



Blight Strategy

City of New Orleans

September 30, 2010

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Executive Summary

Methodology

- In order to create a comprehensive blight strategy, Andrew Kopplin formed a team consisting of Oliver Wise, Jeff Hebert, Ann Duplessis, and Nicole Heyman (New Orleans Vacant Property Initiative). This team analyzed current blight eradication efforts, research best practices, and consulted with stakeholders across the City to develop a proposed blight strategy framework and implementation plan.
- In the review, the team conducted interviews with a wide range of stakeholders, including:
 - City Hall staff
 - Code Enforcement
 - Environmental Health
 - Law Department
 - Deputy Mayors
 - City Council (all members)
 - Boards and Commissions
 - Joyce Wilkerson and Ommeed Sathe, NORA
 - Former staff
 - Jeff Thomas
 - Transition team co-chairs
 - David Marcello and Ellen Lee
 - Nonprofit organizations
 - Liza Cowan, GNOF
 - Lauren Anderson and David Lessinger, Neighborhood Housing Services
 - Michelle Thompson, UNO
 - Peter Burns, Loyola University
 - Allison Plyer, Greater New Orleans Community Data Center
 - Community members
 - Rita LaGrande and Tom Schnatz, Lakeview
 - Legal Community
 - Robert Steeg
 - Jane Mentz
 - National experts
 - Dean Frank Alexander, Emory Law School
 - Doug Leeper, Former Director, Chula Vista Code Enforcement Department
 - Dan Kildee, Treasurer and Chairman of the Genessee Land Bank Authority
 - Amy Liu, Brookings Institution
 - Rafael Cestero, Commissioner – NYC Housing Preservation and Development
 - Marc Jahr, President – NYC Housing Development Corporation

Blight in New Orleans

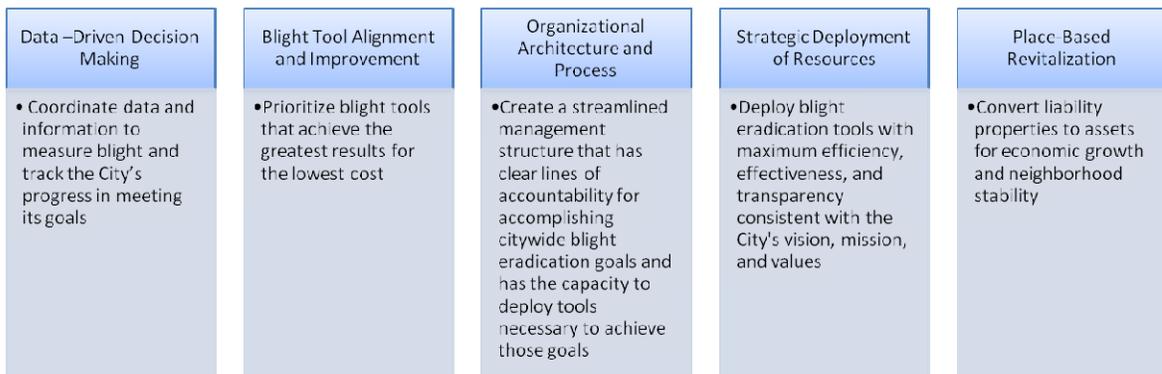
- Blighted properties represent a remarkable opportunity for community development, economic growth, and neighborhood stability in New Orleans.
- There are estimated to be approximately 50,000 – 60,000 blighted residential and commercial properties in the city.
- Reducing blight by 10,000 over the next three years will catalyze neighborhood revitalization and economic growth across the city.

Problems with the City's current approach to blight (tip of the iceberg)

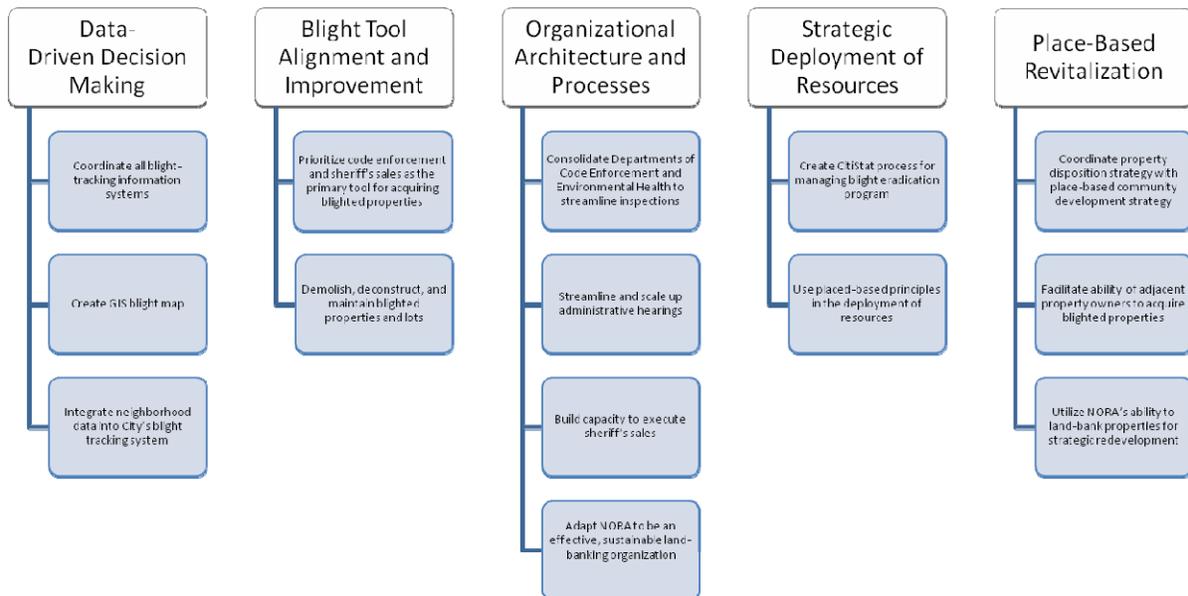
- No single definition of blight and blight eradication
- No overall goal for blight reduction
- No one accountable for meeting goals
- Very few, if any, performance measures
- Blight eradication operations are fractured and uncoordinated
- Little prioritization of limited resources for fighting blight
- No comprehensive set of data to guide decision making
- Low morale in key departments

