



2012

Fight Blight Right: Using Code Lien Foreclosure Auctions to Rehabilitate New Orleans' Deteriorating Housing Stock

Courtney Williams
University of Pennsylvania

Follow this and additional works at: http://repository.upenn.edu/hp_theses

 Part of the [Historic Preservation and Conservation Commons](#)

Williams, Courtney, "Fight Blight Right: Using Code Lien Foreclosure Auctions to Rehabilitate New Orleans' Deteriorating Housing Stock" (2012). *Theses (Historic Preservation)*. 195.
http://repository.upenn.edu/hp_theses/195

Suggested Citation:

Williams, Courtney (2012). *Fight Blight Right: Using Code Lien Foreclosure Auctions to Rehabilitate New Orleans' Deteriorating Housing Stock*. (Masters Thesis). University of Pennsylvania, Philadelphia, PA.

This paper is posted at ScholarlyCommons. http://repository.upenn.edu/hp_theses/195
For more information, please contact libraryrepository@pobox.upenn.edu.

Fight Blight Right: Using Code Lien Foreclosure Auctions to Rehabilitate New Orleans' Deteriorating Housing Stock

Abstract

This thesis explores how code lien foreclosure auctions can be an effective alternative to demolition in fighting urban blight, by providing excellent investment opportunities for individuals interested in rehabilitating blighted properties. By analyzing the system as it is being implemented in New Orleans under Mayor Mitch Landrieu, its major benefits and weaknesses are identified. Property data collection and analysis demonstrates that this is a market-driven strategy, whose implementation will work best in strong or strengthening real estate markets. Further, existing structures (as opposed to vacant lots) near historic commercial corridors are most likely to sell. Recommendations for future improvements are suggested based on identified weaknesses. This research contributes to a better understanding of a preservation-minded blight fighting strategy, which has the potential to become a major method of property disposition nationwide.

Keywords

code lien foreclosure auction, new orleans, blight

Disciplines

Historic Preservation and Conservation

Comments

Suggested Citation:

Williams, Courtney (2012). *Fight Blight Right: Using Code Lien Foreclosure Auctions to Rehabilitate New Orleans' Deteriorating Housing Stock*. (Masters Thesis). University of Pennsylvania, Philadelphia, PA.

FIGHT BLIGHT RIGHT:
USING CODE LIEN FORECLOSURE AUCTIONS TO REHABILITATE NEW ORLEANS'
DETERIORATING HOUSING STOCK

Courtney Williams

A THESIS

in

Historic Preservation

Presented to the Faculties of the University of Pennsylvania in

Partial Fulfillment of the Requirements of the Degree of

MASTER OF SCIENCE IN HISTORIC PRESERVATION

2012

Advisor and Program Chair
Randall F. Mason
Associate Professor

DEDICATION

To my mother, without whom I wouldn't know the meaning of "cultcha"

Acknowledgements

Much gratitude to my advisor, Randy Mason, for patiently listening to me attempt to clarify my thoughts when I usually had no idea what I was talking about. And—for better or worse—not letting me off the hook too easily.

Sincere thanks to Stephanie Bruno, who during a lovely phone conversation last September, set me off to explore the wondrous, weird world of sheriff's sales. And to Charlie London—the faceless blogger whose detailed BlightSTAT meeting minutes allowed me to keep close tabs on progress all the way from Philadelphia. Special thanks to Cara Bertron for leading me to key sources.

To Tisha and Molly, who helped me work out the project's formative stages. And Gladysa who, as my roommate, witnessed all the highs and lows. Ima' miss you, G. Finally, thanks to my father—for reading the entire thing and pretending to enjoy it.

TABLE OF CONTENTS

| | |
|-------------------------------------|-----|
| Dedication..... | ii |
| Acknowledgements..... | iii |
| List of Figures..... | v |
| List of Tables..... | vii |
| Introduction..... | 1 |
| Literature Review..... | 7 |
| Blight in New Orleans..... | 18 |
| Code Lien Foreclosure Auctions..... | 37 |
| Sold Property Analysis..... | 46 |
| Neighborhood Analysis..... | 47 |
| Data Findings Conclusion..... | 51 |
| Analysis & Recommendations..... | 53 |
| Conclusion..... | 69 |
| Bibliography..... | 72 |
| Appendix..... | 75 |
| Index..... | 82 |

List of Figures

Figure 1. New Orleans Population 1800-2010. Source: Greater New Orleans Community Data Center.

Figure 2. Blighted Properties in New Orleans 2008-2010. Source: Greater New Orleans Community Data Center.

Figure 3. Concentration of Inspections in 2011. Map created by author.

Figure 4. Code Violation: Unoccupied Properties. Map created by author.

Figure 5. Code Enforcement Process Flow Chart. Created by author.

Figure 6. Cumulative Demolitions since October 1, 2010. Source: BlightSTAT, January 2012.

Figure 7. Lot Next Door Program. Source: www.noraworks.org

Figure 8. Mayor Landrieu talks to residents during a “Fight the Blight” Day. Source: <http://nola.humidbeings.com/>.

Figure 9. BlightSTAT Meeting, March 2012. Source: Charlie London.

Figure 10. Code lien Foreclosure Auction. Source: Photo by author, January 2012.

Figure 11. Code Lien Foreclosure Properties. Map created by author.

Figure 12. Density Analysis of Code Lien Foreclosure Properties. Map created by author.

Figure 13. Outcomes of 100 Properties Scheduled for Auction in October 2011. Source: BlightSTAT, November 3, 2011.

Figure 14. Proceeds from Sales and Liens Collected. Source: BlightSTAT.

Figure 15. Distribution of Sold Properties. Map created by author.

Figure 16. Irish Channel/Lower Garden District Neighborhoods. Map created by author.

Figure 17. Median Sales Price of Lower Garden District Real Estate. Source: www.trulia.com

Figure 18. Riverside Neighborhood. Map created by author.

Figure 19. Median Sales Price of West Riverside Real Estate. Source: www.trulia.com

Figure 20. Milan Neighborhood Boundaries. Map created by author.

Figure 21. Median Sales Price of Milan Real Estate. Source: www.trulia.com

Figure 22. 1618 Annette. Photograph by author, January 2012.

Figure 23. O.C. Haley Corridor in Central City. Source: Google Maps.

Figure 24. Freret Street Corridor. Source: Google Maps.

Figure 25. St. Claude Avenue Corridor. Source: Google Maps.

Figure 26. Oak Street Corridor. Source: Google Maps.

List of Tables

Table A1. Sold Property Analysis

Table A2. Irish Channel and Lower Garden District Code Lien Properties. Source: data.nola.gov.

Table A3. Riverside Code Lien Properties. Source: data.nola.gov.

Table A4. Riverside Code Lien Properties. Source: data.nola.gov.

CHAPTER I: INTRODUCTION

On the 2100 block of South Liberty Street in New Orleans, a double shotgun style home sits in the neighborhood known as Central City. Though its doors and windows are boarded and its paint heavily peeling, the structure is stable and its charm immediately apparent. Colorful brackets support the protruding eave and decorative quoins run the length of the structure's four corners. Its modest size reflects the area's history as a working-class neighborhood, and its ornate detailing is representative of the neighborhood's rich architectural resources.

Vacant and abandoned, this property is classified as "blight"—a word used to describe tens of thousands of decrepit properties scattered throughout New Orleans. According to a small piece of paper stuck to the parcel's picturesque cast iron fence, the property is scheduled to be razed to the ground. Three empty lots on this block allude to this one's future fate...an overgrown field of weeds, litter, abandoned car tires and shards of glass.

Since his election in 2010, New Orleans' Mayor Mitch Landrieu has been waging a vociferous war on the City's crippling blight. While he should be commended for his enthusiasm, progress thus far appears to be measured by the number of demolitions completed in a month. Ominously, bulldozers have become symbols synonymous with the success of fighting blight, as evidenced by their overwhelming use as background props in the mayor's photo-ops. But it is blatantly clear to any passerby that the demolitions occurring in neighborhoods such as Central City are in no way contributing to neighborhood revitalization. Demolition has not proved to eliminate blight. More often than not, demolitions simply serve to replace blighted properties with blighted vacant lots.

While hasty demolitions allow the city to exhibit the image that they're "getting things done," community groups and city officials alike agree that it is not an effective policy: "Demolitions are a mixed bag...if you do a lot of demolition than you have a dumping problem. People come and dump tires and debris and trash."¹ Brad Vogel, who recently completed a fellowship with the local National Trust field office, writes avidly about the city's blight fighting strategies. He criticizes the administration's reliance on demolition making the city "seemingly hell-bent to display as little creativity as possible in its blight eradication effort."² He also points out that the entire process must be re-evaluated because "the city is using an outdated [demolition] list that is approximately five years old, one that does not fully account for changes in neighborhoods...that make blighted properties more viable for renovation or sale today."³

While the city asserts that the market value of surrounding properties goes up with a single demolition, the reality is that "after the bulldozer rolls, vacant lots typically prove more difficult to sell than lots with structures already in place, however blighted...buyers are much more inclined to purchase and renovate a blighted historic structure than buy a narrow urban parcel and build from scratch."⁴ One may argue at length that the negative social, environmental, economic and aesthetic consequences of demolition are as destructive as the blighted property itself, but it is not enough to decry its negative effects; a viable alternative must be offered to strengthen the argument against it. In New Orleans, that alternative is emerging in the form of code lien foreclosure auctions. This specific type of auction involves properties that have accrued building code violations and unpaid fines,

¹ Mark Guarino, "Next up for New Orleans' Recovery: Fighting Blight," *Reuters*, December 15, 2011, <http://www.reuters.com/article/2011/12/15/us-blight-neworleans-idUSTRE7BE1PL20111215>.

² Brad Vogel, "Gung Ho for Demolition: FEMA Pays, but Neighborhoods Lose," *The Lens*, August 31, 2011, <http://thelensnola.org/2011/08/31/demolition-blight-war/>.

³ *Ibid.*

⁴ *Ibid.*

resulting in a court-ordered seizure by the city and subsequent sale at public auction to recoup debts. With the passage of City Ordinance amendments in 2007 enabling this action, these sales have emerged as a leading topic in local blight-related discussions, frequently appearing in online forums, city meeting minutes, preservation group publications, and local newspaper articles.

City officials and community activists agree that instead of viewing blighted properties as drains on the city's economic and social viability, they can be looked at as "stranded economic assets" which can be returned to the city's tax rolls and serve as "community amenities."⁵ Vogel's opinion articles repeatedly call for code lien foreclosure sales to become a major tool in the city's blight fight: "The auction process really is one of the few things the city can crow about...and it should be employed with greater frequency."⁶

One key asset sets code lien foreclosure auctions apart from other types of property foreclosures: the issuance of a free and clear title upon payment. This is in contrast to tax foreclosure sales, which are considerably riskier investments because of the redemptive period associated with them.⁷ Additionally, the properties are initially offered at 2/3 their appraised value, offering investors properties at rock bottom prices.

The sales are beneficial for the seller—the city—as well. Instead of spending thousands of dollars to demolish a property, the city is generating revenue from these sales; the auctions have already swept hundreds of thousands of dollars into city coffers. The

⁵ Jeffrey Fraser, "The Cost of Blight: Vacant and Abandoned Properties," *Pittsburgh Quarterly*, Fall 2011, <http://www.pittsburghquarterly.com/index.php/Region/the-cost-of-blight/All-Pages.html>.

⁶ Brad Vogel, "Gung Ho for Demolition."

⁷ In New Orleans, the original owner has three years to re-claim a property sold through a tax foreclosure sale; the lengthy legal process severely discourages investment.

current city administration has acknowledged that these sales are “the most cost effective way to seize and then return blighted properties back into commerce.”⁸

Local preservationists are equally enthusiastic, commending the sales as “a terrific vehicle for addressing the enduring problem of blight,”⁹ and their ability to “increase the chances that a lot ultimately will house an inhabited building again.”¹⁰ Non-profits have begun holding workshops on how to purchase a property through the auction process. These groups have also been the forerunners in developing marketing techniques to advertise the sales.

As a market-driven strategy, code lien foreclosure auctions will not succeed at addressing blight in every neighborhood. There has been little success thus far in selling properties in weak real estate markets. Nevertheless, early sales have demonstrated that there is strong interest in restoring dilapidated properties, especially in neighborhoods with improving or strong real estate markets. “There was real enthusiasm [at the sale], people willing to invest their own time and money in rebuilding neighborhoods. And it was a lot of neighborhoods, not just one or two.”¹¹ However, some are discouraged by the current inadequacies of the system such as not allowing pre-sale inspections: “When N[ew]

⁸ “25 Blighted New Orleans Properties will be Auctioned off Tuesday,” *New Orleans Times-Picayune*, November 7, 2011,

http://www.nola.com/politics/index.ssf/2011/11/25_blighted_new_orleans_proper.html.

⁹ Michelle Krupa, “Mitch Landrieu Adds Muscle to New Orleans Fight on Blight,” *New Orleans Times-Picayune*, August 26, 2010,

http://www.nola.com/politics/index.ssf/2010/08/mitch_landrieu_adds_muscle_to.html.

¹⁰ Michelle Krupa, “Brisk Sales of Abandoned Properties at Recent New Orleans Redevelopment Authority Auction,” *New Orleans Times-Picayune*, April 12, 2011,

http://www.nola.com/politics/index.ssf/2011/04/brisk_sales_of_abandoned_prope.html.

¹¹ Ibid.

O[rlans] decides to tweak this process ...then I'll be very interested in investing in/helping our city clear up the blight.”¹²

Officials hope that this method “will soon become one of the primary means for getting such structures back into commerce in a city that is considered the nation’s most blighted.”¹³ Yet the message underlying all of this discussion is the same: While the program is deemed “a terrific vehicle for addressing the enduring problem of blight,”¹⁴ in order to make that vehicle move, “we’ve got to convince people it works.”¹⁵ Recent articles highlight city officials’ concern that the great potential of these sales can quickly fade if the process is not properly conducted. New Orleans Redevelopment Authority’s Executive Director Joyce Wilkerson cautions, “A key factor of success remains to be seen...are the people who bid on properties actually able...to put the resources together to redevelop?”¹⁶

The fact that these different parties can stand behind a specific strategy makes this a pivotal moment in the city’s war against blight. It indicates that these types of auctions have the potential to become the primary weapon in the war against blight—meaning unnecessary demolitions can be prevented. However, a failure to address weaknesses early in the system would be disastrous, as the auctions would lose the fragile credibility that they have gained thus far. A loss of credibility would mean the loss of more of New

¹² holla_at_ya_boi, November 8, 2011 (9:03 p.m.), comment on “25 Blighted New Orleans Properties will be Auctioned off Tuesday,” *New Orleans Times-Picayune*, November 7, 2011, http://www.nola.com/politics/index.ssf/2011/11/25_blighted_new_orleans_proper.html.

¹³ “7 Blighted Homes Sold at Sheriff’s Auction in New Orleans,” *New Orleans Times-Picayune*, June 15, 2011, http://www.nola.com/politics/index.ssf/2011/06/seven_blighted_homes_sold_at_s.html.

¹⁴ Michelle Krupa, “Mitch Landrieu Adds Muscle...”

¹⁵ David Hammer, “City Uses New Auction Technique to Fight Blight,” *New Orleans Times-Picayune*, November 8, 2008, http://www.nola.com/news/index.ssf/2008/11/city_uses_new_auction_techniqu.html.

¹⁶ Michelle Krupa, “Brisk Sales of Abandoned Properties at Recent New Orleans Redevelopment Authority Auction,” *New Orleans Times-Picayune*, April 12, 2011, http://www.nola.com/politics/index.ssf/2011/04/brisk_sales_of_abandoned_prope.html.

Orleans's unique housing stock; a loss of its essence. In order to help New Orleans maintain its identity, this pathway to urban revitalization must succeed.

How does the code lien foreclosure auction process work? What are its major weaknesses? How can these weaknesses be mitigated? Where in the city would this strategy be most effective? This thesis attempts to answer these questions through research and data analysis, driven by the hypothesis that the city is not currently capitalizing on the potential of this system. Suggestions for improvement do not assume that this strategy will be a panacea to the city's blight problem. On the contrary, it is assumed that this real-estate-driven strategy will succeed only in neighborhoods with the strongest real estate markets. Yet this does not diminish the importance of addressing this topic. This research contributes to a better understanding of a specific "blight-fighting" tool, ultimately improving the City's comprehensive blight plan whose success relies on the success of its individual parts.

CHAPTER II: LITERATURE REVIEW

Defining Blight

A universal definition for the word blight proves elusive as—though it is a ubiquitous problem—it is also a place-specific problem. In general terms, *urban blight* is used to describe areas of the built environment that have experienced long-term disinvestment. These areas serve to devastate a city's economic, social and environmental well-being. In short, urban blight is urban decay.

Historical Definitions and Responses

The word *blight* has assumed various definitions throughout American urban history, met with a range of responses. Traditional uses of blight relate it to the spread of agricultural disease and—as cities developed—human disease.¹⁷ In colonial America, fear of contagion and a general misunderstanding about the origins of disease prompted a solution in the form of isolation; quarantines were established to prevent the spread of this so called blight. Similarly, offensive “nuisances” such as railroad tracks, canals, wharves and industrial activity were shunned to city edges.¹⁸ Seclusion was deemed the appropriate solution.

With the Industrial Revolution's transformative effects on the modern city, the concept of urban blight became closely associated with unjust social conditions. Blight was manifested in the form of slum housing characterized by fiercely crowded, dark, and unsanitary living conditions. This prompted a citizen-led response, as “the redemption of

¹⁷ Frank S. Alexander, “Louisiana Land Reform in the Storms' Aftermath,” *Loyola Law Review* 53 (2007): 730-61, <http://heinonline.org/>.

¹⁸ Richard Campenella, *Geographies of New Orleans: Urban Fabrics Before the Storm* (Lafayette LA: Center for Louisiana Studies, 2006), 95.

the city became an issue of conscience and social cause.”¹⁹ Solutions emerged in the form of social movements prompting housing policy reform.

The age of Urban Renewal in the middle of the 20th century added racial implications to the word blight. Blighted areas were not only associated with slum housing but also with the residents who lived there—African Americans. The federal government’s involvement would serve to solidify this perception, as its solution to these undesirable areas was to simply remove them. Vast areas of land were cleared, displacing minority populations and increasing racial tensions.²⁰ These tensions were further heightened by the rise in federal housing programs that prompted a mass exodus to the suburbs. Aided by the invention of the automobile and increased highway construction, federal housing policy spurred the majority population—the white population—to flee the “evils” of the city. In this way, solutions shifted from secluding blight to the outer edges to leaving it behind in the city.

But suburbanization is not a new phenomenon. Kenneth Jackson, writing on the history of American suburbs, asserts Americans’ long-held preference for rural life and detached dwellings—a life on the periphery of the noise and pollution of the inner city.²¹ Indeed, suburbanization is part of early American history, dating before the Revolutionary War. Seeking respite from city life, wealthy citizens moved to the outskirts of town initiating a settlement pattern that persisted as the nation continued to grow. By 1815, advances in transportation established the modern concept of suburbanization, defined by

¹⁹ G.E. Breger, “The Concept and Causes of Urban Blight,” *Land Economics* 43, no. 4 (November 1967): 370. <http://www.jstor.org/stable/3145542>.

²⁰ As would later prove, these efforts to eliminate blight would serve to increase blight as large swaths of inner cities were left desolated.

²¹ Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 11.

Jackson as “a process involving the systematic growth of fringe areas at a pace more rapid than that of core cities ...”²²

Today, urban blight is associated with inner city neighborhoods characterized by a deteriorating housing stock, an impoverished population, high crime, and poor amenities. Abandoned buildings, overgrown lots, and forgotten neighborhoods—once used to describe overcrowding tenements, the utterance of the word blight now evokes a sense of desertion.

Causes of Blight

Effective response hinges on an understanding of the causes of blight. While each city maintains specific circumstances, several universal forces contribute to and accelerate the existence of blight. Population loss is the greatest of these forces. Across the United States, cities are experiencing a “shrinking” phenomenon due to consistent population loss. Once bustling metropolises, long-term disinvestment has stifled local economic growth, elevating unemployment and poverty while diminishing tax revenues.²³ Seeking a better quality of life elsewhere, residents have packed up and moved away. What remains is a housing stock either vacant or occupied but in poor condition; what remains is blight.

Urban Renewal initiatives, originally responses to blight, are now considered a major cause of blight. The “white flight” encouraged by racial tensions coupled with federal housing policy incentives caused a population shift to the suburbs that left behind not only an impoverished population but also empty properties. Highway construction and an automobile dependent culture further encouraged suburbanization.

