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## **Coupling Targeting and Community Land Trusts: A Comprehensive Strategy for Revitalizing the Oretha Castle Haley Corridor and Central City**

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Coupling Targeting and Community Land Trusts: A Comprehensive Strategy for Revitalizing the  
Oretha Castle Haley Corridor and Central City

A Thesis

Submitted to the Graduate Faculty of the  
University of New Orleans  
in partial fulfillment of the  
requirements for the degree of

Master of Urban and Regional Planning  
Land Use and Environmental Planning

by

Alexis Allen Leventhal

B.A. Haverford College, 2007

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## **ABSTRACT**

Since Hurricane Katrina, targeting redevelopment has become the dominant municipal strategy for neighborhood and city-wide revitalization. Since 2009, this strategy has been adopted and is currently being implemented by the New Orleans Redevelopment Authority in several New Orleans neighborhoods. One such area includes the commercial corridor of the Central City neighborhood, Oretha Castle Haley Boulevard (OC Haley).

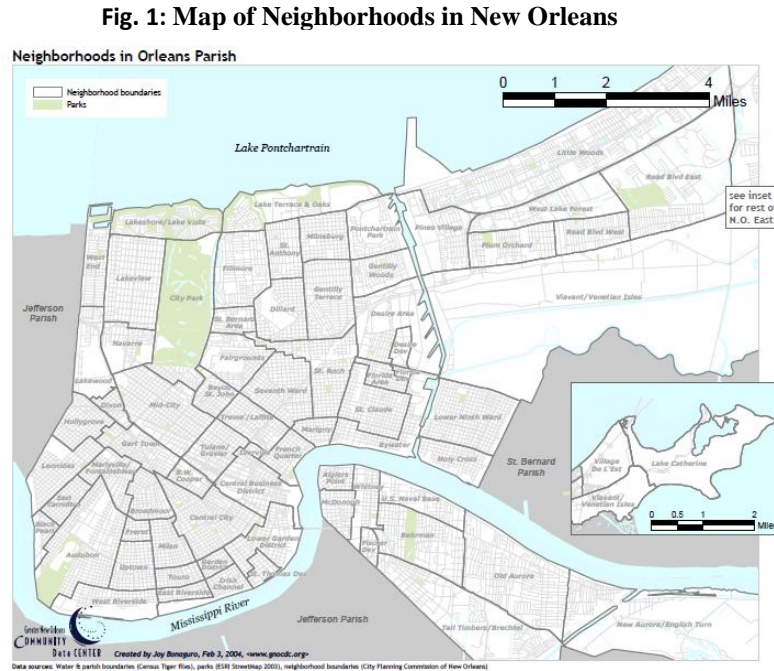
This thesis describes and assesses NORA's strategy for revitalizing OC Haley with regards to impacts on Central City's economic development and affordable housing—two of the area's greatest challenges. Although NORA's targeting strategy is proving effective in many respects, it is not without its limitations including creating a gentrifying environment. To address this foreseeable impact, this thesis recommends the incorporation of a Community Land Trust (CLT) into NORA's Central City Strategy to aid in effectively revitalizing the neighborhood without compromising affordability.

**KEYWORDS:** Community development, Targeting, Gentrification, Community Land Trust, New Orleans Redevelopment Authority.

## CHAPTER 1: INTRODUCING THE ISSUES

### STATEMENT OF PURPOSE

Motivated by city-wide plans and local planning initiatives, the availability of funding, and the impacts of Hurricane Katrina, the Oretha Castle Haley (OC Haley) corridor and the Central City neighborhood are beginning to see unprecedented activity and investment—an area that had long suffered from a host of urban problems.



This thesis aims to identify the interests and their strategies influencing the recovery of the OC Haley corridor and Central City, the progression that led to these interests, activities, and investments, and how these are affecting the recovery of the area in question. From this general overview, this thesis focuses in on the strategy and actions of the New Orleans Redevelopment Authority (NORA). This thesis is framed by the following questions:

- What revitalization efforts are currently taking place in the Central City neighborhood and along the OC Haley corridor?
- Who is working to realize this resulting vision and what strategy is being employed?
- How were these visions and strategies formed?

- In what ways is the strategy succeeding and/or failing?
- How can the failures or weaknesses of this strategy be addressed?

By answering these questions, this thesis will provide insight into the formulation and implementation of recovery efforts in Central City community and offer recommendation with regards to integrating and increasing the effectiveness of current recovery efforts. The lessons gleaned from and the recommendations made within this thesis are intended to provide organizations and individuals involved in community redevelopment, particularly in New Orleans and in the Central City neighborhood, with a greater understanding of the possible impacts of current revitalization efforts as well as highlight an additional method to mitigate negative impacts of on-going initiatives and create a more holistic approach to aiding Central City in its recovery.

## INTRODUCTION TO CENTRAL CITY AND ORETHA CASTLE HALEY

The New Orleans neighborhood of Central City can be defined as the area bound by St.

**Fig. 2: Map of Neighborhoods in District 2**



Charles Avenue to the south, Louisiana Avenue to the west, the Pontchartrain Expressway to the east, and Toledano Street and Martin Luther King, Jr. Boulevard to the north. The neighborhood is approximately two square miles and sits to the north of the Garden and Lower Garden District, to the west of the Central Business District, and to the east of the Broadmoor neighborhood (see Figure 1). As its name suggests, Central City is

centrally located within the city of New Orleans. Historically, the Central City neighborhood had been closely associated a variety of activities and uses, including commerce, public housing, and African American culture. Central City has a varied and rich history full of times of prosperity, times of distress and, more recently, times of revitalization.

## **HISTORY OF THE AREA: ORIGINS TO PRE-KATRINA**

Beginning in the 1830's, the Central City neighborhood was developed largely as speculative rental properties. By the late 1800s, 95% of the structures making up Central City were rental-housing units.<sup>1</sup> Although the demographics have shifted in Central City in terms of the ethnic group dominating the area, it has historically been a working class stronghold. The housing stock is overwhelmingly rental units made affordable for largely working class residents. The demographic shifts the neighborhood has undergone over the years has included a number of immigrant populations including German, Italian, Irish, and Jewish peoples, but has been comprised of an African American majority since the 1930s.<sup>2</sup> Over time, these populations have largely and regularly served as domestics and skilled laborers for residents in the historically wealthier and primarily American adjacent district, the Garden District.

Central City, like many neighborhoods, has a commercial corridor that has served as the economic backbone of the community, Oretha Castle Haley Boulevard (OC Haley). OC Haley begins where Dryades Street ends at Jackson Avenue and continues for ten blocks northwest before ending at the Pontchartrain Expressway (see Figure 3). At its height in the 1940s and 1950s, the OC Haley corridor included over 200 businesses. The reason for OC Haley's celebrated success as a commercial epicenter can be attributed to the time period of institutionalized racial discrimination in which African Americans were not allowed and other

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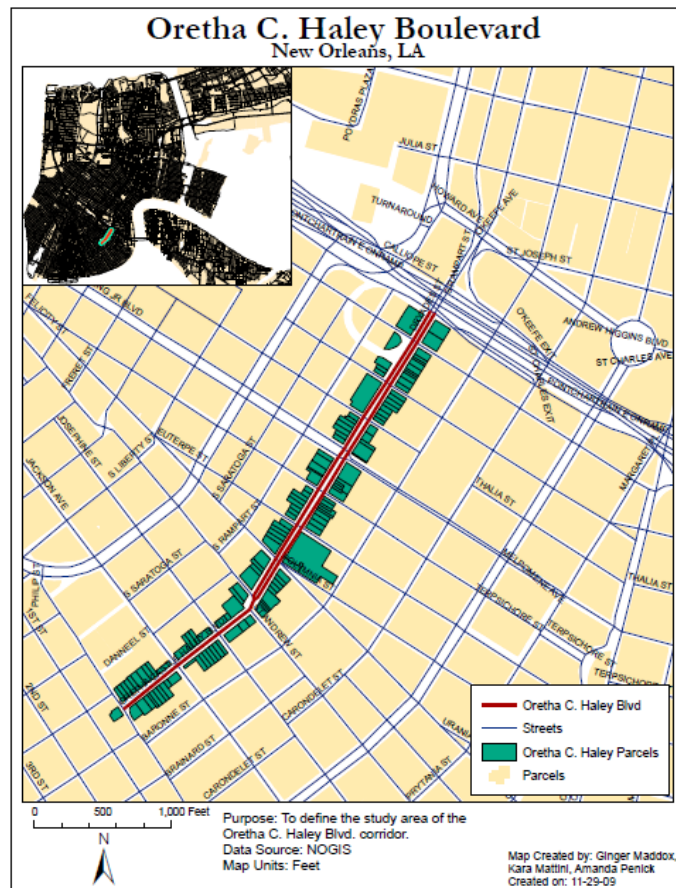
<sup>1</sup> GNOCDC, "Central City Neighborhood Snapshot." June 23, 2004.  
<<http://www.gnocdc.org/orleans/2/61/snapshot.html>>

<sup>2</sup> GNOCDC, "Central City Neighborhood Snapshot."



socially conscious consumers were unwilling to shop in historically white commercial districts, namely Canal Street bordering the French Quarter.<sup>3</sup> The late 1960s marked the beginning of OC Haley's decline as many commercial areas were forced to integrate and white flight sent customers to the suburbs.<sup>4</sup> With this decline in commercial activity and integrated population, several trends began to emerge in the Central City area. Central City saw increasing numbers of minority residents and residents with incomes at or below the poverty line. The area also began to see incidents of increased crime and decreased property values. To help change the image of the area, Melpomene Street became Martin Luther King, Jr. Boulevard in 1977 and OC Haley was given its current name, changing it from Dryades Street, in 1989.<sup>5</sup> Despite the attempts to reinvigorate the area, urban decline has continued to plague OC Haley and the surrounding area into the 21<sup>st</sup> century.

**Fig. 3: Map of Parcels along OC Haley Corridor**



<sup>3</sup> GNOCDC, "Central City Neighborhood Snapshot." June 23, 2004.

<<http://www.gnocdc.org/orleans/2/61/snapshot.html>>

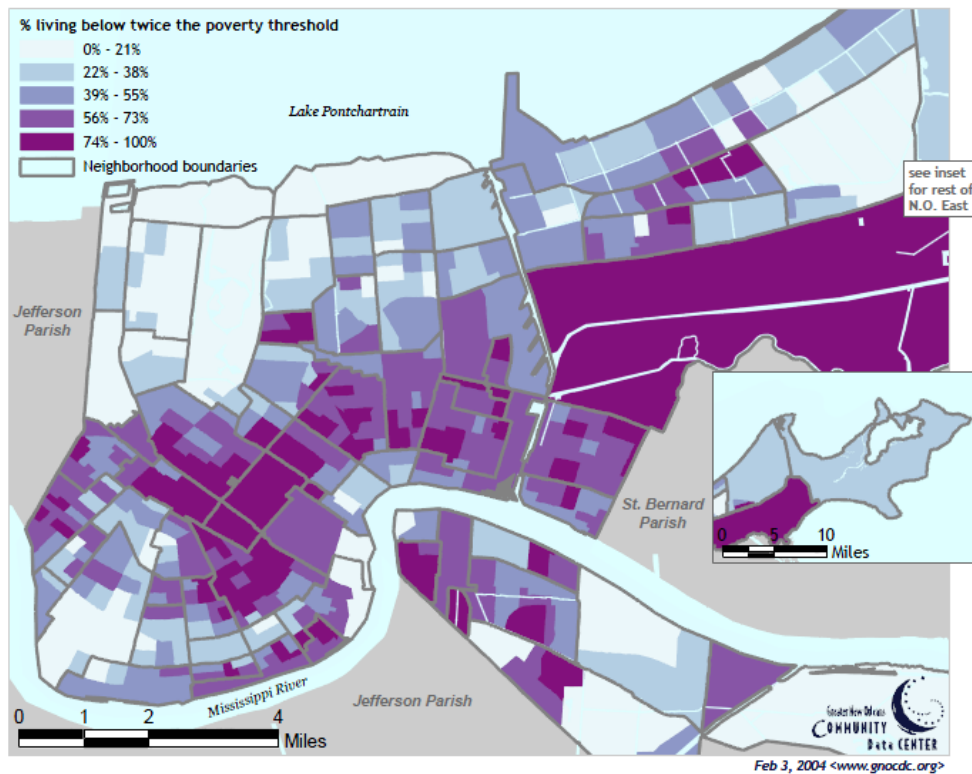
<sup>4</sup> GNOCDC, "Central City Neighborhood Snapshot." June 23, 2004.

<<http://www.gnocdc.org/orleans/2/61/snapshot.html>>

<sup>5</sup> Concordia, LLC, et. al. "Central City Renaissance Alliance Community Plan." 2004. Page 6.

**Fig. 4: Map of Percent of people living below twice the poverty threshold by census block group in Orleans Parish**

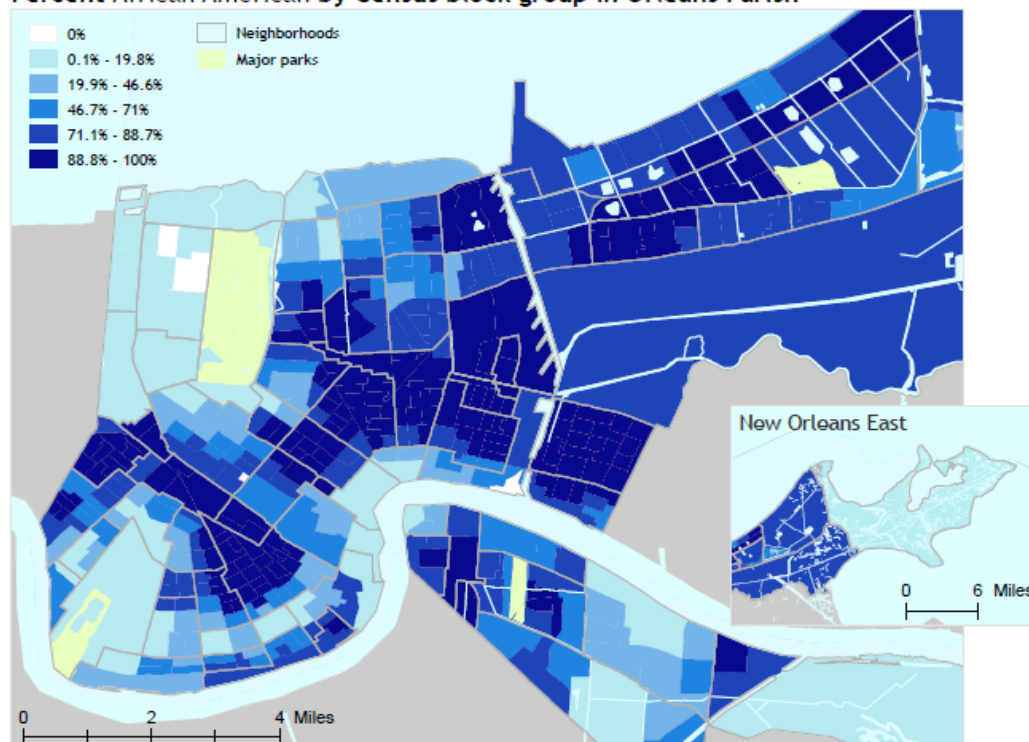
**Percent of people living below twice the poverty threshold by Census block group in Orleans Parish**



Data sources: Poverty rates (Census 2000), water & parish boundaries (Census Tiger files), neighborhood boundaries (adapted from City Planning Commission of New Orleans)

**Fig. 5: Map of Percent African American Population by census block group in Orleans Parish**

**Percent African American by Census block group in Orleans Parish**



Source: U.S. Census Bureau. Census 2000 Full-count Characteristics (SF1). From a compilation by the GNO Community Data Center. <<http://www.gnocdc.org>>  
 Note: Percent African American is based on the number of people who checked African American, excluding those who checked the ethnicity Hispanic, on their 2000 Census form.

Prior to Hurricane Katrina, the OC Haley Corridor showed the typical signs of a distressed inner-city neighborhood. Poverty, segregation, and lack of access to education, transportation, and employment have been negatively affecting this Central City area before the catastrophic storm in 2005. In 2000, Central City had a population of 19,702 people made up of 8,147 households, 4,016 of those households being families.<sup>6</sup> This population was majority African American (87.1%) with whites making up the largest minority population (9.9%) and significantly smaller populations of Asian, Native American, Hispanics, and other categories (see Fig. 4).<sup>7</sup> The Central City was overwhelmingly African American and just as overwhelmingly impoverished (see Fig. 5).

2000 Census data shows half of Central City households lived in poverty compared to 27.9% in Orleans Parish and 12.4% nationally.<sup>8</sup> The average household income is about half that of Orleans Parish (\$23,237 compared to \$43,176).<sup>9</sup> The data also show that most households in poverty are female householders with no husband present and with children under 18 (68.2% of the Central City population compared with the 44.4% national figure).<sup>10</sup> In addition, poverty rates are higher across all age cohorts compared to their counterparts in the rest of Orleans Parish, the state of Louisiana, and nation-wide.<sup>11</sup> Related to its poverty, Central City suffers from higher rates of unemployment and lower rates of educational attainment than the surrounding parishes, the state, and the nation. It is fair to say that prior to any hardships caused by Hurricane Katrina, Central City was a community suffering from issues of poverty, segregation, and

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<sup>6</sup> U.S. Census Bureau. *Census 2000 Full-count Characteristics (SF1)*. From a compilation by the GNO Community Data Center. <<http://www.gnocdc.org>>

<sup>7</sup> *Census 2000 Full-count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.