Framework for a Blight Strategy

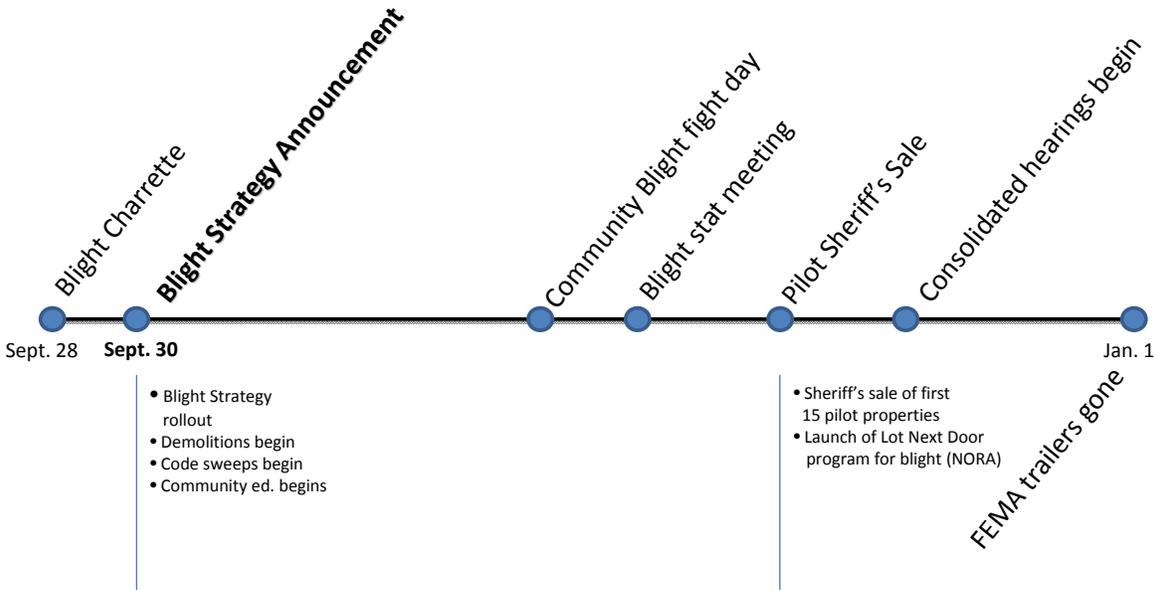
Strategic Vision, Goals, and Norms



From Strategy to Action: The Big Picture



Implementation Timeline



Findings of Analysis

Blight in New Orleans

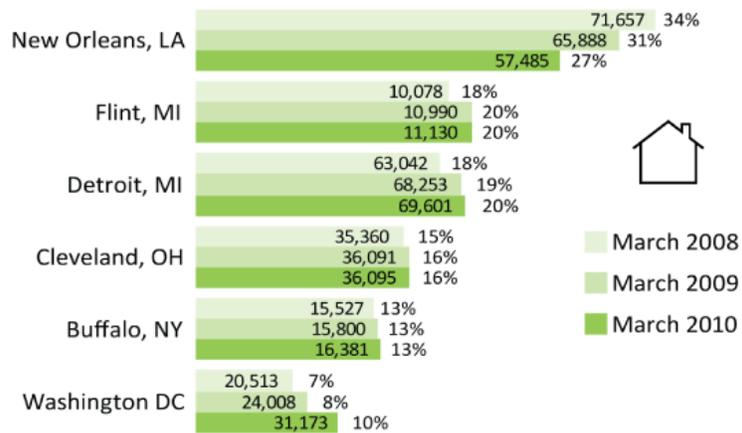
- The 50,000-60,000 blighted, vacant, and abandoned properties represent a critical threat to:
 - Neighborhood vitality
 - Property values and tax base
 - Public safety
 - Recovery
 - Economic growth
- Blighted properties also represent a remarkable opportunity for community development, economic growth, and neighborhood stability

What we talk about when we talk about blight

- Blight, vacancy, and abandonment can take many different forms:
 - The vacant lot in Lower 9th ward
 - The deteriorating, but occupied rental property in Central City
 - Vacant, tax delinquent bungalow in Gentilly
 - The collapsing two-story fire hazard in 7th ward
 - The vacant, dilapidated commercial property in New Orleans East

The severity of New Orleans' blight problem in a national context

Blighted addresses, empty lots, and vacant properties



Source: GNOCDC, May 2010
Based on Postal Service data

Problems with measuring blight

- There is no single legal definition for “blight”
- The best estimate of blight comes from Postal Service data.
 - However, this data is based on addresses, rather than parcels, which might inflate numbers
 - In addition, the data only measures vacancies, and therefore misses blighted, occupied structures
- A comprehensive assessment of blight would take a parcel-by-parcel census of all properties in New Orleans

