Center, to advise him on blight policy. After extensive public input and research on best practices, this task-force recommended prioritizing code enforcement and Sheriff's sales (see sidebar) as the City's most powerful, yet underutilized, tool for combating blight.

After receiving these recommendations, Mayor Landrieu announced a comprehensive blight strategy with a goal of reducing blight in New Orleans by 10,000 units by 2014. The Center for Community Progress, a national blight policy organization with offices in New Orleans, provided valuable technical assistance in the development of this strategy.

THE STRATEGY WAS ORGANIZED INTO FIVE PILLARS:

Data-driven decision making: Coordinate data and information to measure blight and track the City's progress in meeting its goals

Blight tool alignment and improvement: Prioritize blight tools that achieve the greatest results for the lowest costs

Organizational architecture and processes: Create a streamlined management structure that has clear lines of accountability for accomplishing citywide blight reduction goals and has the capacity to deploy tools necessary to achieve goals

Strategic deployment of resources: Deploy blight eradication tools with maximum efficiency, effectiveness, and transparency consistent with the City's vision, mission, and values

Place-based revitalization: Convert liability properties to assets for economic growth and neighborhood vitality

Partners: The following public, private, and nonprofit partners have been instrumental in the development and implementation of Mayor Landrieu's blight reduction strategy

- Center for Community Progress (formerly New Orleans Vacant Property Initiative)
- Greater New Orleans Foundation
- Enterprise Community Partners
- Greater New Orleans Community Data Center
- The Reinvestment Fund
- Department of Housing and Urban Development
- University of New Orleans
- State of Louisiana Office of Community Development
- Code for America
- Propeller
- New Orleans Redevelopment Authority
- Louisiana Land Trust
- Louisiana Office of Community Development
- Federal Emergency Management Agency
- Department of Housing and Urban Development



DATA-DRIVEN DECISION MAKING

Mayor Landrieu has made data-driven decision making a priority. In order to ensure more effective, efficient services and to promote accountability and transparency, the City has launched a series of initiatives to improve the quality, availability, and utility of data.



- **BlightSTAT:** Launched in November 2010, BlightSTAT is a management program where city leaders review performance results related to Mayor Landrieu’s blight reduction strategy. Managers use data from BlightSTAT to identify solutions, make adjustments, and improve overall performance. Citizens are invited to these public meetings to ask questions and to provide input on how the City’s blight reduction programs can be improved. The analyses for BlightSTAT meetings are prepared by the Office of Performance and Accountability. BlightSTAT meetings are held every third Thursday of the month at 8:00am in Room 8E10 of City Hall.
- **Implementation of a new land and asset management information technology system.** When Mayor Landrieu came to office, the City’s information technology systems were in disarray. In order to improve efficiency, the City implemented a new information technology system called LAMA that is used to track all code enforcement and permitting activities in City government.
- **BlightStatus:** In 2012, New Orleans partnered with Code for America to create a website, called BlightStatus, where citizens can find out what the City is doing about blighted properties in their neighborhood. If you are interested in seeing where a particular property is in the City’s “blight pipeline,” simply go to blightstatus.nola.gov.

BLIGHT TOOL ALIGNMENT AND IMPROVEMENT

In order to be more aggressive and effective in reducing blight, the City has prioritized new programs and initiatives.

- **Code enforcement and Sheriff's sales.** In previous administrations, owners of blighted properties faced no consequences for failing to pay their code liens and bringing their properties into compliance. Since the announcement of Mayor Landrieu's blight reduction strategy, the City has prioritized the code enforcement process with the threat of a Sheriff's sale or demolition as enforcement tools for blighted properties. The previous administration had only foreclosed on eight blighted properties; since 2010, the City has filed writs of foreclosure on 1505 delinquent properties.
- **Demolitions.** Under Mayor Landrieu's leadership the City reopened negotiations with FEMA to demolish an additional 919 blighted units. With the New Orleans Redevelopment Authority, the City has demolished 4,000 units since September 2010.
- **Soft Second First Time Homebuyer Program:** Since 2012, the City of New Orleans' Soft Second First Time Homebuyer Assistance Program has provided purchase and closing cost assistance to more than 500 households throughout the City. The Affordable Homeownership Development Program component of the initiative has resulted in the transfer of 70 formerly blighted properties to be rehabilitated. When complete, the program will have stimulated the rehabilitation or new construction of nearly 200 formerly blighted and vacant properties.