<sup>8</sup> U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3)*. From a compilation by the GNO Community Data Center. <<http://www.gnocdc.org>>

<sup>9</sup> *Census 2000 Sample Characteristics (SF3)*. From a compilation by the GNO Community Data Center.

<sup>10</sup> *Census 2000 Sample Characteristics (SF3)*. From a compilation by the GNO Community Data Center.

<sup>11</sup> U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3)*. From a compilation by the GNO Community Data Center. <<http://www.gnocdc.org>>

inequity disproportionately compared to many other neighborhoods in New Orleans and throughout the country (See Figure 3).

### **ADDRESSING THE CONCERNS: THE CENTRAL CITY RENAISSANCE ALLIANCE**

Given the general state of Central City's population, the area is and has been for several decades in need of both economic and social stabilization. These issues have been identified by professionals outside of the community as well as by the community itself and have been formally expressed in various planning documents. Disinvestment, concentrations of poverty, proliferation of certain types of land uses, lack of recreational and green space, an absence of needed stores and services, and inadequate after school programs for youth had become characteristic of the Central City neighborhood.<sup>12</sup> Efforts to address these concerns have surfaced since OC Haley's early days of decline in the 1960s including the renaming of streets in the 1970s and the formal assessing of the community's problems in the City of New Orleans 1999 Land Use Plan. These issues, were more clearly identified in a community planning initiative that took place the year before Hurricane Katrina.

In its continued efforts to address the issues plaguing Central City, the City of New Orleans commissioned a community planning initiative, the "Central City Renaissance Alliance Community Plan," with support from the Ford Foundation, and spearheaded by Concordia Planning, LLC (Concordia). Concordia representatives, local and national philanthropic partners, over 200 residents, and municipal partners participated in this planning effort together, forming the Central City Renaissance Alliance (CCRA). Working together for eighteen months, the members of the CCRA participated in a communicative planning process that produced the Central City Renaissance Alliance Community Plan.<sup>13</sup> The result of these efforts was a plan to

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<sup>12</sup>Concordia, LLC, et. al. "Central City Renaissance Alliance Community Plan." 2004. Page 8.

<sup>13</sup> CCRA Website. <<http://myccra.org/#!/about-ccra/4530391365>> Accessed February 10, 2010.

“guide the City in delivering services and providing resources to address the community’s needs.”<sup>14</sup> This plan, given its focus on community participation and involvement and the time period in which it was developed, provides a uniquely comprehensive and internal perspective on the needs and goals of Central City. This concept is critical in considering plans conceived after Hurricane Katrina and, in turn, in assessing the recovery of the neighborhood.

With citizen participation being an integral component of the committee-based approach characterizing the methodology of the planning effort, the CCRA plan identified seven themes that organize the policy recommendations and actions including: Strengthening Community Connections, Telling the Community Story, Housing in the Community, Community Beautification, Employing the Community and Community Wealth Building, An Educated Community, and A Healthy and Safe Community.<sup>15</sup> Although each theme deals with specific sub-categories, many of the goals, actions, and recommendations within each theme directly impacts housing and/or economic development. For example, the “Strengthening Community Connections” includes creating a database of community businesses and reorganizing businesses to work cooperatively. In addition, a central goal in the “Telling the Community Story” is developing cultural tourism by building upon the history of the OC Haley corridor and the traditions of the neighborhood.<sup>16</sup> Housing and economic development are implicitly and explicitly the focus of the CCRA’s plan.

The main focus of the housing component of the CCRA plan includes managing gentrification and improving the quantity of decent, affordable housing.<sup>17</sup> The first of these goals emerges from the concern that renewed economic interest and redevelopment of Central

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<sup>14</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 6.

<sup>15</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 12.

<sup>16</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Pages 12 and 21.

<sup>17</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 24.

City for middle and upper income families will create substantial price increases for housing and price out existing residents. The plan also notes, however, that “heightened demand for property within the neighborhood lays the foundation for community revitalization” and “demand for retail and commercial enterprises improves the property tax base in the city.”<sup>18</sup> Thus, the task is to maintain affordable housing and the current Central City population while simultaneously encouraging investment and economic growth in the area. One recommendation made by the CCRA to reduce the cost of homeownership and improve the sustainability of affordable housing is establishing a community land trust (CLT).<sup>19</sup> This tool will be discussed at greater length in chapter four as the recommendation is still relevant today and may prove to fulfill the intended purpose laid out in the CCRA’s 2004 plan.

The other goal, to improve the quality of decent, affordable housing, is a response to a housing stock that is suffering from neglect. In addition, the appearance of blighted homes and businesses detracts from the economic viability of the area as well as the quality of life for residents. To combat this neglect, the CCRA recommends the community cooperate with volunteer organizations (such as Youth Build and AmeriCorps) already geared towards building maintenance and blight remediation to complete interior and exterior building defects with community members paying a fee that is subsidized by volunteer labor and financial support from foundations and other philanthropic sources.<sup>20</sup> Ultimately, housing that is both affordable and of high-quality is an integral component in the CCRA’s planning document as well as to the overall recovery of the Central City neighborhood. Also integral to the neighborhood’s revitalization and the CCRA’s plan is economic development.

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<sup>18</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 25.

<sup>19</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 25.

<sup>20</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 25.

Three goals are identified under “Employing the Community and Community Wealth Building:” create a job resource center, improve access to financial services and resources, and create an environment that supports new, small, and growing businesses.<sup>21</sup> Additional goals related to economic development are found throughout the CCRA planning document including the already mentioned topic of reducing the appearance of blight as well as involving the community in Brownfield redevelopment. None of the goals specifically discuss the OC Haley corridor, neither in terms of how the goals will be implemented in the corridor nor how the corridor could aid in realizing the goals. Instead, the goals are more general and applicable to members of the community at-large rather than a specific area of the community. The CCRA plan does make clear, however, that Central City’s location, history, and local culture are all assets for the area to draw upon for economic development opportunities. This theme as well as the housing needs identified by the CCRA is found in a number of plans that have been written since the CCRA’s plan in response to Hurricane Katrina. The contents and commonalities of these plans are discussed below. The purpose of this discussion is to identify generally the intentions of planning efforts prior to Hurricane Katrina in Central City to provide some context for the current activities taking place in Central City that effect these areas of recovery.

## **RECENT TRENDS: THE POST-KATRINA PICTURE**

Painting a statistical picture of the Central City population post-Hurricane Katrina is problematic due to the difficulty of collecting or obtaining accurate data in the wake of the 2005 disaster. Given what information is available, however, it appears there has been little change in the Central City neighborhood with regards to residing population. Since Hurricane Katrina,

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<sup>21</sup> Concordia, LLC, et. al. “Central City Renaissance Alliance Community Plan.” 2004. Page 37.

Orleans Parish, as a whole, has become increasingly wealthy, white, and educated.<sup>22</sup> However, it is less likely that the Parish-wide demographic shifts affected Central City as significantly as neighborhoods in which there were lower rates of returning residents given the neighborhood-level data that is available such as average household income which held at \$26,826—comparable to pre-Hurricane Katrina statistics.<sup>23</sup> In addition, between 70 and 79% of Central City residents are actively receiving mail at pre-Hurricane Katrina homes.<sup>24</sup> Given the information available, Central City's current population shares characteristics similar to the area's pre-Hurricane Katrina population making it likely that the current demographics of Central City strongly resembles its 2000 demographics (see Appendices A-E). It follows that the community faces similar issues prior to Hurricane Katrina.

Central City embodies a disproportionate numbers of poverty-stricken households and suffers from the problems that have, unfortunately, become associated with and characterize many inner-city neighborhoods. One major consequence for residents of poor urban neighborhoods is that they become increasingly disconnected from the opportunities and general prosperity of their larger metropolitan regions.<sup>25</sup> The negative impacts do not become isolated to these neighborhoods. In fact, strong disparities among neighborhoods affect the overall health of metropolitan economics and “lagging central cities act as a drag on the totality of regional

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<sup>22</sup> Plyer, Alison and Elaine Ortiz. “Who lives in New Orleans and the Metro Area now?” *Based on 2008 U.S. Census Bureau Data.* Greater New Orleans Community Data Center. Released: October 2, 2009, Pages 2 and 6.

<sup>23</sup> Point 2 Homes. “Demographics for Zip Code 70114.”

<<http://homes.point2.com/Neighborhood/US/Louisiana/Orleans-Parish/New-Orleans/Central-City-Demographics.aspx>> February 5, 2010.

<sup>24</sup> Percent Recovery by Neighborhood in New Orleans, June 30, 2009, GNOCDC. GNO Community Data Center analysis of Valassis Residential and Business Database.

View repopulation data by census block at [www.gnocdc.org/repopulation/](http://www.gnocdc.org/repopulation/).

<sup>25</sup> Krumholz, Norman. “Metropolitan Development and Neighborhood Revitalization.” Revitalizing Urban Neighborhoods. Keating, Dennis W., Norman Krumholz and Philip Star. University Press of Kansas: 1996. Page 214.



economic growth.”<sup>26</sup> Given the interconnectedness of neighborhood and metropolitan well-being and the pervasiveness of this problem throughout Central City, it is crucial that this neighborhood be stabilized and the methods used to achieve this end be carefully studied.

## **AFFORDABLE HOUSING**

The issue of affordable housing is not one specific to Central City, however, it has arguably disproportionately affected this community. Central City’s population and housing stock is more vulnerable to the increases in housing costs post-Katrina.<sup>27</sup> Despite the attention given to the affordable housing issue in recent years and the strong economy during the 1990s, the affordable housing crisis in the United States has only worsened—from 1991 to 1999, the number of families paying more than 50 percent of their income for rent rose by 600,000, an increase of 12 percent.<sup>28</sup> By 1999, these “worst case housing needs” renters totaled at least 4.9 million households, a record according to HUD. With the slowing of the economy and a rising unemployment rate in the past 10 years, these figures have only worsened. According to the National Housing Conference, more than 4 million working families lived in decent housing but spent more than half of their income for rent or mortgages in 2001—representing a 30 percent increase from 1999 and a 68 percent jump from 1997.<sup>29</sup>

Major changes in the economy and the population further complicate the affordable housing challenge. Shifts in industry location and type are creating sprawling jobs, sprawling housing patterns, redefining individuals’ and families’ housing needs, and creating stark socioeconomic differences between regions and populations.<sup>30</sup> Specifically, 2000 census data

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<sup>26</sup> Krumholz, Norman. “Metropolitan Development and Neighborhood Revitalization.” Page 215.

<sup>27</sup> GNOCDC, “Central City Neighborhood Snapshot.” June 23, 2004.  
<<http://www.gnocdc.org/orleans/2/61/snapshot.html>>

<sup>28</sup> “Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Page 2.

<sup>29</sup> “Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Page 2.

<sup>30</sup> “Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Page 2.

confirms that the majority of job and housing growth is occurring in the Western and Southern parts of the country as well as in the suburbs compared to the country's Midwestern, Northeastern, and urban counterparts. In addition, suburbs are becoming increasingly populated by minority groups, the result of increased African-American mobility in the 1990s, and are generally inhabited by young singles and older Americans living alone versus the traditional nuclear family, which is generally shrinking.<sup>31</sup>

The implications of these changes, with regards to affordable housing, is that the problem must be considered in the context of current and future needs—not in a vacuum. Affordable housing policies, programs, and incentives must, in turn, reflect these changes or be flexible with regards to adjusting to them. Critics of current programs and other attempts to combat affordable housing maintain that, “across the nation, state and local government leaders and their partners—in the corporate, civic, real estate, and nonprofit communities—are struggling to implement an array of affordable housing and homeownership programs to better meet the needs of low-income and working families.”<sup>32</sup> New Orleans does not escape this criticism and is perhaps even more egregious in its inability to meet affordable housing needs.

New Orleans has undergone many changes in response to Hurricane Katrina in ways that severely impact the supply and demand of the housing stock. In Post-Katrina New Orleans, single-person households are on the rise (from 27 percent in 2000 to 31 percent in 2008).<sup>33</sup> Along these lines, New Orleans also has fewer families with children (declining from 33 percent of all households in 2000 to 27 percent in 2008).<sup>34</sup> These statistics are consistent with research that indicates that families with children are more likely to leave disaster-ravaged areas. This

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<sup>31</sup> “Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Page 2.

<sup>32</sup> “Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Page 1.

<sup>33</sup> Plyer, Alison. et. al. “Housing Production Needs: Three Scenarios for New Orleans.” *Greater New Orleans Community data Center and The Urban Institute*. November 2009. Page 6.

<sup>34</sup> Plyer, Alison, et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 6.

newly emerging population has significant implications for the type, size, and location of housing that is needed.

Occurring simultaneously with this shifting population is a change in home ownership rates, which are increasing significantly across the metropolitan area (from 61 percent in 2000 to 67 percent in 2008).<sup>35</sup> The comparison of these numbers to the number of households in New Orleans suggests that homeowners are returning to the city in larger numbers than renters. The GNOCDC report on housing production needs attributes this to the “preponderance of federal dollars allocated to rebuilding owner-occupied housing rather than rental housing.”<sup>36</sup> The increase in homeownership continued despite rising housing costs. Rising housing costs for renters, however, rose more than 3 times that of homeowners (27 percent) from 2004 to 2008.<sup>37</sup> During this time, median gross monthly rent rose from \$702 to \$892.<sup>38</sup> The 2008 increases are well above comparable cities such as Baltimore, Memphis, or Milwaukee. The most burdensome increases, according to the GNOCDC, were among renters earning \$20,000 to \$35,000. Households with this annual income are considered low income and are often eligible for subsidized low-income housing tax credit units (LIHTC units) to be discussed in greater detail in Chapter 5.<sup>39</sup>

The importance of these figures is not solely to make the point that housing affordability has been problematic for a portion of the New Orleans population following Katrina, but also that the availability of affordable housing has and will continue to dictate the way in which New Orleans recovers. Thus, the issue of affordable housing is central to the revitalization of New Orleans, particularly neighborhoods that are vulnerable to shifts in the housing market. For this

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<sup>35</sup> Plyer, Alison, et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 7.

<sup>36</sup> Plyer, Alison, et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 7.

<sup>37</sup> Plyer, Alison, et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 7.

<sup>38</sup> Plyer, Alison, et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 7.

<sup>39</sup> Plyer, Alison. et. al. “Housing Production Needs: Three Scenarios for New Orleans.” Page 9.

reason it is important that the revitalization of Central City include some sustainable affordable housing component, otherwise the neighborhood will never be revitalized.

## **HYPOTHESIS**

NORA's strategy for redeveloping the OC Haley corridor, although influenced by a series of planning initiatives started immediately prior to Hurricane Katrina on the neighborhood planning level to city-wide post-Hurricane Katrina recovery plans, is directly tied to the city's target area strategy. The NORA strategy is rooted in the theoretical community development strategy of targeting. Although the effects of the strategy's implementation remain to be seen as it is too early to make any definitive conclusions about overall effectiveness of NORA's approach, there are some predictable outcomes based upon the historical context and makeup of the neighborhood, the more general economic climate and policy frameworks, and the outcomes of similar strategies already implemented and studied. The effect of the strategy of greatest concern is that of gentrification.

Gentrification will signify both an improvement of the area as well as an inability to sustain the current population. There are, however, many avenues for addressing this issue and maintaining affordability for current and returning residents that should be strongly considered by NORA in moving forward with their strategy. This recommendation is the establishment of Community Land Trusts, a land use tool that is able to keep property values affordable through ownership by an organization with a charitable purpose.<sup>40</sup> By incorporating a mechanism for maintaining affordability in the OC Haley corridor targeting strategy, NORA can achieve real improvements for the area as well as ensure that current residents are recipients of those

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<sup>40</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." Chicago: April 2007. Page 2

improvements by actively seeing that current residents are not displaced and have the option to stay in the improving area.

NORA's strategy is in its early days of implementation and thus its outcomes are largely unknown. It remains to be seen if the current projects will be completed, if completed projects will have any enduring success, and what the impact will be on the community at-large.

Although this thesis attempts to predict the likely outcomes of implementing NORA's strategy based upon the past implementation of similar strategies, the unique nature of New Orleans and the post-Hurricane Katrina environment compound the difficulty of such an attempt. However, NORA's strategy is one familiar to municipalities and communities across the country and its theoretical origins and real-world implications have been thoroughly investigated and will be heavily drawn upon to comment upon the future state of OC Haley and Central City as a result of the actions of NORA. Although specific outcomes may not be reasonably predicted, general impacts created by the NORA strategy and possible methods of mitigating undesirable impacts are the limits of the research contained within this thesis.

## CHAPTER 2: STRATEGIES FOR REVITALIZATION

### NEIGHBORHOOD REVITALIZATION: GENERAL PRINCIPALS AND PRACTICES

NORA's strategy, at its core, seeks to engage private interests in investing in an area. NORA is strategically investing limited funds into a neighborhood through visible projects as a means of stimulating the investment of additional, private monies. In addition, these projects are aimed to serve both the interests of NORA as well as those of the neighborhood's residents. With these constraints, NORA has carefully selected economic development projects along a strategic corridor, OC Haley. NORA's strategy is not unusual. In fact, it is well-aligned to the revitalization framework of the past decade: neoliberal communitarianism.

