



Build Now Recommendations on Blight and Recovery:

Suggested strategies, topics of discussion, and possible solutions

Build Now is a local non-profit that has constructed more than thirty new homes in New Orleans' flooded neighborhoods. Three years of daily conversations with families who remain displaced as a result of Hurricane Katrina have taught us that every household has its own story. Families who were able to rebuild in the first five years after Katrina were the "easy cases" – relatively speaking. The hurdles facing those who are still displaced are as considerable as they are diverse; it will take a sustained effort to repopulate the remaining properties. Below are Build Now's recommendations on how neighborhood leaders, non-profits, and government agencies can work together to support the continued reconstruction of New Orleans' flooded neighborhoods.

Develop a single, comprehensive, parcel-level database to coordinate rebuilding efforts

A tool to collect and share comprehensive parcel-level data will provide a solid platform for effective collaboration. Authorized users from neighborhood groups, non-profits, and City and State government could input and view information on:

- Property ownership
- Blight status as reported by City blight inspectors and by neighborhood organizations
- Status of Code Enforcement violation proceedings
- Road Home Option 1, 2, 3, or Small Rental Program participation
- Road Home Option 1 compliance status
- Homeowner's intent to return
- Homeowner's contact information
- Obstacles preventing homeowner from rebuilding

It is likely that privacy concerns would necessitate differentiated access levels for different users to protect confidential information. But the legal and logistical complications would be well worth working through. Benefits of such a database would include:

- Enable City and State to coordinate efforts around redevelopment of Road Home properties
- Facilitate analysis of aggregate additional resources required to complete reconstruction of Option 1 properties
- Allow for data pulls grouping properties based on compliance/blight status, pre- vs. post-storm vacancy, and more
- Create a means by which abandoned and vacant properties can be classified by owner's intent to return and rebuild; those who want rebuilding assistance can be funneled to the appropriate source of support and the remaining properties can be transferred to LLT/NORA

Currently, neighborhood groups, city and state agencies, and non-profits are tracking blighted and vacant properties via a number of different systems. ***To maximize efficiencies in the collection and management of data and avoid duplication of efforts, we advise that City and State agencies collaborate with non-profits and neighborhood organizations to create a single, unified database.***

Promote cooperation between government, neighborhood leaders, and non-profits

Community organizations want to see progress in their neighborhoods and are willing to do their part to help. However, beyond reporting Code Enforcement violations, they have no clear avenue to support the rebuilding process. Individual neighborhoods have developed best practices around the collection and tracking of blight and vacancy data. Cooperation amongst neighborhoods and



between neighborhoods and city and state agencies can improve citywide data availability. Neighborhoods can provide data on the status of individual parcels, while government agencies can provide information on whether a parcel is owned by NORA or LLT, received Option 1 or Small Rental Program funding, and is or is not in compliance with Road Home covenants.

Neighborhood organizations and non-profits are a valuable resource in the fight to rebuild New Orleans. A database that accepts user-generated input will enable these groups both to both access information crucial to the redevelopment of their neighborhoods, and submit parcel-level data on their neighborhood in a standardized format, making it accessible to city and state agencies. Umbrella groups that act as a link between neighborhood associations and government, such as the Gentilly Civic Improvement Association (GCIA), Lakeview Civic Improvement Association (LCIA), Neighborhoods Partnership Network (NPN), and Beacon of Hope, can help policymakers shape programs and systems to align with the capabilities and needs of the neighborhoods.

Rebuilding Road Home Option 1 properties is key to fight blight

Too often, the discussion on blight in New Orleans is presented separately from hurricane recovery. Road Home Option 1 properties “may represent the largest single source of blight in the city” according to the Greater New Orleans Community Data Center, “with potentially as many as 10,000 properties in this category citywide. ... Failing to address these property owners proactively will leave the State and City in the position of having to spend precious limited resources in legal action and code enforcement for many years before these properties can be acquired and remediated.”¹ Blight linked to our city’s 40-year population decline is quite different from blight resulting from a lack of available rebuilding resources.