- **Preference for blight remediation in City funding for housing:** Over the last two years, the City has prioritized improvement and rehabilitation of existing housing when awarding federal housing dollars and given priority to proposals that improve substandard housing or improve blighted and vacant properties.
- **Owner-occupied Rehab:** Since 2010, the City, in partnership with community based organizations has rehabilitated 520 homes of low income homeowners who had either been unable to complete post-disaster repairs to their homes or had been living in substandard conditions.
- **Neighborhood Stabilization Program 2 (NSP2):** Under NSP2, the New Orleans Redevelopment Authority disbursed about \$27 million for the construction of 469 units, leveraging over \$102 million in total development costs. As of December 16, 2013, 88% of these units were already completed, rented or sold.
- **Lot Next Door:** More than 811 Road Home properties were sold through the Lot Next Door Program (under both the 2008 Ordinance and the 2013 Revised City-Ordinance) since October 2010. 738 of these lots received assistance via the Growing Home program creating vibrant green spaces in revitalized neighborhoods.
- **New Orleans Redevelopment Authority Auctions:** The New Orleans Redevelopment Authority made available 798 additional properties through auction in all neighborhoods.

WHAT IS A SHERIFF'S SALE?

If an owner of a blighted property fails to pay her code enforcement judgments/abatement liens the City can seize the property and sell it at a lien foreclosure auction (also known as a Sheriff's sale). Unlike other legal actions, such as expropriation or tax adjudications, which require lengthy redemptive periods, code lien foreclosures result in clean transfer of ownership from the original owner to a third party, who can then remediate the property to put it back in commerce. In addition to being a tool for redevelopment, the threat of a Sheriff's sales is an especially powerful incentive for existing property owners to maintain their properties in good condition.

ORGANIZATIONAL ARCHITECTURE

In order to streamline accountability and improve coordination, the Administration reorganized City departments fighting blight.

- **Reorganized Code Enforcement and Hearing Bureau.**

In previous administrations, one agency (Code Enforcement) was responsible for inspecting blighted properties and another agency (Environmental Health) was responsible for inspecting overgrown lots. To improve coordination and efficiency, these two agencies were merged. The City also dramatically improved the capacity of its administrative hearings section so that more blight cases could be heard. The City now has dedicated staff for researching real estate ownership of blighted properties, preparing cases for legal actions, as well as legal team that files foreclosures on properties eligible for Sheriff's sale.

- **Revised blight laws.** Together with the City Council, Mayor Landrieu led the reform of Chapters 6 and 26 in order to strengthen the City's enforcement powers for residential and commercial blight, including occupied properties, and to streamline procedures for remediating properties.

- **Reform of the New Orleans Redevelopment Authority.**

Under new leadership, the New Orleans Redevelopment Authority acquired from the Louisiana Land Trust the 3,000 Road Home properties located in Orleans Parish and became responsible for their maintenance (18 times a year, employing small local businesses) and of their disposition. The New Orleans Redevelopment Authority was reorganized to strategically implement these new duties.