Racial tensions were also influential in the practice of “redlining,” a term coined by sociologist John McKnight in the 1960s to describe the blatant refusal of financial

²² Ibid. 13

²³ Alan Mallach and Jennifer S. Vey, “Recapturing Land for Economic and Fiscal Growth,” Brookings-Rockefeller Project on State and Metropolitan Innovation, May 3, 2011, 4.
http://www.brookings.edu/papers/2011/0503_land_value_mallach_vey.aspx.

institutions to invest in certain neighborhoods—most commonly struggling, inner city neighborhoods with minority populations. By withholding services, real estate market values plunge. A shortage of lending makes it more difficult for responsible individuals to purchase homes and prohibits present owners from financing repairs. As surrounding properties are allowed to deteriorate, negative psychological and social effects are precipitated. Individuals who can afford to move out of the deteriorating neighborhood do so, leaving behind vacant properties. Those who remain lose faith and interest in maintaining their own properties. Similarly, landlords allow deferred maintenance, unable to justify costly repairs with a diminishing rental income.²⁴

The recent housing and economic crises have created an unprecedented and rapid increase in the amount of vacant properties. Waves of home foreclosures have rocked the country, leaving entire neighborhoods eerily abandoned. In many of the postindustrial cities of the Rust Belt, mortgage failures have exacerbated long-term trends of decline. In the south and west, decreased demand and plummeting housing prices have weakened even historically strong real estate market areas.²⁵

Regardless of the source of blight, the effects are the same. These properties place a psychological burden on the city serving as tangible, unavoidable and painful reminders of what used to be. They also compound the city's social, economic, environmental and political ills. These problems are not isolated to the blocks surrounding the vacant properties; studies suggest that the entire city "bears some degree of the economic and social costs."²⁶

²⁴ "Enforcement of Municipal Housing Codes." *Harvard Law Review* 78, no. 4 (February 1965), 801-860. <http://www.jstor.org/stable/1338795>., "Enforcement of Municipal Housing Codes." *Harvard Law Review* 78, no. 4 (February 1965), 801. <http://www.jstor.org/stable/1338795>.

²⁵ Mallach and Vey, "Recapturing Land for Economic and Fiscal Growth."

²⁶ Jeffrey Fraser, "The Cost of Blight."

A 2011 United States Government Accountability Office Report discusses the wide variety of burdensome costs vacant properties place on a community. Economic costs are accrued when a city's tax revenues are lowered due to the decline in value of properties surrounding vacant properties. City coffers are additionally strained when the local government must allocate money to mitigate the health and safety hazards caused by unmaintained properties.²⁷ In New Orleans, a recently launched Interim Nuisance Abatement program, which pays contractors to mow blighted properties' lawns, is expected to cost the city \$3 million.²⁸

Social problems are also compounded by blight. Vacant properties are consistently linked to crime, as they provide a venue for illegal activities. Fear of crime can undermine residents' commitment to a place, encouraging withdrawal and a decline in community participation.²⁹ Additionally, crime—or simply even the perception of crime—and a concern with individual safety reduces the likelihood of residents investing in their property and decreases the competitiveness of the housing market.³⁰ These factors continue to work against each other, plunging the neighborhood into a downward spiral until it can only be characterized by its blight.

Current Strategies

A rise in inner city urban blight following America's period of Urban Renewal prompted an increased interest in setting and maintaining residential housing standards. As a place-specific problem, federal courts have deemed individual municipalities responsible for

²⁷ United States Government Accountability Office, "Vacant Properties: Growing Number Increases Communities' Costs and Challenges," Report: Introduction, November, 2011.

²⁸ Michelle Krupa, "Mitch Landrieu Adds Muscle..."

²⁹ Patrick G. Donnelly and Theo J. Majka, "Residents' Efforts at Neighborhood Stabilization: Facing the Challenges of Inner-City Neighborhoods," *Sociological Forum* 13, no. 2 (June 1998): 190.

<http://www.jstor.org/stable/10.2307/684882>.

³⁰ Ibid.

defining and addressing blight as it relates to local public policy.³¹ Consequently, a myriad of strategies, ranging in form, substance and effectiveness have been implemented across the nation, including but not limited to:

- Code Enforcement

In 1964, the federal government for the first time made federal funds available for local code enforcement activities, prompting its widespread use.³² The process aims to uphold state and municipal laws regarding standards for property maintenance, repair and occupancy through inspection, posting of violations, administrative proceedings and—if necessary—legal sanctions.³³ Code enforcement remains an integral part of most blight strategies. Its effectiveness ranges from the futile to the fairly functional, depending on the competency of the administration managing it.

- Demolition

As it provides the most visible, tangible benchmark for measuring success, demolition is often a city's primary blight-fighting method. Post-industrial cities such as Philadelphia, PA and Buffalo, NY spend thousands of dollars to demolish up to 1000 vacant structures each year.³⁴ In 2010, Detroit pledged to raze 10,000 properties over the next several years, prompting widespread criticism for lack of a strategic, long-term plan.³⁵ Though this thesis appeals for alternatives to demolition,

³¹ Colin Gordon, "Blighting the Way: Urban Renewal, Economic Development, and the Elusive Definition of Blight," *Fordham Urban Law Journal* 31, no. 305 (2003-04): 305. <http://heinonline.org>.

³² Housing Act of 1964, Section 301(b)

³³ Judah Gribetz and Frank P. Grad, "Housing Code Enforcement: Sanctions and Remedies," *Columbia Law Review* (1966): 1255. <http://heinonline.org>.

³⁴ Cara Bertron, "Between a Rock and a Historic Place: Preservation in Postindustrial Urban Planning" (master's thesis, UPenn, 2011), 30.

³⁵ Susan Saulny, "Razing the City to Save the City," *New York Times*, June 20, 2010. <http://www.nytimes.com/2010/06/21/us/21detroit.html?pagewanted=all>.

it does not consider it a wholly evil strategy. Some demolition is necessary in order to ensure health and life safety. Moreover, strategic demolition facilitates a balance between supply and demand in cities facing consistent if not permanent population loss. Nevertheless, the hasty (and often ill-founded³⁶) nature in which cities implement this strategy prompts a reassessment of its proper scale of use.

- Land Banking

This strategy refers to public acquisition of blighted property in order to manage, assemble and redevelop the land in the interest of the public good. Land banks emerged as an urban planning strategy in the 1960s and persist as one of the most widely used vacant land strategies.³⁷ Once in public possession, typical property disposition tools include demolition, public auction, transfer to developers or adjacent homeowners, green/community space development, affordable housing, et cetera.³⁸ Unfortunately, it is also commonly mismanaged. Outdated legal structures, financial restraints and mismanagement hamper municipalities' ability to make use of land banks' full potential.³⁹

- Mothballing

To "mothball" a property means to stabilize and secure it from the elements, vagrants and vandalism until a proper use and/or adequate funding for rehabilitation can be ascertained. As it protects the structure, mothballing is a common historic preservation practice and recommendation. While it is a

³⁶ For example, 3,000 of the homes Detroit slated for demolition were chosen for their location in high-crime areas and not necessarily their physical condition

³⁷ Frank S. Alexander and Leslie A. Powell, "Neighborhood Stabilization Strategies for Vacant and Abandoned Properties," *Zoning and Planning Law Report* 34, no. 8 (September 2011): 8.

³⁸ Bertron, "Between a Rock and a Historic Place," 25.

³⁹ Alexander and Powell, *ibid.*

widespread and well-established technique, it is generally only used for historic properties in order to justify related costs.

- Tax foreclosure

It is not surprising that blighted properties are often tax-delinquent as well. Therefore tax foreclosure is often part of a city's blight strategy, serving to address blight and missing tax revenues simultaneously. There are over 150 different systems nationwide for collecting property tax and "one of the few generalizations that can be made about property tax proceedings in the United States is that they are largely inefficient and ineffective."⁴⁰ These processes are undermined by the complicated, lengthy and costly legal procedures that dictate them.

- "Rightsizing"

Some cities choose to accept the fact that they may never return to the "glory days" of (seemingly) limitless economic growth. Smaller does not have to carry a negative connotation, and rightsizing initiatives are working to prove this by helping cities adapt to a new reality. These initiatives range from physically shrinking city boundaries, discontinuing municipal services (such as trash pick-up) to select neighborhoods, transferring services from public to private responsibility, and providing disincentives for new development in order to prioritize redevelopment.⁴¹ These strategies aim to "stabiliz[e] dysfunctional markets and distressed neighborhoods by...aligning a city's built environment with the needs of existing and foreseeable future populations..."⁴² Youngstown, OH is a forerunner in rightsizing policy: a 2005 comprehensive plan was based on the acknowledgement

⁴⁰ Alexander and Powell, 4.

⁴¹ Joseph Schilling and Jonathan Logan, "Greening the Rust Belt," *Journal of the American Planning Association* 74, no. 4 (Autumn 2008): 453.

⁴² Ibid.

that population loss was permanent and future planning should focus on how to manage existing assets. Still, socially and financially responsible approaches to rightsizing are still being teased out, and this strategy remains largely hypothetical. Cara Bertron, in her thesis on preservation planning in shrinking cities, points out that cities lack the “fiscal wherewithal, political consensus, and capacity” for rightsizing strategies to transition it from theoretical to effective policy.⁴³ Nevertheless, rightsizing theory is driving the way cities are forming current blight policy.⁴⁴

Generally, efficient implementation of these various strategies is hampered by weak and outdated legal systems and uninformed, unmotivated and uncoordinated city administrations.⁴⁵ Comprehensive plans are either non-existent or inept, and it is becoming increasingly apparent that cities are overwhelmed by the sheer volume of vacant and abandoned properties for which they are responsible. A need for innovation is being recognized nationwide, as evidenced by the recent launch of several national organizations focused on property revitalization. The Center for Community Progress was formed in January 2010 with the tagline “Turning Vacant Spaces into Vibrant Places,” serving as the leading national resource for “policy, information, capacity building, and training regarding the redevelopment of vacant, abandoned, and problem properties.”⁴⁶ The organization builds on the work of and succeeds the National Vacant Properties Campaign and the

⁴³ Bertron, 33.

⁴⁴ See, generally, Bertron.

⁴⁵ Alexander and Powell, 3.

⁴⁶ Center For Community Progress website, accessed 14 March, 2012, <http://www.communityprogress.net/>.

Genesee Institute.⁴⁷ It hosts several conferences each year (including the upcoming Reclaiming Vacant Properties Conference to be held in New Orleans in June, 2012) exploring innovative approaches to addressing blight. Several leaders have emerged as vacant property “experts,” advocating for policy reform and advising administrations. In February 2011, Detroit Mayor Dave Bing visited New Orleans to exchange blight tactics with Mayor Landrieu. The conversation about how to wage the war on blight is being held on a national scale, for this is a national epidemic.

Blight As a Preservation Issue

This national discussion focuses on a single question: How can this rapidly changing environment best be managed? What should be done with the existing urban fabric? The practice of preservation aims to answer these exact questions. Despite this fact, the word “preservation” is commonly and conspicuously absent from the vacant property discussion.⁴⁸

It is perhaps the stigma both historically and currently associated with preservation that leaves the word absent. Modern day preservationists commonly lament the misconceptions associated with their field. To the general public, the word “preservationist” tends to conjure images of elitist and conservative demolition-protesters and glorifiers of the past at odds with new development. Though the formal preservation movement in the United States may have begun with a small group of women concerned with saving the nation’s first president’s home, the field of preservation in the United States has evolved since its humble beginnings on Mount Vernon, and so too has its ideology.

⁴⁷ The Genesee Institute a research and training institute focused on Smart Growth, urban land reform and land banking (www.communityprogress.net).

⁴⁸ Bertron, 2.

More than saving historic buildings, preservation concerns itself with a community's social, economic and environmental issues. Instead of idealizing the past, it acknowledges the past as an irreplaceable asset and seeks to understand it in order to guide decisions for the future. Instead of resisting all change, preservation aims to *manage* change, guiding adaptations to the urban fabric while defining and maintaining a sense of place and culture. When viewed as such, it is apparent that preservation aims to tackle the very issues that vacant properties present: what to do with an existing but increasingly irrelevant housing stock?

There is no doubt that blighted properties serve as drains on cities. But there is a silver lining: abandoned properties present cities with an opportunity for "smart growth."⁴⁹ Alan Mallach, a Senior Fellow at the Center for Community Progress, writes extensively on the opportunities blighted properties present, asserting, "Recapturing this asset is essential if American cities and metros are to stabilize and rebuild their economies, become competitive in new and emerging economic sectors, restore fiscal soundness, and fulfill their promise as engines of statewide job creation and economic growth."⁵⁰

City governments often take advantage of the vague and varied definitions of blight, manipulating the word to declare whole areas beyond repair and justify drastic measures such as mass demolitions. But these strategies are unimaginative. Preservation-minded strategies can offer innovative solutions to overwhelming blight.

⁴⁹ Joseph Schilling, "The Revitalization of Vacant Properties: When Broken Windows Meet Smart Growth," Report, International City/County Management Association, 3. preview.usmayors.org/brownfields/.../Revitalization_of_Vacant_Properties.pdf

⁵⁰ Mallach and Vey, "Recapturing Land for Economic and Fiscal Growth," 2.

CHAPTER III: BLIGHT IN NEW ORLEANS

Historical forces and responses

Founded in 1718 by French explorers, New Orleans burgeoned into a thriving port city owing to its strategic location at the mouth of the Mississippi River. By 1810, it was the fifth largest city in the United States. As a rapidly developing and dynamic port town, New Orleans has—like all cities—always grappled with blight and responded to it with a range of solutions.

Urban development patterns reveal that the city's earliest solution to blight was to confine it to the outer edges of the city—farther from organized civilization and closer to the low-lying, wild swampland. For example, while places of veneration for a devoutly Catholic population, cemeteries were also feared for their association with disease and contagion and consequentially established outside city limits.⁵¹ Debaucherous activity was also confined to the “back of town;” unable to eliminate prostitution, the city decided to instead regulate it and, in 1897, confined “immoral” activities to a fifteen-block red-light district behind the French Quarter that would become known as the infamous Storyville.

Following the period of Urban Renewal, several factors began to conspire together to set the groundwork for a blight problem that persists today. Undeniably, population loss was the most influential force; blight is a direct result of this phenomenon. Since its population peaked at 627,525 in 1960, New Orleans has witnessed a steady decline in population. At this time, the majority of residents (58%) lived in the historic, central part of the city. Following the national trend of urban sprawl, thousands of residents moved away

⁵¹ Works Progress Administration, *New Orleans City Guide* (Boston: Houghton Mifflin Company, 1938), 196.

from the historic core between 1960 and 1980; by 1980, the total population had declined to 557,515.⁵²

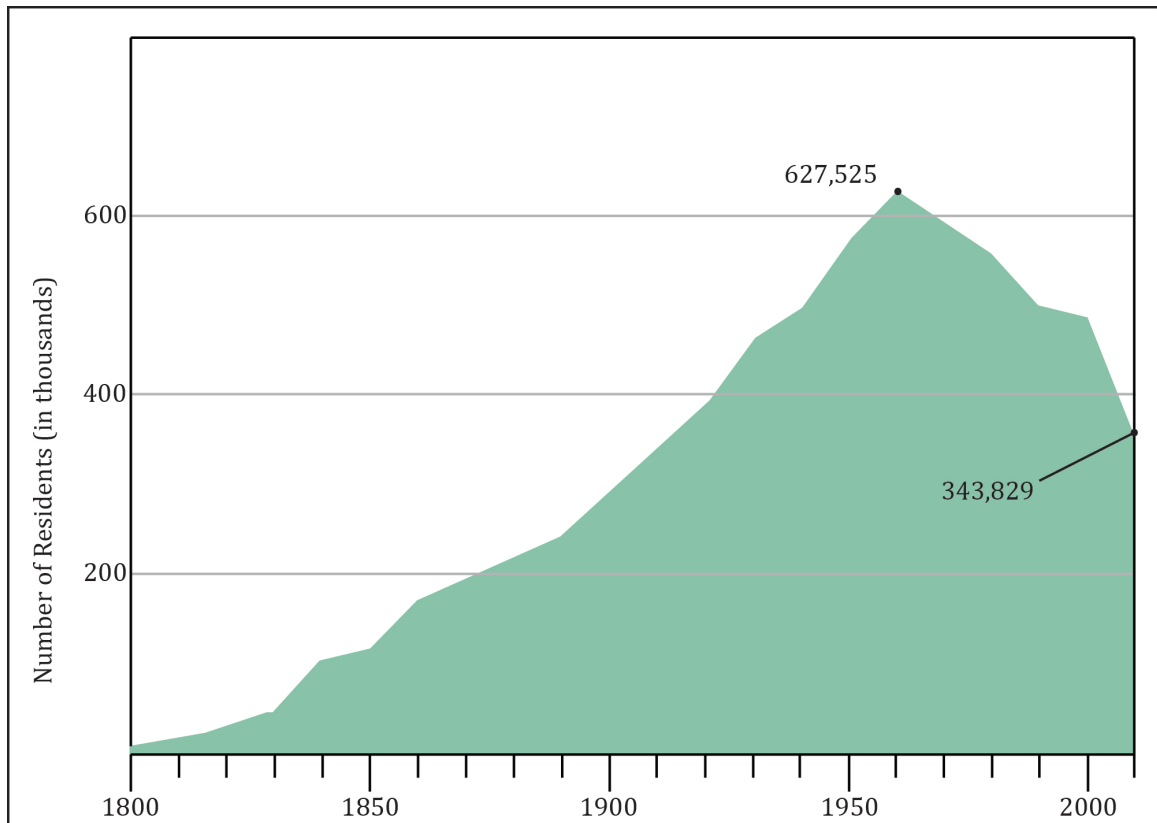


Figure 1. New Orleans Population 1800-2010.
Source: Greater New Orleans Community Data Center

Paradoxically, as the population shrunk, the physical city grew. A growing preference for suburban living and advancements in transportation technology drove this phenomenon. The development and construction of new water management systems and highways made development in once uninhabitable swamps possible. By the 1970s, 25,273

⁵² Allison Plyer, Elaine Ortiz, and Ben Horwitz, "Housing Development and Abandonment in New Orleans Since 1960," Report, Greater New Orleans Community Data Center, October 28, 2011, 5. <http://www.gnocdc.org/>.

new housing units were constructed in suburban neighborhoods while 13,642 housing units were either demolished or abandoned in older, core neighborhoods.⁵³

The oil bust of the 1980s and the subsequent exodus of major oil companies from New Orleans to Houston maintained the trend of population loss and contributed to a rise in vacancy rates. While pockets of inner city historic neighborhoods maintained stability and in some cases grew, the overall rise in vacancy across the city proved foreboding for a place once characterized by a population bursting at its seams. By 1980, less than half of the city's residents lived in the historic, central sections of the city.⁵⁴

Though the 1990s saw an influx in population in some inner city neighborhoods including the Warehouse District and Central Business District, citywide trends continued to prove dismal. Between 1980 and 1990, 14,002 housing units were either demolished or abandoned with a loss of 18,814 households. By 2000, the U.S Census reported more than 27,000 vacant housing units within the city.⁵⁵

The residents that remained in the inner city neighborhoods did so because they could not afford to move out. Nor could they afford property repairs. In this way, an increase in poverty throughout the city is directly correlated with an increase in blight. Expanding on this problem, a significant portion of properties found in low-income areas are what are often described as "heir properties,"⁵⁶ referring to properties that have passed down from multiple generations and, as a result, have lost track of verifiable title. As it is nearly impossible to enforce housing code or move towards expropriation when proper title cannot be ascertained, these properties present a huge obstacle for housing recovery.⁵⁷

⁵³ Ibid., 6.

⁵⁴ Ibid., 7.

⁵⁵ Ibid., 9.

⁵⁶ Frank Alexander, "Louisiana Land Reform," 732.

⁵⁷ Ibid.

Hurricane Katrina

Between 2000 and 2010, the city's vacancy rate doubled to 25% and the number of households fell by 46,093...statistics undoubtedly influenced by the unprecedented and infamous 2005 storm.⁵⁸ An estimated 188,000 residential properties in the city of New Orleans were damaged or destroyed. The devastation was further exacerbated by the simple fact that many homeowners could not return for months. As a result, entire blocks of houses sat eerily abandoned, open to the elements and consumed by the mold that proliferated in the humid Louisiana air.

Response efforts to mitigate the damage met a myriad of hindrances along the way. The federal Road Home Program was established to provide compensation to storm-damaged property owners. As the largest single housing recovery program in U.S. history, the program to date has disbursed \$8.93 billion in homeowner assistance.⁵⁹ However, these funds were not necessarily used for repairs and were often directed towards outstanding mortgage payments instead.⁶⁰ The same can be said for funds received for damage insurance. Further, it is estimated that over 10,000 properties did not have federal flood insurance, burdening owners even more with the costs of rehabilitation.⁶¹

Insufficient funds were coupled with the difficulty to obtain financing in the chaotic post-Katrina housing market. Construction loans carried high interest rates, and construction costs soared with a lack of contractors and supplies in the city. Questions

⁵⁸ Plyer, Ortiz and Horwitz, "Housing Development and Abandonment in New Orleans Since 1960," 10.

⁵⁹ Road Home website, accessed 14 March, 2012, <http://www.road2la.org>.

⁶⁰ Jeffrey Thomas, "Abating Katrina's Second Wave: A Strategy for Using Code Enforcement to Target Unoccupied Nuisance and Blighted Property in Post-Disaster New Orleans," *Loyola Law Review* 53 (2007): 846. <http://heinonline.org/>.