Systems for Dealing with Blight

- In order to eradicate blight, the government must be able to:
 - Take control of problem properties
 - Through code lien foreclosures, tax lien sales, or expropriation
 - Ensure that problem properties are properly maintained or demolished once they are controlled by the government
 - Redevelop into a productive use
- Upon taking office, the administration found that nearly all elements of this process were dysfunctional

Problems with the City's current approach to blight (tip of the iceberg)

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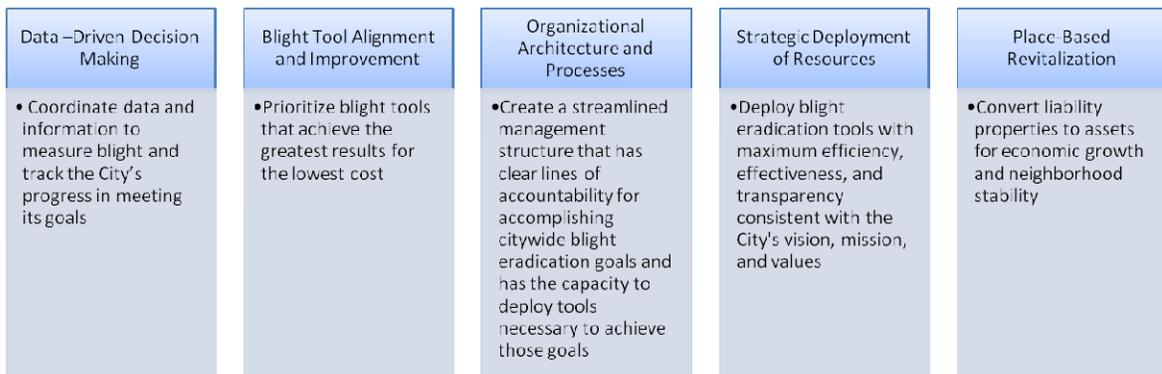
Blight Policy Framework

What should a blight strategy do?

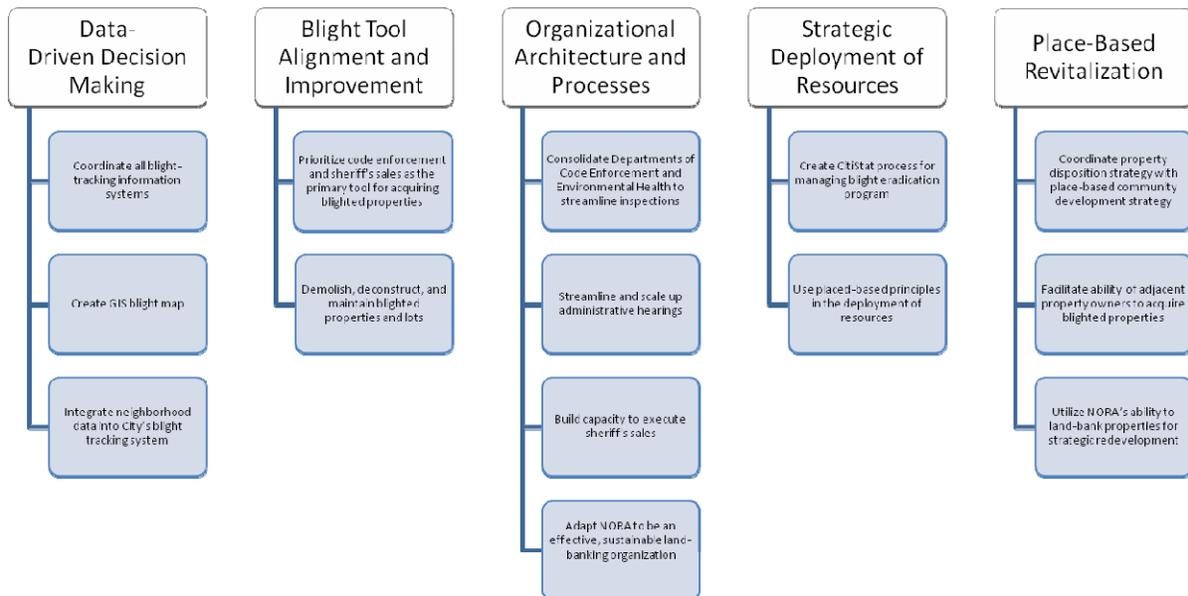
- Set measurable goals for what we want to achieve and norms by which we will achieve them
- Integrate various blight-related activities into a coherent whole
- Describe a roadmap for how we can accomplish our goals and a plan for performance accountability.
- Prioritize action steps on what we want to achieve and when

