



CITIZENS' ROAD HOME ACTION TEAM

email chatlra@yahoo.com website chat.thinknola.com

November 27, 2007

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Re: Comments and Recommendations of the Citizens Road Home Action Team on NORA's Draft Orleans Parish Redevelopment and Disposition Plan

The Citizens Road Home Action Team (CHAT) has reviewed the NORA Draft Plan and, respectfully, submits the following comments and recommendations for the record for the Public Meeting scheduled November 28, 2007. While this letter primarily addresses the draft plan, CHAT's involvement with the Road Home Program and applicants trying to obtain their grants has given us a perspective on several aspects of the recovery we believe are pertinent to NORA's objectives and we also offer additional suggestions for your ongoing consideration.

Introduction

The aftermath of the Hurricanes of 2005, the flooding of more than 80 percent of the city of New Orleans from failed federal canal walls and the severe damage or

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destruction of hundreds of thousands of homes throughout the greater metropolitan New Orleans area places NORA in a unique position in the future of the recovery. As noted in its draft plan, NORA already owns a substantial inventory of property and, by way of the Louisiana Land Trust (LLT; formerly, Road Home Corporation), will acquire substantially more, in various stages of disrepair, throughout the city's thirteen planning districts.

Many of the problems facing over the hundred and sixty thousand grant applicants in the Road Home program are the same ones that NORA will face, as will the people who acquire NORA properties. These include insurance, safety, maintenance, the availability of city services, infrastructure repair, and rising energy and construction costs. New Orleans residents also face the challenge of a city that is still substantially below its pre-storm population, lacking in reliable services, persistent crime, a dearth of schools, teachers, health care facilities and professionals and jobs that can provide a wage to make home ownership affordable. As NORA is well aware, it will do no good to turn a house over to someone unable to maintain it because of rising costs.

CHAT agrees with NORA's assessment that the problems of market demand and the dangers of adding to existing inventory in an uncertain housing market must be taken into account as properties become available for return in one form or another or are turned to other uses that benefit the diverse needs of local communities.¹

¹ One question however is how NORA will determine which properties to make available first? If a particular property is desired by someone, but that property is not one that NORA has decided to make available, that person may have to wait years to purchase and relocate while NORA maintains the property

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It is important that properties NORA will acquire from the LLT be expeditiously and publicly identified by the LRA so that NORA and planning district leaders can make timely and intelligent decisions about possible future uses of them, particularly in those neighborhoods hardest hit where long term planning is most urgently needed.

Blighted properties, a problem that plagued NORA and the city before the storms is further complicated by the consequences of the flood and the threat of future floods. At the same time, the grouping of such properties with LLT properties presents a better opportunity for comprehensive planning, the use of “land banking” and steps that can mitigate damage from future flooding that NORA and the city must not overlook.

NORA, as a property owner and good neighbor must work with the UNOP Planning districts, the pre-eminent citizen groups representing the unique interests of the city’s diverse neighborhoods.

The continued role and responsibility of the state and federal government, HUD and FEMA, in providing additional support and funding must be aggressively pursued by NORA, city and state leaders and those at the helm of the recovery.

CHAT believes the NORA draft plan should be modified to reflect a resolution of the following issues and questions, which we understand to be of concern to applicants, community leaders and public officials involved in the recovery.

at the taxpayers' expense? It may be that NORA could make a limited number of properties available annually to prospective buyers from a much larger list of all available properties.



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1. Citizen Participation.

It is important that the NORA plan reflect and specifically address Principle 19 of the LRA Statement of Principles provides, which provides:

Properties acquired by the Road Home Program should be reintroduced to commerce by local redevelopment entities in a manner that ensures current and future safety of the community, or be retained as open space when necessary. The disposition should follow local community input, neighborhood planning, and safety requirements.

The NORA draft plan consistently mentions the Orleans Parish Redevelopment Plan and the Seventeen Target Zones in that plan, as well as additional targets including Public Housing Off-sites, Pontchartrain Park, Hoffman Triangle and Broadmoor. The NORA plan however, makes serious omission of any mention of the role of UNOP's thirteen community planning districts and their considerable work on plans formulated by each to address specific community needs. CHAT believes NORA's plan is not consistent with LRA Principle 19 and the plan should be modified accordingly.