⁶¹ *Ibid.*

about where to rebuild, when to rebuild, and how to rebuild stalled development; it was simply too risky to invest in such an uncertain market.⁶²

The notorious inefficiencies of the city government have further compounded the blight problem; programs implemented both before and after the storm have failed to effectively address the situation. In 1968, the New Orleans Community Improvement Agency was established—the first city agency intended to address housing and community revitalization.⁶³ In the 1980s, the Louisiana Legislature began to focus attention on blighted property but failed to work towards an effective legal policy, making Louisiana blight law the “epitome of disjointed and disconnected statutes, with internal cross-references yet inconsistent definitions.”⁶⁴

Fragmented city agencies, limited (and dated) tracking and information systems, limited funding and limited staffing—all contributed to ineffective policy.⁶⁵ Frank Alexander, a public policy lawyer, writes extensively on New Orleans’ land use and redevelopment system inefficiencies in the years before Katrina, when multiple redevelopment programs existed but their complexity alone discouraged their use. Alexander writes, “There were at least five different city programs that originated in four different agencies to deal with property acquisition and disposition, and no central place to get information about properties, programs or neighborhood plans. Once again, the city government proves to be its own worst enemy, its blatant inefficiencies serving to worsen the plight of its already deteriorating neighborhoods.”⁶⁶

⁶² City of New Orleans, “Strategic Code Enforcement and Blighted Property Redevelopment,” website publication, City of New Orleans, Office of Recovery Management, date unknown] <http://www.nola.gov/residents/code-enforcement/>.

⁶³ This organization would later become the New Orleans Redevelopment Authority (NORA).

⁶⁴ Alexander, “Louisiana Land Reform in the Storms’ Aftermath,” 744.

⁶⁵ City of New Orleans, “Strategic Code Enforcement and Blighted Property Redevelopment.”

⁶⁶ Alexander, “Louisiana Land Reform in the Storms’ Aftermath,” 734.

In the aftermath of the storm, city efforts were directed towards removing imminent health threats and increasing inspections. Figure 2 demonstrates that these efforts contributed to a decrease in blighted residential addresses. Through the “Good Neighbor Program,” the city conducted citywide inspections, set standards for gutting and clean-up, issued fines for public nuisance properties, and seized and demolished blighted properties. Though these were well-intentioned first steps, this program was acknowledged by the city itself to be limited, and it was clear that programmatic overhauls were needed for long-term improvement.⁶⁷

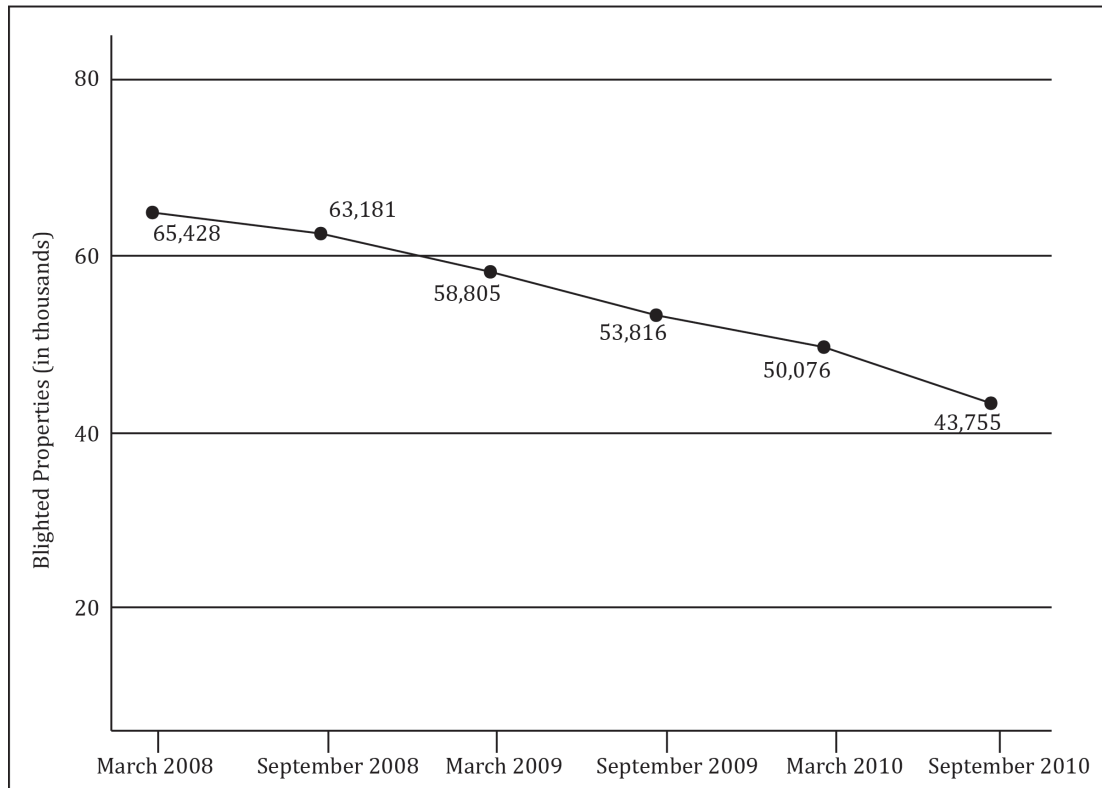


Figure 2. Blighted Properties in New Orleans 2008-2010. The decrease is attributable to an influx in federal money following Hurricane Katrina. Source: Greater New Orleans Community Data Center.

⁶⁷ City of New Orleans, “Strategic Code Enforcement and Blighted Property Redevelopment.”

Sobering statistics and disheartening political inefficiencies make one desperate to find a silver lining amidst the blight. Improbably, Hurricane Katrina presented one source of hope. For as much as Katrina amplified the blight in New Orleans, blight was a grave problem long before the storm. What Katrina served to do was put New Orleans' blight in the spotlight. Following the storm, various land and housing policy experts from around the world directed their focus on New Orleans to develop vacant land strategies. With so much attention, city leaders were forced to finally address a situation that had plagued it for decades.

Looking ahead, policy advisors encouraged city officials to target the code enforcement process as the main blight-fighting strategy.⁶⁸ But the system would require programmatic overhauls to be effective. Jeffrey Thomas, a former Special Assistant to the Mayor's Office of Recovery and Development Administration, described the code enforcement process under Mayor C. Ray Nagin as being "...marked by duplicative enforcement actions, fragmented decision-making that often occurs among multiple departments, decentralized data management and case development, a lack of management-level policy decisions as to the best enforcement and redevelopment tools to pursue for a given property, and overlapping disposition programs for the transfer of the same properties."⁶⁹ It was evident to all that the administration set to replace Nagin's faced a daunting road ahead.

The Current Situation

In New Orleans, the word "blight" is often employed indiscriminately to describe a myriad of urban ills. This nebulous, elusive definition only serves to compound the

⁶⁸ See Alexander, Marcello and Thomas.

⁶⁹ Thomas, "Abating Katrina's Second Wave," 856.

problem.⁷⁰ In order to inform effective policy, it is necessary to establish a clear definition. As it concerns the City of New Orleans and as it relates to this thesis, blight refers to a property that meets any of the following conditions:

- It maintains chronic vacancy.
- It maintains unresolved code violations for unsafe, unsanitary or unhealthy conditions.
- It has been declared a fire hazard.
- It is lacking in facilities or equipment required by city housing code.
- It is deemed “demolition by neglect.”
- It carries a substantial negative impact on the health, safety or economic vitality of a neighborhood.
- It is a vacant lot that is abandoned, does not meet the requirements of the city code or has been adjudicated.
- It is plagued with vermin infestation.⁷¹

Blight in New Orleans exists in many different forms: the beautiful, the unsightly, the abandoned property and the overgrown vacant lot. Some maintain high material integrity and have great potential for rehabilitation. Others are structurally unsound and must succumb to demolition. Refer to Appendix Figures A1-A6 for photographs depicting the various types of blight.

The amount of blight that exists in New Orleans today “far exceeds reasonable tolerance.”⁷² In September 2010, researchers estimated Orleans parish had 48,860 blighted

⁷⁰ See Alexander, “Louisiana Land Reform in the Storms’ Aftermath,” 746-749 for an in depth explanation of the (complicated) history of defining blight in Louisiana.

⁷¹ City of New Orleans website, accessed 26 April, 2012, <http://www.nola.gov/RESIDENTS/Code-Enforcement/Definitions-of-Public-Nuisance-and-Blight/>. For the legal definition, see City Code of Ordinances, Chapter 28.

properties of which 43,755 were residential addresses.⁷³ This statistic reveals that 25% of all residential addresses are blighted, a proportion that exceeds that of other notoriously blight-plagued cities such as Detroit, Cleveland, Baltimore and Flint, MI.⁷⁴ The situation is so bad that city officials recently called for the National Guard to assist with code enforcement.⁷⁵

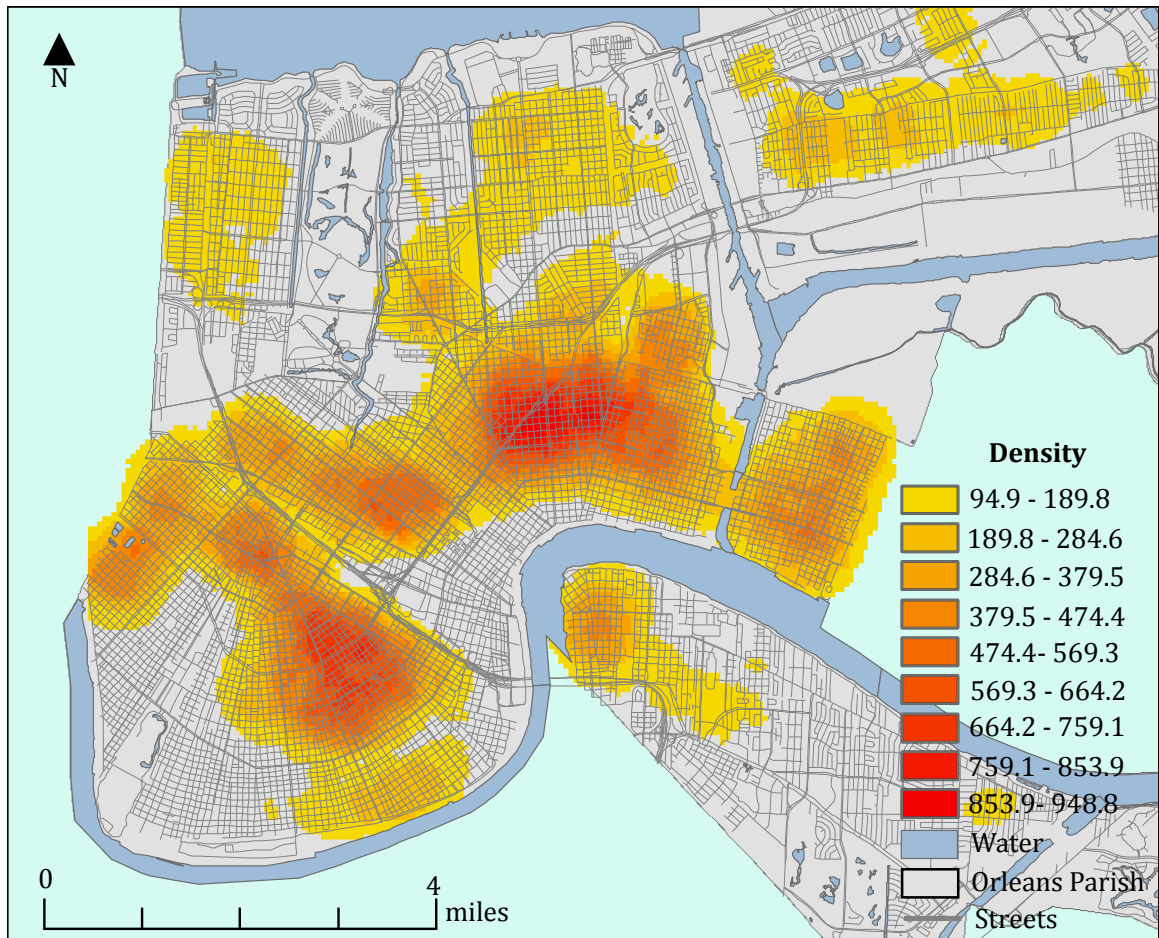


Figure 3. Concentration of Inspections in 2011. A spatial analysis of inspections completed is a good indicator of where blight is located throughout the city. Map created by author.

⁷² "Blight: Transition New Orleans Task Force," Presentation to Mayor-elect Mitch Landrieu, New Orleans, April 2010, p 8, transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf.

⁷³ Allison Plyer and Elaine Ortiz, "Benchmarks for Blight," Report, Greater New Orleans Community Data Center, October 27, 2010, 1. <http://www.gnocdc.org/>.

⁷⁴ *Ibid.*, 2.

⁷⁵ Charlie London, "8 by Ya Momma's," *Faubourg St. John* (blog), February 24th, 2011, <http://fsjna.org/2011/02/8-by-ya-mommas/>.

According to the City's Inspections published data, the most common type of code violation is an unoccupied property. Figure 4 shows the distribution of unoccupied properties throughout the city:

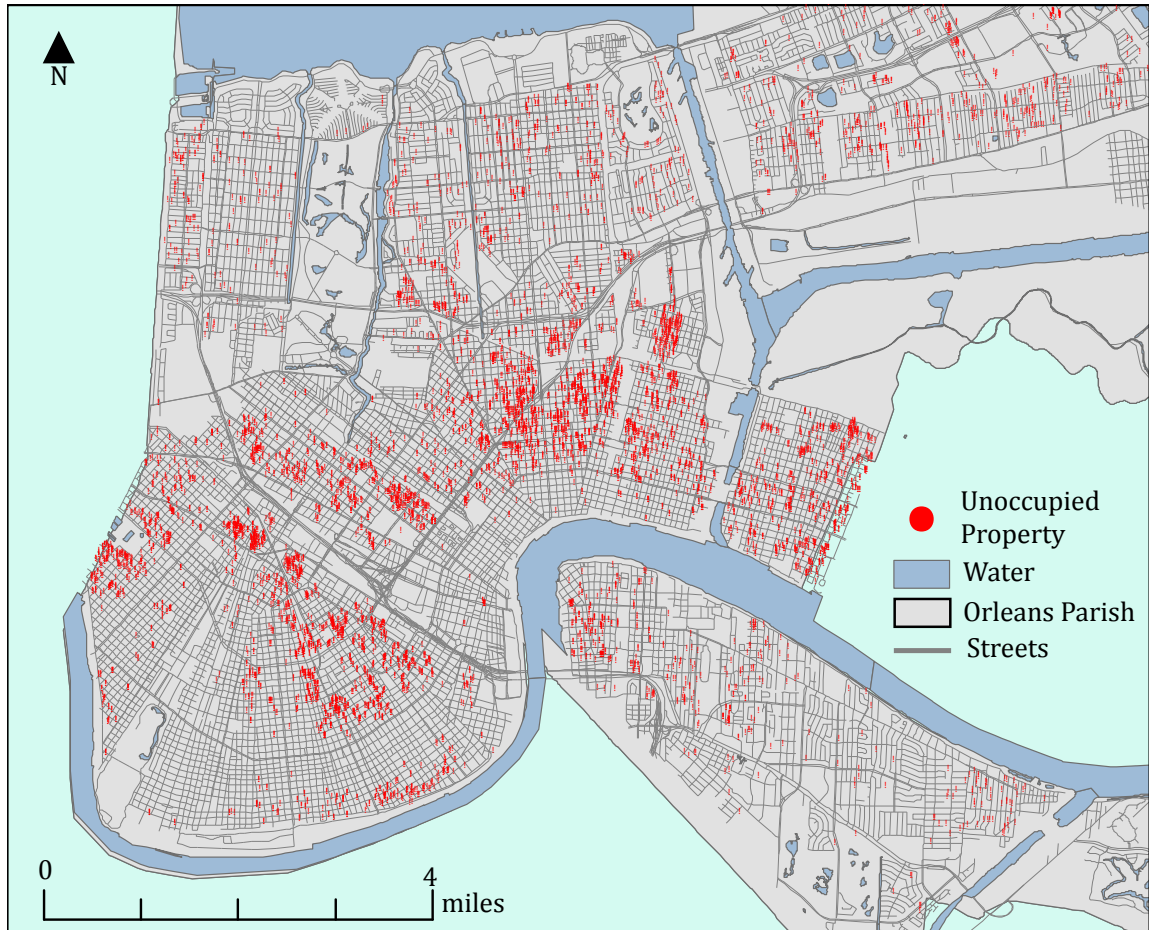


Figure 4. Code Violation: Unoccupied Properties.
Map created by author.

As Figure 4 demonstrates, these derelict and vacant properties leave no neighborhood untouched; they are found scattered across stable areas and clustered in weaker ones. The diversity of neighborhoods affected reinforces the fact that there is no single cause of blight. Recognizing this, the New Orleans Redevelopment Authority (NORA) has recently identified

three major reasons for the existence of blighted property in an effort to form effective policy:⁷⁶

1. Title and ownership issues

Blighted properties found in stable neighborhoods with strong real estate markets are likely victims of title issues and/or neglectful owners. These properties represent a small portion of the City's overall blight (5-10%) and while they inflict a negative impact on adjacent properties, they do not completely overwhelm the neighborhoods in which they are found.

2. Storm-related damage

Hurricane Katrina affected the housing stock of both stable and weak neighborhoods. An estimated 45% of the city's blight is attributable to storm damage. Those properties located in wealthier neighborhoods were most likely maintained before the storm and have a high potential for rehabilitation, while those found in disadvantaged neighborhoods may have struggled with blight before the storm.

3. Long-term disinvestment

The largest concentration of blight (estimated at 50%) exists in neighborhoods that have experienced long-term disinvestment. While Katrina further weakened some of these neighborhoods, all of them have historically struggled with derelict properties.

Understanding the magnitude of the blight problem and recognizing the limited effects of previous policy, Mayor Mitch Landrieu prioritized an anti-blight campaign when elected into office in 2010. His new administration set a goal to eliminate 10,000 properties over the course of three years using a multi-pronged approach. Alyson Plyer, chief demographer

⁷⁶ "New Orleans Redevelopment Authority Transition Report," Report to the Mayor, NORA, 2010, 5-6. <http://www.noraworks.org/resources/studies-and-analytics>.

of the Greater New Orleans Community Data Center and an avid researcher on local blight statistics, commended the program as "... a total groundbreaker for the city. There's never been this intensive an effort previously to combat blight."⁷⁷

In order to coordinate the effort, a Blight Task Force was established comprised of city executives, legal experts, business executives, code enforcement officers, policy makers, preservationists, planners, realtors and neighborhoods leaders. The Task Force works across city agencies and concerns itself with "all types of blight, pre-Katrina and post-Katrina, commercial and residential, occupied and unoccupied, public and private."⁷⁸ The group's official tasks are to:⁷⁹

- propose a strategic plan for blight eradication
- identify obstacles to eradication
- identify ways to engage neighborhood groups in the process
- identify ways for the City and NORA to better collaborate
- identify funding sources
- suggest benchmarks for tracking progress

The Task Force's comprehensive plan centers on code enforcement, as recommended by many experts who have studied New Orleans' blight policy. Figure 5 outlines the code enforcement process.

⁷⁷ Guarino, "Next up for New Orleans' Recovery: Fighting Blight."

⁷⁸ "Blight: Transition New Orleans Task Force," Presentation to Mayor-elect Mitch Landrieu, New Orleans, April 2010, p 4, transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf.

⁷⁹ Ibid.

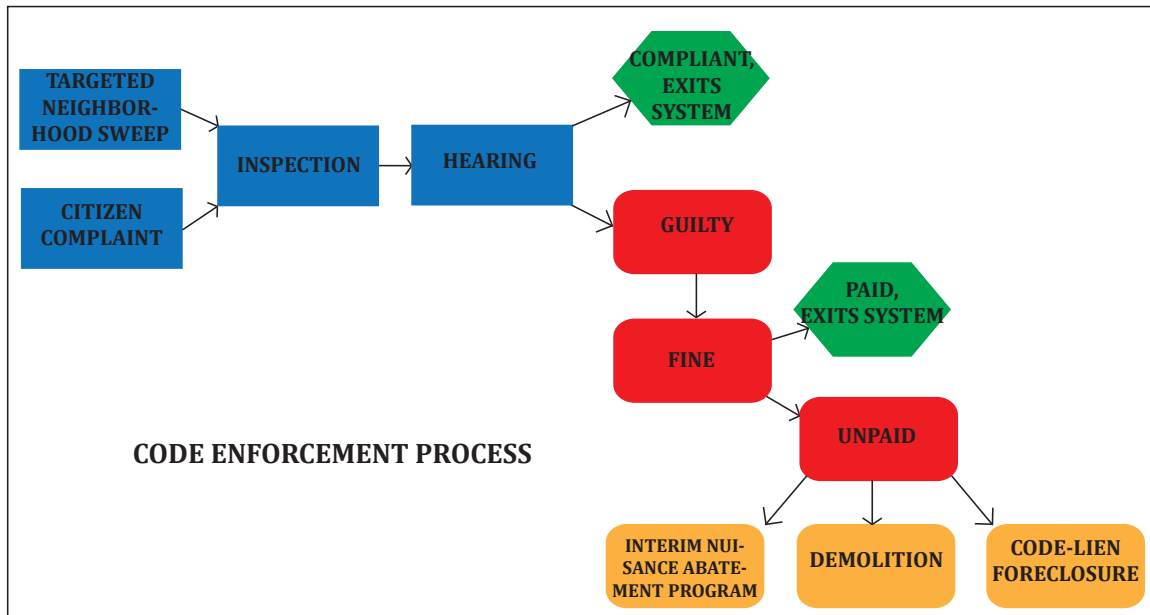


Figure 5. Code Enforcement Process Flow Chart. Created by author.