Framework for a Blight Strategy

Strategic Vision, Goals, and Norms

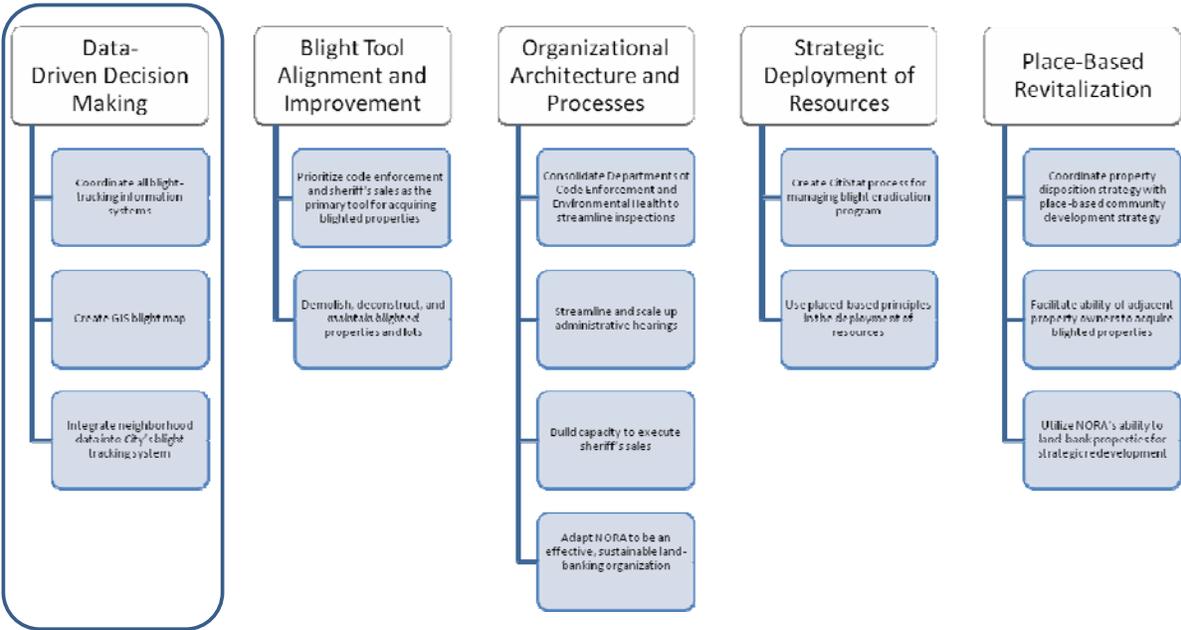


From Strategy to Action: The Big Picture



Drilling down...

Data-Driven Decision Making

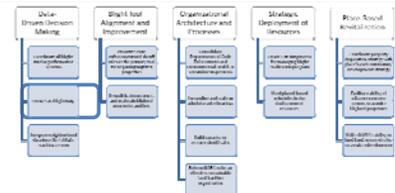


Coordinate all blight-tracking information systems



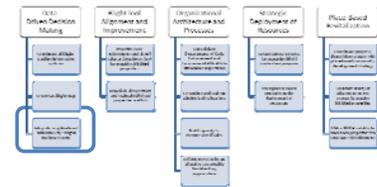
- Coordinate all blight-tracking information systems
 - Accela is a software system that can integrate and digitize information across agencies that inspect buildings:
 - Safety and Permits
 - Code Enforcement
 - Environmental Health
 - Sanitation
 - NOFD
 - CIO Allen Square is working with all relevant departments to ensure that blight related data is shared across agencies
 - By first quarter 2011, all relevant departments will have licenses for Accela

Create GIS blight map



- CIO Allen Square has created a blight map that maps:
 - Properties found guilty of code violations
 - Properties with code liens
 - Properties slated for strategic demolition
- This blight map will be made more precise as source data becomes less paper-intensive and more streamlined in Accela software
- The blight map and its metadata will become the primary source of information for managing blight eradication efforts

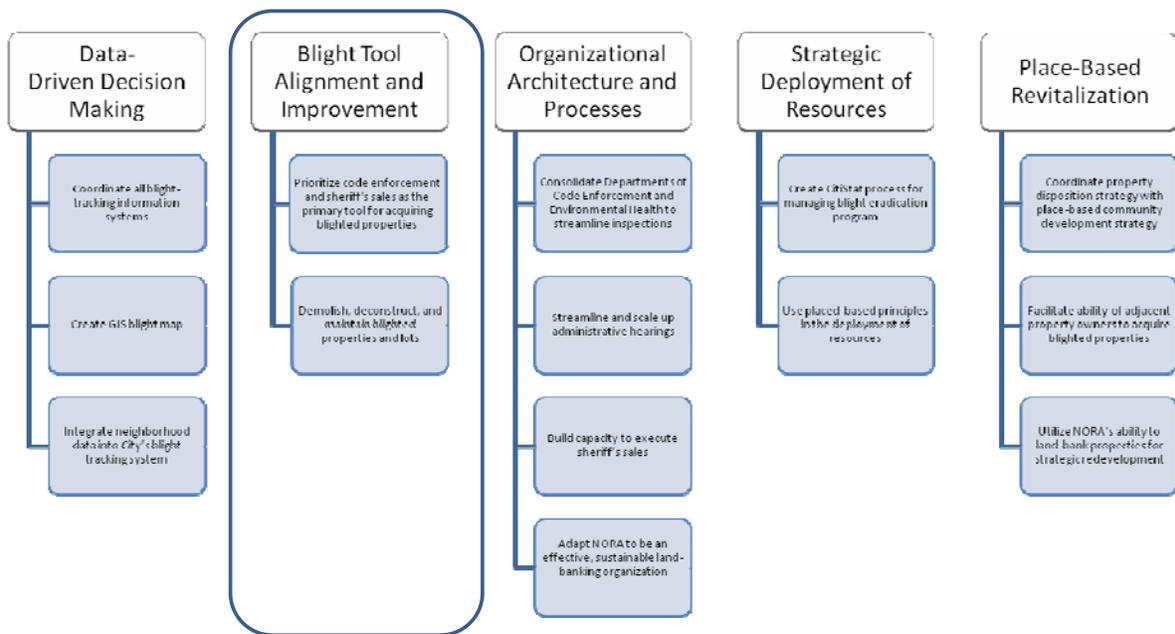
Integrate neighborhood data into City's data tracking system



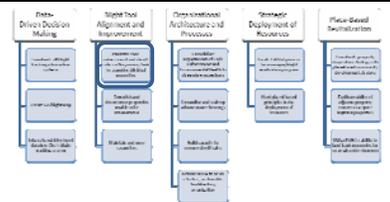
- Neighborhood organizations across the City, such as Broadmoor, Freret-Milan, and Lakeview have created neighborhood blight maps, which can help track the City's blight
- Technical assistance will be provided to neighborhoods with less data collection capacity
- The City is partnering with the University of New Orleans to develop a web-based GIS platform that facilitates the integration of neighborhood-based blight data
- This blight data will be integrated with the City's blight map to help inform strategic deployment of resources

Drilling Down...

