



**TO:** **Melody Barnes**, Director, Domestic Policy Council  
**Xavier de Souza Briggs**, Associate Director for General Government Programs, Office of Management and Budget  
**Adolfo Carrion**, Director, White House Office of Urban Affairs  
**Edward DeSeve**, Coordinator of Recovery Implementation  
**Shaun Donovan**, Secretary of Housing and Urban Development  
**Derek Douglas**, Special Assistant to the President for Urban Affairs  
**Arne Duncan**, Secretary of Education  
**Valerie Jarrett**, Senior Advisor and Assistant to the President for Intergovernmental Affairs and Public Engagement  
**Sonal Shah**, Director, White House Office of Social Innovation and Civic Participation  
**John Trasviña**, Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development

**CC:** **Lisa Jackson**, Administrator of Environmental Protection Agency  
**Ray LaHood**, Secretary of Transportation

**FROM:** **Flozell Daniels**, President and CEO, The Louisiana Disaster Recovery Foundation  
**Albert Ruesga**, President and CEO, The Greater New Orleans Foundation

**DATE:** **August 17, 2009**

**RE:** **Rethinking Federal Urban Strategy: New Orleans as a Model City**

One year from the symbolic mid-point of what most have estimated to be a ten-year recovery, New Orleans is making real progress toward a renaissance that can serve as a model for the rest of the nation. Yet the scale and breadth of the remaining work call for continued federal leadership. We propose that the time is right for a significant federal commitment, prioritizing New Orleans as a proving ground and beneficiary of federal investment linked to the administration's new urban strategies.

We believe that a critical first step is to extend and strengthen the office of the federal coordinator, making it report directly within the White House and transitioning its focus from

recovery to future-oriented policies that will assist New Orleans in its transformation to a model 21<sup>st</sup> century city – equitable, green, and economically viable.

Such high-level leadership provides a solid basis for pursuing other opportunities that are ripe for federal partnership:

- Make the greater New Orleans area a centerpiece of the national strategy to create a “green economy.” Many factors combine to make the region a natural proving ground for sustainable building practices, coastal restoration and storm and water management, and transition from oil and gas to clean-energy industries.
- Site a pilot in New Orleans that combines the Choice Neighborhoods and Promise Neighborhoods programs.
- Consider the greater New Orleans area a core partner in the newly announced collaboration among DOT, EPA, and HUD to promote sustainable communities.
- Invest in taking shared equity models quickly to scale, to reduce blight and protect emerging business corridors.
- Integrate the Department of Justice with these and other inter-agency efforts focused on economic and community development.

The level of civic engagement in New Orleans is perhaps highest of any city in the nation. This has been a citizen-led recovery, grounded in great resilience, with vibrant community-based leadership guiding renewal in almost every neighborhood in the city. This civic energy is resulting in new community solutions to age-old problems, solutions grounded in equity, environmental sustainability, and economic vitality. At the same time, the scale of destruction of Hurricane Katrina and the failure of the levees remains daunting, and challenges at the nexus of race and poverty still cloud the city’s future.

New Orleans will celebrate its 300th anniversary in 2019. As early and committed investors to its recovery, our foundations are experiencing firsthand the opportunities for social progress that are emerging. Continued federal leadership will ensure that birthday is a celebration of a city in full bloom. We stand ready, in partnership with many philanthropic allies and partners, to bridge gaps, build capacity, and ensure that federal investment results in maximum impact, and that the model of New Orleans can be used by cities across the nation as they chart their own futures.

# **Rethinking Federal Urban Strategy: New Orleans as a Model City**

*Presented by  
The Greater New Orleans Foundation  
The Louisiana Disaster Recovery Foundation*

The Obama administration is making fundamental changes to federal urban policy, developing comprehensive, coordinated strategies that recognize the economic and social importance of our nation's metropolitan areas. Signs of a renaissance are emerging in New Orleans, marked by high levels of civic engagement and social innovation, and its transformation can stand as a model for the rest of the nation. We propose that the time is right for a dedicated and significant federal commitment to the city's future, by prioritizing New Orleans as a proving ground and beneficiary of federal investment linked to new urban strategies. The first step is to dedicate a strong point person, reporting directly to the White House, to connect the ongoing opportunities in New Orleans to the inspiring innovations and dynamic programs at the federal level. We subsequently outline several opportunities that are ripe for strong federal partnership.