Neoliberal communitarianism is market-based and seeks shared interests between residents of neighborhoods in need of revitalization and the larger society they exist within.<sup>41</sup> The market-based component of this definition describes the neoliberal aspect of this framework which, as described by Michael Porter, argues that "a sustainable economic base can be created in inner cities only as it has been elsewhere: through private, for-profit initiatives, and investments based on economic self-interest and genuine competitive advantage."<sup>42</sup> The communitarianism component "mirrors consensus-based organizing, in that the assumption is of shared interests" to the extent in which it assumes that "individual gains and interests in the community are synonymous with collective, or community, gains and interests" and that "communities are function of, and defined by, the attributes and relationship of people within them."<sup>43</sup>

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<sup>41</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Rutledge: New York. 2004. Page 55.

<sup>42</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 54.

<sup>43</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 55.

Neoliberal communitarianism is descriptive of NORA's strategy in Central City and its weaknesses can help explain the obstacles facing NORA. The weakness of neoliberal communitarianism is that it does not allow for both the increased control of low-income residents over their communities while also allowing for equitable improvement of low-income communities.<sup>44</sup> These outcomes are rooted in several breaks from the theoretical roots in practice within both the neoliberal and communitarianism components of the framework. Within neoliberal thinking the faulty assumptions are that the interests of capital are synonymous with the interests of communities, that there is fair competition within capitalism when it has shown to produce winners and losers, and that investment from the outside can be controlled by residents inside the investment areas.<sup>45</sup> These assumptions carry over to the communitarianism portion of the framework. First, communitarianism assumes that "individual gains and interests are the same as those of the larger community," that "people in a community share common interests simply by virtue of living in the same area," and that communities are "products of the attributes of the people within them."<sup>46</sup> In sum, neoliberal communitarianism assumes that there is no conflict between interests with regards to community revitalization. These assumptions result in real obstacles and problems that arise with implementing a strategy rooted in neoliberal communitarianism such as that of targeting, the strategy adopted by NORA.

## **TARGETING: ORIGINS, ACCOMPLISHMENTS, AND LIMITATIONS**

Targeting can generally be defined as the strategic investment of limited resources to revitalize a specified geographic area.<sup>47</sup> Typically, resources tend to be public monies and the

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<sup>44</sup> DeFillippis, James. *Unmaking Goliath: Community control in the Face of Global Capital*. Page 56.

<sup>45</sup> DeFillippis, James. *Unmaking Goliath: Community control in the Face of Global Capital*. Pages 56-57.

<sup>46</sup> DeFillippis, James. *Unmaking Goliath: Community control in the Face of Global Capital*. Page 57.

<sup>47</sup> Galster, George, Peter Tatian, and John Accordino. "Targeting Investments for Neighborhood Revitalization." *Journal of the American Planning Association*. Vol. 72, No. 4, Autumn 2006. Page 457.

specific geographic area is a distressed, low-income urban area.<sup>48</sup> Galster et al. (2006) question the ability of the targeting strategy to trigger the revitalization of struggling, inner-city neighborhoods as they examine Richmond, Virginia's use of a spatially targeted Community Development Block Grant (CDBG) for revitalizing seven of the city's unstable neighborhoods. The authors' question whether or not there is an investment threshold that will provide the right conditions for qualitative neighborhood improvement. Using an adjusted interrupted time series model, Galster et al. find targeting strategies can be effective in improving neighborhoods and that there is a threshold of investment that will result in neighborhood improvement as measured by increased property values.

The Richmond study holds both hope for targeting to prove effective in New Orleans as well as the neighborhoods targeted in Richmond, like Central City, are described as distressed with "higher-than-citywide percentages of persons in poverty, female-headed households, and vacant and renter-occupied property."<sup>49</sup> The development authority in Richmond, like NORA, primarily utilized CDBG money to "achieve a critical mass that stimulates self-sustaining private market activity."<sup>50</sup> Galster et al. examined the effect of concentrated public spending on property values within census tracts and revealed that investment that exceeds a medium expenditure per census tract (\$20,100) led to increased property values.<sup>51</sup> This outcome is lauded as a great success particularly given the minimal displacement of residents due to the following factors specific to the targeted Richmond neighborhoods: "(1) high initial vacancy rates; (2) emphasis on infill construction, using vacant lots, and upgrading of dwellings by incumbent owners; and (3) housing counseling provided through [a special municipal service

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<sup>48</sup> Galster, George, et al. "Targeting Investments for Neighborhood Revitalization." Page 457.

<sup>49</sup> Galster, George, et al. "Targeting Investments for Neighborhood Revitalization." Page 459.

<sup>50</sup> Galster, George, et al. "Targeting Investments for Neighborhood Revitalization." Page 458.

<sup>51</sup> Galster, George, et al. "Targeting Investments for Neighborhood Revitalization." Page 464.



implemented along with the targeting plan].”<sup>52</sup> Targeting, as Galster et al. demonstrate, can revitalize neighborhoods, however, at a cost. This cost includes the initial funding needed to improve the neighborhood (which is significant) as well as the cost that is passed along to current residents in the form of increased property values and general cost of living. This secondary cost provides an environment for gentrification.

## **GENTRIFICATION AND THE RE-EMERGENCE OF GENTRIFICATION**

There is no consensus on the definition of gentrification. There is, however, general agreement about the way in which this phenomenon manifests itself within a community. The term was apparently coined by Ruth Glass in 1964:

One by one, many of the working-class quarters of London have been invaded by the middle classes—upper and lower. Shabby, modest mews and cottages—two room up and tow down—have been taken over, when their leases have expired, and have become elegant, expensive residences. Larger Victorian houses, downgraded in an earlier or recent period—which were used as lodging houses or were otherwise in multiple occupation—have been upgraded once again...Once this process of “gentrification” starts in a district it goes on rapidly until all or most of the original working class occupiers are displaced and the whole social character of the district is changed.<sup>53</sup>

Gentrification, for the purpose of this thesis, will refer to the development in lower-income areas that results in a pattern of higher rents and land house values that cause the displacement of existing renters and owner-occupiers by making the area unaffordable. Gentrification will also include the definition specified by secondary displacement in which public spending programs in one area attracts the eye of private market speculators and

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<sup>52</sup> Galster, et al. “Targeting Investments for Neighborhood Revitalization.” Page 468.

<sup>53</sup> Schaffer, Richard Schaffer, Richard and Neil Smith. “The Gentrification of Harlem?” *Annals of the Association of American Geographers*. 76(3), 1986, Page 347.

gentrifiers with the resultant displacement of the original residents.<sup>54</sup> Generally the process of gentrification is one in which a population residing in an area is pushed out by an increasing cost of living and is replaced by a population that can afford to live in this appreciating environment. This process is most often found to include the movement of lower-income minority populations out of an area and a higher-income white and often younger population into the area.

A study of gentrification in Harlem revealed significant increases in per capita income and median contract data in the 1980s—a distinct change in data from the prior decade.<sup>55</sup> The cause of the gentrification of Harlem is found to be increased investment in specific areas of the neighborhood. In the 1980s, areas in Harlem were targeted by the Department of Housing and Urban Development (HUD) as a Neighborhood Strategy Area as well as by Harlem Urban Development Corporation and other various City agencies for developing public housing and local businesses. Projects initiated by these entities led to the multi-million dollar development ventures in the private housing market.<sup>56</sup> Although initial investments were aimed at lower-income residents, the statistical demographic representative of the area, the investment spurred by this targeted approach was intended to capture middle and upper-income citizens.<sup>57</sup> As the case of Harlem illustrates, gentrification is a concern not only for general investment in an area, but must be taken into consideration even when investing for lower-income and presently residing citizens is the focus of the targeting strategy.

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<sup>54</sup> Lang, Michael H. Gentrification Amid Urban Decline: Strategies for America's Older Cities. Ballinger Publishing Company. Cambridge, MA: 1982. Page 9.

<sup>55</sup> Schaffer, Richard Schaffer, Richard and Neil Smith. "The Gentrification of Harlem?" Page 354.

<sup>56</sup> Schaffer, Richard Schaffer, Richard and Neil Smith. "The Gentrification of Harlem?" Page 356.

<sup>57</sup> Schaffer, Richard and Neil Smith. "The Gentrification of Harlem?" Page 357.

## **OTHER STRATEGIES: APPLICABILITY AND LESSONS LEARNED**

Other strategies exist to effectively revitalize distressed urban areas with different effects than those found in targeting. Plans that incorporate heavy community participation components and plans that embrace the recommendation of the National Advisory Commission on Civil Disorders (Kerner Commission) and subsequent involvement of Community Development Corporations (CDC) as well as incorporating community participation make up a few alternative approaches that have had success in redeveloping struggling neighborhoods and whose lessons can offer something to NORA in the way of increasing their effectiveness in Central City. Specifically, revitalization efforts that consider the needs of the community in a holistically and embrace the opinions and views of the community can prove effective in accomplishing revitalization goals.

Community participation in which neighborhoods have decision-making authority is one alternative method in which neighborhoods can be revitalized. Susan Fainstein and Clifford Hirst found this to be the case in their 1995 study on the Neighborhood Revitalization Program (NRP) in Minneapolis, Minnesota. In this case study, neighborhoods apply for NRP money (made available through Tax Increment Financing) and, in turn, implement the programs, incentives, or developments the neighborhood's community wants.<sup>58</sup> Although this model presents challenges with regards to competition between neighborhoods, unrepresentative community representation, and parochialism, the model provides a balance between the need for

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<sup>58</sup>Fainstein, Susan and Clifford Hirst. "Neighborhood Organizations and Community Planning: The Minneapolis Neighborhood Revitalization Program." Revitalizing Urban Neighborhoods. Editors W. Dennis Keating, Norman Krumholz, and Philip Star. University Press of Kansas: 1996. Pages 100-103.

economic investment and development and issues of neighborhood health, residential affordability, and quality of life.<sup>59</sup>

Yet another strategy that can effectively revitalize urban neighborhoods is the community-based approach. Such approaches, as defined by Norman Krumholz in his article, “Metropolitan Development and Neighborhood Revitalization,” adhere to the guidelines identified by the 1968 Kerner Commission as a foundation for bringing together viable community-based organizations and led by a neighborhood advocacy organization or CDC. Formed by the Johnson Administration to address the issues of race riots, the Kerner Commission rejected the choice between “empowering poor people and revitalizing distressed places.”<sup>60</sup> Instead, the Kerner Commission found that both types of assistance are necessary to truly improve urban neighborhoods and connect the inhabitants of distressed neighborhoods with housing, jobs and opportunity. Krumholz argues for a neighborhood advocacy organization or CDC as such entities are uniquely positioned to “upgrade neighborhoods while protecting the interest of low-income owners and renters.”<sup>61</sup> The implementing agency should then seek out other organizations that

May also be the key to encouraging private neighborhood investment and maintaining support for key institutional actors whose decisions are vital to neighborhood revitalization. Such institutions as hospitals, universities, banks, and other commercial businesses can use their resources and institutional power to sway governmental decisions, bolster the real estate market, and create neighborhood confidence.<sup>62</sup>

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<sup>59</sup> Fainstein, Susan and Clifford Hirst. . “Neighborhood Organizations and Community Planning: The Minneapolis Neighborhood Revitalization Program.” Page 109.

<sup>60</sup> Krumholz, Norman. “Metropolitan Development and Neighborhood Revitalization.” Revitalizing Urban Neighborhoods. Editors W. Dennis Keating, Norman Krumholz, and Philip Star. University Press of Kansas: 1996. Page 216.

<sup>61</sup> Krumholz, Norman. “Metropolitan Development and Neighborhood Revitalization.” Page 216.

<sup>62</sup> Krumholz, Norman. “Metropolitan Development and Neighborhood Revitalization.” Page 217.

The power of bringing together these various institutions, Krumholz argues, is that their combined forces can help improve not only the quality of life within the defined area, but actually aid residents in gaining greater control over the direction of their community and their place within it. In this way, both the neighborhood and the residing citizens experience the benefits of revitalization efforts. NORA's strategy could benefit greatly by embracing the ideological underpinning separating the Kerner Report from previous understandings of urban development. Specifically, NORA's strategy is a place-based strategy, focusing on the physical improvements of the area. Given the concern of affordability and gentrification, NORA could embrace additional place-based strategies that are aimed at a specific population—namely affordable housing for current low-income residents. Affordable housing is not only a current concern for New Orleans's residents, particularly low-income residents, but is an issue that will only become increasingly problematic in Central City given the nature of targeting strategies to increase property values.

## CHAPTER 3: THE NORA APPROACH

### THE HISTORY OF NORA AND DEVELOPMENT OF THE OC HALEY STRATEGY

The New Orleans Redevelopment Authority, originally named the Community Improvement Agency (CIA), was created through state enabling legislation in 1968 with the passage of the Community Improvement Act of 1968.<sup>63</sup> The agency was created to address issues of abandonment and blight in the city of New Orleans. Although the CIA was intended to be an organization free from political influences and significant oversight with regards to urban revitalization efforts in New Orleans, the CIA was a largely ineffectual agency—its budget was limited, its leadership was controlled by the mayor’s office, and its authority dependent upon the support of the City Council.

The CIA was formed under Mayor Victor Schiro. Schiro advocated for the creation of the CIA and convinced City Hall to support it by assuring City Council members that the agency’s “decision-making powers rested largely with officials at City Hall.”<sup>64</sup> Schiro had the authority to appoint the CIA’s seven-member board and “stacked it with political insiders, rising black leaders, and businessmen with heavy investments in New Orleans real estate.”<sup>65</sup> This board, all men, all had ties to either development, construction, or the populous black areas. In this way, the CIA had become a tool of the mayor that would provide an avenue for gaining support from black voters with relatively little financial or political costs. With oversight from City Hall and the mayor’s office as well as divided interest amongst board members, the CIA

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<sup>63</sup> Green, Timothy F. and Robert B. Olshansky. “Homeowners Decisions, Land Banking, and Land Use Change in New Orleans after Hurricane Katrina.” *The Lincoln Institute*: 2009. Page 24.

<sup>64</sup> Germany, Kent B. New Orleans After the Promises: Poverty, Citizenship, and the Search for the Great Society. University of Georgia Press: 2007. Page 188.  
<[http://books.google.com/books?id=zTq90U9UYyAC&pg=PA189&sig=S2gQRMZyoCYGBkbbhzy\\_o3jTj8M#v=onepage&q&f=false](http://books.google.com/books?id=zTq90U9UYyAC&pg=PA189&sig=S2gQRMZyoCYGBkbbhzy_o3jTj8M#v=onepage&q&f=false)>

<sup>65</sup> Germany, Kent B. New Orleans After the Promises: Poverty, Citizenship, and the Search for the Great Society. Page 189.

was limited in becoming a major player in the redevelopment process of New Orleans' neighborhoods. By 1972, the CIA had ownership of sixty properties (largely located in the Lower Ninth Ward), had a staff of five people, and was mostly counseling homeowners about how to rehabilitate their homes.<sup>66</sup> Although Urban Renewal money and projects were underway during this time in New Orleans, the CIA was playing a very minor role in the decision-making or implementing of Urban Renewal plans.

In 1984, the CIA gained the authority of expropriation.<sup>67</sup> Under Mayor Marc Morial's administration, the CIA was the focus of restructuring. During this period of restructuring the agency became known by its current name and, although struggling to receive funding and influence, its tools for blight remediation were enhanced including an expedited process for blight determinations and improved code enforcement. By 2001, NORA had established itself as an effective and independent agency and had gained credibility as seen in its budget increases from \$400,000 in 1999 to \$850,000 by 2001. NORA's developing finances and authority have continued to grow as has its interconnectedness with City Hall.

In 2001, NORA began to use its right of reversion under its new Real Estate Acquisition and Land-banking Mechanism (REALM) program. The idea motivating the creation of the program was that NORA would be able to actively spur development in areas deemed less-desirable to private interests. The REALM program would focus on three neighborhoods: Central City, St. Roch, and the Lower 9<sup>th</sup> Ward. NORA ran into immediate issues. Budget shortfalls, an evaluation of the program by incoming mayor Ray Nagin, and, slightly later, Hurricane Katrina all slowed and eventually put a stoppage to the programs. These issues are symptomatic of the

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<sup>66</sup> Germany, Kent B. New Orleans After the Promises: Poverty, Citizenship, and the Search for the Great Society. Page 194.

<sup>67</sup> Germany, Kent B. New Orleans After the Promises: Poverty, Citizenship, and the Search for the Great Society. Page 194.

larger issues that have plagued NORA prior to Hurricane Katrina. In 2005, prior to the storm, NORA's staff included only five employees. In addition, NORA was a relatively passive agency only acting when a citizen or private interest would engage the agency about a particular property or groups of properties.<sup>68</sup> Although NORA's efforts to revitalize the identified distressed neighborhoods had taken a backseat in the years immediately prior to Hurricane Katrina, since Hurricane Katrina, NORA has begun to reestablish itself and its agenda. This has been due to, in part, the various plans that have developed since the storm.