Inspections are initiated by either targeted neighborhood sweeps, or citizen complaints. If the city inspector determines that a property meets the city’s definition of blight, the process moves forward to a hearing. If fines assessed during the code enforcement process are not met, the property is subject to several abatement and disposition strategies including lot clearance, demolition and code lien foreclosure.

Lot Clearance/Interim Nuisance Abatement Program

Through this program, the city contracts crews to maintain lawns on abandoned lots. Because it involves minimal effort with immediately visible results, the Task Force initiated lot clearings as an immediate plan of action. In 2010, the program was estimated to cost the City \$3 million.⁸⁰ This is not a sustainable strategy, as its beneficial results are not permanent and cost money on a recurring basis.

⁸⁰Krupa, “Mitch Landrieu Adds Muscle...”

Demolitions

In 2010, the Task Force committed \$9 million of its disaster recovery Community Development Block Grant (CDBG) to demolish “highly visible blighted structures.”⁸¹ From October 2010 to January 2012, the City completed 2728 demolitions through various programs including the Strategic Demolition for Economic Recovery city program (SDER), FEMA funding for Katrina-damaged properties, designated Imminent Danger of Collapse (IDC) properties and NORA/Louisiana Land Trust (LLT) demolitions (of state-owned properties).⁸²

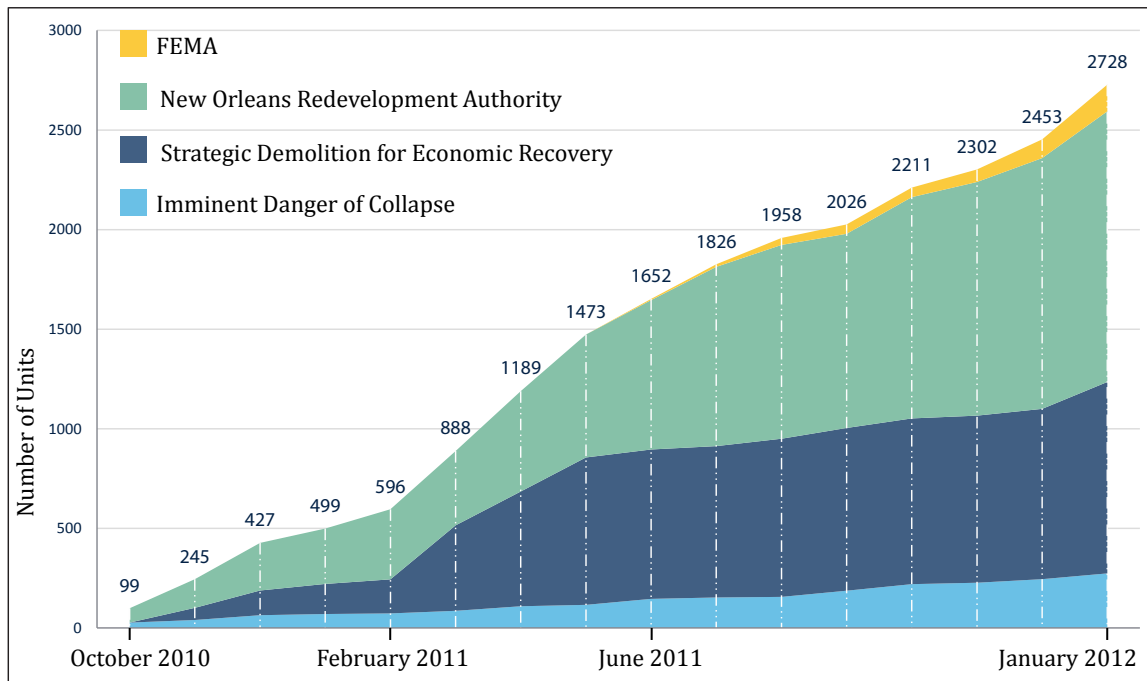


Figure 6. Cumulative Demolitions since October 1, 2010.
Source: BlightSTAT, January 2012.

Demolition permits are authorized through a standard legal process including public hearings. The State Historic Preservation Office (SHPO), Neighborhood Conservation

⁸¹ “Blight Strategy,” Presentation, City of New Orleans, September 30, 2010, p 27, transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf.blight strategy.

⁸² Ibid.

District Committee (NCDC) and Historic District Landmarks Commission (HDLC) must approve demolitions in local historic districts. The City orders deconstruction of salvageable building materials if demolition is accepted.

The place-based demolition strategy focuses on blighted properties in close proximity to community anchors such as parks, schools and commercial corridors. Ironically, properties in these areas are ideal candidates for rehabilitation *because* of their location to these community anchors.⁸³

Code Lien Foreclosure Auctions

One of the key recommendations by the Blight Task Force is to “hold regular code lien auctions, steadily increasing their frequency and the number of properties offered.”⁸⁴ Recently, code lien foreclosures have been prioritized as the primary disposition process as they offer several excellent benefits including:

- Immediate and clear and free title to purchaser
- Revenues for the city
- Excellent investment opportunities
- An alternative to demolition

It is important to understand that these auctions are commonly referred to as sheriff’s sales, but this terminology can cause confusion as sheriff’s sales involve multiple types of property foreclosures including tax and mortgage foreclosures. Code lien foreclosures refer strictly to blighted properties that have gone through the code enforcement process and whose owners have failed to pay accumulated fines. In such cases, a writ of seizure may be

⁸³ See: Brad Vogel, “Re-thinking “Place-Based Development in Post-Storm New Orleans,” National Trust for Historic Preservation blog, August 15, 2011, <http://blog.preservationnation.org/2011/08/15/re-thinking-place-based-development-in-post-storm-new-orleans/>.

⁸⁴ “Blight: Transition New Orleans Task Force.”

filed and the city can sell the property through auction. As the focus of this thesis, code lien foreclosure sales are discussed in depth in the following chapter.

NORA/LLT

As part of the Road Home program established to address post-Katrina housing recovery, eligible homeowners could sell their storm-damaged properties to the State. The Louisiana Land Trust (LLT) was established to assume title of these properties, a number of which were then transferred to the New Orleans Redevelopment Authority (NORA) for disposition. The Task Force aims to transform NORA into an effective and sustainable land-banking organization, making it an integral part of a long-term strategy. Though the Task Force prioritizes selling properties to private owners, it recognizes the need for public entities to intervene in weak/non-existent real estate markets. NORA fills this role by controlling, maintaining and preparing properties to re-enter commerce.⁸⁵

Since its establishment in the 1960s (as the New Orleans Community Improvement Agency), the general perception is that NORA is inept, with accusations of corruption (“NORA is about friends taking care of friends”⁸⁶) and incompetent management (“NORA couldn’t manage a paper bag”).⁸⁷ But there is hope that this perception can change. In 2011, Jeff Hebert, Mayor Landrieu’s “blight czar” was appointed as the new Executive Director.⁸⁸ In March 2012, the state released \$450,000 of \$25 million held in escrow for NORA’s redevelopment efforts. The organization is using the money to hire new talent and move

⁸⁶ bourbonxxx, April 16, 2012 (11:07 p.m.), comment on David Hammer, “NORA puts on Hold Blighted Property Seizures without Auction,” *New Orleans Times-Picayune*, April 16, 2012, http://www.nola.com/politics/index.ssf/2012/04/nora_puts_hold_on_priority_bid.html

⁸⁷ rcr484, March 22, 2012 (12:05 p.m.), comment on David Hammer, “Real Estate Issues, Lien Foreclosures Top NORA Committee Agenda,” *New Orleans Times-Picayune*, March 22, 2012, http://www.nola.com/politics/index.ssf/2012/03/nora_committee_meets_on_land_d.html

⁸⁸ Hebert, as blight czar, directed the Blight Task Force, and has been an integral and impressive force in fight blighting efforts.

ahead with property transfers. NORA can also be lauded for its Lot Next Door Program, a disposition strategy that sells blighted parcels to adjacent homeowners. Since its establishment following Hurricane Katrina, over 600 properties have been sold through this program making it one of NORA's most successful disposition strategies.⁸⁹



Figure 7. Lot Next Door Program. Many of the lots are turned into communal spaces such as urban gardens. Source: www.noraworks.org

Fight the Blight Days

Fight the Blight days are a partnership between the City, neighborhood groups, non profit organizations, and volunteers, who dedicate several days targeting heavily blighted neighborhoods—usually focusing efforts near schools and playgrounds. Several hundreds of volunteers participate in the highly publicized event that includes house inspections, litter collection, painting, tree trimming, fence and playground equipment repair. Benches

⁸⁹ Other disposition methods include public auction, individual sales, and demolition.

are built, potholes filled, street signs replaced, abandoned vehicles towed, houses demolished, lots cleared, fire hydrants repaired, etc. Fight the Blight days highlight the simple fact that in order for significant progress to be made, multiple parties must coordinate efforts.



Figure 8. Mayor Landrieu talks to residents during a “Fight the Blight” Day.
Source: <http://nola.humidbeings.com/>.

BlightSTAT

In order to track progress and maintain accountability, monthly BlightSTAT meetings are held and open to the public. These meeting serve as the principle vehicle for

relaying the Task Force’s progress, as well as to provide an arena to “provoke constructive dialogue on what’s working, what’s not, and what the City needs to do to improve.”⁹⁰

As the BlightSTAT meetings have progressed, they have become more technologically saavy, incorporating maps, data, and design to relay information effectively. Goals have been set internally for each department and a presentation is made at each meeting to account for progress. Andy Kopplin, the mayor’s “right hand man” as Deputy Director, constantly chimes in during presentations, questioning data, results, and demanding clarity. These meetings are impressive to attend and exhibit the efforts of an engaged, enthusiastic and passionate administration.



Figure 9. BlightSTAT Meeting, March 2012. Source: Charlie London.

⁹⁰ “BlightSTAT 1,” Presentation, Blight Task Force, New Orleans, November 4, 2010. <http://www.nola.gov/RESIDENTS/Code-Enforcement/BlightStat/>.

CHAPTER IV: CODE LIEN FORECLOSURE AUCTIONS

A code lien foreclosure is the city's legal claim to a blighted property as payment for unpaid fines elicited by code violations. A writ of seizure issued at the end of the code enforcement process allows the city to begin the process of selling the property at auction. There is no other system like this currently being employed in the United States.⁹¹

The Legal Process⁹²

The legal basis for code lien foreclosure auctions is established under Louisiana State Law, specifically Louisiana Revised Statutes Sections 13:2575 and 13:2576. These 2007 amendments make this administrative procedure available to all Louisiana local governments.⁹³ The City of New Orleans codified the law into the City Code of Ordinances, Chapter 28, which addresses neighborhood recovery and stabilization.

The revised statutes detail the code enforcement process, which all properties are subject to before they are put up for auction. Section 13:2575 asserts that "Any municipality or parish having a population of four hundred twenty-five thousand or more may prescribe civil fines for violation of public health, housing, fire code, environmental, and historic district ordinances..." Housing violations "shall encompass only those conditions in privately owned structures which are determined to constitute a threat or danger to the public health, safety or welfare and/or to the environment, or a historic district." If a city inspector deems a property is in violation of housing code, a Notice of Violation is issued

⁹¹ Without conducting an in-depth survey, it is difficult to generalize what happens in other cities when a property continues to accrue code violations. Generally, cities lack the legal structure to carry out writs of seizure, especially if the building is not also tax-delinquent. Municipalities usually acquire these properties through expropriation (which is *not* the same thing as a writ of seizure). Unfortunately, by the time the lengthy legal procedures for expropriation are complete, the majority of properties have already progressed to a state of condemnation with little hope for rehabilitation. Cara Bertron, e-mail message to author, April 17, 2012.

⁹² See Marcello, David, " 819-827 for a legal expert's detailed description of the legal and administrative processes.

⁹³ Thomas, "Abating Katrina's Second Wave," 850.

and mailed to the owner on record with the Assessor's office, posted on the property, posted in the Times Picayune (the official newspaper of record) and posted on the City's website. The Notice lists the specific violations as well as a hearing date.

Section 13:2575 establishes the municipality's right to establish an "administrative adjudication hearing procedure" during which a hearing officer determines whether a party is guilty of maintaining a blighted property.⁹⁴ If found guilty, the property must be brought into compliance within 30 days or the owner may be subject to \$100 to \$500 in daily fines. Section 13:2576 addresses the procedure that ensues with the failure to pay fines, in which case the municipality may apply to the clerk of the district court for issuance of a writ of seizure. The writ of seizure allows the City to proceed with public auction of the property, which is then handled by the Sheriff's Office.

The City's legal department works in coordination with the Sheriff's Office to prepare the property for auction. The legal team researches property records to ascertain proper title and provide due notice of sale. After the mandated notification process is complete, the property is appraised and set for auction.

There is no centralized property database to determine the average time it takes for a property to move through the code lien foreclosure process, from first violation to final auction. Individual property record research completed by the author reveals some properties have been in the system for over a decade.⁹⁵ Title issues and an understaffed legal department delay an already lengthy process. After a writ is finally filed, the property can go to auction within a month.

⁹⁴ Refer to Chapter 3 for city's definition of blight.

⁹⁵ For example, according to the City's public real estate records, the property at 3038 St. Claude Avenue has been accruing fines for code violations (specifically, health liens) since 2000. A writ of seizure was finally filed over a decade later in 2011. The sale was stopped in December of 2011, presumably because the owner finally paid off fines. It remains to be determined whether the property will be rehabilitated or allowed to re-enter the code enforcement process.

The Auction Process

Code lien foreclosure auctions are held Tuesdays and Thursdays at noon in the lobby of the Civil District Courthouse Building located at 421 Loyola Avenue. The sales are free and open to the public. Advertisements are listed in the Times Picayune thirty days before the auction and again on Monday, the week of the auction. Upcoming sales are also listed on the Sheriff's website (www.civilsheriff.com) under "Real Estate Sales Lists" three weeks prior to auction.⁹⁶

Sales lists are also distributed at the actual auction, listing the property's address and opening bid. Photographs are posted by the Sheriff's Office but they are not necessarily current, and bidders are encouraged to perform due diligence before bidding on any property. However, access is not allowed prior to the auction, and all property is sold "As is, Where is."

Properties may be sold with or without appraisal. Those with appraisal open at two thirds of the appraisal value. However, if this value is insufficient to cover the foreclosure costs,⁹⁷ the opening bid value is adjusted accordingly. Properties without appraisal open at a value that covers foreclosure costs. Properties that do not sell at the first auction are scheduled for a second sale. The minimal bid value of second sale properties does not consider the appraised value (if any), but is set based on current liens on the property as well as foreclosure costs.⁹⁸

A successful bidder must immediately pay the Sheriff's office ten percent of the purchase price in cash or by certified check. The remaining balance must be paid within

⁹⁶ For search reference, code lien foreclosures can be identified by cases where the City of New Orleans is listed as the plaintiff.

⁹⁷ Foreclosure costs accrued by the Sheriff's Office include fees for advertising, appraisals, mortgage, conveyance and tax certificates, curators, deed, docket and a 3% sales commission.

⁹⁸ Charlie London, "BlightStat 16," *Faubourg St. John* (blog), June 16th, 2011, <http://fsjna.org/2011/06/blightstat-16/>.

thirty days of the sale date. The property owner must begin work within ninety days of title transfer, or the property will return to the beginning of the code enforcement process.

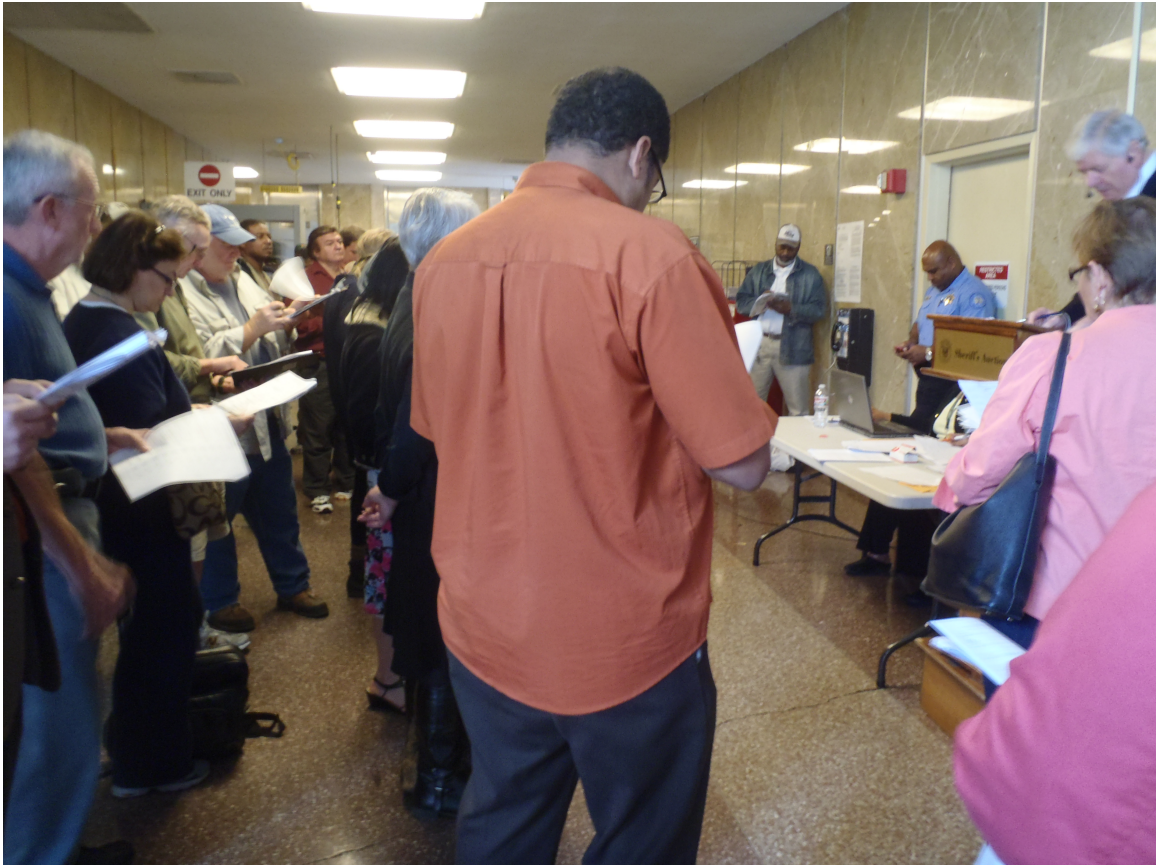


Figure 10. Code lien Foreclosure Auction. Potential homeowners, developers, speculators, curious spectators—those “in the know” crowd the Civil District Courthouse lobby for a noontime sale. Source: Photo by Author, January 2012.

Results to Date

The legal and administrative procedures that a property must pass through before it is sent to auction take a significant (and warranted) amount of time. It is no surprise, therefore, that the code lien foreclosure process has been slow to gain momentum.

According to city-published data, 696 properties are within the code lien foreclosure

process, albeit within different stages.⁹⁹ Figure 11 shows the distribution of these properties throughout Orleans parish.

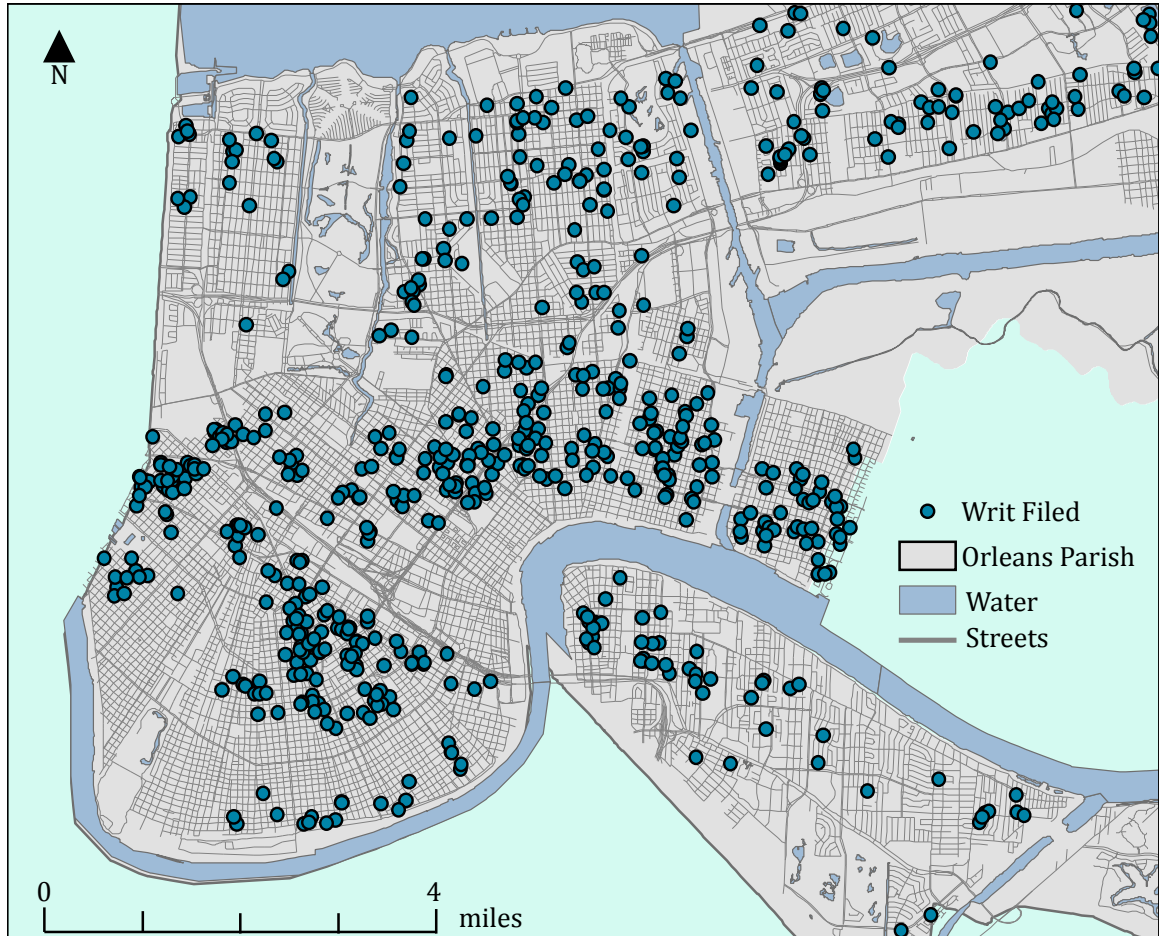


Figure 11. Code Lien Foreclosure Properties. Map created by author.