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## **INTRODUCTION**

Four years ago, after hurricane Katrina and the subsequent failure of the levees, New Orleans stood as an example for all the wrong reasons. Even before the storm, the city epitomized the challenges of many of our nation's older urban areas: the second highest concentration of poverty in the nation, the 96th lowest median household income, steady population decline and high rates of racial segregation. Its sluggish economy depended heavily on the oil and gas industries, and most of its economic growth was based in the low-wage service and tourism sectors.

Federal policy often exacerbated, rather than relieved, these issues. Public housing policies, for example, created high-density enclaves of poverty and crime; federal courts have since ruled that New Orleans housing authorities intentionally segregated the city's public housing, placing African Americans in particularly isolated and vulnerable areas. Highway spending encouraged flight and development in the surrounding wetlands.

The sheer magnitude of Katrina's destruction and the failure of the levees in New Orleans was a game-changer. A crisis of epic proportions, it has also provided the opportunity, palette, and passion with which to re-imagine the city's future. While recovery has been extremely challenging, and much remains to be done, an active and resilient citizenry has been sowing the seeds of a transformation that stays true to the city's unique culture, diversity, and historic fabric.

The New Orleans metropolitan area has recovered over 85% of its pre-Katrina employment, and unemployment remains a relatively low 7.3%, despite a very recent spike from 5.3% due to an influx of jobseekers not yet matched to employment. Initiatives are underway to buttress the construction jobs now buoying the economy with growth in the knowledge, health care, and "green" industries; the recovery process has provided the chance to chart a new path regarding the city's economic competitiveness.

The residents and community groups who have led much of the progress that has occurred are intent on ensuring those new opportunities are widely shared. Despite ongoing challenges, they are making progress to overcome lingering racial polarization and mistrust, NIMBYISM, and weak political infrastructure. New Orleans today is defined by citizen leadership, community solutions, and private philanthropic investment. This civic energy has fostered a process of reinvention, putting the pieces in place for a vibrant, twenty-first century urban center with progressive, equitable, and inclusive pathways to prosperity.

Yet they remain just that: pieces. The scale and breadth of the devastation that followed Katrina still pose enormous challenges. Generous federal investment in the region has been primarily focused on recovery. As the city shifts from a recovery-focused agenda to a future-oriented vision, continued federal leadership – focused on longer-term considerations—will define the city’s future and be critical to its success.

As early and committed investors to its recovery, our foundations are experiencing firsthand the opportunities for social progress that are emerging from the crisis. The Greater New Orleans Foundation (GNOF) coordinated the philanthropic resources supporting the United New Orleans Plan (UNOP), the city’s blueprint for recovery. GNOF has also developed the Community Revitalization Fund, rising over \$21 million in private funds to increase housing production, strengthen the affordable housing sector, and promote smart growth principles.

The Louisiana Disaster Recovery Foundation (LDRF), created in the aftermath of the storm, has been one of the state’s primary advocates for equity during the rebuilding process. In New Orleans, LDRF has leveraged over \$15 million from the Bush-Clinton Katrina Fund and others to build housing, restore and strengthen small businesses, and develop environmentally sustainable strategies. LDRF and GNOF recognize community organizing is a powerful tool, and we have invested millions to help local residents and grassroots groups find their voice and advocate for equitable and inclusive policies and practices.

We believe that the fundamental changes and challenges underway in New Orleans coincide with the administration’s shift in philosophy toward federal urban policy and present a significant opportunity. New Orleans stands not only to benefit from new cross-cutting efforts and better alignment of policies that acknowledge the interdependence inherent in successful metropolitan areas: the comprehensive nature of its challenges demands it.

There are bright spots in its recovery: active citizenship; a resurgent yet still uncertain economy; innovations on a range of social issues; significant public-private investment and collaboration; and a willingness to think comprehensively and creatively. Collectively, these demonstrate that the city is poised to be a model to the rest of the nation, for all the right reasons. This memorandum presents some priority opportunities available to key offices in the White House and federal agencies to develop, pilot, and evaluate model strategies through a partnership with New Orleans. <sup>1</sup>

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<sup>1</sup> In putting together these recommendations, which emanate from our direct experience and that of our philanthropic partners, we are also indebted to the policy analysis and recommendations put forward by the Brookings Institution, the Equity and Inclusion Campaign, Greater New Orleans Community Data Center, PolicyLink, and the Urban Institute, among others.