Since Hurricane Katrina, numerous plans have been developed across the city from a variety of interest groups that affect Central City and the OC Haley corridor including: the Bring New Orleans Back plan (BNOB), the Lambert Plan, the Unified New Orleans Plan (UNOP), and the Office of Recovery Management Target Area Plans (Target Plan). These plans, unlike the CCRA, are aimed at the recovery of the neighborhood in response to Hurricane Katrina and not the pre-Katrina conditions of the area. Plans formed after Hurricane Katrina also vary with regards to community input, compared to the CCRA plan as well as to each other. All of these plans, however, utilize targeting strategies as a means for revitalizing the Central City community. Specifically, The BNOB plan proposed a systemic shrinking of the city's footprint to focus development based upon two designating criteria: immediate opportunity areas and neighborhood planning areas. The first being areas to which residents could immediately return and begin rebuilding the city in the neighborhood model the BNOB plan recommends, the other being areas in which recovery may not occur to the extent that the area would be returned to its pre-Katrina state or that it would even be inhabitable.<sup>69</sup> The Lambert Plan for Central City Neighborhood Planning District 2 Rebuilding Plan provided the basis, along with similar plans

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<sup>68</sup> Unisa Barrie. Personal Interview. July 6, 2010.

<sup>69</sup> Bring New Orleans Back Commission Urban Planning Committee. "Action Plan for New Orleans: The New American City." January 11, 2006.



for forty-nine other neighborhoods in New Orleans, for the UNOP plan. On June 25, 2006, the Louisiana Recovery Authority unanimously accepted the UNOP as the basis for city recovery—allowing the plan to be eligible for federal grants to enable implementation.<sup>70</sup> With regards to Central City, the plan emphasizes the need to provide quality, affordable housing as well as capitalize on the area’s proximity to the Central Business District and the Garden District and historically and culturally significant assets to encourage economic development—echoing the goals of the CCRA plan.<sup>71</sup>

The Lambert Plan provides even more specific economic development recommendations that focus on the OC Haley corridor as a “catalyst for economic growth and cultural education” and taking advantage of being formally accepted as a Main Street project.<sup>72</sup> The strong promise for OC Haley held in the Lambert Plan does not quite carry over to the UNOP plan as economic development recommendations effecting the corridor are rated low and moderate in terms of their recovery value. These projects, respectively, include the expansion of the Arts District and the Commercial Corridor Revitalization Program.<sup>73</sup> These plans all identify the need for economic development in Central City and all, to varying degrees, recommend the focused investment of resources. None of these plans have been directly implemented in the area, but their influences are felt as these plans have provided the background and progression to NORA’s actions along OC Haley and in Central City.

During the formulation of the plans discussed above, NORA was identified as a possible authority to spearhead the redevelopment of New Orleans as the agency held unique powers of expropriation, to issue bonds, and to buy and sell property.

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<sup>70</sup> Cohen, Ariella. “Ed Blakely’s concentrates recovery in 17 target zones in New Orleans.” *New Orleans City Business*. Dec. 31 2006. <[http://findarticles.com/p/articles/mi\\_qn4200/is\\_20071231/ai\\_n21188584/](http://findarticles.com/p/articles/mi_qn4200/is_20071231/ai_n21188584/)>

<sup>71</sup> Lambert Advisory, LLC. et. al. Page 5.

<sup>72</sup> Lambert Advisory, LLC. et. al. Pages 5 and 19.

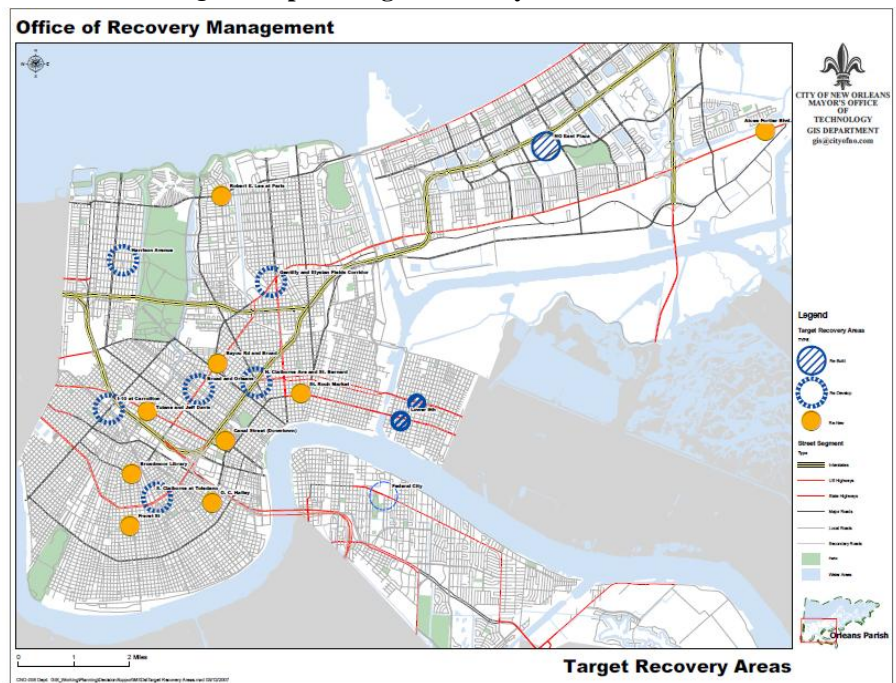
<sup>73</sup> Lambert Advisory, LLC. et. al. Pages 254 and 310.

With the creation of the Road Home Program (RHP) in 2006, state lawmakers were looking for local agencies—particularly in devastated New Orleans—with the ability to absorb the expected influence of state-owned properties.<sup>74</sup>

Despite the early insights that NORA may lead recovery efforts in New Orleans, the mayor’s office was ultimately the lead agency. Mayor Nagin’s recovery czar, Edward Blakely, streamlined recovery efforts within City Hall and established the designation of recovery “target area” around the city. The strategy behind the ORM’s Target Areas plan, as described by

Blakely is that "the development zones will spur activity from investors. When one area starts to do well, investors will want to invest nearby. This will allow the city to redevelop wisely and will help residents make smart choices about where to rebuild."<sup>75</sup> Target Areas have

**Fig. 6: Map of Target Recovery Area Plan**



been organized into three categories defining different kinds of recovery: Re-Build, Re-Develop, and Re-New. The OC Haley corridor has been designated a Re-New district. Re-New Districts refer to areas that call for aid with specific projects and “that require relatively modest public

<sup>74</sup> <sup>74</sup> Lambert Advisory, LLC. et. al Page 25.

<sup>75</sup> Cohen, Ariella. “Ed Blakely’s concentrates recovery in 17 target zones in New Orleans.”

intervention in order to supplement work already underway by the private and nonprofit sector.”<sup>76</sup>

**Fig. 7: Map of Housing Opportunity Zones**



The shared interest in Central City expressed in the ORM’s Target Recovery Area plan and NORA’s OC Haley revitalization strategy is no coincidence. In September of 2008, in an attempt to smooth over some of the differences between NORA and City Hall,

Blakely negotiated a Cooperative Endeavor Agreement (CEA) between the two entities in which residential neighborhoods surrounding the commercial target areas, Hosing Opportunity Zones, would be given preference for NORA and city housing programs.<sup>77</sup>

In the years immediately following Hurricane Katrina, NORA was changing drastically from the small, passive, and largely unknown entity into a large and growing effective redevelopment authority. NORA’s staff now includes over forty members, has title to over 10,000 properties, and has been the recipient of tens of millions of dollars in state and federal grants.<sup>78</sup> NORA actively seeks end-users for properties, creates interest in distressed neighborhoods, and executes redevelopment plans the agency has created. The change NORA has undergone is significant, but the agency is still sensitive to the authority of City Hall and the

<sup>76</sup> City of New Orleans Recovery Plan. <<http://www.cityofno.com/portal.aspx?tabid=95>> Accessed February 10, 2010.

<sup>77</sup> City of New Orleans Recovery Plan. <<http://www.cityofno.com/portal.aspx?tabid=95>> Accessed February 10, 2010.

<sup>78</sup> Unisa Barrie. Personal Interview. July 6, 2010.

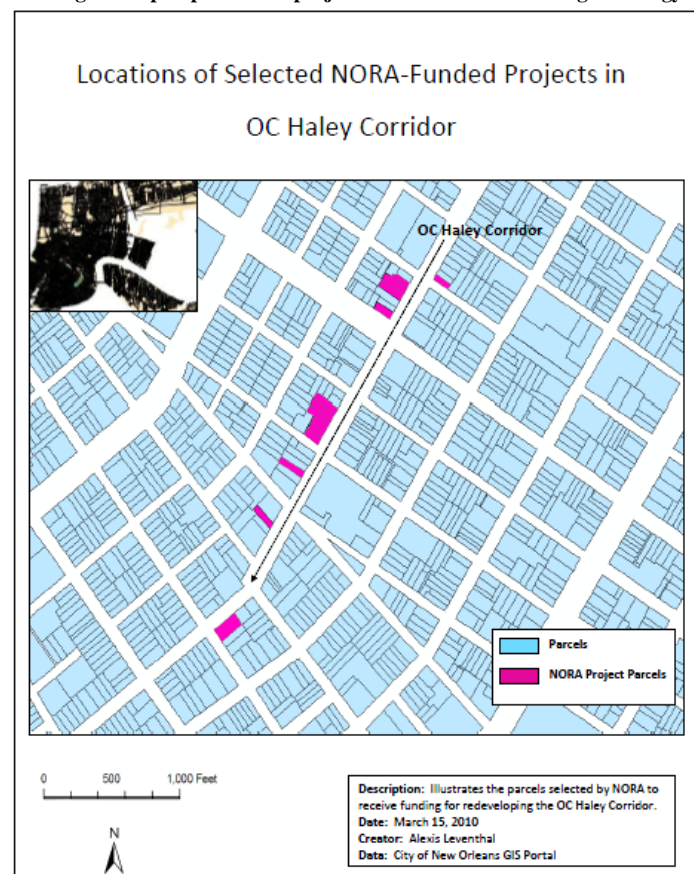
City Council as NORA faces tremendous pressure to maintain the credibility it has achieved. NORA's strategy in Central City illustrates the careful balance NORA is seeking to achieve between revitalizing an area without overstepping perceived boundaries of authority.

## ON THE GROUND: ECONOMIC REVITALIZATION

NORA's strategy for Central City includes two distinct components: facilitating commercial revitalization along the OC Haley corridor and reducing residential blight throughout Central City.<sup>79</sup> The basis of NORA's strategy is the general idea that public resources can be directed and leveraged to trigger private investment and, in turn, revitalize neighborhoods. NORA is in a unique position to have access to such resources and the authority to determine where and to whom such resources should be directed—within the framework set forth by the city. As a result, NORA has developed a plan to revitalize the Central City neighborhood by focusing on the economic development of the

neighborhood's main commercial corridor, OC Haley. Through the use of CDBG funds, NORA has a budget of at least \$2,000,000 for the specific use of commercial development along the OC

Fig. 8: Map of parcels for projects selected for NORA target strategy



<sup>79</sup> Unisa Barrie. Personal Interview. June 16, 2010.

Haley corridor.<sup>80</sup> NORA had set up an application process for individuals to receive grant money, revolving loans, and low interest loans to develop a commercial property along the corridor. Applications were due in February of 2009. According to NORA Project Manager Sam Saia, “The application process is completed and the final financing is wrapping up for ground to break in the coming months.”<sup>81</sup>

NORA has selected fourteen projects along the OC Haley corridor to execute its targeting strategy. The commercial entities include restaurants, various creative arts uses, demographic-specific housing, and retail. The criteria for selecting applicants rested largely from the financial viability of the project and whether the project was deemed to be a positive contribution to the community and current businesses. In essence, projects with unsecured or minimal sources of funding as well as projects that included end uses that were considered undesirable community businesses were less likely to be selected.<sup>82</sup> The geographic clustering of selected projects can be seen in Figure 10.

Each project will receive between \$100,000 and \$500,000<sup>83</sup> to assist with acquisition, architecture and engineering, and public facility improvements.<sup>84</sup> The money provided by NORA is intended to be used as filler for a funding gap, not the main source of funding as projects should be considered viable without the added NORA assistance. A detailed table communicating the specific business, funding amount, and address can be found below

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<sup>80</sup> New Orleans Redevelopment Authority. “Request for Proposals and Notice of Funds Availability for Redevelopment of Commercial Structures on Oretha Castle Haley Corridor.”

<sup>81</sup> Sam Saia. Personal Interview. March 22, 2010.

<sup>82</sup> Sam Saia. Personal Interview. March 22, 2010.

<sup>83</sup> Sam Saia. Personal Interview. March 25, 2010.

<sup>84</sup> NORA Program: Requests for Proposals. “Request for Proposals and Notes of Fund Availability for Redevelopment of Commercial Structure on Oretha Castle Haley Corridor Conduct by New Orleans Redevelopment Authority (NORA).” <<http://www.noraworks.org/rfp/O%20C%20%20Haley%20Commercial%20RFP.pdf>>

**Fig. 9: Table of projects selected for NORA OC Haley targeting strategy**

<b>Project<sup>85</sup></b>	<b>Address</b>	<b>Funding from NORA</b>
Bennett Café	1626-1628 OC Haley Blvd.	\$500,000
Bennachin Restaurant	1817 OC Haley Blvd.	\$100,000
Restaurant, Jazz Club, and Bar	1332 OC Haley Blvd.	\$250,000
Coffee Shop	1618 OC Haley Blvd.	\$100,000
Ashe' Art Park	1712 OC Haley Blvd.	\$349,685
Live Performing Arts Venue, Restaurant and Bar	1427 OC Haley Blvd.	**Financial package undetermined.
Johnson Burkett Senior Housing Cooperative and Mixed Use Facility	1626-1628 OC Haley Blvd.	\$500,000
Café Reconcile	1631 OC Haley Blvd.	\$500,000
Masonic Temple Renovation	1421 OC Haley Blvd.	**Financial package undetermined.
Retail and Goodwork Network Headquarters	2016 OC Haley Blvd.	\$150,000
National Performance Network	1436 OC Haley Blvd.	**Financial package undetermined.
Retail and Mixed Use Facility	1613-1617 OC Haley Blvd.	\$250,000
Commercial Space and NORA Headquarters	1610 OC Haley Blvd.	\$250,000
Mixed Use Facility	1400 OC Haley Blvd.	\$500,000

The overall investment from NORA into the OC Haley Corridor is tentatively well over \$3,000,000—above the budget initially indicated as part of the general application information. Although each financial package is specific to the project, most projects are receiving low interest revolving loans. This financing mechanism will allow NORA to recuperate its funding over time in order to be able to continually invest and reinvest in projects along the corridor eventually building a critical mass and providing a strong economic base for the corridor to become self-sustaining.<sup>86</sup>

<sup>85</sup> NORA Program: Requests for Proposals Request for Proposals and Notes of Fund Availability for Redevelopment of Commercial Structure on Oretha Castle Haley Corridor Conduct by New Orleans Redevelopment Authority (NORA).”

<sup>86</sup> Melissa Ehlinger. Personal Interview. May 10, 2010.

NORA's initial financial commitment is likely to spur revitalization in the Central City neighborhood. Given Galster et. al.'s (1996) assessment of effective thresholds of funding (investment that exceeds a medium expenditure per census tract, e.g. \$20,100 in the Richmond, Virginia case study),<sup>87</sup> NORA's investment is well above that threshold and as such has provided the economic catalyst to see real improvements in the neighborhood such as those measured in the Richmond study (e.g. increased property values). NORA's target area includes six census tracts within Orleans Parish (67, 68, 79, 80, 84, and 85) and investment is anticipated to be beyond the initially designated two million dollars, bringing the average expenditure per census track to over \$300,000 as a low projection.<sup>88</sup> Unlike the Richmond example, however, it is not clear that the tangible benefits such as increased property values would not have some negative effects on the current population residing within the targeted area. Although the OC Haley and Central City neighborhood and the NORA strategy share some of the qualities that minimized the encroachment and impacts of gentrification, the current NORA strategy is vulnerable to the proliferation and adverse effects of gentrification because there is little in the strategy to actively combat this secondary effect.

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<sup>87</sup> Galster, et. al "Targeting Investments for Neighborhood Revitalization." Page 464.

<sup>88</sup> U.S. Census Bureau. American Fact Finder online tool. Accessed May 3, 2010.