⁹⁹ All code lien foreclosure property data used for analysis is from the City's public data website: <https://data.nola.gov/>. The data is current through March 2012 when it was last downloaded. It has since been removed from public access for updating.

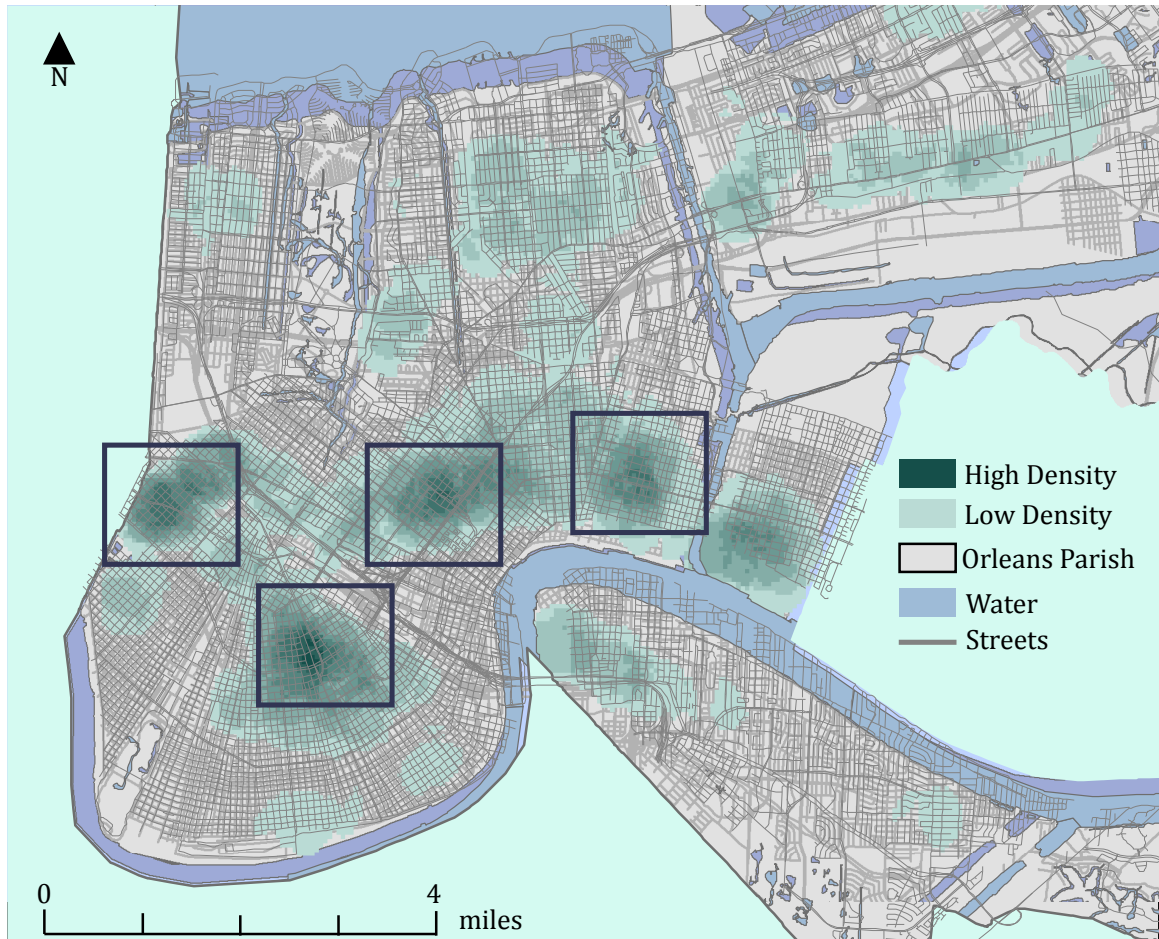


Figure 12. Density Analysis of Code Lien Foreclosure Properties. Map created by author.

Figure 12 indicates that properties within the code lien foreclosure process are concentrated primarily in four areas: the Hoffman Triangle in Central City, the 7th Ward/Treme, New Marigny and Hollygrove neighborhoods. The blight in these areas is attributable to both Hurricane Katrina damage as well as long-term disinvestment. However, it is important to note that these areas do not necessarily maintain the highest number of blighted properties in the City. Rather, these areas were targeted early on in the blight strategy process.¹⁰⁰ As a result, the inspected properties have had time to move through the code enforcement process and are now in the disposition phase. As the

¹⁰⁰ For example, the Hoffman Triangle neighborhood was the focus of one of the Mayor's Fight the Blight campaigns in March 2011, which involved inspection sweeps of the entire neighborhood.

program matures, several hundreds of properties in other neighborhoods will be identified as potential candidates for auction.

An early goal in the code lien foreclosure auction strategy was to schedule ten properties at auction every two weeks. After the first ten weeks, however, only three properties had been scheduled for sale.¹⁰¹ A majority of properties eligible for auction were rejected in this early period because of noticing problems. From November 15-26, for example, 86% of properties reviewed for sheriff's sale were rejected because of noticing issues.¹⁰² Other reasons for rejection include properties that were sold to NORA or Road Home, determined to be in compliance, or had rescinded liens. Figure 13 provides insight into why some properties do not make it to auction or do not sell at auction.

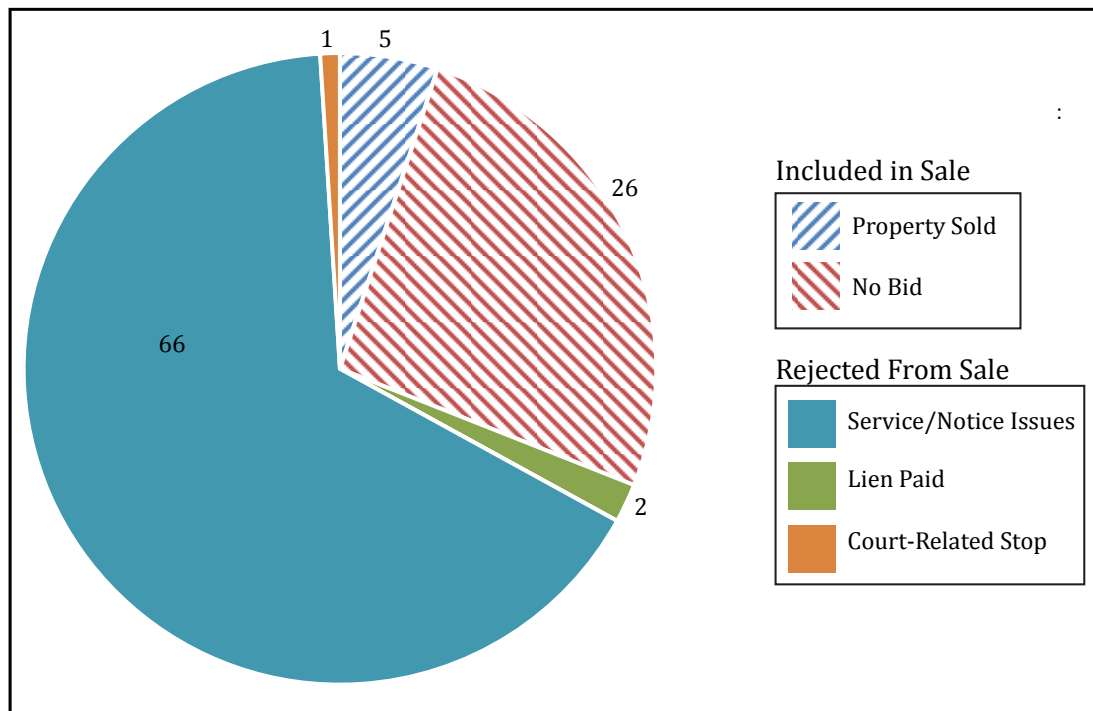


Figure 13. Outcomes of 100 Properties Scheduled for Auction in October 2011. Source: BlightSTAT presentation November 3, 2011.

¹⁰¹ Charlie London, "BlightStat 16," *Faubourg St. John* (blog), June 16th, 2011, <http://fsjna.org/2011/06/blightstat-16/>.

¹⁰² "BlightSTAT 4," Presentation, Blight Task Force, New Orleans, December 2, 2010. <http://www.nola.gov/RESIDENTS/Code-Enforcement/BlightStat/>.

Now well into its second year, the code lien foreclosure process is assuming a steady pace, and the City is reporting consistent progress.¹⁰³ Since the first code lien foreclosure auction in June 2010, 44 properties have been sold. Sales are not the only indicator that the auctions have potential for promoting property rehabilitation. The City reports that “once a property goes to sheriff’s sale...the phone rings off the hook of people wanting to pay off blight liens.”¹⁰⁴ The increase in blight lien collection indicates that code lien foreclosures are working to make neglectful property owners finally take notice of building code violations. As of January 2012, the code lien foreclosure process has yielded \$1,557,221 in proceeds.

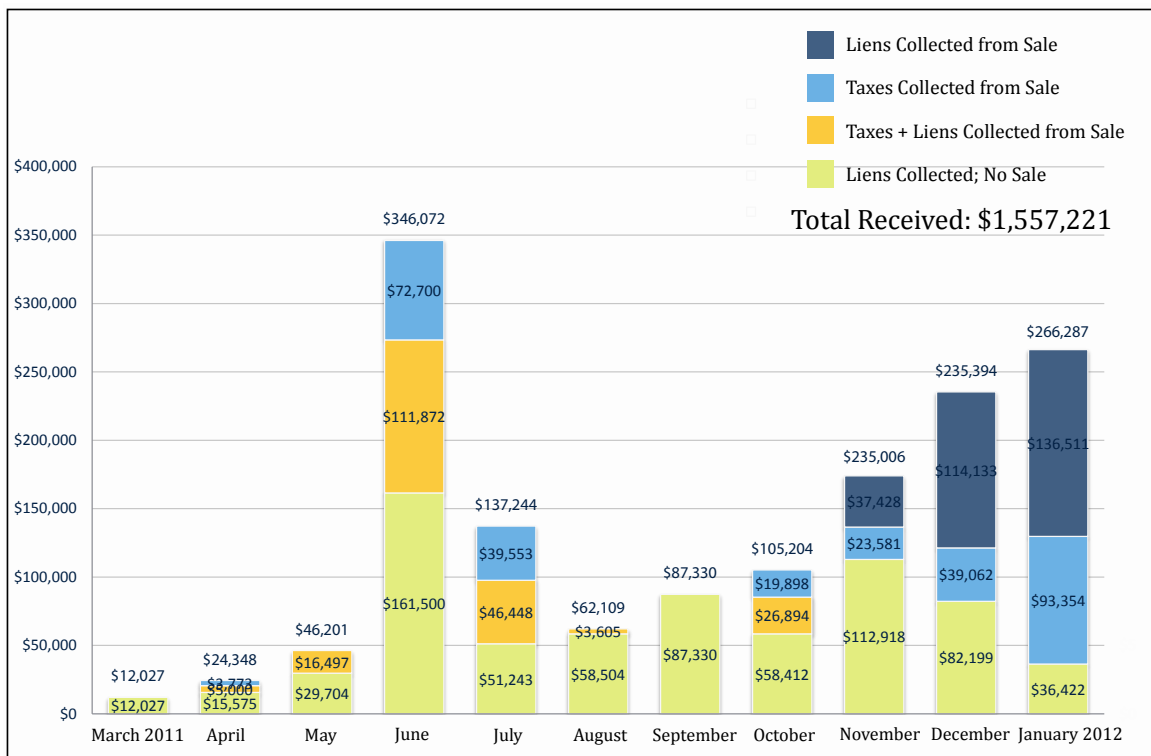


Figure 14. Proceeds from Sales and Liens Collected. Source: BlightSTAT.

¹⁰³ Charlie London, “BlightStat 16,” *Faubourg St. John* (blog), June 16th, 2011, <http://fsjna.org/2011/06/blightstat-16/>.

¹⁰⁴ Charlie London, “BlightStat 22,” *Faubourg St. John* (blog), September 8th, 2011, <http://fsjna.org/2011/09/blightstat-22/>.

The proceeds gathered from paid fines and sales are promising signs that the process can actually work. However, it is too early to assess the long-term impacts these auctions will have on neighborhoods or whether properties will be rehabilitated as a result. What can be done at this point is to analyze available property data in an effort to understand if, where and how these properties are selling. The following analysis is preliminary and not exhaustive; not every property in the system was analyzed.¹⁰⁵ It sets the groundwork for future and more detailed analyses, and demonstrates the invaluable information revealed from data analysis. Understanding and predicting trends early in the process will help guide the progression of this system into an effective policy.

Sold properties were analyzed in terms of property type (is the property a vacant lot or structure?), location (is the property on or near a historic commercial corridor?) and historic integrity (is the property a historic structure?) Several neighborhoods were also chosen for analysis to determine correlations between property status and local real estate markets.

¹⁰⁵ More properties may have been analyzed if the data was better. It was often the case that City property data was not coordinated with the Sheriff's Office property data, making some property status research a lengthy process. Further, City data was not always "clean:" Multiple entries for single addresses were entered, incorrectly entered, not entered, etc.

Sold Property Analysis

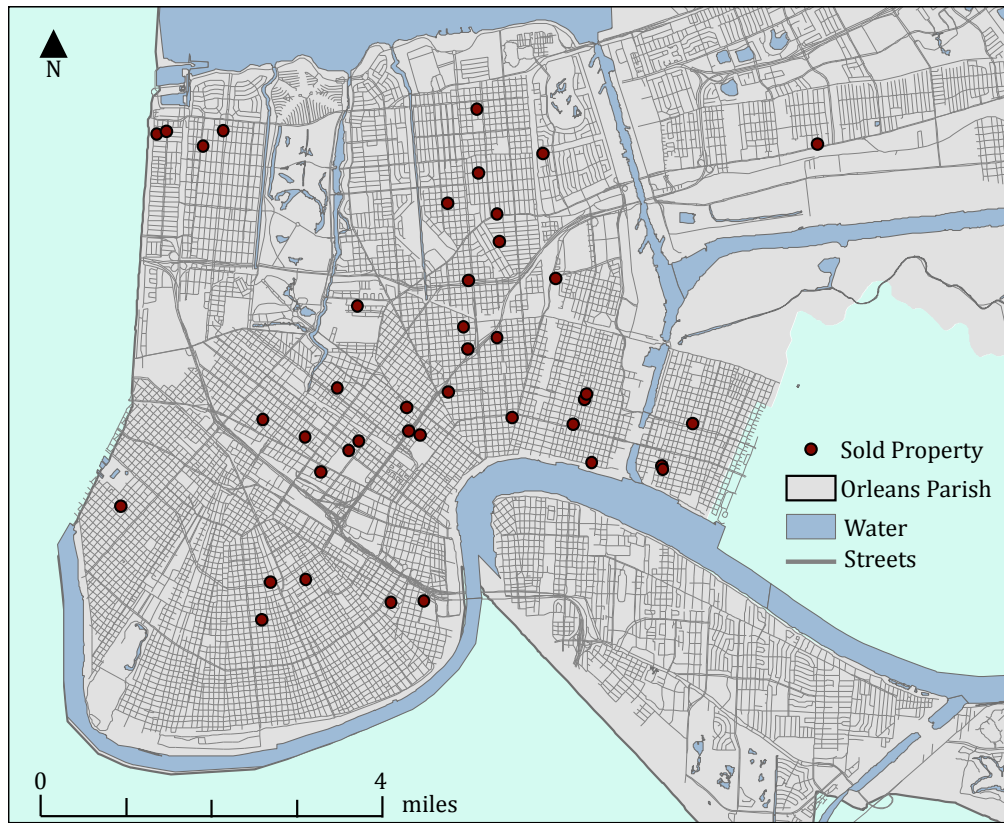


Figure 15. Distribution of Sold Properties. Map created by author.

Sold Property Data Summary: Forty-four total properties have been sold in both strong and weak real estate markets. Forty of these properties had structures on them, two were vacant lots, and two were not able to be determined.¹⁰⁶ Twenty-six of the properties are historic; eleven are not historic. See Appendix Table A1 for Data Chart.

¹⁰⁶ No picture listed on Sheriff's website and unable to visit in person.

Neighborhood Analysis

Neighborhood: Irish Channel/Lower Garden District

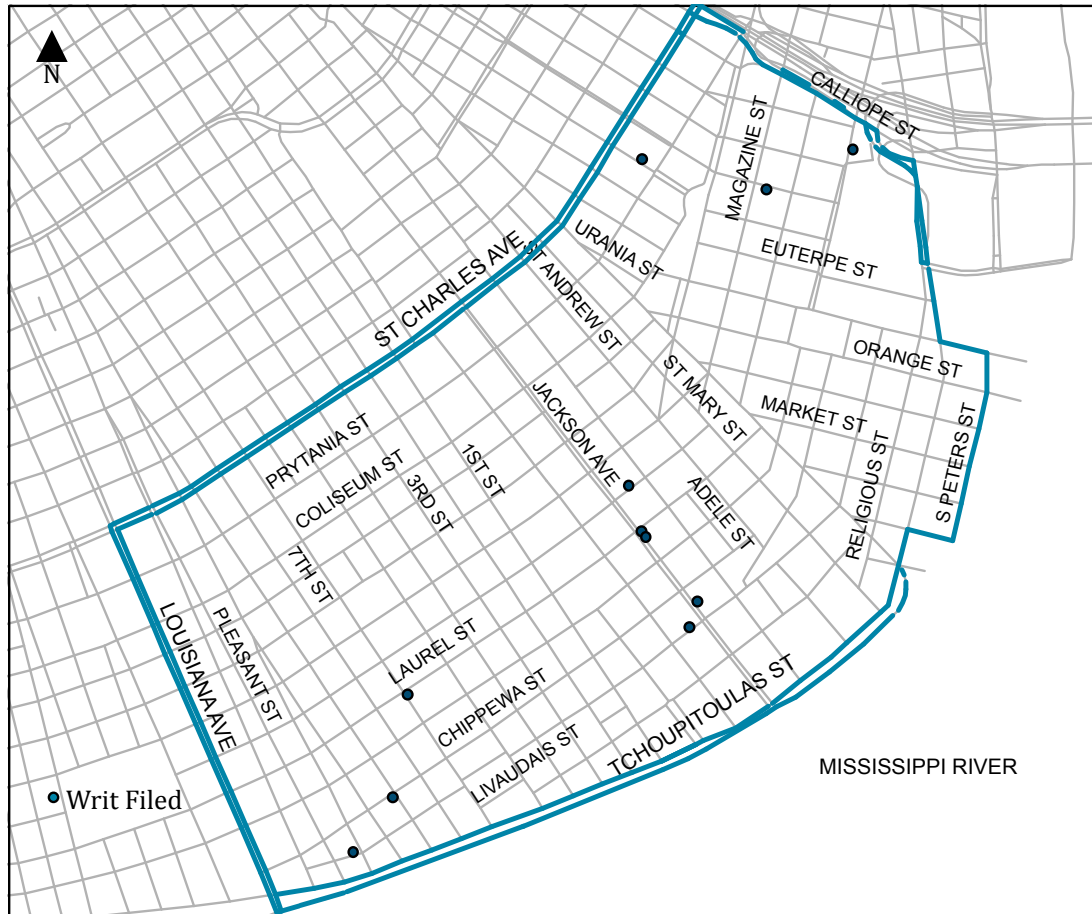


Figure 16. Irish Channel/Lower Garden District Neighborhoods. Map created by author.

Market Summary: The Lower Garden District and Irish Channel are highly desirable areas for real estate investment, with the average listing price of homes well above they City's average.