## BACKGROUND

The New Orleans of today is fundamentally different - and likely permanently changed - from the one that existed pre-Katrina. The refrain from the beginning has been to “build back better.” While the challenges have been significant, the goal has been to create a more equitable, environmentally sustainable, and economically competitive metropolitan region. Our recommendations are based on the following realities and premises:

**1. While the federal government allocated \$120 billion to help the Gulf Coast recover from the 2005 hurricanes, only one-third was designated for long-term recovery.**

Only \$40 billion of the approximately \$120 billion that was allocated to the Gulf Coast in response to hurricanes Katrina, Rita, and Wilma has gone to rebuilding activities and long-term recovery. Most of the federal funds were spent on emergency relief and shelter, transitional housing, and clean-up. The primary federal partners in the city since the storms have been FEMA, the National Guard, the Army Corps of Engineers (focused on levee repair), and HUD (as the agency through which most federal disaster funds flowed). Federal leaders now have a significant opportunity to turn their full attention toward the longer-term needs of the New Orleans metro area, which include affordable housing, transportation corridors, strong educational and community institutions, and economic development.

**2. The level of civic engagement in New Orleans is perhaps highest of any city in the nation.**

Most residents viewed the local and federal government response as slow and equivocal, and felt impelled to take matters into their own hands. Much of the progress to date has depended upon the efforts of private citizens. Philanthropic support and an emerging infrastructure of nonprofit organizations have helped local residents build their ability to influence policy decisions and develop creative, bottom-up solutions to the issues facing their communities. The participation of everyday citizens in the public decisions

### Central City: A Hallmark of Resurgence

The renaissance underway in Central City illustrates the community problem-solving alive in New Orleans today, marked by citizen leadership, shared values, collaboration, and integration across issues. A largely African-American community that comprises one of the city’s largest neighborhoods, Central City thrived in the mid-1900s and was home to several pioneers of early jazz, commerce, and civil rights. In the 1980s, the neighborhood fell into decline, with the advent of chronic disinvestment and high crime.

After the storm, residents resurrected community plans created over 18 months in 2004. Through the Central City Renaissance Alliance (CCRA) and supported by JPMorgan Chase, a collection of community groups, funders, corporations, and public agencies have united around three catalytic projects. Especially innovative is the integration of proven community models, robust funder collaboration with targeted leadership for specific projects, and – most critically – resident leadership.

- **Creation of a Neighborhood Resource Center:** Renovations are underway on the former Mahalia Jackson Elementary School, an architecturally significant building recognizable by a distinctive glass and steel bridge. CCRA will provide a Community Access Technology Center, a Resident Fellows Program, and launch a Digital Connectors Program with One Economy. Mahalia Jackson will serve as the hub for the network of Central City schools and house state services on site from DSS, WIC, and TANF. It will offer comprehensive services for youth 0-18, including Early Head Start, Head Start, LA 4 pre-K, and kindergarten. Partners have raised \$16.8 million for renovations and \$2.1 million for start-up.

and services that affect their lives and communities exists at a level in New Orleans unlike anyplace else in the country right now.

Almost every neighborhood in the city can point to vibrant community-based leadership guiding its renewal. The Central City Renaissance Alliance has developed a prospectus that highlights major investment opportunities to revitalize the neighborhood (see inset). The Lower 9<sup>th</sup> Ward Neighborhood Empowerment Network Association (NENA) uses a resident-based approach to facilitate the comprehensive rebuilding of the Lower Ninth Ward, and the Broadmoor Improvement Association is partnering with Harvard’s Kennedy School of Government to revitalize its mixed-income neighborhood.

These are only three examples of many throughout the city. Neighborhoods are often cited as the most immediate access points for confronting a wide range of public problems and leveraging community assets. In New Orleans, they have often played the role of “first responder.” This high level of participation and grassroots leadership gives New Orleans a distinct advantage in successfully leveraging federal resources to create change.