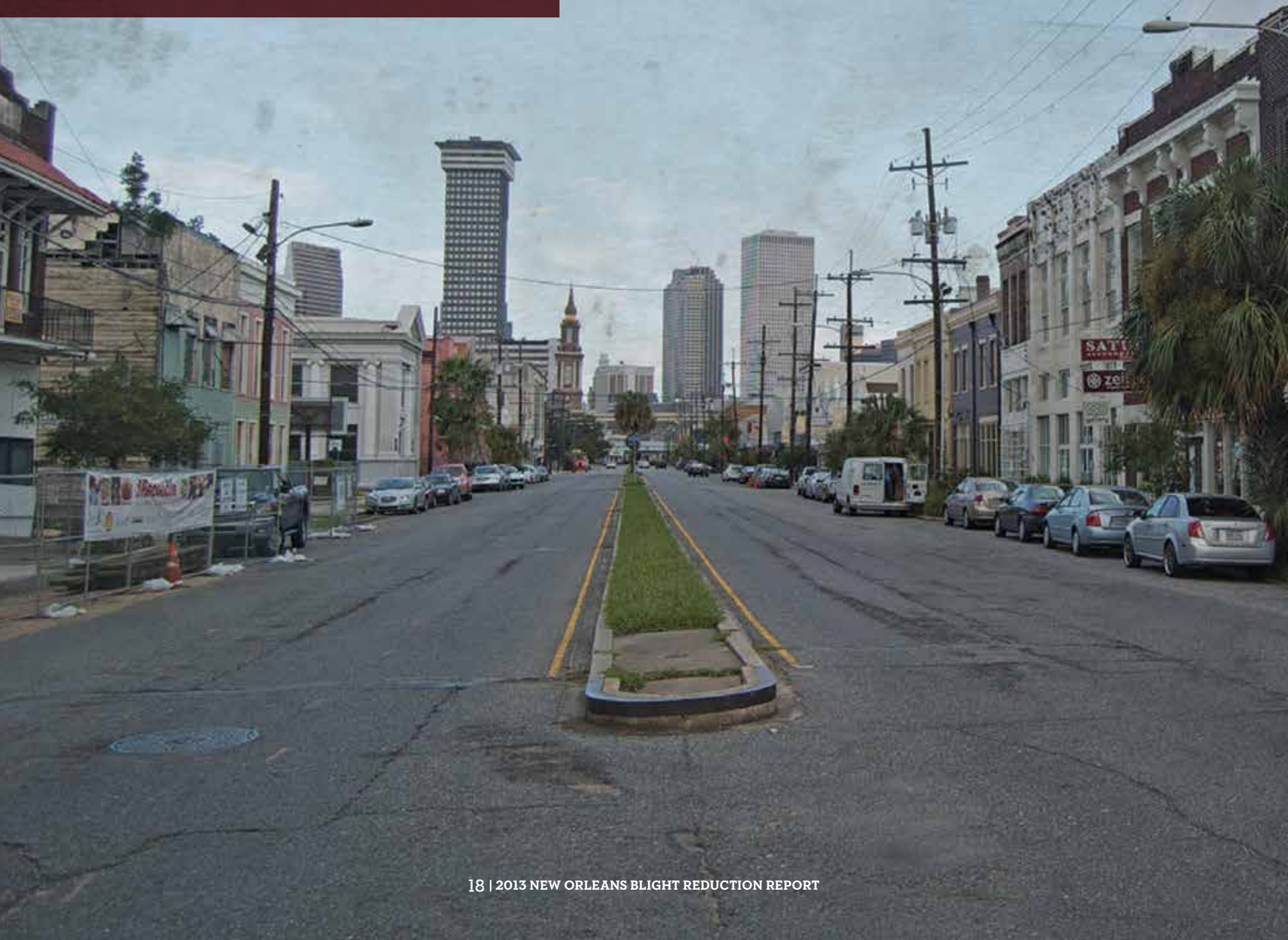




STRATEGIC DEPLOYMENT OF RESOURCES

- **Market value analysis:** In March 2013, the New Orleans Redevelopment Authority and the City of New Orleans released the first ever comprehensive residential Market Value Analysis (MVA) at the census block group level for the entire city of New Orleans, conducted by The Reinvestment Fund. The Market Value Analysis serves as a common picture of how the market can be leveraged to fight blight and how resources can be targeted strategically. The MVA is a tool for public agencies and is available to the public.
- **Fight the Blight Days.** The City of New Orleans organized five 'Fight the Blight Days' and subsequently six NOLA FOR LIFE Volunteer Days to leverage and foster community involvement while remediating most visible blight issues around schools and playgrounds.
- **Alternative Use.** The New Orleans Redevelopment Authority launched the alternative land use program to incent the creative re-use of vacant land by community organizations and small business ventures for gardens, orchards, and other uses by leasing or selling vacant lots at low cost.

PLACE-BASED REVITALIZATION





- **Commercial Corridors.** The New Orleans Redevelopment Authority invested more than \$8.6 million dollars and leveraged \$74.6 million dollars in the revitalization of about 300,000 square feet of commercial real estate on Oretha Castle Haley, Broad Street and Gentilly Woods.
- **Place-based Areas.** Eleven place-based areas were identified to prioritize the availability of formerly blighted properties into the City Soft Second Program.
- **Removing public blight.** The City has strategically targeted publicly owned blighted properties, such as surplus schools, to promote community development. For example, the Phyllis Wheatley Elementary School in Treme was demolished with the intent of not only improving specific sites by public investment, but also by stabilizing the areas around them.



