



Blight Busting Strategies in New Orleans

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Executive Summary

Blight is an official legal designation for properties that are vacant, uninhabitable, and hazardous. Blighted properties bring down property values, decrease the quality of life, and keep neighbors from returning. The blight problem that is epidemic in the city of New Orleans affects all aspects of society. Mayor Mitch Landrieu inherited the most blighted city in America, along with a citizenry desperate for change. Any realistic plan to completely restore New Orleans must address and resolve the complicated issue of blight.

Long-term neglect and extensive urban sprawl combine with more recent events, in particular Hurricane Katrina and *Kelo vs. City of New London*, to compound the dire effects of blight on New Orleans. Hurricane Katrina was an unprecedented disaster and the city government must assemble unprecedented strategies to see a redeveloped New Orleans. Legal avenues now closed by conservative eminent domain policies, created in response to the Supreme Court ruling in *Kelo vs. City of New London*, must be explored and possibly reopened.

Other cities such as Flint, Michigan, Cleveland, Ohio, and Atlanta, Georgia, combat the implement proactive policies, such as the utilization of land banks, to combat blight. Land banks allow cities to achieve control of vacant or adjudicated property in order to return property to productive use. Cities like Baltimore, Maryland and Atlanta manage vacant land and boost economic development within the city by offering land parcels coupled with tax incentives and waivers to private developers. The sale of vacant property to community organizations and developers is another way in which abandoned land is used productively. These developers, such as those in Baltimore and Cleveland, then use the previously vacant land for projects that benefit the community or neighborhoods. As state governments across the country react to the *Kelo* decision, the subsequent legislative changes will significantly alter the way policy analysts, lawyers, and politicians approach the issues of property rights and eminent domain.

New Orleans must institute strategic, long-term policies that reinvest in the community and focus on the specific needs of neighborhoods. Effective blight reduction strategies require that city and state governmental agencies learn to cooperate in both the political and legal realms. Comparative analysis of other cities illustrates that New Orleans could more expediently reduce its blight by adopting reinvestment policies and creating intergovernmental alliances.

If not addressed, blight and insufficient housing reconstruction will stall community-level recovery in New Orleans. Other cities reduce blight through the acquisition of vacant land. They transform unproductive properties into thriving facets of the community. New Orleans can continue to alleviate itself of blight if it adopts similar strategies.

I. Scholarly Research on Blight

A. Blight in New Orleans

New Orleans has the highest rate of blight in the United States, with three out of ten properties affected. Although every city in the United States is negatively impacted by blight, the definition of blight differs between each municipality. In order to facilitate cross-city comparisons of blight, the U.S. Department of Housing and Urban Development acquired U.S. Postal Service data to identify residential statistics. Although many politicians and officials are skeptical about the validity of these figures, researchers and others often attribute the frequency of “No-Stat” residential addresses to blight rates. “No-Stat” addresses include those identified by the letter carrier as not likely to receive mail for some time, buildings under construction and not yet occupied, and rural route addresses vacant for 90 days or longer. In New Orleans and along the Gulf Coast, “No-Stat” addresses also include homes heavily damaged during Hurricanes Katrina and Rita that have not been re-occupied.ⁱ

Most cities develop legal definitions and parameters that distinguish blight from other interrelated concepts, such as public nuisance. In New Orleans, blight is an official legal designation for properties that are vacant, uninhabitable, and hazardous.ⁱⁱ A city administrative hearing officer must declare a property to be blighted.ⁱⁱⁱ The administrative determination of blight triggers the city government’s right to expropriate the property through the New Orleans Redevelopment Authority (NORA), subject to the payment of full compensation to the property.^{iv}

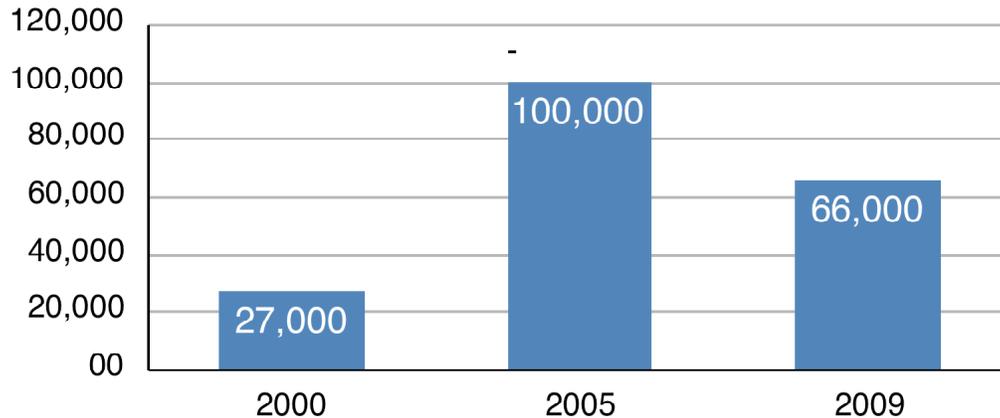
The New Orleans Code Enforcement Handbook provides the criteria upon which hearing officers should base their rulings. A property can be considered blighted if there are unresolved code violations for unsafe, unsanitary, or unhealthy conditions; it has been declared a fire hazard; it lacks facilities or equipment required by the Housing Code of the City of New Orleans; it has been deemed demolition by neglect (pursuant to section 84-108 or 84-208 of the City Code); it has a substantial negative impact on the health, safety, or economic vitality of a neighborhood; it is a vacant lot that is abandoned; it does not meet the requirements of the City Code; it has been adjudicated; or if it is infested with vermin.^v