<[http://factfinder.census.gov/servlet/TMGeoSearchByListServlet?ds\\_name=DEC\\_2000\\_SF1\\_U&\\_lang=en&\\_ts=292777414544](http://factfinder.census.gov/servlet/TMGeoSearchByListServlet?ds_name=DEC_2000_SF1_U&_lang=en&_ts=292777414544)>



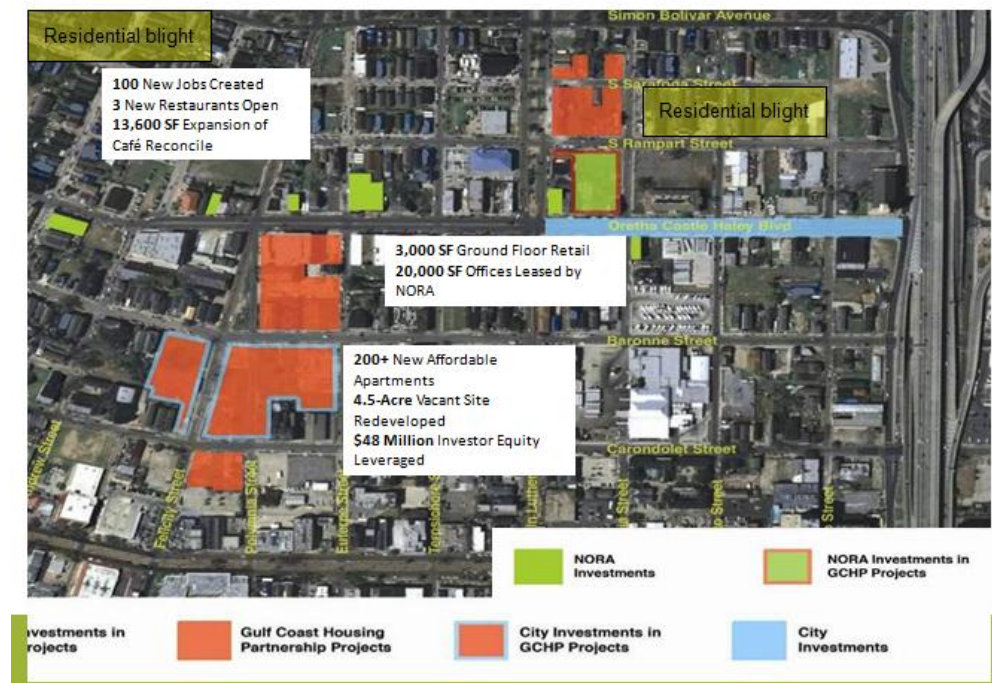
## ON THE GROUND: AFFORDABLE HOUSING

NORA's interests and activities are not limited to the OC Haley corridor nor is NORA the only entity investing in the area. Although NORA is not acting alone and is not investing in the OC Haley corridor as if it is an isolated entity, there is still a concern of future affordability given the trend of

targeting to have on communities. The additional investment is, in fact, geared towards housing and, in many cases, affordable housing. In most cases, NORA is partnering with non- and for-profit entities to produce

Fig. 10: Map of Investments in Central City

### Oretha Castle Haley Boulevard (*IMPACT MAP*)



projects that incorporate affordable housing. NORA has formed partnerships with the City of New Orleans, Gulf Coast Housing Partnership (GCHP), and Jericho Road Episcopal Housing Initiative (Jericho Road) (see Figure 10).<sup>89</sup>

NORA's partnerships are designed to curb gentrification and provide affordable housing options to residents. However, these partnerships must also consider the need to produce profits for the partnering organizations. In the case of Jericho Road, a non-profit faith-based community rehabilitation organization, NORA is providing funding to Jericho Road developers to be, in turn, improved and sold for homeownership to buyers that agree to reside in the property for at

<sup>89</sup> Unisa Barrie. Personal Interview. June 16, 2010.



least 5 years and have a family income equal or less than 30% of Area Median Income (AMI). Jericho Road has completed development on 55 affordable-housing properties in Central City and has begun another housing development to be completed in the next seven months. This housing project, however, will only be one third affordable housing. The remaining two thirds will be split equally between subsidized units and market rate units.<sup>90</sup>

NORA's largest partnership is with GCHP. GCHP is a non-profit development organization that focuses on affordable housing. GCHP funding is largely provided by Housing Partnership Network and Enterprise Community Partners and through partners on a project-based level.<sup>91</sup> These organizations have been major recipients of federal and state monies for redevelopment. On the OC Haley Corridor, NORA has partnered with GCHP in the development of a restaurant, GCHP's and the Neighborhood Development Foundation (NDF) headquarters, several commercial units, and a mixed income/mixed use building including a residential component for senior citizens.<sup>92</sup>

Outside of NORA, GCHP has pursued several residential ventures in Central City including the Venus Garden Apartments and the Muses Apartment Homes. The Venus Garden Apartments include 30 loft-style apartments. Although initially sold at market rate, in late 2009, the units that did not sell were made available at affordable rates to local and visiting artists.<sup>93</sup> The Muses Apartment Homes are nearing the end of the first phase of construction. When completed, this mixed-use project will offer a variety of amenities to the tenants filling the 263

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<sup>90</sup> Unisa Barrie. Personal Interview. June 16, 2010.

<sup>91</sup> Gulf Coast Housing Partnership Homepage <[http://www.gchp.net/about\\_us/](http://www.gchp.net/about_us/)> Accessed June 10, 2010.

<sup>92</sup> Gulf Coast Housing Partnership Venture Portfolio May 2010.  
<[http://www.gchp.net/projects/gchp\\_presentation.pdf](http://www.gchp.net/projects/gchp_presentation.pdf)> Accessed June 10, 2010.

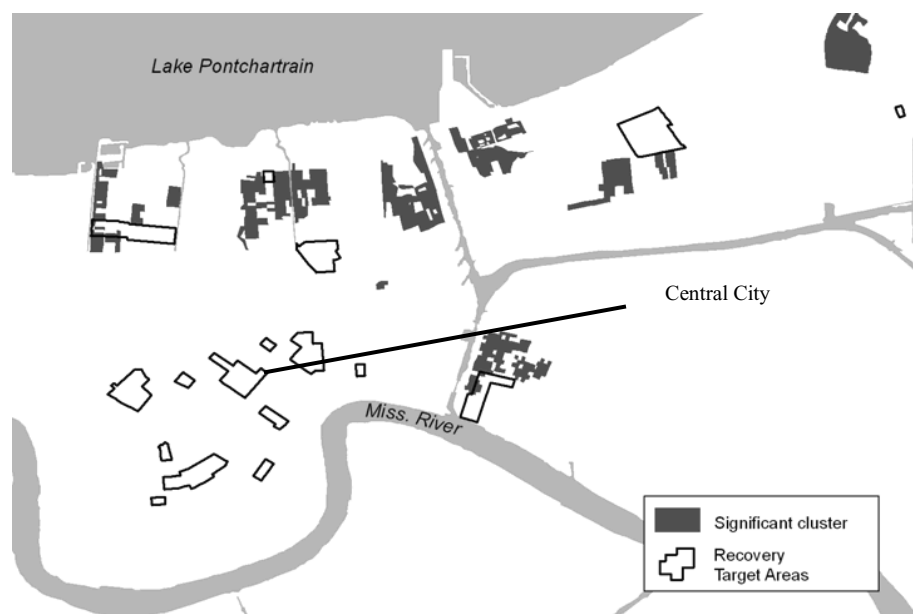
<sup>93</sup> Gulf Coast Housing Partnership Venture Portfolio May 2010.  
<[http://www.gchp.net/projects/gchp\\_presentation.pdf](http://www.gchp.net/projects/gchp_presentation.pdf)> Accessed June 10, 2010.

units, 35% of which will be affordable housing units made available to “qualified working families and singles.”<sup>94</sup>

NORA’s independent efforts in residential areas are aimed at both reducing blight and providing affordable housing through the organization’s Lot Next Door and Real Estate and Land-Banking Mechanism (REALM). The Lot Next Door program allows residents to purchase a NORA-owned property that is located immediately adjacent to a currently owned property.<sup>95</sup> Data is not available as to the number of properties that have been sold under this program in Central City. However, the program falls outside the issue of affordable housing as the properties are market rates and are available only to current home-owners, both requirements are uncharacteristic of individuals qualifying for affordable housing. Under the REALM Program, NORA can “expropriate clusters of blighted

properties on its own in three neighborhoods that had been identified as having large numbers of blighted properties: Central City, St. Roch, and the Lower 9<sup>th</sup> Ward then market the properties to

**Fig. 11: Map of selling clusters showing Recovery Target Areas**



Source: Green and Olshansky , 2009.

<sup>94</sup> Gulf Coast Housing Partnership Venture Portfolio May 2010.  
<[http://www.gchp.net/projects/gchp\\_presentation.pdf](http://www.gchp.net/projects/gchp_presentation.pdf)> Accessed June 10, 2010.

<sup>95</sup> NORA. “Let Next Door.” <<http://www.noraworks.org/Lotnext.htm>> Accessed June 10, 2010.

non-profit developers for low- and moderate-income housing.”<sup>96</sup> As of April of 2009, NORA had secured 75 properties in Central City under the REALM program with the number growing everyday as properties complete the expropriation process.<sup>97</sup>

### **ASSESSING THE IMPACTS: LIKELY OUTCOMES AND FORESEEABLE ISSUES**

NORA is attempting to generate a renaissance for Central City. NORA’s strategy is rooted in focusing investment to create additional investment from other sources, private and public. NORA’s unique authority and capacity to “implement comprehensive neighborhood revitalization plans” put a myriad of pressures on the organization.<sup>98</sup> These pressures are frequently at odds, as is the case between economic development and affordable housing as NORA’s strategy indicates. NORA’s strategy is an attempt to balance these pressures: to revitalize the neighborhood without neglecting affordability, to provide affordability without neglecting the need to provide economic development with an adequate tax base.<sup>99</sup>

This balance is difficult to strike and there is preliminary evidence that affordability is already suffering. Preliminary evidence of this includes the increased price of commercial property values has increased from \$8-9 per square foot to \$14-15 per square foot since 2007.<sup>100</sup> The redevelopment of the C.J. Peete public housing project also illustrates this point as the number of affordable units has substantially decreased and the types of housing units have diversified from 723 units to 410 units (154 public housing; 133 tax credit/mixed income; 123 market).<sup>101</sup> This is also made evident, in part, by the need to decrease the affordable housing

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<sup>96</sup> Green, Timothy and Robert Olshansky. “Homeowner Decisions, Land Banking, and Land Use Change in New Orleans after Hurricane Katrina.” The Lincoln Institute of Land Policy. 2009. Page 25.

<sup>97</sup> NORA Data. Excel File.

<sup>98</sup> NORA Homepage. <[http://www.noraworks.org/post\\_katrina.htm](http://www.noraworks.org/post_katrina.htm)> Accessed June 2, 2010.

<sup>99</sup> Unisa Barrie. Personal Interview. June 16, 2010.

<sup>100</sup> Unisa Barrie. Personal Interview. July 6, 2010.

<sup>101</sup> Quigley, Bill. “Save New Orleans Affordable Housing Fact Sheet.” United Peace Relief. Dec. 23, 2007. <<http://www.unitedpeacerelief.org/Journal/files/448a34e7789c2209a17ef69f1dfd7c4c-54.html>>

components of new residential developments as seen in the Venus Garden Apartments and Muses Apartment Homes. Although NORA is not responsible for the loss of affordable housing in Central City, however, given the need, NORA should respond with greater emphasis on the affordable housing component of its revitalization strategy. One such effort, given NORA's unique authority and capacity, could be the formation of a community land trust.

## **CHAPTER 4: ADDRESSING THE AFFORDABILITY ISSUE**

### **CURRENT OPTIONS**

Ideally, the housing market would respond to the needs of all consumers seeking housing. However, too often, the housing market seeks out the greatest profit and, in turn, focuses on producing housing that is the most lucrative—not affordable housing. Thus the housing market requires intervention. These interventions can be grouped into three distinct categories: rental assistance programs, homeownership assistance programs, and land use and regulatory initiatives. The categories vary in terms of the source from which the housing is provided (the public or private sphere) and the intended recipient of the incentive (the person in need of affordable housing or the person providing the affordable housing).

Rental assistance programs take two basic forms: supply-side rental programs and demand-side rental programs. Supply-side rental programs focus on producing and maintaining housing units that are designated for occupancy by low and moderate-income households. Examples include the public housing program (housing projects built and owned by the government), LIHTC units, and grants and low-interest loans that encourage nonprofits and the private sector to build or rehabilitate affordable rental housing.<sup>102</sup> Demand-side rental programs focus on directly aiding households in affording decent rental housing. Examples include housing vouchers, short-term assistance to households threatened with eviction, and services that help low-income renters search for and find affordable housing in the private sector. Targeted social services associated with providing housing to serve residents with special needs (e.g.

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<sup>102</sup> U.S. Department of Housing and Urban Development Homepage. “Affordable Housing.” <http://www.hud.gov/offices/cpd/affordablehousing/> Accessed February 6, 2010.

homeless people, senior citizens, and people with disabilities) may also be included in demand-side programs.<sup>103</sup>

Homeownership assistance programs can be oriented to both supply-side and demand-side approaches. These programs are aimed to expand access to homeownership.<sup>104</sup> Specific programs include subsidizing the production, improvement, or rehabilitation of for-sale housing units as well as low-interest loans, counseling, and down payment assistance. Federal government programs focus on demand-side initiatives in which homeownership is made more affordable, accessible, and attractive to potential home buyers.

Land use and regulatory initiatives, although quite different from rental and homeownership assistance programs, are potentially more effective at providing long-term affordability and impactful with regards to affecting the largest supplier of housing: the private sector. This is because land use and regulatory initiatives work to curb the behavior of the private market in terms of location, characteristics, and costs.<sup>105</sup> Examples include the creative use of building codes, “fair share” plans in which new, large residential development must include an affordable housing component, inclusionary zoning regulations, growth controls, smart growth policies, and land banking.<sup>106</sup> The last of these, land banking, holds particular promise of improving the affordable housing stock in New Orleans.

New Orleans utilizes all categories of affordable housing tools, but not with the same regularity, frequency, or intensity as compared to each other. The Bureau of Government Research (BGR) has identified and defined the types of affordable housing programs available to

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<sup>103</sup> U.S. Department of Housing and Urban Development Homepage. “Affordable Housing.” <http://www.hud.gov/offices/cpd/affordablehousing/> Accessed February 6, 2010.

<sup>104</sup> U.S. Department of Housing and Urban Development Homepage. “Affordable Housing.” <http://www.hud.gov/offices/cpd/affordablehousing/> Accessed February 6, 2010.

<sup>105</sup> U.S. Department of Housing and Urban Development Homepage. “Affordable Housing.” <http://www.hud.gov/offices/cpd/affordablehousing/> Accessed February 6, 2010.

<sup>106</sup> Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice.” Pages 6 and 7.

New Orleanians,<sup>107</sup> The implementation of the programs described above in New Orleans has largely been left to the Housing Authority of New Orleans (HANO). HANO was a large, deeply troubled housing authority with 8,421 public housing units (79 percent of which were in just nine very large projects) and 9,560 vouchers. According to U.S. Department of Housing and Urban Development figures, 47 percent of HANO's public housing units were vacant in 2005 pre-Katrina. For more than 30 years, HUD had rated HANO as one of the country's worst-performing housing authorities and the agency was under HUD receivership at the time of the hurricane.<sup>108</sup> HANO had allowed decades of neglect and mismanagement to take their toll on New Orleans's public housing stock leaving them in severe distress. The failure of HANO is in part due to the city historically citing public housing projects in low-income neighborhoods, isolating low-income residents from the rest of the city and exacerbating both racial and economic segregation creating pockets of African American, urban, poverty—not unlike what has played out in cities across the United States.

The current programs and incentives for providing affordable housing are not adequate in meeting current affordable housing needs. The GNOCDC predicts, given a continuation of the current housing trends in New Orleans, that in 2012, there will be a surplus of market rate units of 4,156 and a 15,280 shortfall in affordable housing subsidies.<sup>109</sup> Given the interconnectedness of the city's recovery, affordable housing, and residents returning home, alternatives must be aggressively explored and seriously considered. One alternative method that has appeared in New Orleans's past and has proven effective in other cities is the creation of a land trust synonymous with a land bank.

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<sup>107</sup> Bureau of Governmental Research. "Cementing Imbalance: A Post-Katrina Analysis of the Regional distribution of Subsidized Rental Housing." August 2007. Page 4.

<sup>108</sup> Popkin, Susan J., Margery A Turner, and Martha Burt. "Rebuilding Affordable Housing in New Orleans: The Challenge of Creating Inclusive Communities." *After Katrina*. The Urban Institute. January 2006. Page 2.

<sup>109</sup> Plyer, Alison. et. al. "Housing Production Needs: Three Scenarios for New Orleans." Page 19.

Affordable housing is a relationship between housing and people. The goals surrounding affordable housing need to be aimed at maintaining a healthy, sustainable relationship between its components. In keeping with this overarching concept and taking into consideration the economic climate, affordable housing should be oriented for long term affordability in desirable areas, require high-quality construction and design, meet local and regional demands, and be integrated with other development and housing. Current affordable housing programs and policies address some of these concerns, but none are poised to address all of them. There is no silver bullet to combat the lack of affordable housing or the growing need for affordable housing. However, land banking potentially can address a number of the goals affordable housing should be meeting and could be particularly effective in addressing the affordable housing problem in New Orleans.

### **COMMUNITY LAND TRUSTS: ONE MITIGATING STRATEGY**

The rising cost of housing is both a symptom and source of gentrification as it “locally intensifies the growing [affordable housing] crisis in [the United States] and has become significantly worse in the past ten years.”<sup>110</sup> Although increased property values can be viewed as beneficial for a community, it is not always beneficial to the people that first resided within a gentrifying community as it can make the area unaffordable for this population. Collective ownership is one response to gentrification as it addresses the underlying causes and greatest criticism of gentrification: bringing control over the community to those who live within it through ownership. There are several forms of collective ownership including Limited Equity Housing Cooperatives, Mutual Housing Associations, and the recommendation of this thesis to address the affordable housing issue in Central City, Community Land Trusts (CLTs).