Furthermore, although the NORA draft plan says it has sought public input through the participation of local development entities. CHAT must point out the plan and the public notice of the November 28th meeting were not made available at the NORA website until after CHAT's recent urging. As of November 27, the public notice

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at the NORA website does not mention the time of the meeting or its location.²

CHAT Recommendation:

The disposition of properties acquired by NORA should reflect the inclusion and participation of local leadership at the UNOP planning district level. The NORA Plan should provide specifically for solicitation of the plans advocated by the thirteen planning districts and acknowledge that NORA will seek integration of those plans and participation of local community leaders, as well as interested citizens. To the extent that the plans of the districts are consistent with LRA and HUD requirements, and NORA's goals, with due regard for the unique diversity of the planning districts and particular local community development goals, NORA should defer to the relevant planning district for LLT land in a its district. For larger planning districts in which many LLT properties are located with active neighborhood groups, solicitation of smaller neighborhood group input should also be encouraged.

The NORA plan should explicitly cite the HUD regulations that require citizen participation and state how the plan addresses those requirements and how NORA intends to specifically work with and give due consideration to existing planning district plans.

² 24 CFR Chapter V Section 570.431 Citizen participation provides in pertinent part: (3) Holding a minimum of two public hearings, for the purpose of obtaining citizens' views and formulating or responding to proposals and questions. Each public hearing must be conducted at a different stage of the CDBG program. Together, the hearings must address community development and housing needs, development of proposed activities and review of program performance. There must be reasonable notice of the hearings and the hearings must be held at times and accessible locations convenient to potential or actual beneficiaries, with reasonable accommodations including material in accessible formats for persons with disabilities. The applicant must specify in its plan how it will meet the requirement for hearings at times and locations convenient to potential or actual beneficiaries.
http://a257.g.akamaitech.net/7/257/2422/26mar20071500/edocket.access.gpo.gov/cfr_2007/aprqr/24cfr570.431.htm

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2. Administration Expense, Maintenance and Use of Funds Derived from the Sale of RHP Acquired Properties.

CHAT appreciates that NORA will need funding from the city, state, federal government and/or other sources in order to maintain and effectively administer properties acquired from the LLT. These funds however must not come from the Road Home residential grant program which recently obtained additional Congressional help to cover an anticipated shortfall in funding for homeowners' grants.

Furthermore, state law provides that profits from proceeds derived from the sale of RHP acquired properties must adhere to the benefit of grant applicants.³

CHAT Recommendation:

The NORA plan should be modified to reflect, after reasonable expenses incurred for the maintenance and administration of properties, upkeep, insurance and redevelopment that any "profits" derived from the sale of LLT acquired properties, must be returned to the Road Home Program to fund residential homeowner grants. Thereafter, provided the residential grant program is fully funded, excess funds should be used for the common benefit and redevelopment of each planning district consistent with neighborhood plans. The most severely devastated neighborhoods with higher numbers of damaged NORA acquired properties should derive a pro-rata benefit from any

³ The enabling legislation for the Road Home Program provides: **§ 600.67 Excess Earnings** Any net earnings of the Road Home Corporation beyond that necessary for the Road Home Corporation to implement the purposes of this Chapter shall inure to the benefit of The Road Home Program.

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“profits” or excess earnings obtained from the resale of NORA properties turned over in those areas.

3. Safety and FEMA

One of the overarching LRA policy goals is for homeowners to rebuild Louisiana safer, stronger and smarter. There is unfortunately nothing in NORA's plan that recognizes and supports these goals and probably much that its implementation could do that would go against them. The plan must recognize that in Orleans parish, homes and businesses are the last line of flood defense and that the forward lines, levees and wetlands, are of doubtful capability and reliability, a situation unlikely to change over the next decade. Katrina taught us the wisdom of traditional raised cottage architecture in flood zones. While current law permits properties to be grandfathered in, to the extent possible, the plan should make every effort to explicitly encourage sensible elevation and discourage high inundation risks.