Blight Tool Alignment and Improvement



Prioritize Code Enforcement

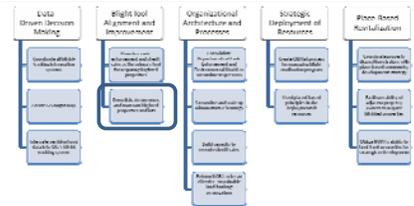


- Code enforcement and sheriff's sales:
 - The most cost-effective tool for seizing blighted properties and returning to commerce
 - No redemptive period
 - Clean, insurable title at point of sale
 - Non-historic, non-salvageable properties should be demolished before sale, with demolition costs leined to the property

- Tax delinquencies, tax sales, and sales of adjudicated properties
 - Not a cost-effective means to eradicate blight
 - 18 – 36 month redemptive period
 - Problematic title marketability and insurability
 - Should be used only as a revenue collection mechanism on code-compliant properties. All other properties should be targeted for code enforcement action

- Expropriation
 - Highly costly and time consuming
 - Should only be used in extenuating circumstances and for public use

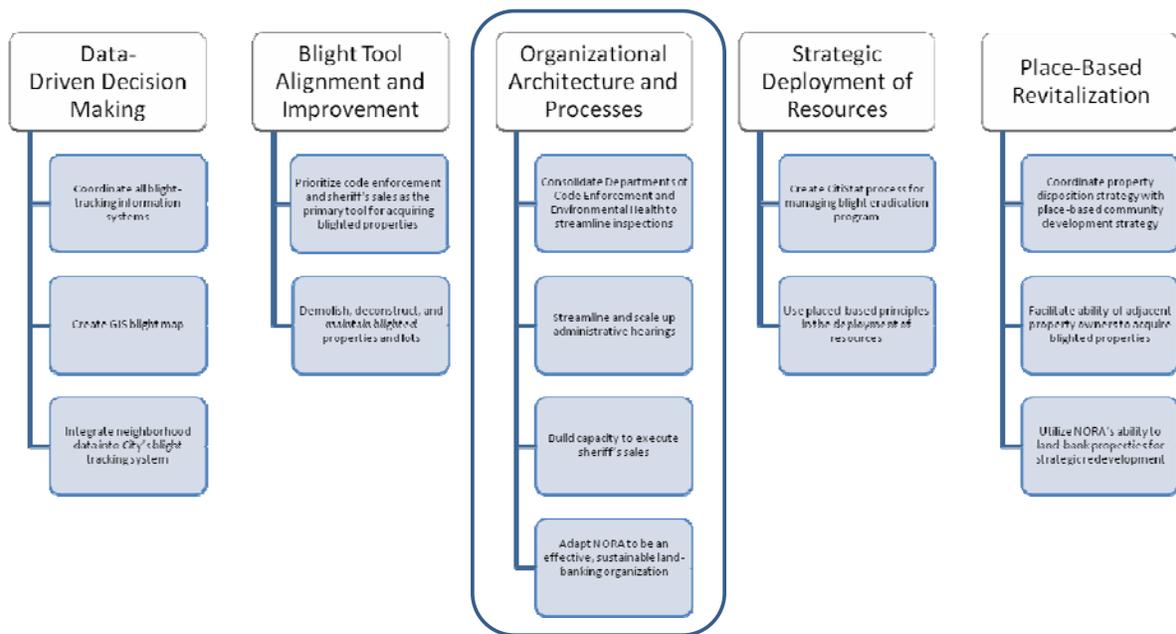
Demolish, Deconstruct, and Maintain



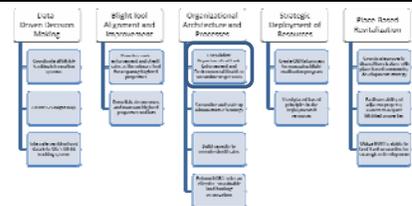
- Utilize \$9 million DCDBG-funded strategic demolition program to demolish highly visible blighted structures
 - Place-based prioritization by proximity to community assets like parks, schools, and commercial corridors
 - Demolish at least 100 properties a month
- Partner with local nonprofit organizations to deconstruct historic blighted homes
- Mitigate nuisance properties by cutting grass and draining and filling swimming pools by utilizing \$3 million DCDBG-funded INAP program (interim nuisance abatement program)
 - Develop partnerships with community organizations for on-going maintenance

Drilling Down...