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<sup>110</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 88.



HUD defines a land trust or land bank as a governmental or nongovernmental nonprofit entity that focuses on the conversion of vacant, abandoned properties into productive uses.<sup>111</sup> Community land trusts expand upon this basic function to include a greater intended purpose of land trusts which embrace a focus other than that of maximizing profits, such as for providing a community with affordable housing.<sup>112</sup> In the specific case of creating a land trust for the expressed purpose of creating affordable housing units, a group is formed, usually a nonprofit entity, that will provide the organizational structure to hold the land in trust and execute the land trust's purpose. The group then acquires several parcels of land in a targeted geographic area where the land or buildings erected in the future are sold to another party. The building's buyer may be an individual homeowner, a cooperative housing corporation, a nonprofit organization or limited partnership developing rental housing, or any other nonprofit, governmental, or for-profit entity.<sup>113</sup> The owner of any building on the land is given exclusive use of that land through the use of inheritable ground leases that typically extend for 99 years.<sup>114</sup> The dual-ownership enables "the landowner (the CLT) and a building's owner protect the latter's interests in security, privacy, legacy, and equity, while enforcing the CLT's interests in preserving the appropriate use, structural integrity, and continuing affordability of any buildings located upon its land."<sup>115</sup>

Affordability is maintained even if the owner of a building decides to sell his/her structure.

This is made possible through a formula included in the ground lease to calculate the value of the building. Designed to give present homeowners a fair return on their investment, while giving

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<sup>111</sup>US Department of Housing and Urban Development, Homes and Communities, community Planning & Development: Land Banks. <<http://www.hud.gov/offices/cpd/about/conplan/foreclosure/landbanks.cfm>>

<sup>112</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." Chicago: April 2007. Page 2.

<sup>113</sup> .Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." Chicago: April 2007. Page 2.

<sup>114</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." Page 2.

<sup>115</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." Page 2.

future homebuyers fair access to housing at an affordable price. By design and by intent, the CLT is committed to preserving the affordability of housing (and other structures) – one owner after another, one generation after another, in perpetuity.<sup>116</sup>

Also, the CLT can reserve the right of first refusal should a leaseholder decide to sell their unit.<sup>117</sup> In addition to securing affordability, the CLT also takes measures to secure the integrity of the physical and financial integrity of the structure. The ground lease requires the owner to occupy the structure and maintain “responsible use of the premises.”<sup>118</sup> The CLT maintains the right to step in and force improvements on any building that falls into disrepair. The CLT can also interfere should property owners default on their mortgages, forestalling foreclosure and maintaining the initial terms of the lease.<sup>119</sup> The CLT provides the necessary safeguards to maintain affordability without compromising structural integrity, quality, or financing. Although successful CLTs have clear and impactful benefits, creating a successful CLT is complicated and the process must tackle numerous obstacles.

According to the National Community Land Trust Network, creating a land trust follows the general pattern of developing a rationale, identifying sponsorship, defining a service area, developing an organization to hold the land, deciding on a housing development strategy, and securing funding. Each of these steps is described briefly in the table below and elaborated on with regards to the specific case of NORA and Central City in a later subsection.

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<sup>116</sup> Davis, John Emmeus “Starting a Community Land Trust: Organizational and Operational Choices.” Page 2.

<sup>117</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 93.

<sup>118</sup> Davis, John Emmeus. “Starting a Community Land Trust: Organizational and Operational Choices.” Page 10.

<sup>119</sup> Davis, John Emmeus. “Starting a Community Land Trust: Organizational and Operational Choices.” Page 10.

**Fig. 12: Table of Steps to Form a CLT**

<b>Step</b>	<b>Definition<sup>120</sup></b>
Rational	Balance, as defined by the specific goals of the CLT, between the individual and community benefits created from the dual-ownership model. This balance can be aimed at a variety of goals. Examples of what balance may look like for specific CLTs include: Developing communities without displacing people; Retaining the public's investment in affordable housing; Perpetuating the affordability of privately owned housing
Sponsorship	The entity that provides the impetus for a new CLT and plays the leading role in getting it organized. Sponsorship can come from grassroots activists, public officials, other nonprofit organizations, or private employers.
Service Area	CLTs are place-based organizations. They develop their projects and draw their members from a community that is geographically defined. This service area may be small or large, urban or rural. It may encompass a single neighborhood, several neighborhoods, an entire city, an entire county, or, in a few cases, a multi-county region.
Organization and Education	Building and educating the base that will support the CLT. Key constituencies include: (1) the community of individuals and institutions that call the CLT's service area their home; (2) nonprofit organizations serving the same population as the CLT; (3) governmental agencies to whom the CLT must look for project funding, regulatory approvals, and equitable taxation; (4) private lenders and donors on whom the CLT must depend for mortgage financing and operating support; and (5) housing professionals on whom the CLT must depend for legal advice, accurate appraisals and development expertise. Three strategies of where to start organizing and educating these groups include Community organizing, Core Group organizing, and Resource organizing.
Development	The strategy implemented to bring land and housing into their price-restricted domain of permanent affordability. Several strategies exist including: CLT-initiated development, Buyer-initiated acquisition, Developer-initiated projects, Stewardship programs with partners doing all development, Municipally-initiated projects, municipally-mandated units (inclusionary housing), and PHA-divested housing.
Funding	CLTs need funding for project and operational costs. Successful CLTs take at least three years to become financially sustainable. Project funds are needed for: land acquisition, pre-development feasibility, architectural design, site preparation, infrastructure development, construction of residential (or commercial) structures, rehabilitation of residential (or commercial) structures, down-payment assistance for first-time homebuyers, and permanent financing for first-time homebuyers or for the nonprofit (or for-profit) buyers of residential or commercial structures on leased land.

<sup>120</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices."

## **CASE STUDIES: BURLINGTON, VERMONT and ESCAMBIA COUNTY, FLORIDA**

Although the benefits of successful CLTs are numerous and well-aligned to the mission of NORA and needs of Central City, CLTs can have mixed success. The Burlington Community Land Trust (BCLT) illustrates the positive impact communal ownership can have on rising property values while the Escambia County Community Land Trust (ECCLT) illustrates the inability for a land trust to navigate the obstacles that arise in organizing, funding, and operating a CLT.

The BCLT is perhaps the most well-known and successful land trust in the United States. In the 1980s, the cost of renting and owning housing was growing about twice as fast as average incomes in Burlington, Vermont. This rapid growth coupled with a city government brought into power by affordable-housing advocates provided the context for the creation of the BCLT. In 1984, focused on preserving affordable housing in Burlington's rapidly gentrifying North End District and community development, the BCLT was incorporated. The newly incorporated land trust received funding through the city government and through CDBG funds as well as through some creative funding sources such as the Burlington Employees Retirement System.<sup>121</sup> The BCLT embraced the standard governing organization represented by one-third leaseholders, one-third representatives from community organizations, and one-third at-large community members. The board is elected by the membership which includes all leaseholders and anyone from the at-large community that pays the \$1 membership fee.<sup>122</sup>

The BCLT is meeting its goals of developing an area and maintaining affordability. As of 2004, the BCLT had about 500 units of housing on its land, half being owner-occupied and half rental or mutual housing. In addition, the BLCT had grown the uses of its land to include

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<sup>121</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 93.

<sup>122</sup> DeFillippis, James. Unmaking Goliath: Community control in the Face of Global Capital. Page 93.

community centers, family emergency centers, special needs housing, and single-room-occupancy (SRO) housing for single people with very low incomes—providing not just housing, but job opportunities and goods and services to support this community.<sup>123</sup> Although the BCLT continues to grow in size and scope, it has maintained affordability for Burlington’s low-income residents. Since its beginnings in 1984 through 2002, the BCLT has added 247 units with 97 units changing owners through resale (see Figure 12) and affordability has only increased (the average BCLT was affordable to a household earning 62% AMI and on resale was affordable to a household earning 57% AMI).<sup>124</sup>

**Fig. 13: Table of BCLT Unit Portfolio 1984-2002**

	Houses Added to BCLT Portfolio	Condominiums Added to BCLT Portfolio	Units Added to BCLT Portfolio	Units Removed from BCLT Portfolio	Cumulative Total	Resales Houses & Condos	Foreclosures** Houses & Condos
1984	1	0	1		1	0	0
1985	3	2	5		6	0	0
1986	5	0	5		11	0	0
1987	0	2	2		13	0	0
1988	1	0	1		14	1	0
1989	3	0	3		17	1	1
1990	8	1	9		26	0	0
1991	12	3	15		41	1	0
1992	10	23	33		74	2	0
1993	3	13	16		90	2	0
1994	14	15	29		119	5	1
1995	13	18	31		150	7	0
1996	10	3	13	1 Condo	162	7	0
1997	6	4	10		172	12	0
1998	11	2	13	9 Condos	176	10	2
1999	15	7	22	2 Condos	196	10	1
2000	5	2	7		203	14	0
2001	9	6	15		218	10	2
2002	9	20	29		247	15	0
Totals	138	121	259	12	247	97	7

\* Included in the BCLT’s portfolio of single-family, owner-occupied housing -- but NOT included in this year-by-year count of houses and condominiums -- are eight limited-equity cooperatives (containing a total of 129 units) and nineteen condominiums developed by another nonprofit for which the BCLT acts as the steward of affordability, using a resale formula **not** comparable to the standard formula used by the BCLT in its other owner-occupied housing.

\*\* Cases of material default resulting in the transfer of a home’s ownership via foreclosure or deed-in-lieu-of-foreclosure. Despite foreclosure, **none** of these seven homes were removed from the BCLT’s portfolio. They are contained within the cumulative total of 247 units that remain in the BCLT’s portfolio.

<sup>123</sup> DeFillippis, James. *Unmaking Goliath: Community control in the Face of Global Capital*. Page 94.

<sup>124</sup> Davis, John Emmeus and Amy Demetrowitz. “Permanently Affordable Homeownership: Does the Community Land Trust Deliver on Its Promise? A Performance Evaluation of the CLT Model Using Resale Data from the Burlington Community Land Trust.” May 2003. Page 2.

The BCLT is only one of 243 operating land trusts in the United States, but not all of these land trusts experience the same success as what has been seen in Burlington.<sup>125</sup> The case of the land trust in Escambia County, Florida illustrates the obstacles that land trusts must overcome and, in the case of the ECCLT, are not able to. High operation costs and unbalanced or unorganized internal structure are issues all land trusts must navigate. However, these issues can become overwhelming and land trusts can fail to address them and, in turn, fail themselves especially when corruption influences how these issues are addressed. In 2003, the ECLT was formed as a non-profit organization aimed at providing affordable housing through entrepreneurship-centered economic development. The ECLT was formed in response to a series of studies completed in 2000 that identified five neighborhoods in the city of Pensacola, Florida as having a “dire need for affordable housing and jobs.”<sup>126</sup>

The first of the ECCLT’s problems was the structure of the non-profit organization. John Wyche formed the ECCLT with local entrepreneurs, Marvin Ginns and Oliver Darden. Wyche served as the head of the organization, overseeing a board varying from five to nine members mostly chosen by Wyche.<sup>127</sup> In addition, the financial activities of the trust were not made readily available to the public or to the governing board. This structure enabled corruption as the issue of maintaining the affordability of the land trust intensified. The ECCLT’s affordable housing initiative had three components: purchasing a 144 low-income apartment complex, constructing 35 to 50 single-family homes, and creating a charter school from a local public school.<sup>128</sup> The apartment complex quickly became too expensive to operate (more than \$10,000

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<sup>125</sup> Community Land Trust Network. Homepage.

<<http://www.cltnetwork.org/index.php?fuseaction=Main.MemberList>> Accessed July 2, 2010.

<sup>126</sup> Lawther, Wendell C. “Affordable Housing: Community Land Trusts.” The UCF Team, Department of Public Administration. March 14, 2005. Page 4.

<sup>127</sup> Wenosky, Kris. “Lund Trust Probe Deepens: Two Accused of ‘Robbing Peter to Pay Paul.’” PNJ.com. July 12, 2009.

<sup>128</sup> Wenosky, Kris. “Lund Trust Probe Deepens: Two Accused of ‘Robbing Peter to Pay Paul.’”

per month) and monies designated for the charter school began to be diverted into the affordable housing projects and, eventually, into projects outside of the land trust—at the direction of Wyche. After an internal School District audit in 2008, the ECCLT quickly began to dissolve and today, exists only in name. Although deceit and greed catalyzed the ECCLT’s failures, underlying these problems was the inability to overcome problems common to operating a CLT. With proper oversight, clear internal operating guidelines, realistic vision, and appropriate funding, CLTs can be successful and should be employed in creating a CLT in Central City.

### **ST. TAMMANY PARISH: LOUISIANA’S FIRST CLT**

On November 6, 2008, the St. Tammany Parish Council approved an ordinance that set the framework for the creation of a CLT. The ordinance grants the Office of the Parish President to enter into agreements with local and state agencies that have title to residential properties as well as with non-profit agencies for the expressed purpose of creating a CLT that is aligned with the Parish’s guiding development plan, the Redevelopment and Disposition Plan.<sup>129</sup> Through this authority, St. Tammany Parish identified an existing non-profit agency, the Northshore Housing Initiative (NHI), to be a CLT. This is the first land trust to be created in the state of Louisiana and is being used as a tool to help address the growing gap between increased housing prices and incomes by providing affordable housing.

St. Tammany’s CLT is newly created and has not begun providing the community with affordable housing. Although the CLT is very new, being a first for Louisiana, it provides an opportunity for understanding this relatively obscure affordable housing mechanism. Once St. Tammany provided the legal framework within the parish to allow for a CLT the first challenge included forming or finding an organization to serve as the CLT. NHI was an established non-profit with a mission aimed at providing affordable housing. For these two reasons, with a few

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<sup>129</sup> St. Tammany Parish Council Ordinance 3973. November 6, 2008.

changes to NHI's by-laws including a board of directors shaped in the classic CLT model, the organization was designated the CLT. The next task was to secure funding. So far, funding has not been an issue as NHI already has an operating budget and St. Tammany has committed \$50,000 for the next three years, however, operating costs for the land trust are nothing as NHI does not yet operate any affordable housing units.<sup>130</sup> The lack of land, however, is a major obstacle facing NHI.

Originally, NHI was to have land donated to it by the Louisiana Land Trust (LLT). The lots the LLT decided to donate were largely in the eastern area of St. Tammany Parish—an area in danger of severe flooding. In response, a deal was struck between the Parish, the NHI, and the LLT for there to be a public auction of all the lots held by the LLT and that NHI have funds available to purchase land for its first development.<sup>131</sup> The auction is scheduled for July 17<sup>th</sup>. NHI is looking to purchase lots located largely in Mandeville due to its second obstacle: concern that St. Tammany Parish will not embrace the land trust form of ownership.<sup>132</sup> Mandeville has been selected because it has some of the highest land costs in St. Tammany Parish and a working class population that is finding it increasingly difficult to achieve homeownership. The current site NHI hopes to attain will accommodate 20-24 units of affordable housing. NHI does not intend to stay solely in Mandeville, however.

St. Tammany's CLT is designed to grow. The CLT is set up to operate in a five parish area and NHI is already planning on expanding to Tangipahoa Parish in 2011.<sup>133</sup> NHI is also interested in being involved with a CLT in New Orleans. NHI has not articulated the ways in which it would be involved but is motivated to be involved because of its view that there needs

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<sup>130</sup> Clary, Maureen. Email Correspondence. July 7, 2010.

<sup>131</sup> Clary, Maureen. Email Correspondence. July 7, 2010.

<sup>132</sup> Clary, Maureen. Email Correspondence. July 7, 2010.

<sup>133</sup> Clary, Maureen. Email Correspondence. July 7, 2010.



to be regional or statewide standards and best practices for all CLTs or there will be renegade organizations that will impact the reputation and viability of all CLTs.<sup>134</sup> NHI has made it clear, however, that CLTs provide long-term affordability, that it will need community support to have long-term success, and that it needs financial and regulatory assistance from the government to begin achieving its affordable housing goals. These lessons are important for a viable CLT to be created in Central City.

### **CURRENT EFFORTS: CENTRAL CITY and the LOWER 9<sup>th</sup> WARD**

NORA is familiar with the CLT model and is currently in the process of formulating two pilot land trusts in New Orleans. The first of these projects is a commercial land trust along the OC Haley corridor and the other is a housing land trust located in the Lower 9<sup>th</sup> Ward.<sup>135</sup> The two pilot CLTs are being implemented to explore their viability and reproducibility in New Orleans.<sup>136</sup> The commercial land trust in Central City would not only be the first commercial land trust in New Orleans, but the first commercial land trust formed in the country. Although the Central City CLT is for commercial purposes, many of the same issues and questions that face residential CLTs are arising. A webinar with the National CLT Network identified these issues: subsidy resources, competition, strategic partnerships, organization structure, staffing responsibilities, operating revenue, and sustainability.<sup>137</sup> The CLT continues to make progress and some strategic decisions have been made with regards to the commercial focus on “Main

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<sup>134</sup> Clary, Maureen. Email Correspondence. July 7, 2010.