Dilapidated houses that have been abandoned by their owners decrease property values and quality of life and keep neighbors from returning. The existence of empty lots is correlated with increased rates of crime, violence, and public safety hazards.^{vi} Dilapidated properties can generate contagious neighborhood decline, an exacerbated process often referred to as the Broken Window Theory.^{vii} Furthermore, urban blight is strongly associated with areas characterized by high levels of long-term unemployment, a high percentage of people dependent on welfare, high population turnovers, concentrations of crime, and insufficient social infrastructure.^{viii}

B. New Orleans' Historical Struggle with Blight

In 2005, two major events, Hurricane Katrina and the Supreme Court ruling on *Kelo vs. City of New London*, increased the blight rates in New Orleans and redefined the scope of the City's ability to mitigate blight through the power of eminent domain. While these factors play a crucial role in the current high blight rates in New Orleans, it is important to also analyze and address additional issues that have engendered blight for decades as blight was certainly a problem well before 2005. In order to create successful long-term strategies to mitigate blight, it is crucial for policy makers not to place sole culpability on the post-Katrina exodus and expropriation modifications, but rather to comprehensively examine the multiple causes of blight.

Table 1. Number of Vacant or Unoccupied Residential Addresses in New Orleans



i. Housing Issues in New Orleans Prior to Hurricane Katrina

Over the past forty-years, New Orleans' population decreased because of the increased development of suburbia and subsequent high incidence of abandonment within the city.^{ix} Abandoned properties include those that are unoccupied, unsecured, and unused, and property that has been adjudicated or sold to the city for non-payment of taxes.^x Other historical challenges include high poverty rates among those who inherit property, splintered governmental housing and blight authorities, and inefficient tracking of non-compliant owners.^{xi} New Orleans lacks a central agency to consolidate information about the various properties, programs, or neighborhood plans to combat blight.^{xii}

In the past few decades, the Louisiana State Legislature has repeatedly sought to address the problem of blighted properties with a myriad of statutes; however, these statutes contradict other statutes or are simply not implemented.^{xiii} The sheer complexity of these various programs, parameters, and ordinances has become a major barrier to a functional market.^{xiv}

In 2004, the city of New Orleans and the New Orleans Neighborhood Development Collaborative solicited the assistance of the National Vacant Properties Campaign to identify strategies to better address blighted and abandoned properties throughout the city. According to a 2000 Census, New Orleans had an estimated 27,000 vacant units and in 2004 an estimated 7,000 properties were adjudicated to the city.^{xv} Many of the current blight-busting programs and agencies originated prior to Katrina. An example is the Sale of Abandoned/Adjudicated Property (SOAP) program, which was introduced in 2003 and renewed in 2006, in order to help citizens acquire and rehabilitate abandoned properties throughout New Orleans.^{xvi}

Table 2. Causes of New Orleans’ Extensive Blight

Historical Contributors	Recent Contributors
<ul style="list-style-type: none"> * Post World War II Urban Sprawl * High Poverty Rates Among Heir Owners * Inefficient Tracking of Non-Compliant Owners * Lack of Code Enforcement * Lack of Central Agency 	<ul style="list-style-type: none"> * Hurricane Katrina * Anti- <i>Kelo vs. City of New London</i> Legislation * Recession

ii. Post-Katrina and NORA

Although a moderate level of blight existed in New Orleans prior to 2005, the structural devastation wrought by Hurricane Katrina doubled, if not tripled, the number of dilapidated and abandoned properties and established New Orleans as the most blighted city in the United States. After the storm, 182,000 housing units, or 38.8% of all occupied housing units, sustained serious damage and over 100,000 properties were rendered vacant or abandoned for a prolonged period of time.^{xvii} Due to the unprecedented degree of damage caused by the storm, there were no existing programs in other cities that the city or the state could use as a model.

