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BGR MEDIA RELEASE

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BGR letter addresses future of City's blighted property programs

The Bureau of Governmental Research has sent a letter to the City's Office of Recovery Management (ORM) recommending a broad set of changes to the City's blighted property programs. BGR is sharing its observations with ORM and the public in anticipation of ORM's presentation to the City Council's Housing and Human Needs Committee, scheduled for December 17. The letter can be found on BGR's web site, www.bgr.org.

Reform of the City's system for dealing with blighted property could have major long-term impacts on New Orleans. BGR believes it is critical for policymakers to carefully consider reform proposals as they arise.

Drawing from intensive research efforts on blight remediation, BGR's letter to ORM addresses seven critical areas. These include: (1) program structure; (2) goals and strategy; (3) formal blight designation; (4) involuntary demolitions; (5) property acquisition challenges; (6) maintenance; and (7) property information.

BGR's major observations and recommendations include:

Consolidating Functions into NORA. Blighted property programs have historically been fragmented and poorly coordinated, causing confusion for the public and developers. To address these problems, BGR recommends consolidating blighted property programs, to the greatest extent possible, in the New Orleans Redevelopment Authority (NORA). It is making this recommendation for a number of reasons. NORA, unlike City government, has a mission limited to blight remediation and redevelopment. This should keep it focused and on task. NORA also has most of the necessary powers, and it also has responsibility for the estimated 7,000 Road Home Properties to be bought out by the State.

BGR recognizes that consolidating blighted properties in an unelected body with a troubled history is not without its risks. These risks can be mitigated through appropriate controls and restrictions on NORA's operations. Among other things, NORA and the City should jointly commit to specific strategies, procedures and performance standards. NORA's efforts should be consistent with the City's master land use plan and comprehensive zoning ordinance, and should be subject to meaningful public participation.

Keeping Code Enforcement within City Government. Code enforcement is a basic governmental function that should stay in City government. Within City government, it should be administered on a comprehensive, citywide basis, rather than as a recovery function. We think that it would be a mistake to place code enforcement within ORM – an entity with a strategic focus on 17 zones and other recovery-specific initiatives. All parts of the City – not just ORM's target areas – require aggressive and proactive code enforcement.

Keeping the Focus on Blight Remediation. The City and NORA should avoid superimposing programmatic limitations unrelated to the basic goals of blight remediation and good quality development. Burdening the blight programs with programmatic requirements designed to further other ends – such as workforce training or certain types of housing or communities – will

impede and slow recovery by limiting the range of potential projects and the pool of interested developers.

BGR is not suggesting that developers who seek to achieve goals beyond blight remediation – such as affordable housing and workforce training – should be discouraged in their efforts. We are simply suggesting that development should not be limited to specific types. To meet the massive redevelopment task confronting them, the City and NORA will need to cast a wide net that encourages development by the largest possible pool of individual, non-profit and for-profit developers.

Strategies. In order to address the pervasive blight in post-Katrina New Orleans, the City needs a comprehensive, citywide strategy that takes into account the viability of different areas and limited available resources. NORA and the City have articulated strategies that would concentrate resources for blight remediation in targeted zones.

BGR agrees that a targeted strategy is appropriate for troubled areas. However, the City and/or NORA should at the same time energetically pursue a market-based strategy to eliminate blight in well-functioning areas and in troubled areas when appropriate.

Other Recommendations

BGR makes a number of other recommendations, including the following:

- **Blight Declarations.** City and State lawmakers should create a single, clear and workable definition of blight for use in proceedings to formally designate properties as “blighted.” The City should pursue enforcement more aggressively.
- **Involuntary Demolitions.** The City should adopt portions of the International Property Maintenance Code to address deficiencies in the current ordinance governing involuntary demolitions of structures that pose a threat to health or safety. These deficiencies include

a lack of clear standards, a very tight deadline for contesting demolitions, and the lack of an appeals process.

- **Foreclosure on Blight Liens.** The City has traditionally acquired blighted properties through tax adjudication or expropriation, which both have serious limitations. The City and NORA should move to test another method which avoids many of these limitations: foreclosure on blight liens.
- **Property Maintenance.** The City should commit adequate resources to the critically important task of maintaining blighted properties held by the City or NORA.
- **Database.** The City should expand its property information database to provide potential developers and government officials with needed information.

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BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information call 525-4152 or visit BGR's website, www.bgr.org.

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