<sup>135</sup> Brown, Michael. Personal Interview. July 15, 2010.

<sup>136</sup> Brown, Michael. Personal Interview. July 15, 2010.

<sup>137</sup> National Community Land Trust Network. Webinar. April 16, 2010.

<[http://www.cltnetwork.org/doc\\_library/p313-Commercial%20Webinar%20Presentation%20v7.pdf](http://www.cltnetwork.org/doc_library/p313-Commercial%20Webinar%20Presentation%20v7.pdf)> Accessed June 11, 2010.

Street” locations, dedicated to preserving commercial properties, utilizing commercial ground leasing, and emphasizing businesses stewardship.<sup>138</sup>

In a presentation by NORA at a Board of Commissioners meeting other decisions were shared with regards to the commercial CLT: funding was announced to come in part by recipients of OC Haley corridor revitalization monies in the form of dues to the forming CLT, the CLT would be set-up to “reinvest into projects such as acquisition, streetscape, and façade improvements along the boulevard,” and that NORA and other City and community leaders would appoint an independent seven-member Board of Directors.<sup>139</sup> In addition to these decisions, an organization operating as the CLT, the Crescent City Land Trust, Inc., could be created as soon as by the end of July 2010.<sup>140</sup> Decisions still need to be made about the population targeted by the CLT and the specific dispersal of benefits between initial participants and long-term program goals.<sup>141</sup>

The other pilot CLT is taking place in the Lower 9<sup>th</sup> Ward. With some changes to the organizations bylaws, the Neighborhood Empowerment Network Association (NENA) is taking on the role of the CLT. Housing is relatively already affordable in this area, so the CLT is taking on a different function: ensuring continued neighborhood control. The CLT is working to curb speculation, to prevent against absentee tenants and/or landlords, and limit the displacement of the neighborhood’s current residents.<sup>142</sup> Like the commercial CLT, NENA is still working out the specifics of how the land trust will balance community and individual benefits. While these

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<sup>138</sup> National Community Land Trust Network. Webinar. April 16, 2010. <[http://www.cltnetwork.org/doc\\_library/p313-Commercial%20Webinar%20Presentation%20v7.pdf](http://www.cltnetwork.org/doc_library/p313-Commercial%20Webinar%20Presentation%20v7.pdf)> Accessed June 11, 2010.

<sup>139</sup> Board of Commissioners Meetings. April 13, 2009. NORA Presentation. <<http://www.noraworks.org/minutes/April%20Board%20of%20Commissioners%20Meeting.pdf>> Accessed June 11, 2010.

<sup>140</sup> Brown, Michael. Personal Interview. July 15, 2010.

<sup>141</sup> Brown, Michael. Personal Interview. July 15, 2010.

<sup>142</sup> Brown, Michael. Personal Interview. July 15, 2010.

details are worked out, NENA has begun to acquire properties through NORA and is looking to develop several housing units.

These two pilot projects are just one component of a larger process of bringing the CLT model to New Orleans. Several municipal agencies, philanthropic agencies, and planning efforts have expressed an interest in the general concept of CLTs in New Orleans, including the Ford Foundation, NORA, the CCRA, the Master Plan, and various other community organizations and municipal agencies. The pilot projects are part of the business planning phase of bringing CLTs to New Orleans which also includes another component focused on growing the CLT model in New Orleans. Participants in the business planning phase are exploring growing both residential and commercial CLTs through grassroots efforts, the public sector, and non-profits.<sup>143</sup> The desire to grow CLTs is an opportunity that could prove the appropriate impetus, in addition to the existing need for affordable housing in Central City, for NORA to establish a residential CLT in this neighborhood.

### **COMMUNITY LAND TRUSTS, NORA, AND CENTRAL CITY**

Forming a CLT would address many of the shortcomings that face NORA's current strategy. NORA's approach potentially creates disparity between the improvement of Central City and the improvement of the people that live in Central City. The CLT would address this disconnect in that it creates real benefits from both individuals and the community by preserving affordability, retaining community wealth, and enhancing residential stability while also expanding individual homeownership, creating individual wealth, and enabling residential mobility.<sup>144</sup> A CLT would also maintain long-term and diverse affordability.

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<sup>143</sup> Brown, Michael. Personal Interview. July 15, 2010.

<sup>144</sup> David, John Emmeus and Amy Demtrowitz. "Permanently Affordable Homeownership: Does the Community Land Trust Deliver on Its Promise? A Performance Evaluation of the CLT Model Using Resale Data from the Burlington Community Land Trust." May 2003. Page 9.

Currently NORA only has restrictions for first time homeowners—these restrictions do not extend to resale transactions. Although first-time homeowners must meet an affordability criteria based upon a percentage of AMI and agree to occupy the home for at least five years, there is no restriction on the individual(s) who would potentially purchase this home from the original homebuyer(s) nor are there any restrictions on what the original homeowner(s) can sell their property for.<sup>145</sup> In addition, the current restriction on first-time homebuyers dictates that they make 30% of AMI.<sup>146</sup> Although this extends affordability to households with very low incomes, a CLT provides a greater range of affordability by requiring potential homeowners to have a greater range of incomes, albeit still below a set percentage of AMI.<sup>147</sup>

Furthermore, the formation of a CLT is in keeping with the city of New Orleans' Master plan. The Master Plan encourages the creation of community based ownership for the purpose of promoting affordable housing and green space and identifies NORA along with the City Planning Commission and other unspecified neighborhood groups to lead this initiative.<sup>148</sup>

There is no lack of rationale for creating a CLT in Central City. There are, however, decisions to be made with regards to specifics of the CLT as well as obstacles to overcome in following through with those decisions. Following the framework set forth by the Community Land Trust Network, decisions need to be made with regards to rational, sponsorship, service area, education and organizing, development and funding. It is not the recommendation that NORA be the sole party responsible for creating, implementing, and operating a CLT, but that NORA is one partner supporting these actions by incorporating a CLT into its strategy for revitalizing Central City.

The table below summarizes the CLT envisioned for Central City.

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<sup>145</sup> Unisa Barrie. Personal Interview. June 16, 2010.

<sup>146</sup> Unisa Barrie. Personal Interview. June 16, 2010.

<sup>147</sup> David, John Emmeus and Amy Demtrowitz. Page 6.

<sup>148</sup> Plan for the 21<sup>st</sup> Century: New Orleans 2030. Vol. 2. Ch. 5. "Neighborhoods and Housing." Pages 5.9 and 5.24.

**Fig. 14: Table of Steps to Form a CLT in Central City**

<b>Step</b>	<b>Application in Central City</b>
Rational	Developing communities without displacing people.
Sponsorship	NORA would work closely with an identified existing non-profit that would eventually take on the operations of the CLT such as the Central City Housing Development Corporation.
Service Area	Focus initially on Central City, however, leave room for growth or for partnering with other non-profits in other neighborhoods. The issue of affordable housing is not unique to Central City and the implementation of a CLT may prove to be a model worth replicating. In addition, NORA has similarly vested interests in neighborhoods throughout New Orleans as it does in Central City.
Organization and Education	Core Group organizing will expedite the formation of a CLT, increase the CLT's credibility, and borrowing capacity. NORA, neighborhood organizations including the CCRA and OC Haley Merchants Association, consultants from Burlington Associates, non-profit developers (GCHP), city planning department official, and city council representatives would comprise the core group.
Development	The CLT would likely adopt the municipally-initiated project strategy developing parcels made available to it through NORA. The CLT could also allow for some of the parcels to be developed as market-rate units if desired.
Funding	Funding could come from untapped state and federal resources. Initial costs may be minimized if NORA donated properties and using an existing non-profit.

The rational for a CLT in Central City has been echoed throughout this thesis. Given NORA's existing mission and on-going strategy in Central City, the rationale of a CLT initiated by NORA would target a diverse population with regards to income and would emphasize the need to revitalize the area, not just develop affordable housing. In short, NORA would be seeking balance between developing Central City and retaining current residents by providing adequate and long-term affordable housing options.

The neighborhood size CLT would be most appropriate for NORA's goals as it would complement the current targeting strategy already occurring in the Central City neighborhood. However, NORA should consider expanding from Central City as it has properties all over New Orleans and affordable housing is a city-wide issue particularly if there are existing CLTs

seeking to work within New Orleans, such as NHI. Traditionally, CLTs have focused on one neighborhood. These CLTs make up 25% of all CLTs in operation today.<sup>149</sup> CLTs can focus on geographic areas that extend to an entire metropolitan area or even to a region (as large as one or several counties). Larger geographic areas are most appropriate for more rural place, but for urban settings there are many advantages for a CLT to focus its mission on a single or a few neighborhoods. Benefits of this smaller focus include a lower cost of operation, a commitment to neighborhood revitalization, and increased landlord presence, among others.<sup>150</sup>

Although NORA could potentially serve as the CLT, government agencies infrequently take on this role. Non-profit organizations make up most CLTs because the agency is able to focus on a charitable purpose and has access to a wide range of funding sources, among other advantages. In light of this, NORA's role in the formation of the CLT will be both significant and unique, but not serving as the CLT. NORA's obligation to both eradicate blight and return properties back to the city's payrolls makes a CLT a natural option for the organization to pursue. NORA has control over thousands of blighted properties it needs to have put back into commerce. The CLT is in need of property and would put these properties back into commerce. A reciprocating relationship between the CLT and NORA could include NORA selling or donating properties it controls in Central City to the CLT. Many CLTs do not have properties that sit adjacent to each other, rather the properties are located randomly in a defined geographic area, such as the size of Central City. Thus, NORA would have flexibility in deciding which properties the agency would like to give to the CLT to make it the most viable and which properties it would like to keep for future redevelopment plans. The creation of a residential

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<sup>149</sup> Davis, John Emmerus. "Starting a Community Land Trust: Service Area." Burlington Associates: 2007. <http://www.cltnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=106>Page 3.

<sup>150</sup> Davis, John Emmerus. "Starting a Community Land Trust: Service Area." Burlington Associates: 2007. <http://www.cltnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=106>Page 6.

CLT is not just a great opportunity for Central City, it is a great opportunity for NORA. To further ensure that NORA also benefited in its relationship with the CLT, NORA would sit on the board of the CLT and would have oversight in seeing that properties were rehabilitated and put back into commerce.

Development is a significant obstacle for creating a successful CLT in Central City. Ideally, NORA would donate properties it holds title to in Central City to the CLT. The CLT would, in turn, develop the property or seek out another non-profit developer, such as GCHP with experience in the area, who would rehabilitate the property or even build something new at which point the CLT would ensure the long-term affordability of the parcel. The issue of internal conflict arises when considering that the properties controlled by NORA in Central City, should property values continue to increase, could become very valuable pieces of property that could be sold at market-rates. Choosing to make available its resources to the CLT, namely with regards to providing the CLT with parcels of land in Central City, could prove to be in direct conflict with NORA's future interests with these properties. The types, condition, and price of properties NORA would potentially donate or sell to the CLT would need careful consideration.

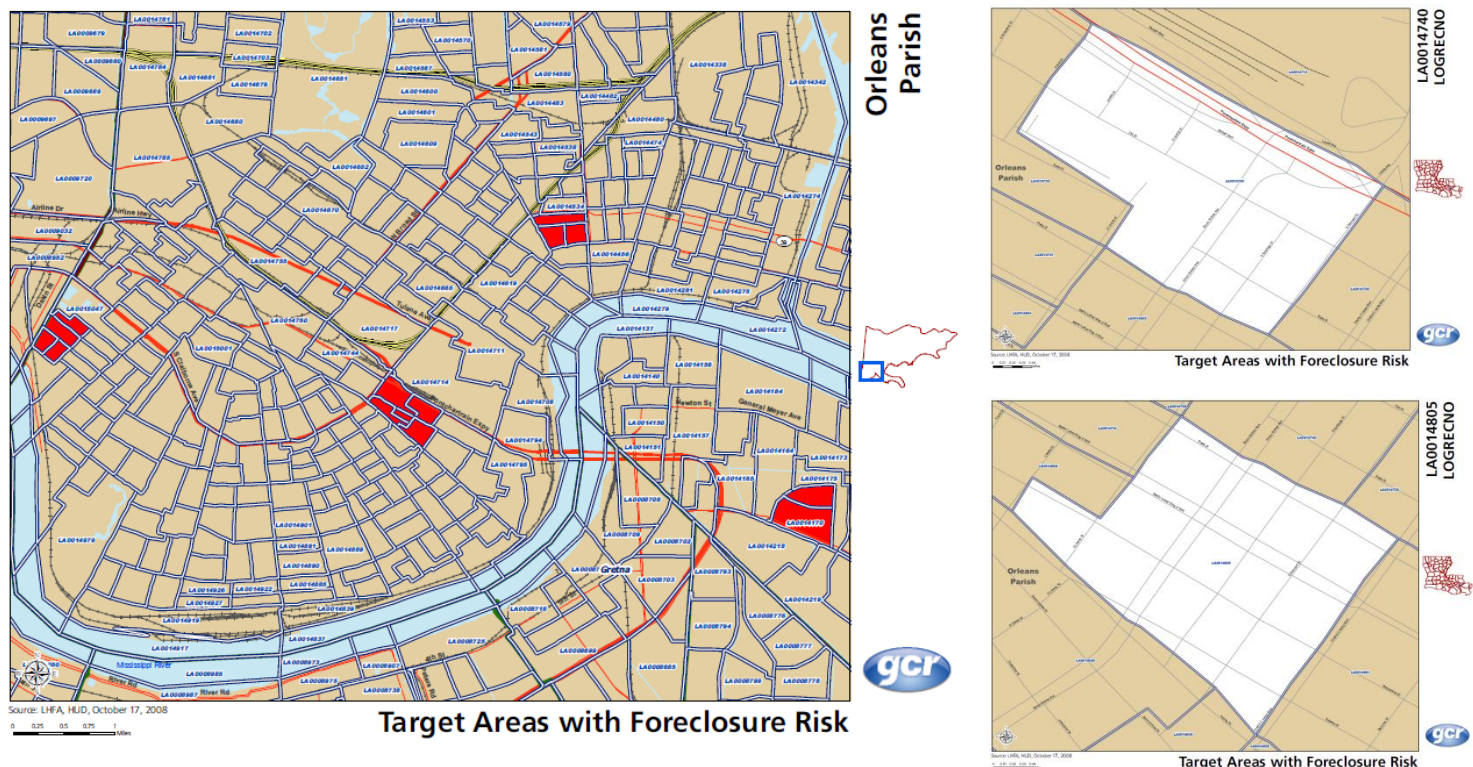
Funding remains a formidable challenge in formulating successful CLTs. Money is not only needed to acquire land and properties, it is also needed to repair and maintain properties, a particularly expensive task given the widespread blight in Central City. In addition, CLTs generally take at least three years to become financially sustainable and often CLTs require continued outside funding depending on its affordability goals.<sup>151</sup> However, even if NORA or the designated non-profit cannot financially contribute to the CLT, funding sources do exist that could potentially sustain the CLT.

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<sup>151</sup> Davis, John Emmeus. "Starting a Community Land Trust: Organizational and Operational Choices." CLT Network. <<http://www.cltnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=106>> Accessed July 2, 2010.

In response to the impact of mortgage foreclosures and declining property values in much of the country, Congress has appropriated \$3.92 billion under the Housing and Economic Recovery Act (HERA) of 2008 in US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) monies.<sup>152</sup> HUD has developed the Neighborhood Stabilization Program (NSP) and the procedures for allocating monies to the states and communities with the main focus of this program to return abandoned or foreclosed homes back into commerce. HUD has allocated \$34,183,994 in grant funds to the State of Louisiana and the Louisiana Office of Community Development (OCD) will receive the allocated grant funds.<sup>153</sup> The OCD has designated the Louisiana Housing Finance Agency (LFHA) as the lead agency in distributing and monitoring the expenditures of these funds

**Fig. 15: Maps of Target Areas with Foreclosure risk**



<sup>152</sup> State of Louisiana Division of Administration. Jul 1, 2009 thru Sep 30, 2009 Performance Report. <[http://www.doa.louisiana.gov/cdbg/DR/NSP/July\\_Sept%202009%204YQ.pdf](http://www.doa.louisiana.gov/cdbg/DR/NSP/July_Sept%202009%204YQ.pdf)>

<sup>153</sup> State of Louisiana Division of Administration. Jul 1, 2009 thru Sep 30, 2009 Performance Report. <[http://www.doa.louisiana.gov/cdbg/DR/NSP/July\\_Sept%202009%204YQ.pdf](http://www.doa.louisiana.gov/cdbg/DR/NSP/July_Sept%202009%204YQ.pdf)>



according to the guidelines outlined by HERA. Pre-applications have been received, and Request for Proposals have been submitted and 23 grantees determined in April 2009.<sup>154</sup>

Given the intent of the NSP and the limited resources for this program, it has been determined it is in the best interest to designate a small area of concentrated need as the area of greatest need—a targeting strategy. The Central City neighborhood is one of four areas that have been targeted to receive a portion of NSP monies (see Figure 15). Funding is to be spent on eleven projects listed below, including a program specifically focused on creating land banks (see Figure 16). Orleans Parish has been designated \$2,302,208 for implementing appropriate NSP programs and has awarded the money to four entities (see Figure 17).<sup>155</sup>

Finding funding to initiate a land bank is a serious impediment. However, \$467,074 of the Orleans Parish NSP monies has not been spent and, as of September 30, 2009, none of the \$2,000,000 in state funding earmarked for Land Banking Assistance has been spent.<sup>156</sup> This money may provide some of the funding needed to form a land bank in Central City. Although it is not known how much money would be required to begin a land trust, some of the costs of pursuing this affordable housing in Central City may be frayed due to NORA's current ownership of at least 75 properties in Central City. Thus, money would not be needed for property acquisition, but for maintenance and property improvements and subsidizing the cost of the homes to make them affordable to lower-income residents.