Since Katrina, the city has been inundated with a flood of policy recommendations. Instead, the problem is in the funding and implementation of programs. New Orleans experienced a multitude of executive directors, agencies, and policies. Critics likened the Nagin

Administration's approach over the past four and a half years to a roller coaster. Mayor Nagin originally supported a get-tough ordinance that demanded clean-up by the first anniversary of the storm, followed that with tax enforcement in 2007, then ramped up administrative blight hearings and fines in mid-2008, and finally fired all hearing officers in December 2009 amid a budget fight with the City Council.^{xviii}

After the storm, NORA emerged as a key player in future redevelopment plans. NORA, a quasi-public agency created by the state legislature in 1968 and governed by a board appointed by the mayor, works with the city of New Orleans, the Louisiana Recovery Authority (LRA), and the Louisiana Land Trust (LLT), to manage and promote the redevelopment of residential and commercial properties and neighborhoods.^{xix} The Louisiana Legislature gave NORA the authority to invest, borrow, and issue bonds to carry out Community Improvement Plans and Projects.^{xx}

A cornerstone of the recovery strategy is the Targeted Recovery Area approach, which calls for strategic reinvestment in specific areas seen as in need of urban transformation, in order to trigger citywide economic and physical recovery.^{xxi} NORA's neighborhood specific strategy enables it to meet the needs of individual communities. Its ability to focus on areas that are the most in need helps in the proper allocation of funding.

iii. Repercussions of *Kelo vs. City of New London*

In 2005, the United States Supreme Court's ruling in *Kelo vs. City of New London* ignited a nation-wide backlash of state legislation that limited eminent domain and tightened standards for expropriation. The Louisiana Legislature successfully embedded anti-*Kelo* expropriation restrictions in the State Constitution by approving two constitutional amendments in 2006.^{xxii} The new amendments restricted the ability of NORA to use expropriation, the backbone of its original recovery plan, to address the redevelopment needs of Orleans Parish.^{xxiii} Amendments 5 and 6 created a potential constitutional question regarding NORA's ability to convey expropriated properties to third parties for development in case of ordinary circumstances.^{xxiv}

The city of New Orleans chose NORA to serve as the principle redevelopment engine within Orleans Parish in part because of its expropriation powers; therefore, the anti-*Kelo* amendments hampered its productivity.^{xxv} One resource affected by the legislation is the Real Estate Acquisition and Land Banking Mechanism (REALM), a program initiated by NORA to expedite the distribution process of blighted properties.^{xxvi} The city of New Orleans is working to clarify its legal right to acquire abandoned or blighted property.^{xxvii}

C. Current Situation in New Orleans

In September 2009, the Greater New Orleans Data Center (GNODC) reported that the blight rate in New Orleans decreased from 33% to 29% in one year.^{xxviii} While blight rates for the majority of U.S. cities increased due to the recession, New Orleans is down from 69,727 to approximately 61,000 unoccupied residential addresses, 54,000 of which are blighted or represent empty lots.^{xxix} The GNODC attributed the atypical reduction in blight to the continued repopulation of New Orleans and rebuilding activity that shielded the City from the worst effects of the national recession.^{xxx}

The hearing officers have been reinstated, but all hearings for January and February 2010 were postponed. The hearings determine if the properties at the locations listed should be declared blighted (pursuant to the provisions of Section 28-38 of the City Code) or a public nuisance (pursuant to the provisions of Section 28-37 of the City Code).^{xxxii} These hearings classify the properties and determine what further action will be taken.

NORA possesses six possible methods of real property acquisition. These include transfers of tax adjudicated properties from the City of New Orleans, expropriations completed prior to 2006, expropriations completed subsequent to 2006, transfers of properties acquired by the Road Home Corporation, transfers of property interests by the city of New Orleans resulting from code enforcement liens, and direct market purchases.^{xxxiii}