These groups and their citizen leaders are not parochial. Through efforts like the Neighborhoods Partnership Network (NPN), they work on multiple issues at once and collectively influence the future direction of the city. They recognize the interdependence of issues and neighborhoods, and have become drivers for accountability and successful implementation of public policy: they have challenged city government to build capacity and be more responsive to citizens’ needs.

- **Main Street Development of Oretha Castle Haley Boulevard:** The O.C. Haley Merchants and Business Association (OCHMBA) has partnered with the New Orleans Redevelopment Authority to develop a \$1.8 million investment program to help nine property owners develop blighted and/or vacant properties. With support from the Ford Foundation, OCHMBA is also planning to pilot an innovative community land trust to foster additional commercial development. Three Main Street advisory councils—finance, marketing and grocer recruitment task force—are working with the Louisiana Main Street program, and planning has commenced for streetscape improvements with \$300,000 in city support.
- **Redevelopment of the C.J. Peete public housing project and Toledano/S. Claiborne corridor:** McCormack Baron Salazar, one of the nation’s leading for-profit developers of economically integrated urban neighborhoods, is partnering with a local nonprofit, the New Orleans Neighborhood Development Collaborative, to turn C.J. Peete into a mixed-income community of 510 units built around a school and community center in a pedestrian-friendly environment. Benefiting from the leadership of the Annie E. Casey Foundation, these partners are leveraging Hope IV, LIHTC, and CDBG funds for a total investment of \$172 million.

These are not happening in isolation. The Gulf Coast Housing Partnership is underway on developing The Muses, an affordable residential development of 263 apartments and 28 condominiums that will be LEED certified, the first of its kind in the state. B.W. Cooper, another major public housing complex, is slated for redevelopment into 600 units of mixed-use, mixed-income housing. The neighborhood is anchored by the Ashé Cultural Arts Center, a recognized leader in combining the arts with community economic development strategies. And safety is being enhanced through a Weed and Seed program and the efforts of the Juvenile Justice Project of LA.

A little more than half of Central City’s residents have returned. Crime continues to be a concern. Nevertheless, such civic energy is building significant momentum. The prospects for the neighborhood are brighter than they have been in decades.

They are also developing innovative approaches on a range of social issues that could serve as models for other communities across the country. Idea Village, for example, is supporting the growth of entrepreneurs in green and sustainable industries as well as those developing innovative urban redevelopment strategies. It has been a partner in creating one of four entrepreneurial hubs that are making New Orleans a mecca for small business and “creative class” entrepreneurs.

A bevy of “education entrepreneurs” have participated in a fundamental reorganization of public education aimed at rapidly improving what was arguably one of the nation’s worst school systems. Over half of the city’s students attend charter schools, with more in development. There have been creative efforts to ensure parent involvement as schools have shifted so quickly to new models. A grassroots Parents Guide is in its third year of publication, and the Orleans Public Education Network (OPEN) is leading a process to ensure equity and community engagement as the public school system shifts. While these reforms have been promising, there is also peril in such a rapid systems transition, and federal engagement can help ensure the model succeeds and informs the nation’s educational improvement efforts.

**3. Private philanthropic investment has created a solid basis for equitable community renewal and provides a pool of willing co-investors with experience, relationships, and a stake in the long-term success of the city.**

The charitable response to hurricanes Katrina and Rita was the largest in the nation’s history, with over \$3.5 billion in contributions in just the six months following the storms. While most of those funds (like the federal money) went toward immediate relief, institutional foundations were early investors and have focused on strategies to support the long-term revitalization of the city. Our two foundations have demonstrated commitment both through general grants and targeted initiatives, but we are far from alone. The commitment has been broad and diverse, and a wide array of national and local foundations has invested and collaborated on a full range of issues facing the city. A recent accounting estimated a minimum of \$225 million of philanthropic support already invested toward the city’s long-term recovery since Katrina.

In addition to supporting community solutions, foundations like GNOF, LDRF, Foundation for the Mid-South, and the Baton Rouge Area Foundation have become active in the development and implementation of public policy, especially to ensure opportunity for those who have been historically disenfranchised. Such engagement has helped ground development strategies, both philanthropic and public, in local realities and context.