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<sup>154</sup> State of Louisiana Division of Administration. Jul 1, 2009 thru Sep 30, 2009 Performance Report. <[http://www.doa.louisiana.gov/cdbg/DR/NSP/July\\_Sept%202009%204YQ.pdf](http://www.doa.louisiana.gov/cdbg/DR/NSP/July_Sept%202009%204YQ.pdf)>

<sup>155</sup> Louisiana Neighborhood Stabilization Program (NSP) Recommended Awards 2009 Summary. <[http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards\\_040909.pdf](http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards_040909.pdf)>

<sup>156</sup> Louisiana Neighborhood Stabilization Program (NSP) Recommended Awards 2009 Summary. <[http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards\\_040909.pdf](http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards_040909.pdf)>

**Fig. 16: Table of NSP Funded Projects**

<b>Project #</b>	<b>Project Title</b>
301	Rental Housing Development
400	Land Banking Assistance
BCKT	Bucket Project
200	Homeownership Development
500	Homebuyer Counseling
201	Homehowernship—120% AMI or Below
101	LHFA's Administration
100	OCD Administration
300	Rental—25% Set Aside 50% AMI or Below
9999	Restricted Balance
600	Homebuyer Bond Program

**Source:** State of Louisiana Division of Administration. Jul 1, 2009 thru Sep 30, 2009 Performance Report.  
<[http://www.doa.louisiana.gov/cdbg/DR/NSP/July\\_Sept%202009%204YQ.pdf](http://www.doa.louisiana.gov/cdbg/DR/NSP/July_Sept%202009%204YQ.pdf)>

**Fig. 17: Table of LHFA Awardees and Award Amounts**

<b>Grantee</b>	<b>Amount Awarded</b>
Gulf Coast Housing Partnership RD-15	\$500,000
Enterprise Corporation HD-13	\$1,078,000
New Orleans Neighborhood Development Collaborative HD-21	\$217,134
Neighborhood Housing Service HB-02	\$40,000

**Source:** Louisiana Neighborhood Stabilization Program (NSP) Recommended Awards 2009 Summary.  
<[http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards\\_040909.pdf](http://www.lhfa.louisiana.gov/downloads/neighborhoodStabilization/NSPProceduresforAllocationofFundsAttachmentB2009NSPAwards_040909.pdf)>

## **CHAPTER 5: CONCLUDING REMARKS**

### **CONCLUSIONS**

NORA's strategy and the more general trend of neighborhood revitalization rely on the infusion of investment into a defined and relatively contained geographical area to, in turn, spur additional investment from the private market and other sources. This strategy makes sensible use of limited resources, but is not without its weaknesses and negative effects. However, there are methods of addressing these weaknesses and negative effects especially if the impacts can be anticipated and planning is proactive. In the case of NORA and the OC Haley corridor and Central City neighborhood, the neighborhood is attracting addition investment and will continue to do so. However, there are few safeguards in place to counteract the negative effects of gentrification and protect the general affordability of the area. For this reason, the NORA strategy does not need to be overhauled or severely changed, but should incorporate an additional component in the form of aiding in the creation and operation of an affordable housing Community Land Trust in Central City.

Affordable housing and economic development are sorely needed in Central City. Prior to Hurricane Katrina the community and planners had expressed a need to address these issues in Central City. This has not changed in the wake of Hurricane Katrina and, in many ways, the need has intensified particularly with regards to affordable housing. Affordability has decreased since the 2005 storm, city-wide as well as nation-wide. New Orleanians pay greater percentages of their incomes for decent housing and resident incomes in Central City are approximately half that of the average income in New Orleans, making Central City residents even more vulnerable to the affordable housing crisis. In addition, the area has also suffered from the absence of economic activity on its once prosperous commercial corridor, OC Haley Boulevard. The progression of planning efforts, however, in response to Hurricane Katrina has tended towards

prioritizing the economic revitalization of the city over that of housing recovery—particularly that of low-income housing. Regardless of whether this focus is ethical or moral, it is economical and, although that fact may be unfortunate, it is the reality with which New Orleans must recover. NORA, a city agency, has adopted the recovery priorities and has developed a complimentary strategy shaped by its limitations and executed through its unique authorities.

NORAs seeming focus on economic development does not need to exclude the simultaneous development of affordable housing. NORA can effectively accomplish its economic revitalization of Central City while also ensuring greater affordability for residents through initiating the creation of a CLT. The goals of a land trust accomplishes many of the goals NORA is working towards in Central City including blight remediation, providing long-term affordable housing options, and returning properties to commerce. Although there is much work to do to make a CLT in Central City a reality, many of the obstacles that hinder CLT success are perhaps not so threatening in this particular case. Funding sources appear available and several properties are already owned. In addition, the area is becoming increasingly attractive to outside interests and current residents have little control over their community—these are some of the conditions that make CLTs an appropriate and successful option for providing affordable housing.

A CLT is a long-term investment in Central City and its residents. A CLT will require continued oversight and continued investment, but can also create continued affordability, continued empowerment of residents, and continued economic growth. Should the investments NORA is making and seeking have the intended effects on OC Haley and Central City, property values will rise and the area will become more expensive. The secondary effects of this will provide added support of local businesses and community facilities, it may help to improve the

local schools, and may even aid in the decrease of crime. However it will also likely lead to the pushing out of current residents—residents that have endured the disinvestment in their community and should now benefit from its revitalization. A CLT can help ensure that the brighter future of Central City is something that is not determined by income bracket, but by the desire to take part in the revitalization of this unique and important New Orleans neighborhood.

## **AREAS FOR FUTURE RESEARCH**

As mentioned before, the actual outcomes of NORA’s strategy are largely unknown as the strategy is in the early stages of implementation. This does not mean that likely outcomes cannot be predicted or that NORA should not consider additional strategies for troubleshooting likely negative effects or problems with its current course of action. However, there is room for future research. Future research should continue as the strategy progresses, once it has been completed, and in the years following its completion. Specifically, research examining the demographic composition of the neighborhood and the overall affordability of the area would be appropriate and very telling as to the impacts NORA’s targeting strategy and any other strategy implemented in the future as related to Central City. Following Galster’s, et al. approach, the adjusted interrupted time series model, on their study of Richmond, Virginia would be one way to measure the consequences of targeting as this model “compare[s] differences in levels and trends of an outcome indicator between target and control neighborhoods before and after the intervention, while controlling for coincident citywide changes in trends.”<sup>157</sup> This is a current limitation of this thesis as the redevelopment of Central City is in the very early stages of implementation. Other valuable research would include evaluating community sentiments and perceptions of NORA’s actions. It is unclear how the community views what NORA is doing in

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<sup>157</sup> Galster, George et al. “Targeting Investments for Neighborhood Revitalization.” Page 458.

their neighborhood or how NORA is doing this in neighborhood. An understanding of community opinion may clarify the effects of NORA's strategy as there are a variety of reasons people may leave an area—not just that they are pushed out by increased property values. Although further research is needed, whether rooted in quantifiable measures or qualitative discussions will provide greater clarity as to the future direction of Central City, there are already some important implications taking shape.

New Orleans, since Hurricane Katrina, has become, as a whole, wealthier, younger, and whiter.<sup>158</sup> This trend diverges greatly from what Central City has historically been and what it has become since Hurricane Katrina. Demographic changes in themselves are not necessarily good or bad, however, they can be an indicator of a greater movement, of larger forces at work, and can have very negative implications for certain populations. Given the history of Central City, the state of affordable housing, the current demographic trend of New Orleans, there is reason for concern that Central City will experience a demographic change as an effect not of personal choice, but of economic coercion. Regardless of race, socioeconomic class, household composition, or education level, residents of Central City and residents of New Orleans, should have the ability to remain in their communities, especially if their communities are being improved by federal monies. Furthermore, as a public entity, charged with encouraging both economic development and affordable housing, NORA has the obligation to actively protect the interests of Central City residents on both fronts. To allow NORA's current strategy which embraces only one of its obligations would allow the organization to be remiss in its public duties and set a standard that communicates the importance of economic development over access to improved areas.

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<sup>158</sup> Plyer, Alison and Elaine Ortiz. "Who lives in New Orleans and the Metro Area now?" Page 6.

## APPENDIX

**Appendix A: Table of comparing level of schooling between Central City, Orleans Parish, LA, and the US**

<b>Level of schooling (2000)</b>	<b>Central City</b>	<b>Orleans Parish Louisiana</b>	<b>United States</b>
<u>Total population 18 years and over</u>	13,396	355,507	3,250,523
<u>Less than 9th grade</u>	12.5%	7.2%	8.4%
<u>9th to 12th grade, no diploma</u>	31.4%	18.2%	17.2%
<u>High school diploma or GED</u>	26.2%	24.0%	32.0%
<u>Some college or Associate degree</u>	18.3%	27.5%	25.6%
<u>Bachelor's degree to higher</u>	11.6%	23.1%	16.8%

Source: U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3) and Census2000 Full-Count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.  
<<http://www.gnocdc.org>>

**Appendix B: Table of comparing average household income between Central City, Orleans Parish, LA, and**

<b>Average household income (2000)</b>	<b>Central City</b>	<b>Orleans Parish Louisiana</b>	<b>United States</b>
<u>Average household income</u>	\$23,237	\$43,176	\$44,833

Source: U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3) and Census2000 Full-Count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.  
<<http://www.gnocdc.org>>

**Appendix C: comparing pop. in poverty between Central City, Orleans Parish, LA, and the US**

<b>Population in poverty (2000)</b>	<b>Central City</b>	<b>Orleans Parish</b>	<b>Louisiana</b>	<b>United States</b>
<u>Total population for whom poverty status is determined</u>	18,993	468,453	4,334,094	273,882,232
<u>People living in poverty</u>	49.8%	27.9%	19.6%	12.4%
<u>People living at or above poverty</u>	50.2%	72.1%	80.4%	87.6%
<u>Total population 0-5 for whom poverty status is determined</u>	1,677	39,308	375,393	22,636,650
<u>Children 0-5 living in poverty</u>	75.2%	43.0%	29.0%	18.1%
<u>Children 0-5 living at or above poverty</u>	24.8%	57.0%	71.0%	81.9%
<u>Total population 6-11 for whom poverty status is determined</u>	2,046	44,048	403,616	24,587,815
<u>Children 6-11 living in poverty</u>	67.5%	42.4%	26.8%	16.9%
<u>Children 6-11 living at or above poverty</u>	32.5%	57.6%	73.2%	83.1%
<u>Total population 12-17 for whom poverty status is determined</u>	1,876	44,210	421,352	23,700,796
<u>Children 12-17 living in poverty</u>	54.7%	36.5%	24.4%	14.8%
<u>Children 12-17 living at or above poverty</u>	45.3%	63.5%	75.6%	85.2%
<u>Total population 18-64 for whom poverty status is determined</u>	11,022	286,783	2,644,159	169,610,423
<u>Adults 18-64 living in poverty</u>	44.0%	24.0%	17.0%	11.1%
<u>Adults 18-64 living at or above poverty</u>	56.0%	76.0%	83.0%	88.9%
<u>Total population 65 and older for whom poverty status is determined</u>	2,372	54,104	489,574	33,346,548
<u>Adults 65 and older living in poverty (%)</u>	39.4%	19.3%	16.7%	9.9%
<u>Adults 65 and older living at or above poverty (%)</u>	60.6%	80.7%	83.3%	90.1%

Source: U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3) and Census2000 Full-Count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.  
<<http://www.gnocdc.org>>



**Appendix D: Table of comparing racial & ethnic diversity between Central City, Orleans Parish, LA, and the**

<b>Racial &amp; ethnic diversity (2000)</b>	<b>Central City</b>	<b>Orleans Parish</b>	<b>Louisiana</b>	<b>United States</b>
<u>Black or African American</u>	87.1%	66.6%	32.3%	12.1%
<u>White</u>	9.9%	26.6%	62.6%	69.2%
<u>Asian</u>	0.6%	2.3%	1.2%	3.6%
<u>American Indian</u>	0.1%	0.2%	0.5%	0.7%
<u>Other</u>	0.0%	0.2%	0.1%	0.3%
<u>2 race categories</u>	0.7%	1.0%	0.9%	1.6%
<u>Hispanic (any race)</u>	1.6%	3.1%	2.4%	12.5%

Source: U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3) and Census2000 Full-Count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.  
<<http://www.gnocdc.org>>

**Appendix E: Table of comparing household type between Central City, Orleans Parish, LA, and the US**

<b>Households by type (2000)</b>	<b>Central City</b>	<b>Orleans Parish</b>	<b>Louisiana</b>	<b>United States</b>
<u>Total households</u>	8,147	188,251	1,656,053	105,480,101
<u>Female householder (no husband present) with children under 18</u>	24.0%	17.7%	11.9%	8.4%
<u>Male householder (no wife present) with children under 18</u>	2.5%	2.5%	2.6%	2.4%
<u>Married-couple family, with children under 18</u>	5.5%	14.8%	24.3%	24.9%
<u>Nonfamily households, with children under 18</u>	0.5%	0.3%	0.4%	0.4%
<u>Households with no people under 18 years</u>	67.5%	64.7%	60.8%	63.9%

Source: U.S. Census Bureau. *Census 2000 Sample Characteristics (SF3) and Census2000 Full-Count Characteristics (SF1)*. From a compilation by the GNO Community Data Center.  
<<http://www.gnocdc.org>>

**Appendix F: Households Actively Receiving Mail by Neighborhood in New Orleans (Algiers Point through City Park)**

<b>Neighborhood</b>	<b>June 2005</b>	<b>June 2008</b>	<b>% Recovery June 2008</b>	<b>June 2009</b>	<b>% Recovery June 2009</b>
Algiers Point	1,322	1,351	102%	1,417	107%
Audubon	7,576	7,344	97%	7,292	96%
B.W. Cooper	1,269	357	28%	345	27%
Bayou St. John	2,292	1,921	84%	1,976	86%
Behrman	3,878	3,697	95%	3,832	99%
Black Pearl	1,115	1,107	99%	1,082	97%
Broadmoor	3,139	2,551	81%	2,324	74%
Bywater	2,570	2,091	81%	2,165	84%
Central Business District	1,316	1,585	120%	1,939	147%
Central City	8,175	6,405	78%	6,233	76%
City Park	1,670	1,534	92%	1,585	95%

**Appendix G: Table of affordable housing strategies implemented in New**

<b>Affordable Housing Strategy</b>	<b>Affordable Housing Strategy Description</b>
Public Housing Units	Rental apartments supported by federal public housing operating subsidies. To be eligible, tenants must have incomes at or below 80% of area median income. Many have very low incomes; Tenant-based vouchers
Tenant-Based Vouchers	Federal rental subsidies, administered by a public housing authority, for units that tenants choose in the private market. This category includes the Section 8 Housing Choice Voucher and post-Katrina DHAP voucher programs. To be eligible, households must have incomes at or below 80% of area median income. However, federal law gives priority to households with incomes at or below 30% of area median income; HUD project-based rental assistance – HUD agreements with owners of multifamily apartment complexes to pay the difference between the approved rent and what the tenant can afford. To be eligible, tenants must have incomes at or below 80% of area median income. Nationwide, two-thirds of the households in these units are elderly and disabled. Many have very low incomes.
Low Income Housing Tax Credits (LITHC)	Federal income tax credits administered by the Internal Revenue Service and awarded to developers by the Louisiana Housing Finance Agency. Developers typically sell the credits to raise equity capital for their projects. The tax credits may be claimed annually for 10 years against eligible development costs for units restricted to low-income households. The units are generally affordable to households with incomes between 45% and 60% of area median income. Federal tax law requires the owner to comply with rent and income restrictions on designated units for 30 years after they are made available for occupancy. GO Zone Housing Tax Credits are a form of low income housing tax credits.
Small Rental Property Program	A rental housing initiative, formulated by the Louisiana Recovery Authority and the state Office of Community Development, that uses CDBG funds to provide forgivable loans to landlords for the repair of hurricane-damaged small rental properties, primarily those with one to four units. In return for financing, landlords must comply for 5 to 10 years (longer for nonprofits) with certain tenant income and rent restrictions. Depending on the level of CDBG assistance, the landlord sets maximum rents per restricted unit at levels affordable to households earning 50%, 65% or 80% of area median income
Subsidized Housing	Rental units with tenant income, and in some cases rent, restrictions imposed by the above programs; Subsidized households refer to the households that occupy those units

Source: Plyer, Alison. et. al. "Housing Production Needs: Three Scenarios for New Orleans." *Greater New Orleans Community data Center and The Urban Institute*. November 2009.

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## **VITA**

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