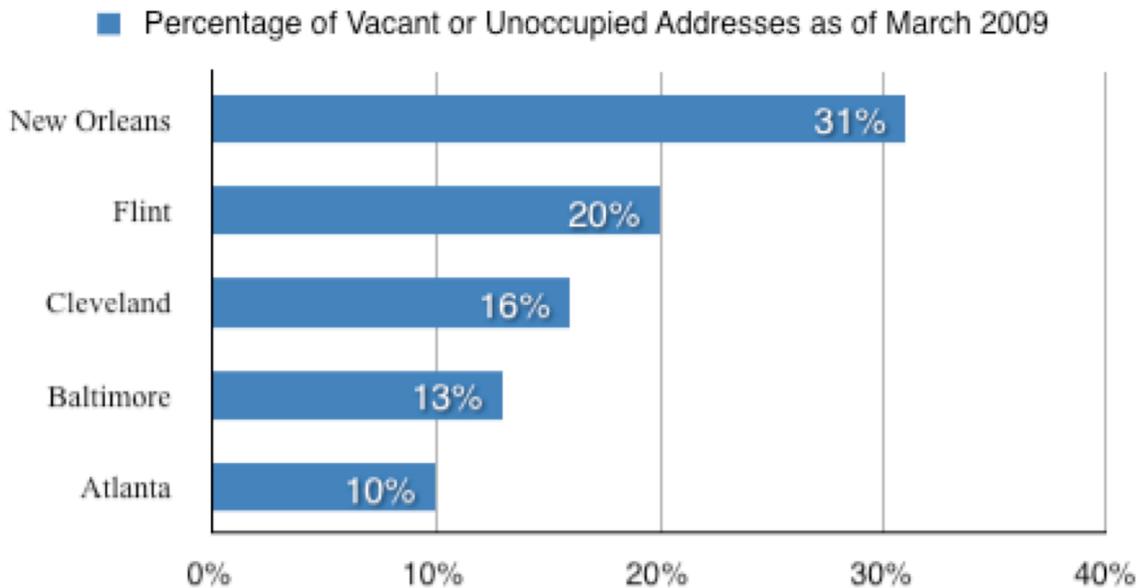
Individuals may also acquire blighted property through an assortment of programs. An example is the Lot Next Door Program, which provides for the sale of expropriated houses to qualified owners of neighboring property. Also, the Growing Home Program provides incentives to homeowners who fence and landscape the vacant lot next door.^{xxxiiii}

II. Comparative Analysis

In our comparative analysis, we examined the cities of Flint, Cleveland, Baltimore, and Atlanta. Each of these cities have high rates of blight. Unlike New Orleans, these four cities employ land banking systems and code enforcement agencies to keep their respective blight rates considerably lower than that of New Orleans. Generally, code enforcement involves properties that are out of compliance with health, housing, fire, environmental, or historic codes. Effective code enforcement agencies are able to assess these violations and enforce the proper use of property through fines, jail time, demolition, or judicial hearings.

(See Table 3 on the Next Page)

Table 3. Comparative Analysis



A. Flint, Michigan

In Flint, the Genesee County Land Bank Authority (GCLBA) is one of the newest and most comprehensive land banks in operation. Land banks hold, manage, and develop tax-foreclosed properties and act as a legal and financial mechanism to bring vacant, abandoned, and adjudicated property back to productive use.^{xxxiv} The Land Bank Fast Track Act enables local governments to create land bank authorities with independent powers to acquire, hold, and distribute vacant, abandoned, and tax-delinquent properties.^{xxxv}

The GCLBA obtains properties almost entirely through tax foreclosure, but intends to accept properties and purchase parcels to complete other foreclosed property redevelopment.^{xxxvi} The GCLBA considers residential development to be the best use for its land-banked properties. It favors land use for parks and open spaces, which allow for the reuse of the parcels and for a broader range of future options and redevelopment opportunities.^{xxxvii} Codes that pertain to the neglect of property by the owners are enforced by the Flint Township Building Department (FTBD), which punishes owners through fines up to \$500.^{xxxviii} The cost to maintain the FTBD is \$2,652,013 as of 2010.^{xxxix}

Established in 2002, The Genesee County Land Bank takes ownership of thousands of parcels of property seized by the government for unpaid property taxes.^{xi} The GCLB uses negotiated agreements to sell its more valuable tax-foreclosed properties, mostly in the suburbs, to raise cash.^{xii} Then it uses that money to fix blighted areas in Flint through the greening of vacant lots, the demolition of abandoned houses, and the creation of pocket parks.^{xiii} Since its

conception, the GCLB has sold 1,600 properties and raised \$6.4 million.^{xliii} The profits enabled the land bank to reconstruct dozens of single-family houses, sell hundreds of vacant lots to adjoining homeowners, and create incentives for downtown redevelopment projects.^{xliv}

In response to the *Kelo vs. New London* decision, the State of Michigan enacted a constitutional amendment that prohibits the taking of property by eminent domain for the primary benefit of private entities.^{xlv}