This plan must not simply be about the remediation of blight but about recovering from a catastrophic flood and making homes safe for inevitable future flood events. Neighborhood property values will not be enhanced by a 3-D jack-o-lantern effect brought on by mixed safe and unsafe redevelopment.

It is essential that NORA and city and recovery leaders meet with Donald Powell's Office and representatives of FEMA to strongly urge the immediate release of FEMA HMPG funds, including funds for elevation and mitigation, thus permitting NORA to require (as well as provide a means for) elevation for such properties.

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CHAT Recommendation:

A lettered topic in the plan on safety and elevation.

Provisions for incentives or covenants that encourage or, where appropriate, require safe elevation of developed or renovated properties which are dispositioned under NORA's plan.

The plan must note clustering is a desirable strategy for disposition and, when applied to resettlement on high ground, to safety as well. NORA's plan should encourage raising above ABFE both renovated or rebuilt houses on LLT property and on NORA pre-storm blighted and adjudicated properties, regardless of NFIP grandfathering.

NORA, along with city recovery leaders and the council should attempt to meet with and urge Chairman Powell, FEMA, Governor Jindal and the Louisiana Congressional delegation to press for the long overdue release of HMPG funds and the waiver of unnecessary restrictions which continue to hamper and delay homeowners, and soon NORA's efforts.

The draft plan statement about it being "counterproductive to initiate LLT property development on a block when it remains filled with blight" is too broad and ignores the reality of many of the hurricane blighted areas and thousands of Road Home applicants who have already obtained city permits for rebuilding in such areas. To set such a blanket policy would hamper development of LLT properties in many areas which now need the most encouragement for development. Some of these are the very neighborhoods ripe for development of homes for lower-to-median income families that

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NORA seeks to promote. This conflict illustrates the need for NORA to rely much more heavily on planning district input for development of LLT properties within each given planning district.

4. Multiple Buyouts and Resale

CHAT supports the NORA draft plan's intent to promote the Lot Next Door program, following green requirements in rebuilding and redevelopment, encouraging urban gardens and pocket parks and discouraging speculators from acquiring properties. All of these are not only admirable, but essential goals.

On September 11, 2007, the LRA passed a resolution concerning parish disposition plans that included the following provisions:

3) Parishes should articulate land use plans for areas with multiple buyouts;

4) Parishes should articulate resale procedures;

6) Parishes should articulate how they will meet affordable housing targets and address permanent green space possibilities per Amendment No. 7 to Action Plan No. 1

CHAT is concerned that the NORA draft plan is vague on these important concerns and that more consideration of these, as well as careful consideration of "land banking" be provided in the plan document.

CHAT has consistently advocated that homeowners who lost their properties in the storm and would benefit from relocating to relatively safer or more populated areas be

The logo for CHAT (Citizens' Home Action Team) is positioned vertically on the left side of the page. It consists of the letters 'C', 'H', 'A', and 'T' stacked vertically in a large, white, sans-serif font against a red background.

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given first options on NORA acquired properties through land banking concepts. NORA is in a unique position, working with planning district and city redevelopment planners to allow such homeowners to return to the city while encouraging development that minimizes “jack o lantern” results and avoids unsafe redevelopment.

Land banking affords NORA and the city the opportunity to provide incentives to families to relocate from areas within neighborhoods prone to the worst flooding to higher ground within the same neighborhood or in other neighborhoods. NORA and the LLT should consider acquiring and trading off such properties where possible to cluster properties for appropriate neighborhood uses.

CHAT Recommendation:

Precise resale requirements to discourage speculators need to be made a part of this plan, transparency in all bid processes and proposals need to be specifically delineated and committed to by NORA for the plan to work as intended, for public confidence in it and for the support of governing authorities.

NORA should consult with land bank experts to develop an efficient program to achieve the goal of permitting persons who lost their homes, among others, ample opportunity and means to benefit from NORA acquired properties as they are offered for redevelopment. As discussed further herein, this can and should be a part of to be part of NORA's goal of helping to provide affordable housing.

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The NORA plan should defer to the planning district about whether the right of first refusal should be insured for LLT land in each planning district.

5. Affordable Housing and Rental Properties

NORA's intent "to sell land for reduced rates where permitted by CDBG and LRA regulations" and that some properties should be developed for rental housing should be subject to the consultation and approval of actively interested planning district organizations in which such properties reside. All such consultation should involve scheduled and widely publicized meetings open to public comment.

