



2018 Annual Scope of Work and Implementation Plan

December 2017

Board of Commissioners
New Orleans Redevelopment Authority
1409 Oretha Castle Haley Boulevard
New Orleans, LA 70113

December 11, 2017

Dear Commissioners:

With your support and leadership, the New Orleans Redevelopment Authority (NORA) continues to be a key partner in the revitalization of New Orleans neighborhoods and a national leader in redevelopment best practices. In 2018, we will continue building on those accomplishments by partnering in affordable and equitable strategic developments that celebrate the city's neighborhoods and honor its traditions.

The enclosed scope of work lays out NORA's work plan for calendar year 2018 across our Housing Development, Commercial Revitalization, and Land Stewardship program areas, including the beginning of our Community Adaptation Program as well as new programs in development for the City of New Orleans Tricentennial and NORA's 50th Anniversary.

Along with the entire NORA staff, I look forward to working together with you to accomplish great things for the City of New Orleans and its residents in 2018.

Sincerely,

Brenda M. Breaux
Executive Director

I. Housing Development

In 2018, NORA will continue to auction properties to support the creation of market rate housing and provide land write-downs and construction financing to support the creation of affordable housing to ensure families of all income levels can continue to call New Orleans home. NORA will accomplish this mission through the following programs and at the respectively budgeted amounts.

A. Auction: A key component of the housing development strategy is the public auction that NORA will continue to use in 2018 to support housing development and investment throughout the city where there is market interest and support for private sector development.

Auction Properties Projected: 100

Neighborhoods: Citywide

B. Orleans Housing Investment Program (O-HIP): O-HIP, the newest phase of NORA's Residential Construction Lending program, is funded through U.S. Department of Housing (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Program Income derived from sale of former Road Home properties. NORA has awarded properties and NORU has awarded \$4,300,000 in financing for the development of primarily single-family affordable homeownership opportunities in neighborhoods like Central City, Seventh Ward, Gentilly, and New Orleans East. Construction of the first phase in RCL Next Generation program will begin in the first half of 2018 with construction of future phases continuing into 2020.

Budgeted Amount for 2018: \$5,000,000

New Construction Units Projected: 43

Neighborhoods: Central City, Seventh Ward, Gentilly, and New Orleans East

C. Housing Opportunity Zones (HOZ): Utilizing a structure nearly identical to the Residential Construction Lending program, this program uses CDBG-DR funds to finance the development of affordable homeownership opportunities on NORA-owned property in the nine City-designated Housing Opportunity Zones. Approximately half of these funds (\$525,000) were awarded to two developers by New Orleans Redevelopment Unlimited (NORU) in conjunction with NORA's award of property under the 2016 Residential Construction Lending RFP. NORA has requested that the balance of these funds be allocated to reimburse expenditures in the Residential Construction Lending, Extended program.

Budgeted Amount for 2018: \$1,005,009

New Construction Units Projected: 7

Neighborhoods: Lower Ninth Ward, New Orleans East

D. Neighborhood Stabilization Program 2 (NSP2): In February 2010, NORA was awarded \$29.7 million from HUD to partner with local for-profit and nonprofit developers to create approximately 460 new units of affordable housing in targeted neighborhoods across the city. NORA generated program income from the sale of Project 1330 in 2016. This Program Income has been retained while needs are assessed, and can be used to develop new affordable rental

or homeownership units or provide homebuyer assistance on units previously completed by development partners in qualified Census tracts.

Budgeted Amount for 2017: \$600,000 (Program Income)

Target Neighborhoods: Central City, Gentilly

E. REALM: Using non-Federal funds, NORA implements strategies to reduce blight such as interim nuisance abatement, disposition of formerly blighted properties, management of rental units, acquisitions and disposition activities, redevelopment planning, grant application preparation, and reuse of vacant blighted properties as active outdoor space.

Budgeted Amount for 2018: \$150,000

Neighborhoods: Citywide

F. Affordable Housing Pilot Program (AHPP): Through FEMA disaster recovery funding, NORA received 22 completed housing units on NORA-owned lots to provide housing for residents displaced by Hurricanes Katrina and Rita. To date, NORA has sold 13 AHPP units, and currently maintains 9 units which are all located in the Lower Ninth Ward. Tenants are enrolled in NORA's AHPP lease-purchase program. NORA provides property management and homebuyer education counseling with a goal of homeownership for all tenants.