B. Cleveland, Ohio

Cleveland was one of the first cities to address the problem of abandoned and underutilized properties with a long-term vision and to foster an expedited process for the actual movement of properties back to productive reuse in neighborhoods.^{xlvi} The city's expedited foreclosure process, coupled with the Cleveland Land Bank's ability to cancel delinquent taxes on acquired property, make it a national model of aggressive reutilization of vacant land.^{xlvii} The city ordinance that established the CLB dictates that it distributes all of its acquisitions within fifteen years. This mandate creates a definite schedule for the disposition of parcels for housing and neighborhood redevelopment.^{xlviii}

A unique aspect of Cleveland is its reliance upon local community development corporations (CDC's) to purchase the properties once acquired and managed by the land bank. A large network of CDC's in Cleveland (30 or more) plus major CDC network support organizations reuse land for the revitalization of neighborhoods in a planned way.^{xlix} The city's willingness to work with and distribute 500 to 800 parcels per year to local CDC's provides an avenue for the ongoing planning and cooperation critical to the success of housing development.

Codes that pertain to the neglect of property by the owners are enforced by the Code Enforcement Division (CED), which punishes owners through demolition, fines ranging from \$50-\$1,000, or imprisonment for up to six months.¹ The cost of maintaining the CED is \$403,850 as of 2010.ⁱⁱ In response to the *Kelo vs. New London* decision, the state of Ohio placed a moratorium on the use of eminent domain until December 31, 2006.^{lii} It prevented governments from taking private property in an unblighted area if a new person is likely to own and rehabilitate the property.

C. Baltimore, Maryland

In 1999, the state of Maryland enacted "quick take" legislation that enabled the city of Baltimore to more extensively use eminent domain to acquire vacant and tax delinquent properties.^{liii} Although Baltimore does not have a land bank, the city works with a variety of partners, including local community development organizations, to rehabilitate deteriorating neighborhoods.^{liv} Baltimore utilizes an extensive tax sale program, through which a property in

tax arrears can be sold (whether occupied or vacant) at public auction as either an individual parcel or bundled as a group of parcels.^{lv} The successful bidder can take action to foreclose on the site to gain control.^{lvi} Although sometimes cumbersome, this process allows local community organizations to acquire previously unavailable property and focus on blocks or neighborhoods rather than individual parcels.

Baltimore's process allowed private sector interests to more easily acquire property. The best example of this can be found in Baltimore's newest housing initiative, Project 5000, which along with the mayor's office and Office of Acquisition and Relocation have identified and sought 5,000 vacant, abandoned, or tax delinquent homes.^{lvii} The city then holds a competitive bidding process and allows private sector developers or other interested parties to bid on the sites that the city acquired.^{lviii} The Division of Code Enforcement (DCE) enforces codes that pertain to the neglect of property by the owners. The DCE is able to punish owners through fines of \$200 per violation, hearings before a county hearing officer, or court action.^{lix} The cost to maintain the DCE is \$436,038 as of 2010.^{lx}

D. Atlanta, Georgia

The Atlanta Land Bank Authority (ALBA) operates in a similar fashion to many other land banks around the country. The state established the ALBA to acquire and hold tax delinquent properties for eventual housing redevelopment. A unique aspect of the ALBA is that it does not automatically receive title to properties that are not sold at a tax foreclosure sale.^{lxi} Due to the fact that the ALBA was created by state statute, the organization has additional powers in terms of its available resources and its ability to directly influence the property acquisition process.^{lxii}

The ALBA has the power, via statute, to waive all delinquent property taxes on parcels of land it acquires and conveys.^{lxiii} Typical barriers to successful land bank property conveyance still exist in terms of obtaining clear and marketable titles; however, once acquired by the land bank, disposition is made easier and marketing made more favorable through tax waivers that can be used as incentives for potential developers.^{lxiv} As the land bank has limited funds to acquire properties, the city relies on easing the market for private developers to acquire the properties. The ALBA makes the market more appealing through tax forgiveness or title clearance and this serves as an incentive for both private and non-profit developers.^{lxv}

The Bureau of Code Compliance (BCC) enforces codes that pertain to the neglect of property by the owners. The BCC punishes owners through fines from \$100 to \$1,000, jail time (1 to 60 days depending on the magnitude of the violation), forced demolition, or mandated community service.^{lxvi} The cost to maintain the BCC is \$6,186,563 as of 2010.^{lxvii} In response to the *Kelo vs. New London* decision, the state of Georgia provides a "public use" requirement for use of eminent domain and limits the instances in which it may be used.^{lxviii}

III. Policy Recommendations

A. Long Term Policy Investments

New Orleans' city government lacks a clear-cut policy to handle the city's blight. The Nagin Administration adopted a mixed range of policies that created a roller coaster effect on the city's attempt to battle blight. It enacted a policy that demanded cleanup and maintenance of blighted properties before the first anniversary of Hurricane Katrina; however, the policy failed to enforce those laws. The Nagin Administration then increased administrative blight hearings and fines in 2008; it later fired all hearing officers in January 2010 because of a budget fight with the New Orleans City Council.