Organizational Architecture and Processes

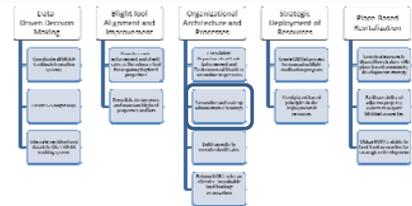


Consolidate Code Enforcement and Environmental Health



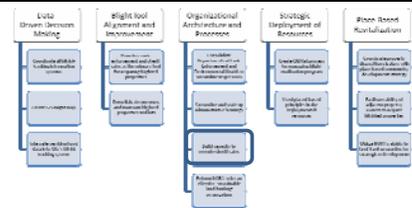
- Currently code enforcement and inspection operations are split between two agencies:
 - Code Enforcement (cites and enforces violations to structures)
 - Environmental Health (cites and enforces violations to lots)
- By January 2011, the departments will be consolidated, creating a unified, streamlined code enforcement agency
- The merger is being supported by Doug Leeper, a national code enforcement expert with the Center for Community Progress

Streamline and scale-up administrative hearings



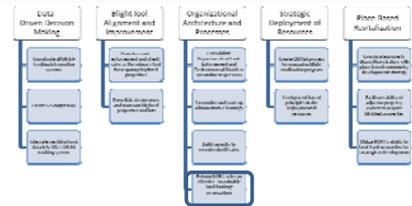
- Currently, code enforcement hearings are fractured between three agencies:
 - *Code Enforcement*: Inspectors are responsible for prosecuting code violations to structures
 - *Environmental Health*: Inspectors are responsible for prosecuting violations to lots
 - *Law Department*: Responsible for staffing hearing officers (either through in-house attorneys, contracted hearing officers, or pro bono lawyers)
- As a cost-savings measure, the City will pilot the use of pro bono lawyers for hearing officers for the remainder of 2010
- In order to streamline code enforcement hearings and increase their capacity, all hearings will be managed and staffed by the newly consolidated Department of Code Enforcement and Hearings by January 2011

Build Capacity to Execute sheriff's sales



- The City has currently very limited capacity to bring properties to sheriff's sales (or code lien foreclosure sales) once they have a code lien applied to them
- LISC and the New Orleans Vacant Properties Campaign has funded a position to help pilot an initial round of 35-40 sheriff's sales, to be held by the end of 2010
- The new Department of Code Enforcement and Hearings will have a remediation team dedicated to ushering properties to sheriff's sales, ensuring that eligible properties are demolished/deconstructed, and lots are properly mowed

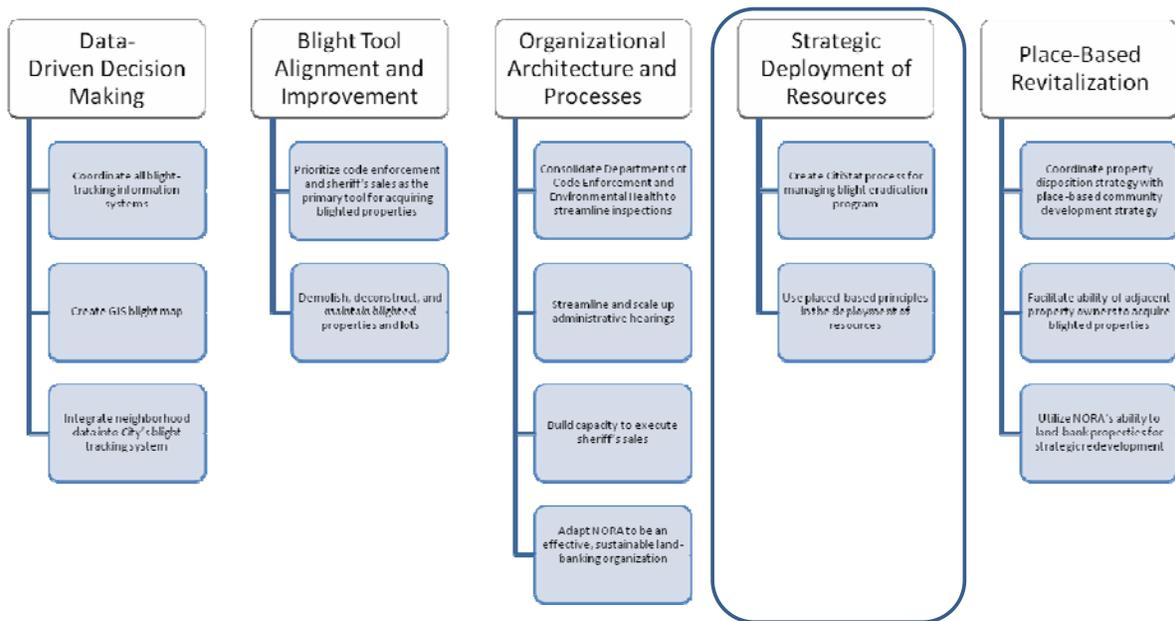
Adapt NORA to be an effective, sustainable land-banking organization



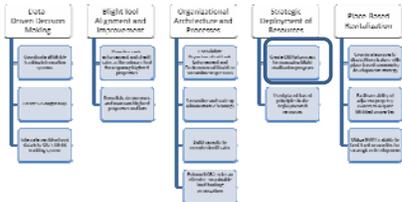
- In order to accomplish citywide blight eradication goals, the City should return all possible properties into commerce by using sheriff's sales to sell them to third party developers
- However, in weak and non-functioning real estate markets, the City will need a means to take control of properties, cluster them, and package them with subsidies in order to make them more attractive to developers
- Best practice cities have developed “land banks” to create sustainable financing models for moth-balling vacant properties not yet ready for development
- The City should position NORA to develop capacity for land-banking, in addition to redevelopment, so that blighted properties can be controlled and maintained by public entities before they are returned to commerce

Drilling down...