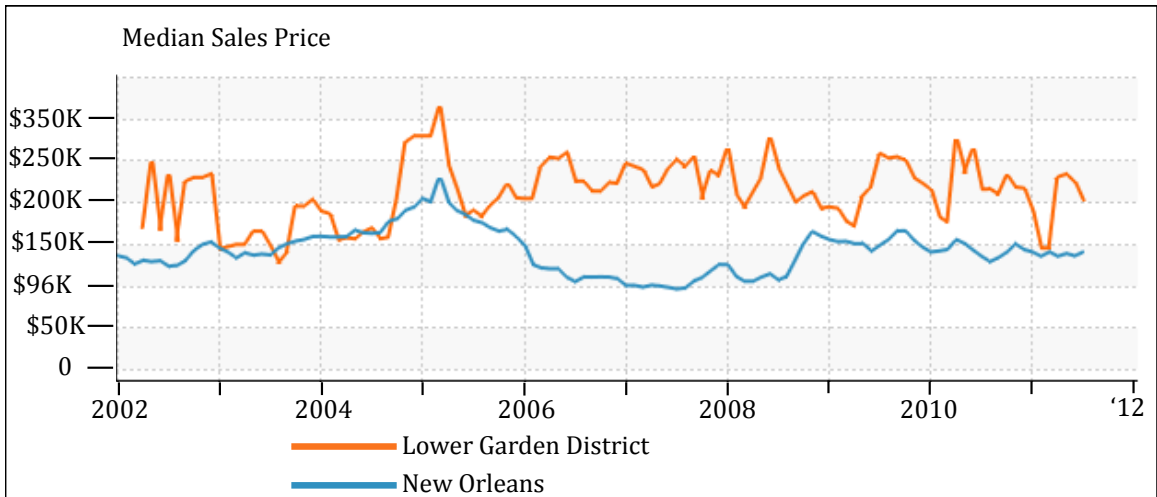


Figure 17. Median Sales Price of Lower Garden District Real Estate.
Source: www.trulia.com

Data Summary: The majority of properties in the Irish Channel and Lower Garden District were stopped from going to auction because owners paid off liens. Those that were not stopped sold at first auction. One property remains in the City’s administrative system. See Appendix Table A2 for Data Chart.

Neighborhood: Riverside



Figure 18. Riverside Neighborhood. Map created by author.

Market Summary: The Riverside neighborhood has historically high real estate values, and continues to be a desirable neighborhood for property investment. It maintains some of the highest property values in the City.

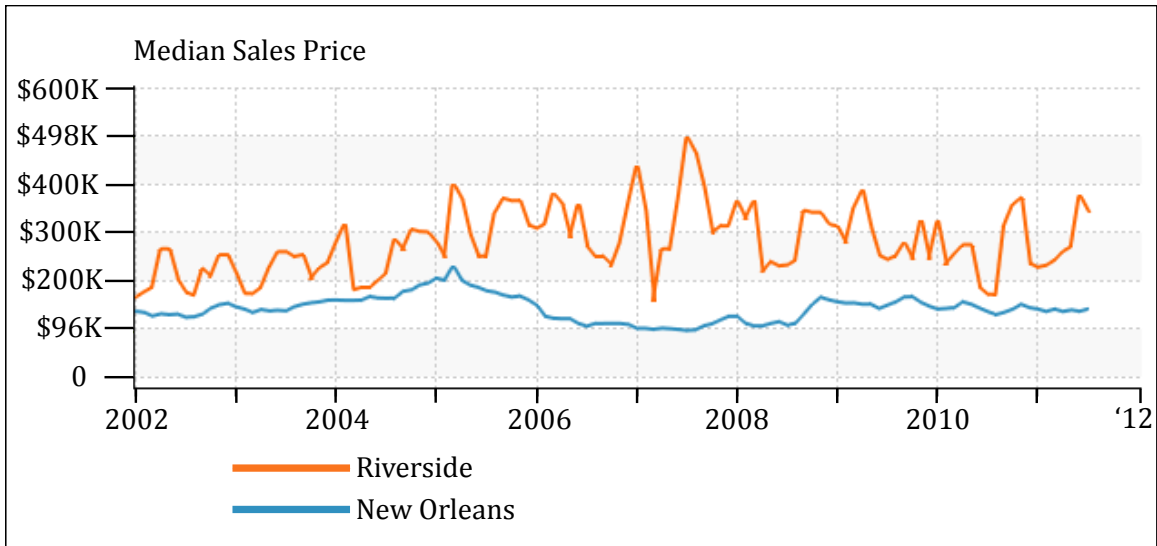


Figure 19. Median Sales Price of West Riverside Real Estate. Source: www.trulia.com

Data Summary: Riverside data shows the majority of properties were stopped before auction. One of three properties that made it to auction was sold. The two that did not sell were vacant lots, indicating a buyer’s preference for parcels with structures on them. Three properties remain in the City’s administrative system. See Appendix Table A3 for Data Chart.

Neighborhood: Milan

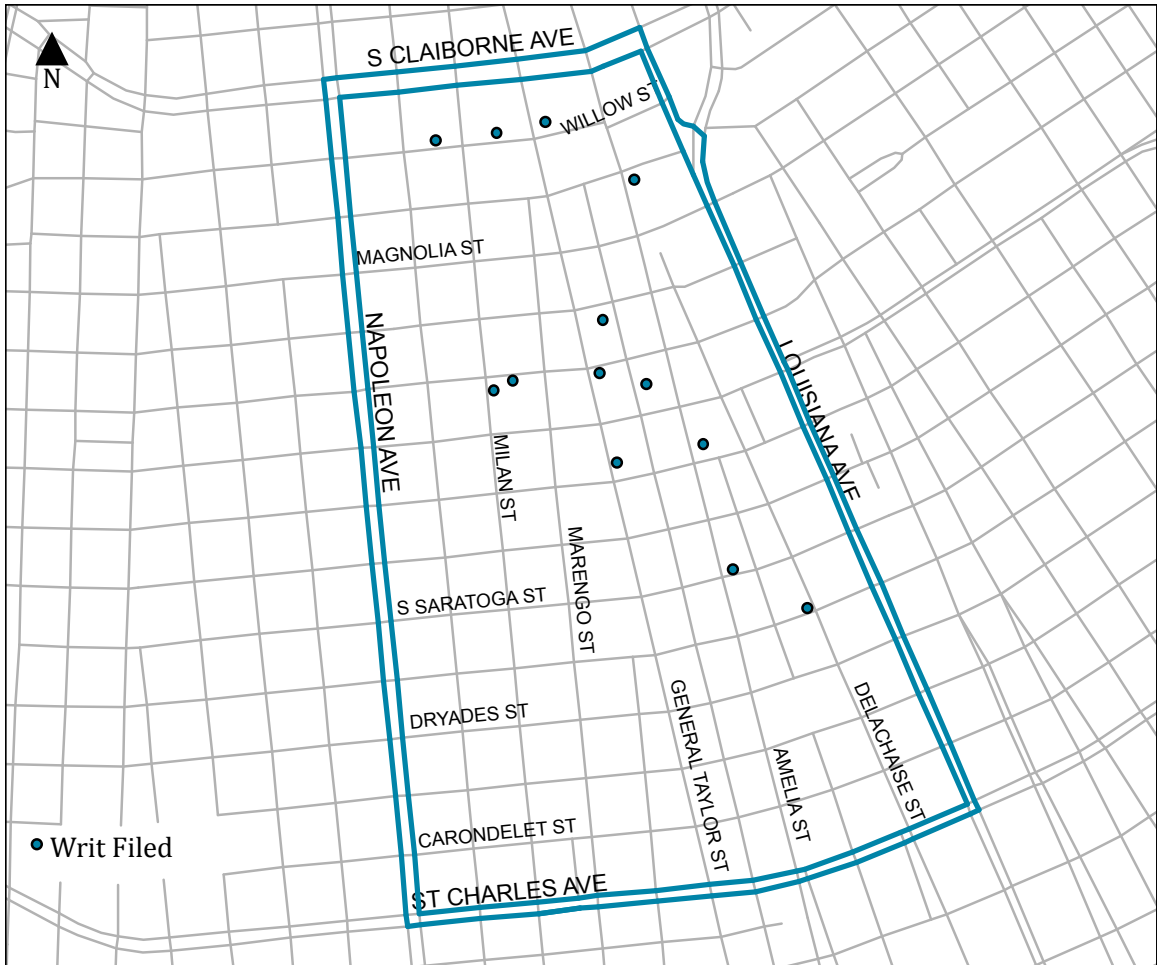


Figure 20. Milan Neighborhood Boundaries. Map created by author.

Market Summary: Milan real estate values vary widely; high valued properties are located near the prestigious and historic St. Charles Avenue while considerably lower values exist closer to Claiborne Avenue. The properties represented by this data are in the latter group, giving a good indication of how properties in weak real estate markets perform at auction.

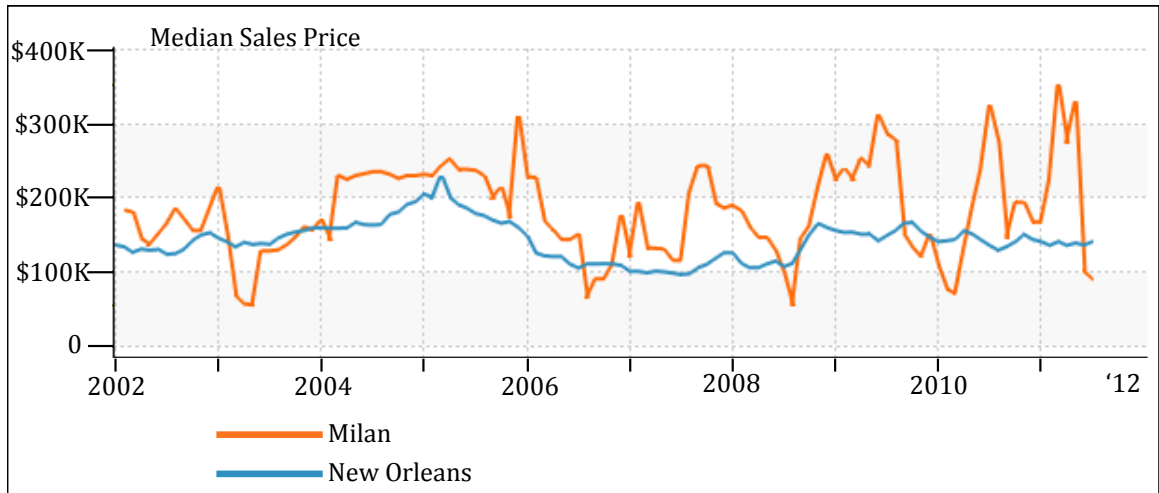


Figure 21. Median Sales Price of Milan Real Estate. Source: www.trulia.com

Data Summary:

The majority of properties received no bid at auction (an equal amount remains in the system). The two properties that were sold were within one block of Freret Street, a strengthening commercial corridor. See Appendix Table A4 for Data Chart.

Data Findings Conclusion

Data collection began with the hypothesis that the most sales would occur in strong real estate markets. However, as indicated by property data in the strongest markets analyzed (Irish Channel, Lower Garden District, Riverside), there is cause for review of this hypothesis. Instead of seeing completed sales, these neighborhoods witnessed a majority of sales being stopped before auction, meaning property owners finally paid off code liens. In weak real estate markets, noticing problems and minimal bidder interest solicit little success, as expected. Successful sales are seen in strong real estate markets and near strong or strengthening commercial corridors in weak real estate markets. The majority of sold

properties are historic structures located near commercial corridors. An analysis of these findings is discussed in the following chapter.

CHAPTER V: RECOMMENDATIONS

It is evident that code lien foreclosure auctions have the potential to aid in neighborhood revitalization. However, if weaknesses are not addressed in its formative stages, the system risks losing credibility and ultimate failure. This chapter serves to illuminate several flaws in the current system with subsequent recommendations for improvement. It advises where future efforts should be directed, based on analysis of preliminary property data and local real estate markets.

Weakness: Unclear Process/Public skepticism

There is a general misunderstanding about what these auctions are and how they work. Sheriff's sales are notoriously complicated, riddled with bureaucratic red tape, confusing legal jargon and administrative inefficiencies. The quick-paced nature of the auctioneer, the palpable competitiveness between bidders—it is an exciting experience, but also an intimidating one for auction novices.

Public outlash demonstrates that there is a general misunderstanding about the moral intentions driving the sales. Shortly after they were ousted from their encampments in front of City Hall, the "Occupy NOLA" protestors found a new venue in which to decry the world's injustices: sheriff sale auctions. In early December 2011, a group of protestors completely disrupted a sale, overpowering the auctioneer with chants declaring the sale "illegal and immoral...blight has become an excuse to gentrify...this process is corrupt. You are stealing homes. STOP NOW!"¹⁰⁷ The incident successfully halted the day's auction, encouraging the protestors to pursue this fight. They have pledged to physically defend any

¹⁰⁷ Bruce Egger, "Some Occupy NOLA Protestors Battle Sheriff's Sale of Foreclosed Properties," *New Orleans Times-Picayune*, December 10, 2011, http://www.nola.com/politics/index.ssf/2011/12/some_occupy_nola_protesters_ba.html.

properties sold through the auction...“We will be in the houses—defending them, boarding them up and occupying them.”¹⁰⁸

This occurrence demonstrates the ignorance associated with these sales. A typical sheriff’s sale involves many types of property foreclosures, the majority of which are mortgage and tax foreclosures. While most properties that have accrued code liens have been vacant for years, mortgage and tax foreclosures often carry with them heartrending stories of long-term homeowners facing eviction. It is likely that the protestors mean to aim their disparagement on these types of foreclosures and do not realize that they are instead defending property owners who have allowed their properties—and subsequently their neighborhoods and city—to deteriorate. However, because of the nebulous nature of the sales, the common citizen does not understand the difference. This puts the “good” sales (code lien foreclosures) at risk of being delayed because of their automatic association with mortgage and tax foreclosure sales.

Existing online forum discussion including blogs and comments to newspaper articles serve to reinforce the fact that the general public is weary of code lien foreclosure auctions: “Are they doing legal steal [sic] to seize the property, then put it to some sort of ‘insiders’ auction, and then letting their friends buy the property for a song? Not sure how this is going to play out.”¹⁰⁹ “Looks like the vile, contemptible little bootlicking moles of the City Hall Gang [are trying to] rob their victims of as much property as possible.”¹¹⁰ Whether these sales are laced with corruption is not known (nor suspected by this author).

¹⁰⁸ Ibid. Note also that while the group has stopped disrupting auctions, they have indeed followed through with their claim to “occupy” homes. It would be interesting to delve into the underground fight blighting movement in New Orleans that is being led by a sizable squatter community.

¹⁰⁹ Gordon Russell, “New Orleans Property Tax Bills will Hit Mailboxes Soon,” *New Orleans Times-Picayune*, December 26, 2011,

http://www.nola.com/politics/index.ssf/2011/12/new_orleans_property_tax_bills.html.

¹¹⁰ Egger, “Some Occupy NOLA protestors battle sheriff’s sale of foreclosed properties.”

Nevertheless, a negative public perception—whether it is based in reality or not—must be addressed, and the negative image must be reversed by demonstrating the public benefits of these auctions.

Recommendation: Education & Marketing

The confusion wrought from the code lien foreclosure process can be addressed through both education and marketing strategies. In January 2012, the Preservation Resource Center held a “How to Buy a House” seminar, which included a presentation by the Sheriff and his staff on the auction process. The event was well attended by a variety of people including first-time homebuyers, small-scale developers, and passionate hobbyists looking for “fixer-uppers.”¹¹¹

Combining information sessions with other types of home-buying resources serves to bring in a wider audience, including people who may have never heard of code lien foreclosure auctions. These events should be repeated and publicized.

Other education strategies may include:

- Renovation tips
- Financial tips, including private and public programs available for financing property purchase
- Workshops on the benefits of owning vs. renting
- Real Estate market advice
- Publishing a clear and concise auction guidebook, explaining the auction process in layperson’s terms as well as an explanation of the legal and administrative processes that underlie it.

¹¹¹ Author’s observations at meeting. It is interesting to note the sighting of one person at the Homebuyer Workshop who had also been seen at the code lie foreclosure auction earlier that morning—a sign of first-time homebuyers interested in purchasing through a code lien auction?

An effective marketing strategy may include:

- Working with neighborhood organizations to disseminate information
- Placing “For Sale” signs on properties and around neighborhoods
- Sending sale notices to nearby property owners
- Emailing sale notices to general public¹¹²

Building on the general ignorance surrounding code lien foreclosure auctions, residents may be quick to dismiss this program as an unreliable way to purchase a home.

Recommendation: Incentivize

Combining rehabilitation incentives with code lien auctions can increase resident interest in property investment. These existing local programs should be actively marketed in coordination with the code lien auctions:

- **Soft Second Mortgage Program:** Gap financing can be obtained through a newly launched, federally funded and Louisiana-specific mortgage program. This funding is eligible for first time homebuyers who have a total household income that is equal to or less than 120% of the area median income and who have completed a homebuyer-training course. Recipients must agree to maintain the home as a primary residence.¹¹³
- **Residential State Tax Credit Program for historic, owner-occupied properties:** Beginning in January 2006, Louisiana homeowners may qualify for up to 25% tax

¹¹² The Sheriff’s Office currently offers this service through their website, but the option to receive emails could be more widely publicized.

¹¹³ City of New Orleans website, Accessed 25 March, 2012, <http://www.nola.gov/HOME/Softseconds/>.

credit when they rehabilitate their historic or blighted (and at least 50 years old) home.¹¹⁴

- “Mow to Own” program: No one understands a blighted property’s degenerative effects more than the neighbor next door. An acquisition program in which adjacent property owners who have begun taking an interest (such as maintaining the yard) in a blighted property are able to acquire the property after a given amount of time would serve as an excellent rehabilitation incentive.
- Homeownership Development Program: Over \$34 million was granted to the State of Louisiana by the federally funded Neighborhood Stabilization Program.¹¹⁵ This program aims to return abandoned homes back into commerce. Overseen locally by Office of Community Development, funding should be marketed to Louisiana residents interested in buying a home through auction.
- Target Young People: “...Young, adventurous people with or without dependents may be the best cohort to resettle blighted areas...We need people who can see opportunity in a vacant, cat’s claw-covered shotgun.”¹¹⁶ The administration must capitalize on the City’s existing assets, including a unique culture and quality of life that is highly attractive—especially to young professionals. Code lien foreclosure properties present ideal opportunities for a demographic that wants to live near downtown at an affordable price. “Live Baltimore” and “Live Cleveland” are two initiatives from other cities that can provide New Orleans a model for developing marketing strategies to encourage people to move to the City.

¹¹⁴ Louisiana Department of Culture Recreation and Tourism website, Accessed 12 April, 2012, http://www.crt.state.la.us/hp/tax_incentives_program.aspx

¹¹⁵ Created by the Housing and Economic Recovery Act passed by Congress in 2008.

¹¹⁶ Brad Vogel, “Don’t Bulldoze Blight. Use it as Bait to Lure Newcomers.” *New Orleans Lens*, February 22, 2011, <http://dev-lens.thelensnola.org/2011/02/22/urban-blight-renewal/>.

If redevelopment incentive tools are established and marketed, more properties will move through the code lien foreclosure process.

Weakness: Lack of Post-Sale Enforcement

The essential purpose of the code lien foreclosure process is to incentivize property rehabilitation. However, neither the sale of a property nor the payment of a lien *guarantees* property rehabilitation. As indicated by Stephanie Bruno, local preservation expert, there is little knowledge about what happens after properties “complete” the code enforcement and subsequent disposition process.¹¹⁷ According to city government publications, “At this point, viable enforcement strategies are limited or nonexistent.”¹¹⁸ The city relies on a faith-based enforcement policy assuming that “a private purchaser who puts up good money at a public auction to take ownership of property will presumably protect that investment by returning the property to commerce.”¹¹⁹

While this is a rational assumption, the rationality of New Orleans residents cannot necessarily be trusted; a faith-based policy is not enough. The property at 1618 Annette Street is hard evidence of the crucial need for post-sale enforcement. This modest abandoned home was one of the first properties sold through a code lien auction in June 2010. One and one half years later, the property remains untouched. It is now eligible to enter the code enforcement process once again.

¹¹⁷ Stephanie Bruno, phone interview with author, September, 2011.

¹¹⁸ “Blight: Transition New Orleans Task Force,” Presentation to Mayor-elect Mitch Landrieu, New Orleans, April 2010, p 23, transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf.

¹¹⁹ Ibid.



Figure 22. 1618 Annette. This property sold at auction in June 2010. Nearly two years later, it remains blighted. Photograph taken by author, January 2012.

Recommendation: Define a Post-Sale Policy

While it is tempting to “close the case” on a property once a final sale or fine is obtained, it is imperative to follow through until the property is ultimately rehabilitated. A failure to do so risks the return of the property to the code enforcement system in the future. The topic of post-sale enforcement arises frequently in BlightSTAT meetings in questions posed by the public, but while the Task Force is aware of the potential problem, innovative suggestions have yet to be employed. Potential strategies include:

- Assign staff specifically dedicated to monitoring properties which have recently exited the system
- Develop advanced monitoring system; advance use of technology to monitor indicators of rehabilitation such as building permits
- Secure bidder’s ability to pay: While it is unlikely the system can screen bidders before they participate in an auction, requiring a deposit for

rehabilitation costs at the time of auction may discourage those who are not able to make immediate repairs from bidding.