To increase the production levels of New Orleans blight-fighting policies, the city should take two key steps. First, create a long-term policy strategy that is steadfast and adequately prepared to dramatically reduce blight within New Orleans. Second, institute blight fighting policies and organizations, which are permanent and irrevocable for a period of at least five years.

New Orleans city officials need to create a long-term policy strategy that will be effective and efficient. New Orleans has sampled a vast amount of different policies to reduce blight. Strategies have ranged from the basic legal acquisition and auction of abandoned homes, to more radical programs, such as the Real Estate Acquisition and Land-banking Mechanism (REALM) and the Lot Next Door Program.

Land banking policies use government funds to acquire and refurbish abandoned houses. The abandoned houses are either sold or donated to a third party and the profit is reinvested in the land-banking program. Research conducted through analysis of comparable cities shows that policies that are oriented towards reinvestment, such as REALM, are more effective over time. Thus, it is recommended that the New Orleans city government invest more time and efforts into increasing the size and scope of their pre-existing reinvestment policies.

In the long run, reinvestment strategies, such as REALM, are inherently better policy choices for New Orleans for several reasons. They speed up the appropriations process for the sale of blighted properties. Individuals can buy property from NORA and in this way, prospective buyers do not have to navigate the convoluted legal expropriation process. This should attract a greater amount of buyers by lowering the transaction cost to purchase an abandoned property and by eliminating unnecessary legal delays.

Reinvestment strategies allow NORA to better manage the existing properties. REALM gives NORA the ability to purchase, refurbish, and sell the house for a net profit. They enable NORA to choose the buyer. Through REALM, NORA has the ability to take abandoned properties and sell them at discounted cost to local individuals and business owners. By selling to local individuals and businesses, the city has the potential to greatly increase its human and monetary capital.

New Orleans city government must give their policy choices a chance to succeed. Too often reinvestment strategies are undercut as officials waver on policies and budget constraints. Recently, the Nagin Administration cut the blight reduction budget and the result was the cancellation of hundreds of housing code enforcement proceedings set for January and February 2010.^{lxix}

NORA is in a favorable situation as it just received a federal grant for approximately thirty million dollars.^{lxx} One of the easiest ways to ensure that New Orleans has a long-term sustained policy strategy to reduce blight is to make NORA's funds untouchable, off-limits to other budgetary needs. If the policy funds are secure, it will guarantee that the new policy strategies are given enough time to succeed.

Research from comparative analysis of blight-fighting strategies in other cities suggests that blight reduction strategies can be made faster and more efficient by enacting long-term reinvestment strategies. New Orleans needs to do two things to enact long-term reinvestment strategies: first, devote more time and resources to reinvestment policies such as REALM and second, ensure these policies are given sufficient time to work by restricting budgetary access to the allocated funds.

B. Consolidate Power within NORA

Many steps have already been taken to establish NORA as the primary agency to deal with the issue of blight in New Orleans. NORA was the only Louisiana applicant selected to collect part of the \$1.9 billion under the federal Recovery Act's Neighborhood Stabilization Program.^{lxxi} The Department of Housing and Urban Development (HUD) chose NORA because of its strong partners and its commitment to the individual needs of targeted neighborhoods. NORA has a strong set of guiding principles that include transparency, community involvement, mayoral and council briefings, environmental responsibility, and equal opportunity.

The City Council and the Mayor should approve a Community Improvement Plan for NORA. The approval will authorize NORA to implement the Plan and the agency can apply for, accept, and utilize federal grants, borrow and invest funds, prepare relocation plans to prevent displacement, demolish and remove structures, conduct appraisals, title searches, and property inventory, launch pilot and target programs, close, plan, or re-plan streets, implement voluntary

or mandatory repair programs, buy and sell real property, issue bonds to finance infrastructure, and issue bonds to finance public facilities such as schools and recreational areas that support the redevelopment Plan. The variety of implementation mechanisms NORA has at its disposal, make it uniquely positioned to be a major part of the process of rebuilding New Orleans.^{lxxii}

It is necessary to increase funding to NORA so that it can perform all of its redevelopment tasks. NORA is in charge of the tiresome and expensive task of clearing titles of adjudicated properties, but in 2007, NORA's entire operating funds budget constituted less than one-third of the funds required to obtain clear title to its inventory of 1,550 properties.^{lxxiii} Also, NORA needs financial resources to engage in direct market acquisition of properties, which would give it clear title to properties that could then be made immediately available for redevelopment. Even though NORA recently received \$30 million in federal stimulus money to fight blight, the agency cannot appropriate, clean up, or sell blighted properties until the City Council and the Mayor approve its funding.^{lxxiv}

C. Improve Transparency

i. Intergovernmental Communications

The New Orleans city government must improve intergovernmental communication to reduce blight. This can be done, in part, through better identification of blight and by altering the Cooperative Endeavor Agreements between NORA and the city government. Our research suggests that such an improvement in governmental communication will lead to a reduction in blight.