Budgeted Amount for 2018: \$68,150

Neighborhood: Lower Ninth Ward

II. Commercial Revitalization

In 2018, NORA will continue its portfolio of programs that support revitalization of targeted commercial corridors in New Orleans, reduce blight and preserve historic buildings, and support local economic development.

A. Commercial Corridor Gap Financing Program: Funded through HUD CDBG-DR and Program Income, NORA provides financing for commercial revitalization projects that eliminate blight, provide jobs to low- and moderate-income residents, and attract new private investment in targeted corridors. NORA's Board of Commissioners approved three (3) loan awards in 2017 and substantial construction progress and construction completion on these projects is expected in 2018.

Budgeted Amount for 2018: \$3,282,478

Corridors: O.C. Haley Boulevard/Broad Street, St. Claude Avenue, Gentilly Boulevard

B. Façade Renew & Façade Renew 2.0: Launched in January 2014, Façade Renew is a CDBG-DR funded program to support strategic investments in targeted commercial corridors. The program includes grants to property and small business owners to revitalize storefronts and building façades, as well as placemaking grants to Main Street organizations. In 2018, Façade Renew 2.0 will begin accepting applications for façade improvement grants on four new corridors.

Budgeted Amount for 2018: \$2,758,735

New Façade Projects: 50

New Corridors: Alcee Fortier Boulevard, North Broad Street, Basin Street, St. Bernard Avenue

C. Ford Foundation: This private grant will be deployed in partnership with Capital Impact Partners as part of the Crescent City Futures Fund, used to support the acquisition and pre-development costs of key commercial and multifamily properties to catalyze redevelopment and reinvestment. These funds will be available as a loan to eligible projects and may serve as a complementary financing source for projects seeking funding from NORA's Commercial Corridor Gap Financing Program.

Budgeted Amount for 2018: \$475,000

Target Neighborhoods: Treme/Lafitte, Livable Claiborne Communities Corridor

III. Land Stewardship

In 2018, NORA will continue to acquire, dispose, and maintain vacant properties across the city in order to reduce blight, stabilize neighborhoods, and demonstrate innovative uses of vacant land for stormwater management, community greening, and ecological restoration. NORA will implement this Land Stewardship initiative through the following programs at the respective funding amounts.

A. Lot Next Door (LND): A key component of the land stewardship strategy is the Lot Next Door Program which NORA will continue to use in 2018 to promote land stewardship of NORA properties that share a common boundary with a privately owned property by providing adjacent property owners an opportunity to purchase adjacent NORA lots. NORA will continue to offer credits for beautification improvements up to \$10,000 for income-eligible applicants through the Growing Home Program.

LND Dispositions Projected: 35

Neighborhoods: Citywide

B. Road Home Land Stewardship: NORA maintains a portfolio of former Road Home properties in support of its disposition strategies. At the beginning of 2018, NORA is expected to own approximately 1,800 properties, including approximately 1,550 former Road Home properties (down from initial total of approximately 5,200) maintained by NORA's maintenance vendors with regular mowing and debris removal as well as property insurance. This program also provides funding for market analysis, planning, legal services, public outreach, appraisal, and survey work as it relates to returning the properties to commerce. In addition this funding supports demonstration land management projects designed to stabilize properties on an interim basis while reducing NORA's long-term maintenance costs.

Budgeted Amount for 2018: \$4,660,950

Lots Maintained: 1,550

Neighborhoods: Citywide

C. CDBG Annual: Using CDBG Annual (Entitlement) funds, NORA implements strategies to reduce blight such as acquisition and disposition of blighted properties, maintenance of non-Road Home properties, interim nuisance abatement, management of disposition activities, redevelopment planning, grant application preparation, and reuse of vacant blighted properties as active outdoor space.

Budgeted Amount for 2018: \$1,000,000

Lots Maintained: 250

Neighborhoods: Citywide

D. National Disaster Resilience Communities/Community Adaptation Program: Funded through a portion of the \$143 million National Disaster Resilience Competition award to the City of New Orleans, NORA has established the Community Adaptation Program to fund improvements to manage stormwater and prevent flooding on previously developed properties owned by low to moderate income homeowners within the Gentilly Resilience District. NORA

will begin implementation of this program to support neighborhood revitalization and resilience beginning in 2018.

Budgeted Amount for 2018: \$5,900,000

Projected Stormwater Management Projects: 200

Neighborhood: Gentilly

E. Strategic Acquisition Fund: Using CDBG-DR program income generated from the sale of former Road Home properties, NORA will acquire vacant lots and structures in strategic areas to support the further disposition of nearby NORA/NORU properties, to catalyze redevelopment and reinvestment, and to reduce blight.