- Define policy: A distinct and clear definition must be established to determine what constitutes substantial rehabilitation. Vague language invites property owners to manipulate the system.
- Attach a rehabilitation covenant to property title.
- Distribute the work: Work with neighborhood groups to help monitor properties; publicize efforts to encourage citizen participation in enforcement efforts

Weakness: Administrative Inefficiencies

Merely a superficial glance into the code enforcement process passed on from the Nagin administration would elicit it to be described as abominable at best. Disjointed strategies between uncommunicative agencies, highly inefficient technology systems, inadequate staffing, lack of comprehensive policy...the new administration was confronted with a limitless list of problems that continue to hamper efforts. System inadequacies are all too familiar to a Task Force that struggles with them day after day; the author does not assume to understand how difficult it is to reverse decades of inefficient processes. Nevertheless, it is necessary to at least highlight these issues in order to emphasize the importance of an efficient administrative system.

Recommendations:¹²⁰

The city is ultimately responsible for blighted properties. Without an efficient system to implement it, the most comprehensive and innovative blight strategy is useless.

¹²⁰ Jeffry Thomas, who served as Special Assistant to the Mayor's Office of Recovery and Development Administration, offers an insider's opinion on how to tackle administrative inefficiencies in "Abating Katrina's Second Wave."

- Set up reinvestment fund: Perhaps the most commonly cited reason for an inefficient administration is a lack of funding. It is therefore necessary to explore solutions that do not require added expense. This is where a major benefit of these auctions can come into play: the fact that they make money. The establishment of a “reinvestment fund” could serve to collect auction proceeds that can then be used specifically to improve the system.
- Improve Data Availability/Transparency: The Task Force has recently shown improvement in publishing property data, understanding that being able to map information “make[s] us a lot smarter, letting us know where we’ve been.”¹²¹ A new website has been launched (data.nola.gov) with data sets including status of properties within the code lien foreclosure process.¹²² This kind of information is key in relaying information to the public as well as monitoring results. Increasing available datasets should be a priority, and great efforts must be directed towards keeping the data current. Above all, city employees will not be encouraged to change the system unless the general public holds them accountable. BlightSTAT meetings are critical to encourage public engagement in the process.

Weakness: Noticing issues

Properties that bear noticing problems are a crucial weakness in the system as it stands today. One of the key benefits of the code lien auctions are the free and clear title that come with the properties sold. However, this benefit is being compromised as inadequate staffing impedes proper title research and an inability to locate the proper owner/heir. If

¹²¹ Charlie London, “BlightStat 19,” *Faubourg St. John* (blog), April 28th, 2011, <http://fsjna.org/2011/07/blightstat-19/>.

¹²² The code lien foreclosure property dataset has been removed. The City is “currently in the process of evaluating the type of information” to be published on code lien foreclosures. Justin Kray, Office of Performance and Accountability, City of New Orleans, email message to author, April 17, 2012.

the mandated notification process cannot be carried out, the bidder assumes the risks of losing the property post-sale if the original owner files suit. As a result, bidders rarely consider properties that are advertised with “noticing problems.” Currently, there are only two lawyers completely dedicated to title research and writ filing for thousands of properties. This slows the process tremendously.¹²³

Recommendation

- Sufficient and experienced staff must be hired with the sole task of title research. Though limited funding may make hiring a larger staff more difficult, this is considered a priority if the code lien foreclosure auctions are to succeed.
- It is worth exploring the legal logistics of being able to seize a house if the owner cannot be located, especially for properties that have been vacant for over a decade.

LOOKING AHEAD

“Amid current market uncertainties and shifting repopulation patterns, it is unlikely that code auctions would be uniformly effective throughout the city.”¹²⁴

In order to capitalize on code lien foreclosure auctions, neighborhood-level strategies must be formed based on an understanding of local real estate markets. The conclusions gleaned from the preliminary data analysis in Chapter IV guide several recommendations for a neighborhood-based strategy:

¹²³ Charlie London, “BlightStat 33,” *Faubourg St. John* (blog), April 12th, 2012, <http://fsjna.org/2012/04/blightstat-33/>

¹²⁴ Thomas, “Abating Katrina’s Second Wave,” 883-884.

1) Strong Real Estate Markets

Code lien foreclosures in strong real estate markets should be employed to solicit payment for code liens. While more bidders would be interested in purchasing these properties as low-risk investments, the existing owners are likely interested in keeping the properties for the same reason. Therefore, instead of pursuing the lengthy and costly administrative and judicial processes of putting these properties up for auction, efforts should be focused on imposing fines and *threatening* auction in order to incentivize payment.

2) Weak Real Estate Markets

“The administrative cost of seizing and selling a property through this process must also be justified by the merchantability of that particular property.”¹²⁵

The code lien foreclosure auction should not be actively pursued in weak real estate markets. Preliminary data has shown that bidders are weary of the risks associated with buying in weak markets. If the majority of properties set for auction are within these neighborhoods, the entire process risks losing credibility, since it will invariably witness little success. There is nothing more discouraging than reading sales statistics in which the majority of properties receive no bids.

3) “Fringe” Real Estate Markets

The code lien foreclosure process has the most potential to encourage revitalization in fringe neighborhoods, in terms of both selling properties and collecting fines. Fringe markets refer to neighborhoods adjacent to strong real estate markets. These areas are considered to have a high potential for development because of

¹²⁵ Ibid.

their desirable location. However, they still maintain a substantial proportion of blight meaning there is a considerable stock of housing suitable for auction.

Four “fringe” neighborhoods have been identified as excellent preliminary target areas, referred to by their commercial corridor: Oretha Castle Haley Boulevard, Freret Street, Oak Street, and St. Claude Avenue. These neighborhoods were selected for several shared urban characteristics:

- Strengthening commercial corridor
- Historic housing stock
- Central city location
- Access to public transportation (or future public transportation planned)
- Sizable portion of blight (i.e. properties with potential to go to auction)
- “Affordable” housing prices

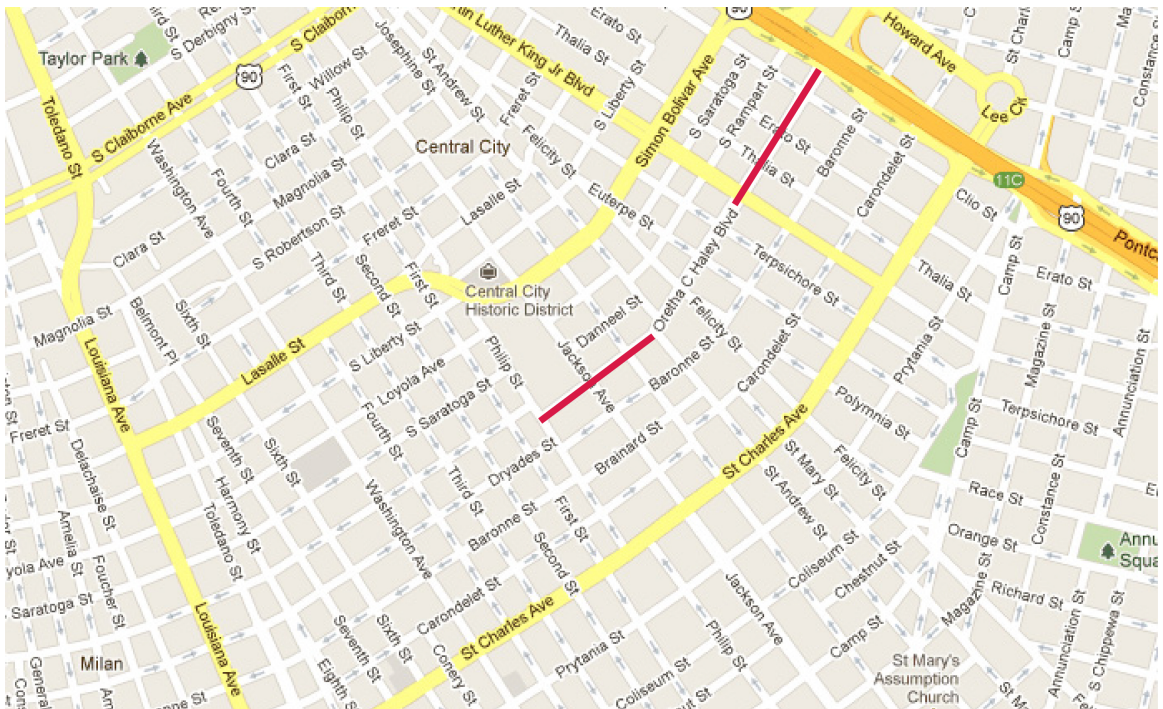


Figure 23. O.C. Haley Corridor in Central City. Source: Google Maps.

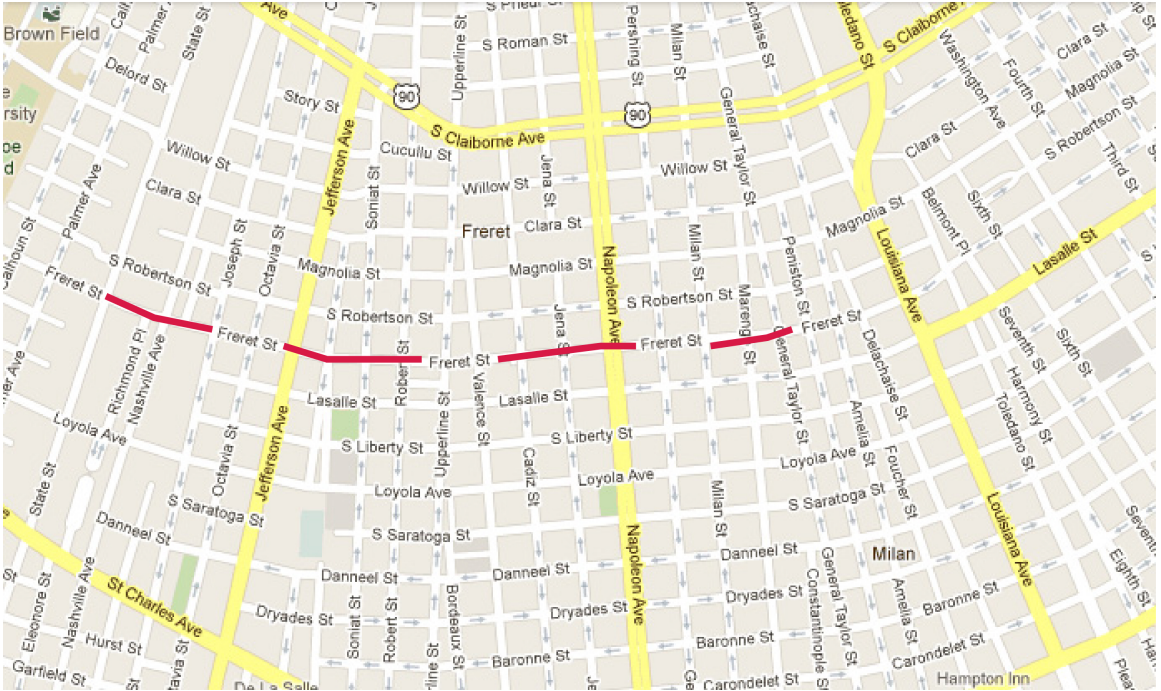


Figure 24. Freret Street Corridor. Source: Google Maps.

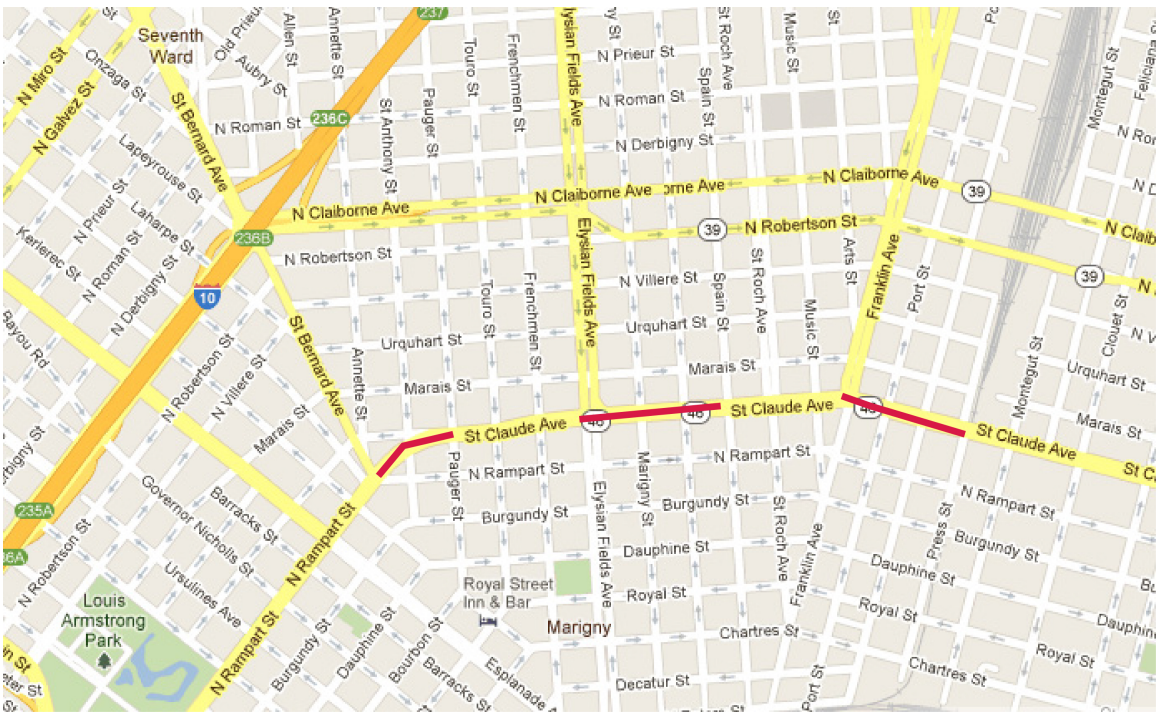


Figure 25. St. Claude Avenue Corridor. Source: Google Maps.

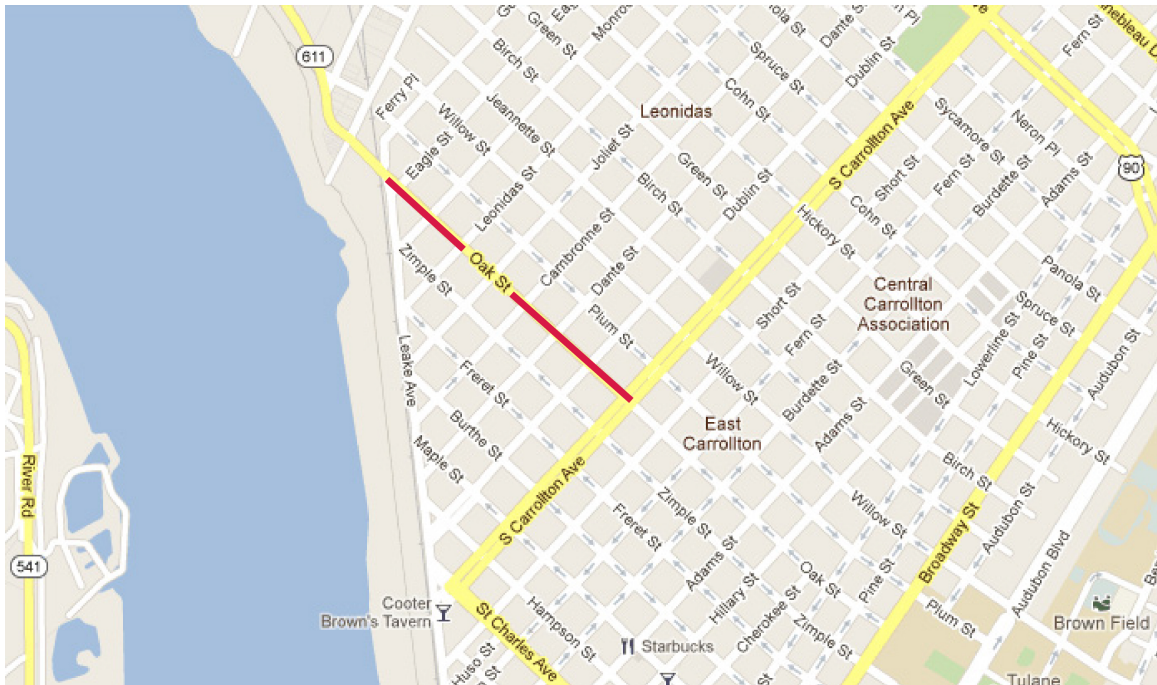


Figure 26. Oak Street Corridor. Source: Google Maps.

These urban characteristics were identified as key indicators of neighborhoods with excellent potential for revitalization. This is reaffirmed by increasing trends in central city revitalization nationwide. There is extensive current research supporting that “...being in the center of their metropolitan regions, central cities and first-tier suburbs are poised to absorb a large share of growth over the next 20 years. [These areas] offer many opportunities for infill and redevelopment.”¹²⁶ The potential to attract a new population to these neighborhoods is also being acknowledged on a national scale. A recent Urban Land Institute article reports, “The demographic trends continue—empty nesters move back into cities for more convenient lifestyles while their children delay marriage and build careers in

¹²⁶ Arthur C. Nelson, “Leadership in a New Era.” *Journal of the American Planning Association* 72, no. 4 (Autumn 2006): 401.

urban nodes...High gas prices and suburban congestion also stimulate more interest in urban alternatives. ¹²⁷

New Orleans is mirroring these national trends. Richard Campanella, a local geographer and Tulane University professor who writes extensively on the historical, physical, urban and ethnic geographies of New Orleans, predicted in 2006: “The rising stars of modern-day real estate development in New Orleans are, once again, the historic faubourgs¹²⁸ adjacent to the original city.”¹²⁹ When asked for indicators of good investment opportunities, local Realtor Katie Wintry underscores the importance of historic neighborhoods with strong commercial corridors, community anchors such as long-established businesses, and zoning flexibility to lure investors. ¹³⁰

Investment is also encouraged by optimistic local housing market forecasts. New Orleans’ housing market is showing signs of recovery, aided by an increase in activity in fringe neighborhoods where, says local realtor Whitney Gagnon, “The deals are just so good.” ¹³¹ During a recent Economic Outlook and Real Estate Forecast Seminar held at the University of New Orleans, hundreds of local real estate experts gathered to discuss the uptick in home sales in the New Orleans area. “I believe we’re seeing the beginnings of a recovery,” said Rick Haase, president of Latter & Blum Real Estate Company. In addition to the housing recovery, commercial development is increasing as well. Several national

¹²⁷ Ibid, 395.

¹²⁸ a *faubourg*, literally “suburb” in French, is another word for neighborhood in New Orleans. Originally termed *faubourgs* because they developed on the outskirts of the original city center, these neighborhoods are now considered part of the city center themselves.

¹²⁹ Campanella, *Geographies of New Orleans*, 96

¹³⁰ Katie Wintry, New Orleans Realtor, PRC Homebuyer’s Workshop, January 2012.

¹³¹ Whitney Gagnon, email message to author, March 27, 2012.

retailers have announced or started new developments within the City.¹³² There is a palpable energy driving the rebuilding efforts of New Orleans six years after Katrina.

¹³²Rebecca Mowbray, "New Orleans housing market is showing signs of recovery," *New Orleans Times-Picayune*, March 31, 2012.

CHAPTER VI: CONCLUSION

This thesis topic was sparked by a realization that now is a pivotal period in New Orleans' war against blight. Six years after Katrina devastated the city physically and emotionally, words like *rebuild*, *rebirth*, *renewal*, and *repair* have emerged as commonplace in local vocabulary. Leveraging this energy, a new administration led by Mayor Landrieu has prioritized eliminating blight—an urban plague that was surely intensified by Katrina yet undoubtedly a degenerative disease long before the storm.

The formative stages of research were conducted with a general mistrust and negative attitude towards city government who, by their rush to demolish, seemed to favor the *perception* of progress rather than actual progress. After pouring over media coverage, attending BlightSTAT meetings, analyzing city documents, and listening to both city officials and involved citizens, this attitude has been somewhat altered: the current administration exhibits enthusiastic, passionate, and well-intentioned efforts to implement an innovative and comprehensive blight strategy. Nevertheless, it remains to be determined whether good intention will translate to successful implementation. The administration must continue to be challenged, questioned and held accountable by an informed public.

A close examination of a single element of the blight strategy—code lien foreclosure auctions—reaffirms the potential of this tool to become a sustainable alternative to demolition. Unfortunately, weaknesses identified by research and data analysis point to legal, administrative and practical inadequacies that threaten its success. However, this strategy is in its primitive stages; if the city can identify, address and reverse problems revealed early in its formation, code lien foreclosure auctions can become a primary method of property disposition.

The auctions will have the most success if the thing that drives them—the real estate market—guides their strategic application. A successful strategy will focus on properties in fringe real estate markets, where both the number of properties eligible for code lien foreclosure is high and the interest in property investment is growing. Similarly, code lien foreclosure should be used in strong real estate markets to incentivize owners to finally pay liens or, if that fails, actively market the desirably located property. Data collection should be a priority in order to analyze progress and guide future direction of the program.