NORA cannot gather, refurbish, or sell blighted properties unless the blighted properties are properly identified. In order for blighted properties to be identified and placed in the control of NORA, administration officers must deem the property legally blighted. Many times the expropriations process for blighted properties is delayed because the administrative hearings fail to happen or are rescheduled.

Comparative analysis shows that these administrative hearings need to be conducted in a timely manner, as administrative hearings are the only way to legally identify blight. Without these administrative hearings, NORA has no authority to expedite blighted properties. A mandatory number of blight administrative hearings should be required within a given month. The funding for blight administrative hearings should be stabilized, so that blighted properties in New Orleans can be properly identified.

The cancellation of many of the administrative hearings is the result of miscommunication between NORA, the City Council, and the Mayor's office. The administrative hearings have been used as a bargaining tool during budget negotiations between

City Council and the Mayor's office. As a result, the administrative hearings were canceled for two months.^{lxxv}

In order to stabilize funding for NORA and the administrative blight hearings, the New Orleans city government and NORA must establish a strong and effective relationship with a new Cooperative Endeavor Agreement. CEA's are legally binding agreements between the Mayor's office, the City Council, and NORA that establish funding agreements. The creation of a modified CEA will aid in the stabilization of the budget for blight administrative hearings and NORA.

The most recent CEA represents a \$38 million commitment to NORA by the city of New Orleans. It is funded as a portion of the city's \$411 million in Disaster CDBG funding administered through the Louisiana Recovery Authority (LRA). Under this agreement, NORA will implement a number of programs on behalf of the city of New Orleans to help fight blight, maintain public health and safety, and spur development.^{lxxvi}

Improved communication and cooperation between the Code Enforcement Department, the Health Department, and the Safety and Permits Department will allow for more efficient identification and effective code enforcement.

ii. Public - Governmental Relations

The improvement of relations between the government and the public is a critical step when it comes to the reduction of blight in New Orleans. The New Orleans city government can improve its public relations with more transparency and greater community involvement. A better public reputation for reducing blight will go a far way in blight reduction in New Orleans.

When a citizen tries to use the resources provided by cityofno.com and noraworks.com, the pages and links are often uninformative, broken, or outdated. When informational links and pages are fruitless, it leads to public confusion and eventually, frustration. This in turn, leads to disinterest and inaction by both the residents of New Orleans and the city government. New Orleans can enhance blight mitigation by making the websites more transparent, functional, and interactive with the public.

Currently, the only way for an individual to report blight is through an automated 311 call. If residents had a clear understanding of how to report abandoned properties and their owner's whereabouts, NORA would have more properties in its possession. NORA's expedition of blighted properties would be improved if there were a clear way to buy and sell blighted properties. Making changes to the websites' transparency will make NORA more efficient.

On noraworks.com and cityofno.com, there are no clear instructions on how to buy, sell, or even report blighted and abandoned properties. We strongly recommend that NORA and the New Orleans city government establish three priorities with regard to their websites. First, create a system in which residents of the city of New Orleans can report properties that are abandoned along with any information they may have about the whereabouts of the owner. Second, make it abundantly clear how to sell your abandoned properties to NORA. Third, provide clear and simple instructions on the process and requirements needed to acquire the properties that NORA is offering up for sale. These websites should be updated annually to coincide with any changes in policies.

D. Increase State and City Cooperation

i. Relax State Laws on Eminent Domain

Louisiana state laws on eminent domain restrict redevelopment efforts in New Orleans and impede the efficient expedition of blighted homes. In order for New Orleans to maximize redevelopment efforts, the state has to relax the eminent domain laws.

Two pieces of legislation were passed in the Louisiana Legislature that restricts how state and local entities can handle expropriated properties. Act No. 851 prohibits the use of eminent domain to acquire properties “for predominate use by any private person or entity; or for transfer of ownership to any private person or entity.”^{lxxvii} Act. No. 859 prohibits the “sale or lease of property that has been expropriated and held not more than thirty years without first offering the property to the original owner or his or her heir.”^{lxxviii} Simplified, Act 851 restricts New Orleans from selling properties it acquires without deeming them legally blighted. Act 858 restricts New Orleans from selling properties obtained using eminent domain without the original owner’s permission for at least 30 years.