Many Option 1 homeowners still wish to rebuild, despite the financial, logistical, and/or personal obstacles that may have delayed them, and can do so with a little assistance. The City and State should prioritize either helping Option 1 recipients find the resources they need to meet the obligations of their covenants or converting them to Option 2. Helping Option 1 property owners reoccupy their abandoned properties in New Orleans is a valuable tool to reduce blight – especially when the projected costs to acquire and maintain the property to commerce exceed the amount the property owner needs to finish construction. Those who cannot or do not wish to rebuild can convert to Option 2, and title can be transferred more easily than when a property is seized through code liens. **If a homeowner is committed to rebuilding, the City of New Orleans should consider spending money to help them rebuild rather than to seize their property, maintain it, and return it to commerce.**

Direct contact with property owners is necessary to rebuild Option 1 properties

City property records, site visits by neighbors, and Road Home data attest to the current status of Road Home Option 1 and other abandoned properties. However, direct contact with the owner is required to assess the obstacles standing in the way of rebuilding the property and to determine the best course to bring the property back into commerce. Does the owner want to return, or would they rather sell their property? If they want to return, what assistance or how much money would they need to rebuild and reoccupy their property? Is their financing gap a result of contractor fraud, a forced mortgage pay-off, inappropriate use of Road Home funds, or an insufficient initial payout from Road Home and insurance?

¹ “Optimizing Blight Strategies: Deploying Limited Resources in Different Neighborhood Housing Markets.” Allison Plyer, Elaine Ortiz, and Kathryn L.S. Pettit. Greater New Orleans Community Data Center and The Urban Institute. November 2010.



Data on what is keeping property owners from rebuilding is needed to drive the creation of solutions appropriate to the specific needs of our city. We need to determine how many dollars worth of supervision, how many hours of volunteer labor, how many hours of case management, how many dollars worth of supplies, and how many hours of legal assistance will be required to accomplish various rebuilding milestones. From there, we can set goals based on available resources and neighborhood priorities.

OCD and the Beacon of Hope are developing a program to reach out directly to owners of homes whose Road Home Option 1 covenants have expired. The content of the conversations the Beacon representatives will have with homeowners is crucial to the success of this program. We need to make sure the Beacon program asks the right questions so that the data collected can be used to assess the needs of Option 1 homeowners and to generate solutions. ***Cooperation around the OCD/the Beacon of Hope Pilot Program holds the potential to expand our understanding of the ongoing needs of displaced Option 1 property owners.***

Align additional funding with need and commitment to rebuild

Almost universally, the owners of unreconstructed properties need additional funding to bring their property into compliance. Inadequate grants, contractor fraud, strict credit requirements, and other factors have created financing gaps that homeowners cannot solve on their own. Allocation of the ~\$100M remaining in the Road Home program should be based on the owner's need as well as their commitment to return and reoccupy their property.

A State-funded construction loan program could address remaining gaps while providing responsible oversight. To ensure accountability, funds from this program could be paid directly to licensed contractors based on a predetermined draw schedule. Depending on a client's financials, at the end of the job the client could obtain a permanent or reverse mortgage through a bank, or the client could make payments to the State for the lifespan of the loan. **Build Now recommends that the Office of Community Development prioritize distribution of remaining funds in order to maximize number of reoccupied units. Additionally, the State should create alternate funding mechanisms, whether grants or loans, to fill the remaining financing gaps as needed.**

Empower families with information on non-profits and qualified builders

Many families with whom we have spoken, especially those who have been living far from home since Hurricane Katrina, are not aware of the resources available to help them rebuild. A simple resource guide listing non-profits, government agencies, and, potentially, qualified for-profit businesses who provide assistance with rehab, new construction, elevation, and property maintenance would be a low-cost tool that would go a long way.

At the City level, a one- or two-page listing of services could be sent with code enforcement violation notices. At the State level, the Office of Community Development could send a similar guide to all Option 1 recipients who have not self-reported that they are in compliance. **Build Now recommends that both the City of New Orleans Code Enforcement Department and the State Office of Community Development send out a resource guide listing contact information for relevant service providers to all who are not in compliance with the City code or Road Home covenants.**

With any questions on the suggestions presented here, please contact Tess Monaghan, Executive Director of Build Now, at (504) 324-3964 or tmonaghan@buildnownola.com.