Budgeted Amount for 2017: \$4,889,373

Neighborhoods: Livable Claiborne Communities Corridor, Desire, Lower Ninth Ward, Holy Cross

F. Hazard Mitigation Grant Program (HMGP): Through a FEMA HMGP grant, NORA is authorized to undertake a hydraulic and hydrologic study, environmental assessment, damage study, engineering, design, and permitting for a stormwater management project on 55 NORA-owned properties in Pontchartrain Park and Gentilly Woods. This project intends to reduce flood risk for existing residents, and support new housing investments.

Budgeted Amount for 2017: \$470,000

Neighborhoods: Gentilly Woods and Pontchartrain Park

IV. City of New Orleans Tricentennial and New Orleans Redevelopment Authority 50th Anniversary

In 2018, the City of New Orleans will celebrate the tricentennial of its founding and NORA will celebrate the 50th anniversary of its legal establishment, with its 50th anniversary of operations to follow in 2019. In addition to the implementation of the programs outlined above, NORA is planning several new programs in the Housing Development, Commercial Revitalization, and Land Stewardship program areas that will begin in 2018.

- A. **Market Value Analysis:** The Market Value Analysis (MVA) is a tool designed to assist government officials and private market actors to identify and comprehend the various elements of local real estate markets and more precisely craft property disposition strategies and intervention strategies in challenged markets and support sustainable growth in stronger markets. The initial MVA was developed in 2013 and updated in 2016 by the Reinvestment Fund (RF). NORA will sponsor the second update of the MVA with a scheduled completion date aligned with the beginning of the new mayoral administration and City Council.

- B. **Marketing:** In honor of the City of New Orleans Tricentennial and NORA's 50th Anniversary, NORA will significantly update and enhance its website, expand its social media presence, develop a comprehensive portfolio of its work across program areas, and adopt a unique graphic identity for official presentations and documents.

- C. **Housing Development**
 - a. Affordable Rental Request for Proposals (RFP): NORA will utilize Louisiana Housing Corporation (LHC) Low Income Housing Tax Credit (LIHTC) application scoring criteria to make properties available for scattered site rental projects through a Request for Proposals in 2018. NORA will submit a funding application to the State of Louisiana Office of Community Development to provide gap financing to 4% LIHTC projects awarded property through the RFP. The target release date for the RFP is the first quarter of 2018.
 - b. Lower Ninth Ward Affordable Homeownership: NORA plans to submit a funding application to the State of Louisiana Office of Community Development for project and homebuyer subsidy to develop up to 10 units of affordable homeownership near the Martin Luther King High School (Lawless Campus). The target completion date for this project is the fourth quarter of 2019.
 - c. NOLAHouse: NORA plans to submit a funding application to the State of Louisiana Office of Community Development for model resilient housing that exhibits best practices in energy efficiency and stormwater management. The home will be modeled on the LaHouse project on the Louisiana State University campus in Baton Rouge. The target completion date for the project is the second quarter of 2019.

D. Commercial Revitalization

- a. Commercial Property RFP: NORA will make its approximately 30 commercially zoned properties available for development through a RFP process. The properties may be available at a discount for developments that benefit a Low to Moderate Income Area. The target release date for the RFP is the second quarter of 2018.

E. Land Stewardship

- a. Growing Green (Relaunch): The Growing Green program, which has been on hiatus since mid-2017, will be relaunched with a new application, scoring criteria, and potential discounts and credits for Low to Moderate Income residents. The target release date for the revised program is the first quarter of 2018.
- b. Stormwater Management Lot Next Door: In order to expand the Growing Green program (currently only available to Low to Moderate Income <80% AMI purchasers), NORA will work with the State of Louisiana Office of Community Development to renew the Slum Blight Area designation for the majority of Census tracts in Orleans Parish. The renewal will enable NORA to revise the Lot Next Door program to provide credits towards the property purchase price in exchange for lot improvements that detain stormwater and reduce runoff. The target opening date for the program is the third quarter of 2018.
- c. Tricentennial Temporary Lot Use RFP: NORA will make select lots available across the city for temporary use to celebrate the City's Tricentennial. Contemplated uses include art installations, performances, etc. The target release date for the RFP is the first quarter of 2018.
- d. Tricentennial Bollards and Trees: NORA will install 300 bollards and trees on priority lots across the city to reduce the recurrence of illegal dumping, beautify properties, and prepare them for future disposition and development. The target starting date for this program is the first quarter of 2018.