Act 851 and Act 858 make it costly and difficult to sell properties acquired using eminent domain. New Orleans must pay to hold administrative hearings in which it has to declare the properties legally blighted. After the property is declared legally blighted, the city must track down the owner or heirs of the property. The owner of the blighted property then has the right to appeal the ruling in a judicial court. If the original owner is deceased, the property rights go to the heirs. Inherited properties can cause a problem when multiple heirs have equal stakes in the property. If one heir refuses to sell, the property cannot be sold to a private entity or person. Without the title-holder’s permission, the city must wait thirty years before it can expropriate the blighted property.

These time and cost restraints do not make it easy for the city of New Orleans to reduce the number of blighted properties. The state of Louisiana should assist New Orleans in the redevelopment of blight properties, while in fact state laws have hindered the process. The

easiest way for the state to assist in the redevelopment of blighted properties is to make New Orleans exempt from Act 851 and 858 for a redevelopment period. This would drastically reduce both the cost and time to redevelop New Orleans' blighted properties.

ii. Return State-Possessed Properties within City Limits to NORA

The Louisiana state government owns a significant amount of blighted properties in New Orleans and has not done anything with them since 2008. These properties should be handed over to NORA, so that they may be redeveloped in a timely fashion.

The Road Home Project still holds 4,200 blighted properties within New Orleans' city limits. Compare this to the 1,500 properties held by NORA, New Orleans' primary blight reduction agency.^{lxxxix} In addition, all demolition on the properties held by NORA must be done by state contractors and the Louisiana Land Trust must submit bids for each demolition, a process that can take up to 90 days. Currently, NORA has 184 demolition requests. This is time and effort lost to redevelopment.^{lxxx}

The state government should deliver the 4,200 blighted properties in Orleans Parish to NORA for two reasons. First, the state has done little to redevelop these blighted properties since 2008. Second, NORA will expedite properties more efficiently without significant state interference. With more properties in its possession and a streamlined demolition system, NORA will be able to speed up the redevelopment process in New Orleans.

E. Increase Code Enforcement

Code Enforcement involves properties that are out of compliance with health, housing, fire, environmental, or historic codes. The owners of these properties may be fined in an administrative hearing and may ultimately be forced to sell at public auction. Since the 1980's, New Orleans has utilized administrative hearings to implement the health, housing, and environmental (HH&E) codes and to assess fines and liens against owners whose properties do not comply with various municipal codes.^{lxxxix} It is finally time, however, for code enforcement to become a fully developed strategy in New Orleans' war on deteriorating housing.^{lxxxii}

New Orleans should alter the priorities of its Master Plan so that the city seizes and sells properties primarily through code enforcement, rather than through adjudicated properties and expropriation. This would disable the redemptive periods attached to expropriated properties and these properties could be immediately redeveloped and returned to productive uses.^{lxxxiii}

The Code Enforcement Department of the city government and the city's Attorney's Office should be adequately staffed. A properly-staffed Code Enforcement Office in an established location could move relatively quickly to process large numbers of noncompliant properties, moving them into the hands of new owners for rehabilitation.

The budget should be reevaluated, additional staffing should be implemented, and the number of hearings and inspections that happen each month should be increased. Members of

the Code Enforcement Office should team up with New Orleans Police Department to create a task force to reduce criminal activity in vacant properties and lots. Blight is a determining factor in how fast neighborhoods recover and it is crucial that blight rates continue to decrease as the city of New Orleans steadfastly recovers.^{lxxxiv}

IV. Appendix

Appendix A. Logic Model

Situation	Inputs	Outputs	
	Investments	What Program Does	Who It Reaches
* 66,000 Blighted Properties * Low Property Values * Low Quality of Living * Impedes Neighborhood Redevelopment	* Time * Reorganization * Money * Information * Communication * Cooperation	* Increase Land Banking Program (REALM) * Make Reduction Funding Untouchable * Consolidate Power within NORA * Increase Cooperation Endeavor Agreement * Update and Fix City Websites * Repeal Restricting State Eminent Domain Laws * Increase Code Enforcement	* Home Owners * Home Buyers * Neighborhoods * State Legislators * City Council * Mayor

Outcomes		
Short-	Medium-	Long-
* Easier Access to Acquire Blighted Properties * Easier Access to Information * Higher Penalties for Owners of Blighted Properties	* NORA as Head of Blight Management * Stable Blight Reduction Policies	* Easier for City to Acquire Blighted Properties * Increase in the Reduction of Blight * Increase in Neighborhood Redevelopment

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