Strategic Deployment of Resources

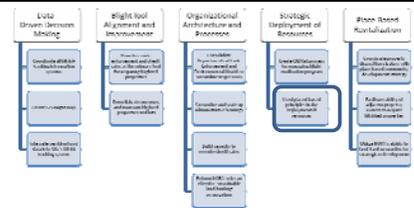


Create CitiStat process for managing blight eradication program



- Andy Kopplin and Jeff Hebert will convene regular public CitiStat meetings with key staff to monitor progress in meeting citywide blight goals
- Meetings will center around the GIS blight map, which will contain regularly updated data on blight eradication efforts
- Blight eradication tools and resources will be deployed in the most cost-effective way possible to ensure maximum revitalization opportunities
- The CitiStat sessions will help identify what works, what doesn't, and what needs to change in order for the City to meet its goals

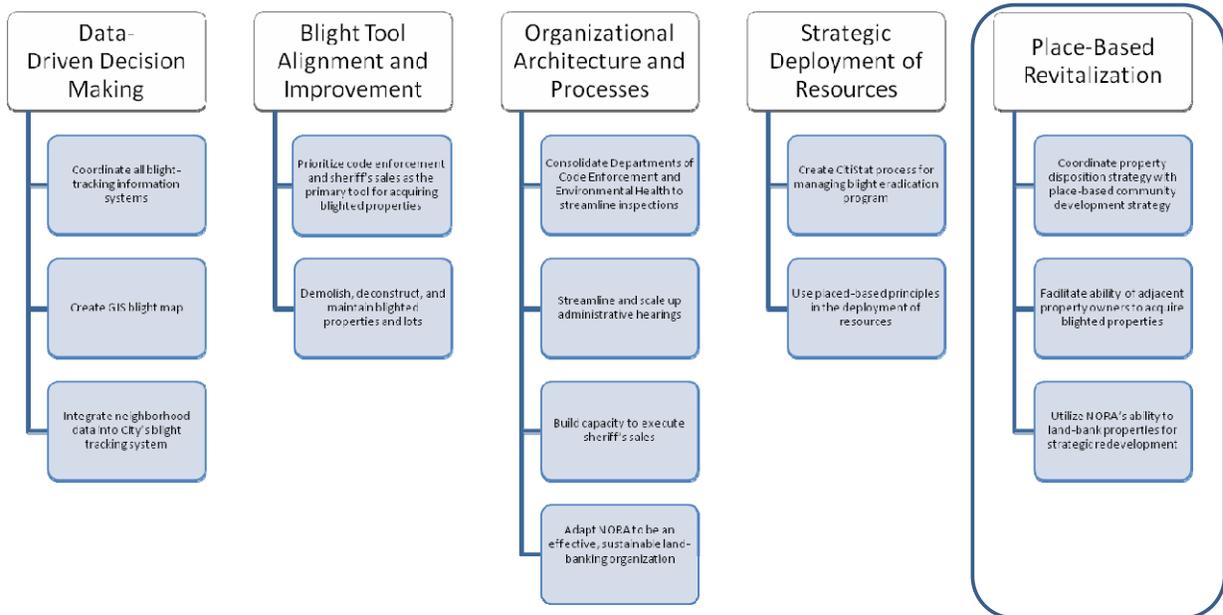
Use Placed-Based Principles in the Deployment of Resources



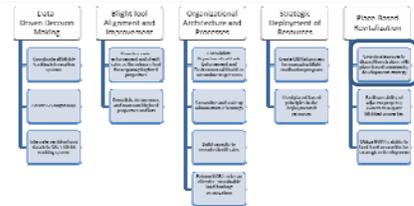
- *Code enforcement* sweeps will be targeted within a five-block radius of open schools
- *Strategic Demolitions* will be initially targeted within a five-block radius of open schools and in proximity to strategic corridors.

Drilling down...

Place-Based Revitalization

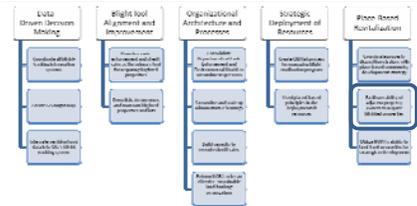


Coordinate property disposition strategy
with place-based community
development strategy



- *Sheriff's Sales* will initially target prioritized areas around schools, parks, corridors, and city investments
- *Community partnerships for revitalizing blighted properties* will encourage infill development in neighborhoods
- Prioritize housing subsidies for infill, scattered site development

Facilitate ability of adjacent property owners to acquire blighted properties.



- *Lot Next Door expanded* will enable responsible property owners to purchase adjacent blighted property and bring it into compliance precipitating revitalization of neighborhoods block by block.

Utilize NORA's ability to land-bank properties for strategic redevelopment.



- *Landbanking* will enable the City, through NORA, to control and maintain properties in neighborhoods that might otherwise draw irresponsible real estate interests. Landbanked properties can be used for strategic and/or future city needs.
- New Orleans Vacant Property Initiative will perform a comprehensive financing plan for a NORA-led landbanking program

Implementation Plan

Blight Reduction Strategies Phase I

Demolition of Blighted Structures

Nuisance Abatement in Neighborhoods (INAP)

Code Enforcement / Hearings Process

Sheriff's Sales

Pilot Blighted Property Deconstruction

1

Demolition of Blighted Structures

Demolish blighted structures in neighborhoods across council districts.

HOW MANY: Begin by demolishing at least 100 structures a month.