NORA's plan gives considerable emphasis to providing affordable housing without giving primacy to the goal of the Road Home Program to bring back to this city families that lost their homes who wish to return. CHAT's concern with the use of an 80-120% figure of means testing will exclude too many families of modest income who would be unable to afford a home without access to this program.

CHAT is also concerned NORA's estimates on the costs of maintaining a \$150,000 home are understated. CHAT's members anecdotal information suggests insurance and energy costs alone are higher than those provided in NORA's projections and these continue to rise.

Any proposed subsidies must be made fairly available to the widest range of citizens who experienced storm loss of a home.

CHAT Recommendation:

CHAT believes that the only means test or goal in NORA's proposal should be

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that 25% of redeveloped properties go to low to moderate income families, a HUD requirement. No other means goal should be indicated so as not to prejudice families from returning to their neighborhoods who owned homes prior to the hurricane and are struggling financially, but may be at 121% of the AMI.

Likewise, NORA and the city ought to give consideration, after homeowners who lost their homes, to making affordable housing available to persons in occupations needed by these communities, teachers, firemen, police and health care workers and persons involved in and contributing to the recovery effort, including infrastructure repair.

Additional CHAT Comments: Green and Greenspace, Partnerships and Advice

Greenspace and green redevelopment, recycling useable materials from homes that are deconstructed, instead of demolished, safer, stronger, energy efficient housing are all goals NORA can and should pursue by seeking partnerships with universities and private concerns (through transparent, competitive public bid processes, public meetings and public disclosure of NORA's administration costs). Such considerations (particularly greenspace and green development) require the input of the planning districts and, where appropriate, smaller neighborhood organizations. Recently, communities across the Midwest devastated by tornadoes, undertook efforts to rebuild whole towns and villages "green". Communication with knowledgeable leaders in such communities and the exchange of information could yield invaluable advice for NORA as it proceeds with its plan.

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NORA should actively and vigorously seek the help of non-profit organizations that have already put thousands of man-hours into repairing or rebuilding homes, giving advice about reputable and reliable contractors. NORA should also obtain information from national or and entities from outside of the state with relevant expertise, i.e., Habitat for Humanity, the St. Bernard Project, which are building and repairing homes for low income individuals about building practices including procedures for doing some of the work that be can safely done by the owners or by community efforts.

NORA and the state could both benefit by collaboration with the state programs, including the “Katrina cottages”, program for affordable homes that could be built on properties acquired or already under NORA’s ambit.

Rising insurance costs (and lack of availability of coverage) threaten to continuously redefine the term “affordable” in any context in New Orleans for the immediate future. NORA, with the help of city, state and recovery leaders should explore the possibility of approaching major casualty insurers to solicit bids for insurance coverage for NORA acquired properties in the short term “in globo”. With incentives provided by the state, a “fleet” policy for NORA acquired properties could bring the costs of such coverage down and provide one possible subsidy that could be passed along to prospective homeowners to make such properties truly “affordable” at least during our current insurance crisis and perhaps inspire confidence in one or more of these companies to return to this market.

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Conclusion

More than one person or group, including CHAT, has suggested that what this city has needed since the disaster of '05 was the equivalent of a WPA to rebuild our communities and put our people back to work and into their own homes, in neighborhoods where people would want to raise families. NORA, by working with people and organizations, universities and private individuals in the community and across the country entities to solicit proposals for innovative and intelligent approaches to the challenges it faces, could do more than just flip a large number of properties; it could provide homes for people, jobs for the rebuilding of our city and a place where people will want to live and work.

NORA must try to insure that at the end of the day its disposition of LLT properties makes the city a better place to live, and better the environment for the people already here and struggling to come back. NORA, the city and state should seize this opportunity to try to attract the best and brightest people and ideas to the continuing challenge of this recovery and what could be a renaissance for the city of New Orleans.

Thank you for your patience, time and consideration.

Sincerely,

Frank Silvestri, Co Chairman of CHAT

Melanie Ehrlich, Co Chairman of CHAT and Member



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