WHAT DID WE ACCOMPLISH?

Based on a survey he conducted between September 2010 and April 2013, Dr. Peter Yaukey, a University of New Orleans professor, estimated that blight has been reduced by over 10,000 units between September 2010 and April 2013.⁴ The signature goal of Mayor Landrieu's blight strategy has been accomplished, and New Orleans is now a national example of taking a smart, no-nonsense approach to reducing blight.

⁴Peter Yaukey, Dylan Knaggs, and Oliver Wise. Monitoring Blight and Rebuilding in Post-Katrina New Orleans. Preliminary findings from a report in development presented at the Center for Planning Excellence Smart Growth Summit, November 22, 2013.



30% REDUCTION IN BLIGHTED UNITS IN NEW ORLEANS: MORE THAN 10,000 BLIGHTED UNITS REDUCED



ACCOMPLISHMENTS

+4,000
UNITS DEMOLISHED

+2,000
UNITS BROUGHT INTO COMPLIANCE
AT ADMINISTRATIVE HEARINGS

440

LOW INCOME FAMILIES HAVE RECEIVED FINANCIAL ASSISTANCE
TO BRING THEIR RESIDENCES UP TO THE CITY'S HOUSING CODES
THROUGH THE OWNER-OCCUPIED REHABILITATION PROGRAM

MEDIAN TIME FROM INITIAL INSPECTION TO HEARING IN
2011: 160 DAYS
2013: 80 DAYS

IN 2011,
49% OF HEARINGS
RECEIVED A FINAL JUDGMENT.

IN 2013, **72%**
RECEIVED A FINAL JUDGMENT.

+54,000
CODE ENFORCEMENT INSPECTIONS

+2,000
FORMER ROAD HOME PROPERTIES SOLD BY
THE NEW ORLEANS REDEVELOPMENT AUTHORITY.

516

FIRST TIME HOMEBUYERS
ASSISTED IN BUYING A HOME
THROUGH THE SOFT-SECOND MORTGAGE PROGRAM.

AVERAGE SUBSIDY:

\$48,000

AVERAGE HOME COST:

\$143,000

AS OF SEPTEMBER 30, AVERAGE OF

21 DAYS

FROM APPLICATION TO COMMITMENT

\$3.4 MILLION

COLLECTED THROUGH LIEN FORECLOSURE PROCESS.

THE NEW ORLEANS REDEVELOPMENT AUTHORITY DISBURSEMENT
THROUGH NEIGHBORHOOD STABILIZATION PROGRAM:

\$27 MILLION

TOTAL SPENDING THROUGH PROGRAM:

\$102 MILLION

296 115

UNITS RENTED OR SOLD

FOR SALE

58

UNDER DEVELOPMENT

2,500

PROPERTIES IN LOT MAINTENANCE PROGRAMS



January 2014

Dear Friends,

When I took office 3 1/2 years ago, we had the worst blight problem in America and no strategy to deal with it.

In community meetings, we asked you, “When is the time to get serious about blight?” And everywhere we went, you told us emphatically “The time is now!” We heard you and got to work.

After extensive public input and advice from national experts, I announced a strategy in 2010 that prioritizes aggressive code enforcement and code lien foreclosure sales, as well as reinvestment strategies that grow neighborhoods and promote homeownership. We set an ambitious goal-- reduce blight by 10,000 units by 2014. This report documents the progress made towards the implementation of that strategy.

Together, we have accomplished that goal, and we’re now fighting blight faster here than anywhere else in the country.

All over our great city, New Orleans’ neighborhoods are coming back strong. New Orleans is a national model for innovation, and this is especially true in respect to our blight reduction policies. Our work thus far has truly been a partnership between the public sector, private homeowners, neighborhood leaders, and our philanthropic partners.

There’s still more to do together. Too many neighborhoods are still dealing with these eyesores that threaten our home values, our quality of life, our culture and our public safety. In the coming years, we will continue to add more tools to fight blight and to ensure that all of our neighborhoods have the opportunity to thrive. I look forward to your continued support in this effort.

Sincerely,

A handwritten signature in black ink that reads "Mitch". The signature is written in a cursive, slightly stylized font.

Mitch Landrieu