It is difficult to relay in writing the experience of walking through a seemingly ordinary New Orleans neighborhood. Narrow sidewalks, their bricks torn up by one hundred year old live oak tree roots, compel the walker to the street, who must simultaneously peer at houses while sidestepping potholes. A single street may contain an assortment of styles and layouts: the raised basement bungalow, the characteristic shotguns, the curious camelback and colorful Creole cottage; craftsman-style details, double galleries, Victorian turrets, Italianate pediments; blocks upon blocks of modest structures with the most extraordinary details. This is the vernacular architecture of New Orleans—a vast, eclectic collection found nowhere else in the country. For it is not in one or two neighborhoods that these treasures can be happened upon, but dozens.

New Orleans is special. Its natives are overwhelmingly aware and proud of this fact. It is also fragile. In order to safeguard it, its citizens must understand what it is that makes it special. Yes, it is the food, the music, the unhurried pace of life and the quirky residents—these elements combine to create the City’s celebrated character. But there is one thing that binds all of these elements together: the built environment. Without its architecture, New Orleans would look and feel like any other place. Its buildings are what make it special, and

these buildings are irreplaceable. Those waging the war against blight must understand this simple fact in order to develop and guide an innovative and efficient blight-fighting strategy. If New Orleans can effectively fight its blight while maintaining its sense of place, it stands to be a leader in a national fight.

Bibliography

- "7 Blighted Homes Sold at Sheriff's Auction in New Orleans," *New Orleans Times Picayune*, June 15, 2011, http://www.nola.com/politics/index.ssf/2011/06/seven_blighted_homes_sold_at_s.html.
- "25 Blighted New Orleans Properties will be Auctioned off Tuesday," *New Orleans Times-Picayune*, November 7, 2011, http://www.nola.com/politics/index.ssf/2011/11/25_blighted_new_orleans_proper.html.
- "Enforcement of Municipal Housing Codes." *Harvard Law Review* 78, no. 4 (February 1965), 801-860. <http://www.jstor.org/stable/1338795>., "Enforcement of Municipal Housing Codes." *Harvard Law Review* 78, no. 4 (February 1965), 801. <http://www.jstor.org/stable/1338795>.
- Alexander, Frank S. "Louisiana Land Reform in the Storms' Aftermath," *Loyola Law Review* 53 (2007): 730-61, <http://heinonline.org/>.
- Alexander, Frank S. and Leslie A. Powell, "Neighborhood Stabilization Strategies for Vacant and Abandoned Properties," *Zoning and Planning Law Report* 34, no. 8 (September 2011): 8.
- Bertron, Cara, "Between a Rock and a Historic Place: Preservation in Postindustrial Urban Planning" (master's thesis, UPenn, 2011), 30.
- Breger, G.E. , "The Concept and Causes of Urban Blight," *Land Economics* 43, no. 4 (November 1967): 370. <http://www.jstor.org/stable/3145542>.
- Campanella, Richard, *Geographies of New Orleans: Urban Fabrics Before the Storm* (Lafayette LA: Center for Louisiana Studies, 2006), 95.
- Fraser, Jeffrey , "The Cost of Blight: Vacant and Abandoned Properties," *Pittsburgh Quarterly*, Fall 2011, <http://www.pittsburghquarterly.com/index.php/Region/the-cost-of-blight/All-Pages.html>.
- Donnelly, Patrick G. and Theo J. Majka, "Residents' Efforts at Neighborhood Stabilization: Facing the Challenges of Inner-City Neighborhoods," *Sociological Forum* 13, no. 2 (June 1998): 190. <http://www.jstor.org/stable/10.2307/684882>.
- Egglar, Bruce, "Some Occupy NOLA Protestors Battle Sheriff's Sale of Foreclosed Properties," *New Orleans Times-Picayune*, December 10, 2011, http://www.nola.com/politics/index.ssf/2011/12/some_occupy_nola_protesters_ba.html.
- Gordon, Colin, "Blighting the Way: Urban Renewal, Economic Development, and the Elusive Definition of Blight," *Fordham Urban Law Journal* 31, no. 305 (2003-04): 305. <http://heinonline.org>.
- Gribetz, Judah and Frank P. Grad, "Housing Code Enforcement: Sanctions and Remedies," *Columbia Law Review* (1966): 1255. <http://heinonline.org>.

Guarino, Mark, "Next up for New Orleans' Recovery: Fighting Blight," *Reuters*, December 15, 2011, <http://www.reuters.com/article/2011/12/15/us-blight-neworleans-idUSTRE7BE1PL20111215>.

Hammer, David, "City Uses New Auction Technique to Fight Blight," *New Orleans Times-Picayune*, November 8, 2008, http://www.nola.com/news/index.ssf/2008/11/city_uses_new_auction_techniqu.html.

Jackson, Kenneth T., *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985), 11.

Krupa, Michelle, "Brisk Sales of Abandoned Properties at Recent New Orleans Redevelopment Authority Auction," *New Orleans Times-Picayune*, April 12, 2011, http://www.nola.com/politics/index.ssf/2011/04/brisk_sales_of_abandoned_prope.html.

Krupa, Michelle, "Mitch Landrieu Adds Muscle to New Orleans Fight on Blight," *New Orleans Times-Picayune*, August 26, 2010, http://www.nola.com/politics/index.ssf/2010/08/mitch_landrieu_adds_muscle_to.html.

Mallach, Alan and Jennifer S. Vey, "Recapturing Land for Economic and Fiscal Growth," Brookings-Rockefeller Project on State and Metropolitan Innovation, May 3, 2011, 4. http://www.brookings.edu/papers/2011/0503_land_value_mallach_vey.aspx.

Mowbray, Rebecca, "New Orleans housing market is showing signs of recovery," *New Orleans Times-Picayune*, March 31, 2012.

Nelson, Arthur C. "Leadership in a New Era." *Journal of the American Planning Association* 72, no. 4 (Autumn 2006): 401.

Plyer, Allison, and Elaine Ortiz, "Benchmarks for Blight," Report, Greater New Orleans Community Data Center, October 27, 2010, 1. <http://www.gnocdc.org/>.

Plyer, Allison, Elaine Ortiz, and Ben Horwitz, "Housing Development and Abandonment in New Orleans Since 1960," Report, Greater New Orleans Community Data Center, October 28, 2011, 5. <http://www.gnocdc.org/>.

Russell, Gordon, "New Orleans Property Tax Bills will Hit Mailboxes Soon," *New Orleans Times-Picayune*, December 26, 2011, http://www.nola.com/politics/index.ssf/2011/12/new_orleans_property_tax_bills.html.

Schilling, Joseph, "The Revitalization of Vacant Properties: When Broken Windows Meet Smart Growth," Report, International City/County Management Association, 3. preview.usmayors.org/brownfields/.../Revitalization_of_Vacant_Properties.Pdf.

Schilling, Joseph and Jonathan Logan, "Greening the Rust Belt," *Journal of the American Planning Association* 74, no. 4 (Autumn 2008): 453.

Saulny, Susan, "Razing the City to Save the City," *New York Times*, June 20, 2010.
<http://www.nytimes.com/2010/06/21/us/21detroit.html?pagewanted=all>.

Thomas, Jeffrey, "Abating Katrina's Second Wave: A Strategy for Using Code Enforcement to Target Unoccupied Nuisance and Blighted Property in Post-Disaster New Orleans," *Loyola Law Review* 53 (2007): 846. <http://heinonline.org/>.

Vogel, Brad, "Don't Bulldoze Blight. Use it as Bait to Lure Newcomers." *New Orleans Lens*, February 22, 2011, <http://dev-lens.thelensnola.org/2011/02/22/urban-blight-renewal/>.

Vogel, Brad, "Gung Ho for Demolition: FEMA Pays, but Neighborhoods Lose," *The Lens*, August 31, 2011, <http://thelensnola.org/2011/08/31/demolition-blight-war/>.

Vogel, Brad, "Re-thinking "Place-Based Development in Post-Storm New Orleans," National Trust for Historic Preservation blog, August 15, 2011,
<http://blog.preservationnation.org/2011/08/15/re-thinking-place-based-development-in-post-storm-new-orleans/>.

United States Government Accountability Office, "Vacant Properties: Growing Number Increases Communities' Costs and Challenges," Report: Introduction, November, 2011.

Works Progress Administration, *New Orleans City Guide* (Boston: Houghton Mifflin Company, 1938), 196.

New Orleans City Publications

"Blight: Transition New Orleans Task Force," Presentation to Mayor-elect Mitch Landrieu, New Orleans, April 2010,
transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf.

"Blight Strategy," Presentation, City of New Orleans, September 30, 2010, p 27,
transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf. blight strategy.
"New Orleans Redevelopment Authority Transition Report," Report to the Mayor, NORA, 2010, 5-6. <http://www.noraworks.org/resources/studies-and-analytics>.

City of New Orleans, "Strategic Code Enforcement and Blighted Property Redevelopment," website publication, City of New Orleans, Office of Recovery Management, date unknown)
<http://www.nola.gov/residents/code-enforcement/>.

All BlightSTAT presentations can be found on the City of New Orleans website:
<http://www.nola.gov/RESIDENTS/Code-Enforcement/BlightStat/>.

APPENDIX: Photographs



Figure A1. Blight as Art. Source: <http://candychang.com>



Figure A2. Beautiful Blight. Source: www.prcno.org



Figure A3. Boarded Blight. Source: <http://photos.nola.com/>



Figure A4. Vegetative Blight. Source: http://photos.nola.com



Figure A5. Structurally Unsound Blight. Source: <http://photos.nola.com/>



Figure A6. Vacant Lot Blight. Source: http://farm1.static.flickr.com/212/513829279_c5ff01959a.jpg



Figure A7. 2227 Willow Street. This structurally sound and historic property sold at its second sale for \$8,700. Photo by Author (Jan. 2012).



Figure A8. 1511 Ursulines Avenue. This property sold for \$130,000, the highest bid placed at a code-lien foreclosure auction thus far. Photo by Author (Jan. 2012).

APPENDIX: Tables

| ADDRESS | CASE # | STRUCTURE ON PROPERTY? | NEAR COMMERCIAL CORRIDOR? | HISTORIC? |
|-------------------------|------------|------------------------|---------------------------|-----------|
| 432 HAY PL | 2011-3278 | NO | YES | NO |
| 300 MOUTON ST | 2011-2328 | ? | YES | ? |
| 303 HAY PL | 2010-13132 | YES | YES | NO |
| 709 MAZANT ST | 2011-2897 | YES | YES | YES |
| 7034 CANAL BLVD | 2011-4493 | YES | YES | NO |
| 1025 N CLAIBORNE AVE | 2011-4105 | YES | YES | NO |
| 1511 URSULINES AVE | 2010-12202 | YES | YES | YES |
| 3614 N DERBIGNY ST | 2011-4503 | YES | YES | ? |
| 1736 INDEPENDENCE ST | 2011-2935 | YES | YES | YES |
| 2501 ST CLAUDE AVE | 2011-3620 | YES | YES | ? |
| 2352 ROBERT E LEE BLVD | 2011-4579 | YES | YES | ? |
| 2314 FRENCHMEN ST | 2011-645 | YES | YES | YES |
| 2139 HOPE ST | 2011-5063 | NO | | NO |
| 2459 GLADIOLUS ST | 2011-9069 | YES | YES | ? |
| 3338 ELYSIAN FIELDS AVE | 2010-12118 | YES | YES | YES |
| 3338 DESAIX BLVD | 2010-13137 | YES | YES | YES |
| 4000 MITHRA ST | 2011-6323 | YES | YES | NO |
| 5152 SPAIN ST | 2010-11474 | YES | YES | YES |
| 2724 EDNA ST | 2011-8658 | YES | YES | NO |
| 4941 SHERWOOD DR | 2010-11463 | YES | | NO |
| 4701 PAUGER ST | 2011-8544 | YES | YES | NO |
| 4446 ARTS ST | 2011-4135 | YES | YES | YES |
| 7570 BERG RD | 2011-6969 | YES | | NO |
| 5425 N DERBIGNY ST | 2010-11502 | YES | YES | YES |
| 3025 DELACHAISE ST | 2011-6960 | ? | YES | ? |
| 218 S GAYOSO ST | 2011-9086 | YES | YES | YES |
| 519 S ROCHEBLAVE ST | 2011-6318 | YES | YES | YES |
| 1228 ANNUNCIATION ST | 2011-5722 | YES | YES | YES |
| 1517 TERPSICHORE ST | 2011-5621 | YES | YES | YES |
| 8436 COHN ST | 2011-4583 | YES | YES | YES |
| 2438 ST ROCH AVE | 2011-5633 | YES | YES | YES |
| 4420 LAINE AVE | 2011-6356 | YES | YES | ? |
| 2431 MILAN ST | 2010-12183 | YES | YES | YES |
| 1618 ANNETTE ST | 2011-691 | YES | YES | YES |
| 2326 IBERVILLE ST | 2009-7164 | YES | YES | YES |
| 2309 CONTI ST | 2011-1917 | YES | YES | YES |
| 923 FORSTALL ST | 2011-9157 | YES | YES | NO |
| 5139 BURGUNDY ST | 2011-2396 | YES | YES | YES |
| 1908 ESPLANADE AVE | 2011-3638 | YES | YES | YES |
| 3023 DUMAINE ST | 2011-5134 | YES | YES | YES |
| 3716 BANKS ST | 2011-1922 | YES | YES | YES |
| 1225 GALLIER ST | 2010-10346 | YES | YES | YES |
| 2815 3RD ST | 2010-9188 | YES | YES | YES |
| | | | | |

Table A1. Sold Property Analysis

| CODE-LIEN FORECLOSURE PROPERTY STATUS: IRISH CHANNEL & LOWER GARDEN DISTRICT | | | |
|---|-----------|------------------|-------------|
| ADDRESS | CASE # | STATUS | SALE PRICE |
| 1228 ANNUNCIATION ST | 2011-5722 | SOLD | \$44,000.00 |
| 1517 TERPSICHORE ST | 2011-5621 | SOLD | \$75,000.00 |
| 3205 ST. THOMAS | 2009-6417 | SOLD | \$20,500.00 |
| 1026 MELPOMENE ST | 2011-5622 | STOPPED | \$0.00 |
| 2215 ST THOMAS ST | 2011-5674 | STOPPED | \$0.00 |
| 839 JACKSON AVE | 2011-2892 | STOPPED | \$0.00 |
| 2119 CONSTANCE ST | 2011-5045 | STOPPED | \$0.00 |
| 833 JACKSON AVE | 2011-3641 | STOPPED | \$0.00 |
| 839 6TH ST | 2011-646 | STOPPED | \$0.00 |
| 609 JACKSON AVE | 2011-7392 | STOPPED | \$0.00 |
| 634 8TH ST | 2011-2312 | WAITING ON CLERK | \$0.00 |

Table A2. Irish Channel and Lower Garden District Code Lien Properties. Source: data.nola.gov.¹³³

| CODE-LIEN FORECLOSURE PROPERTY STATUS: RIVERSIDE | | | |
|---|------------|----------------------|-------------|
| ADDRESS | CASE # | STATUS | SALE PRICE |
| 3727 CONSTANCE ST | 2011-5130 | SOLD, at Second Sale | \$60,000.00 |
| 3920 ANNUNCIATION ST | 2009-12211 | STOPPED | \$0.00 |
| 4216 ANNUNCIATION ST | 2011-5626 | STOPPED | \$0.00 |
| 5211 ANNUNCIATION ST | 2010-13130 | STOPPED | \$0.00 |
| 715 BELLECASTLE ST | 2011-2898 | STOPPED | \$0.00 |
| 516 GENERAL PERSHING | 2011-5613 | STOPPED | \$0.00 |
| 621 MILAN ST | 2011-6354 | STOPPED | \$0.00 |
| 723 VALENCE ST | 2009-12207 | NEED DEPOSIT | \$0.00 |
| 4822 CHESTNUT ST | 2011-2349 | NOT IN SYSTEM | \$0.00 |
| 3987 TCHOUPITOULAS | 2011-1894 | NEEDS TO BE RECORDED | \$0.00 |
| 3327 ANNUNCIATION ST | 2011-4580 | NO BID, NO SALE* | \$0.00 |
| 811 PENISTON ST | 2011-6925 | NO BID, NO SALE* | \$0.00 |

Table A3. Riverside Code Lien Properties. Source: data.nola.gov.

¹³³ All data is from the Code Lien Foreclosure Property Dataset located on the City's data website (data.nola.gov). This data represents all properties in the system up to March 7, 2012. The database was subsequently removed. Status updates are current through April 28, 2012. Future status updates can be checked by searching for the Case Number on the Sheriff's Website: <http://www.civilsheriff.com/Main.asp>.

| CODE-LIEN FORECLOSURE PROPERTY STATUS: MILAN | | | |
|--|------------|----------------------|-------------|
| ADDRESS | CASE # | STATUS | SALE PRICE |
| 2421 PENISTON ST | 2011-1244 | SOLD | \$18,115.83 |
| 2431 MILAN ST | 2010-12183 | SOLD | \$25,000.00 |
| 4121 WILLOW ST | 2011-1867 | STOPPED | \$0.00 |
| 3503 DANNEEL ST | 2011-4534 | STOPPED | \$0.00 |
| 4122 FRERET ST | 2011-4558 | STOPPED | \$0.00 |
| 3527 S LIBERTY ST | 2011-1906 | NEED CURATOR | \$0.00 |
| 2737 AMELIA ST | 2011-6998 | STATUS NOT IN SYSTEM | \$0.00 |
| 2439 GENERAL TAYLOR | 2010-12890 | STATUS NOT IN SYSTEM | \$0.00 |
| 3741 WILLOW ST | 2011-5041 | NEED CURATOR | \$0.00 |
| 3613 S SARATOGA ST | 2011-1892 | NO BID, NO SALE | \$0.00 |
| 2530 PENISTON ST | 2011-8554 | NO BID, NO SALE | \$0.00 |
| 2307 GENERAL TAYLOR | 2011-4524 | NO BID, NO SALE | \$0.00 |
| 4217 WILLOW ST | 2011-5058 | NO BID, NO SALE | \$0.00 |

Table A4. Riverside Code Lien Properties. Source: data.nola.gov.

*denotes vacant lot

GREEN TYPE: SOLD

BLUE TYPE: LIEN PAID

BLACK TYPE: REMAINS IN ADMINSTRATIVE/LEGAL SYSTEM

RED TYPE: NO BID, NO SALE

INDEX

Alexander, Frank, 7, 13, 14, 15, 21, 22, 23, 25, 73
Bertron, Cara, 12, 13, 15, 16, 38, 73
blight strategy, 14, 32, 43, 62, 70, 75
Blight Task Force, 30, 33, 34, 37, 44
BlightSTAT, 32, 36, 37, 44, 45, 46, 60, 62, 70, 75
Center for Community Progress, 15, 17
Code Enforcement, 12, 21, 22, 23, 31, 73, 74, 75
commercial corridor, 47, 53, 65
demolition, 2, 12, 13, 16, 26, 31, 33, 35, 70, 74
Fight the Blight days, 35
Freret Street, 53, 65, 66
fringe neighborhoods, 65, 69
Genesee Institute, 16
Good Neighbor Program, 23
Greater New Orleans Community Data Center, 19, 24, 26, 29, 74
Homeownership Development Program, 58
housing market, 11, 22, 69, 74
Interim Nuisance Abatement, 11, 31
Irish Channel, 49, 50, 53, 81
Hebert, Jeff, 34
Katrina, 21, 22, 24, 25, 29, 30, 32, 34, 35, 38, 43, 61, 63, 69, 74
Land Banking, 13
Landrieu, Mitch, 1, 4, 5, 11, 26, 29, 30, 31, 34, 36, 59, 69, 74, 75
Live Baltimore, 58
Live Cleveland, 58
Lot Next Door Program, 35
Louisiana Land Trust, 32, 34
Lower Garden District, 49, 50, 53, 81
Mallach, Alan, 9, 10, 17, 74
Milan, 52, 53
Mothballing, 13
Mow to Own program, 58
Nagin, Ray, 25, 61
National Vacant Properties Campaign, 15
New Orleans Redevelopment Authority. *See* NORA
NORA, 22, 28, 30, 32, 34, 44, 75
Oak Street, 65, 67
Occupy NOLA, 54, 55, 73
Oretha Castle Haley Boulevard, 65
preservation, 3, 13, 15, 16, 17, 59
Preservation Resource Center, 56

property data, 42, 46, 53, 54, 62
real estate, 6, 10, 29, 34, 40, 47, 48, 49, 51, 52, 53, 54, 63, 64, 65, 68, 69, 70
redlining, 9
Residential State Tax Credit Program, 57
rightsizing, 14
Riverside, 50, 51, 53, 82
Road Home, 21, 34, 44
Sheriff, 5, 39, 40, 41, 46, 48, 54, 56, 57, 72, 73, 81
Soft Second Mortgage Program, 57
St. Claude Avenue, 40, 65, 67
suburbanization, 8, 9
Tax foreclosure, 14
Urban Renewal, 8, 9, 11, 12, 19, 73