HOW: Strategic Demolition Program – DCDBG

WHERE:

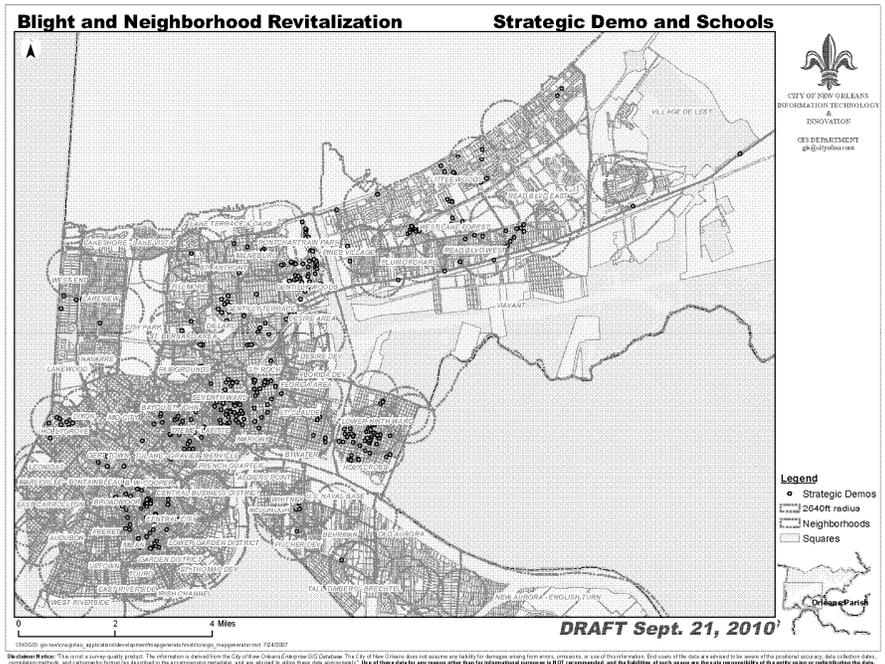
- Place-based: around schools, strategic corridors.
- Council list: prioritized blighted properties in districts.

COST: Range of \$5,000+ per property depending on type

1

Demolition of Blighted Structures

Demolish blighted structures in neighborhoods across council districts.



2

Nuisance Abatement in Neighborhoods (INAP)

Mitigating nuisance properties in neighborhoods by cutting grass on lots, and draining and filling swimming pools.

HOW MANY: Cut 1,500 vacant lots by the end of 2011.
HOW: Interim Nuisance Abatement Program (INAP) - FEMA
WHERE: Council Districts B & E, already underway in A, C, & D.
COST: \$ 3 million in existing program/
Create partnerships with neighborhoods to maintain properties.

3

Streamlining Code Enforcement

Streamline code enforcement and environmental health into one entity with consolidated neighborhood sweeps. Begin code enforcement sweeps in priority areas.

HOW MANY: Approx 400 inspections per week, 1,600 per month.

HOW: Approx. 12 inspections per day per inspector with eight inspectors.

WHERE: Begin with code sweeps around 5 block radius of schools and strategic corridors. Pilot sweep within three block proximity of New Orleans College Prep completed week of September 10th.

COST: No additional cost

3

Streamlining Code Enforcement

School-based sweeps with 5 block radius in high priority code enforcement areas defined by inspectors and OPSB/RSD for blight and crime.

Uptown

Harney
Andrew Jackson
Live Oak

Dixon

Bethune

Mid City

Wicker
Warren Easton
Nelson
Marshall
Crossman

Upper Ninth Ward

Drew

Lower Ninth Ward

MLK Charter School

DeSaix

Langston Hughes

New Orleans East

Reed
Village de l'Est
Gaudet
Schaumburg

Gentilly

Gentilly Terrace
Ben Franklin

Central City

Guste
Mahalia Jackson

Treme

Craig

Esplanade Ridge

J.S. Clark
McDonogh 35

Algiers

Landry

4

Streamlining
Administrative Hearing
Process

Streamline and consolidate code enforcement and environmental health hearings.

HOW MANY: Approx 270 scheduled hearings per week, 1,090 per month, 13,080 per year.

HOW: Combined hearings 9:00 – 2:00 T/W/Th at 90 hearings per day across three courts. Pro bono hearing officers (35 authorized to serve).

WHERE: Combined hearings at unified hearings center TBD.

COST: Some facility leasing costs if an existing location cannot be found. No additional personnel costs needed.

5

Sheriff's Sales

Steadily increase the capacity of the city to bring blighted properties to sheriff's sale for disposition.

- HOW MANY: 35 – 40 Sheriff's sales completed by the end of the year. Increased capacity for sheriff's sales to 1,000 in 2011
- WHEN: December 8 pilot sale of 15 – 20 properties. Five each week thereafter.
- HOW: New case manager on loan to the city to coordinate five cases each week for proper noticing, etc. Six week process. City Day for Sheriff's Sales on Wednesdays.
- COST: Sheriff's fees: \$600.00 per property Total for 35 – 40 properties is approximately between \$21,000.00 to \$24,000.00. Average rate of return per property for sheriff's sale is approx. \$22,500.00.

6

Pilot Blighted Property
Deconstruction

Pilot young adult deconstruction skills training and historic property deconstruction program partnership between City of NO Job One and local non-profit organization.

HOW MANY: Pilot deconstruction of 25 properties by the end of the year. Increased capacity especially during the summer months.

HOW: City Economic Development office through Job One in partnership with local non-profits will train a pilot cohort of young adults in residential deconstruction.

WHERE: Training at non-profit center. Deconstruction in historic neighborhood.

FUNDS: Job One training funds. | Potential CDBG Funds.

Implementation Timeline