Foundations have also experimented with strategies to build local capacity in the public sector. The Ford Foundation, working with the Foundation for the Mid-South and leveraging additional support from the Rockefeller Foundation and the Gates Foundation, developed a loaned executive program to expand the pool of skilled professionals in city government. The Rockefeller Foundation created a fellowship program in conjunction with the Center for Urban Redevelopment Excellence (CUREx) at the University of Pennsylvania to build long-term capacity for redevelopment in the New Orleans region. Philanthropic investment has played an important role in rejuvenating the New Orleans Redevelopment Authority (NORA), which has been transformed from a moribund agency into a creative institution whose initiatives to combat

blight reflect a new willingness to innovate within city government. Philanthropy has also played the key role in seeding the charter school movement and the education reforms underway in the city.

**4. The scope, scale, and diversity of challenges still facing New Orleans necessitate continued federal leadership and lend themselves to an integrated approach to community renewal.**

The devastation incurred by Hurricane Katrina along the Gulf Coast and the subsequent failure of the levee system in New Orleans comprise the costliest disaster in U.S. history. Over 70% of the occupied housing units in Orleans Parish sustained damage, most of it severe or complete. Even as neighborhoods slowly rejuvenate themselves, 65,000 properties in the city remain vacant or abandoned. At the same time, rents have increased more than 45% in four years. Whereas more than half of the city's workforce lived within city limits before Katrina, over two-thirds of its workforce now commutes from surrounding areas.

The disaster affected every aspect of community life: schools, parks, hospitals and health clinics, churches, grocery stores and other commercial interests. The city has successfully implemented \$260 million of infrastructure projects, but the restoration of public services is not complete. Their experience in attending to multiple community issues at once makes citizens and leaders unusually open to tackling problems holistically, despite the challenges in linking different facets of the recovery. In this respect, New Orleans provides fertile ground for the administration's commitment to develop greater inter-agency coordination and improve policy alignment among separate programs.

The federal commitment to the recovery has been significant, given the scope of the damage and its economic and emotional effects on the nation. The federal government has been the primary source of public funds for recovery in the Gulf Coast region, encompassing \$17 billion in Community Development Block Grant (CDBG) funds, mostly for housing and other community redevelopment; \$13.8 billion in tax credits through the Gulf Opportunity Zone (Go Zone); and another \$20 billion toward infrastructure repairs and coastal restoration. Unfortunately, the effective use of much of these funds has been hampered by the regulations and policies governing them and by complications in lining up city, state, and federal governments to work together. New Orleans provides a unique opportunity for this administration to demonstrate the value in better aligning governmental efforts; if successful, such support will stand in sharp contrast to the city's experience to now.

**5. New Orleans is entering a critical transition - with shifts in governance and focus, from recovery to long-term development - that will determine its health and success over the next several decades.**

The fifth anniversary of hurricane Katrina will occur in less than thirteen months. For many, this milestone will represent a symbolic mid-point. Residents often frame the recovery as a ten-year process. It is also certain to rivet the nation's attention on the prospects for the city's future - and the role of the federal response in its success.

The mood in the city is shifting from recovery, with self-perception inextricably linked to the storm and its aftermath, to an emphasis on transformation. The city's Office of Recovery and Development Administration has been relieved of its mandate, the office renamed the Community Development Department. The New Orleans Redevelopment Authority (NORA) has completed an internal transformation and changed its focus from clearing broken homes to revitalizing entire neighborhoods. Recent initiatives include a \$1.8 million 0% loan program to support commercial development and renew the historic O.C. Haley business corridor in Central City (see inset), as well as aggressive partnerships to put 4,500 severely damaged and abandoned homes back into productive use. The now creative and high activity agency is poised to take advantage of broader federal initiatives; it recently put together a strong application for \$78 million of Neighborhood Stabilization Funds in partnership with thirteen neighborhood rebuilding nonprofits, with a focus on green rebuilding of homes.

Planning is drawing to a close. The Unified New Orleans Plan (UNOP), made possible by philanthropic support, combined the outcome of previous planning processes with the input of thousands of citizens. It was approved in June 2007 and is acting as the blueprint for the deployment of federal recovery funds and other resources. Now the city is in the final stages of developing the New Orleans Master Plan and Comprehensive Zoning Ordinance, which intends to build on, integrate, and go beyond the post-Katrina recovery and rebuilding plans to create a 20-year policy and strategic framework to guide the future of New Orleans. This will be the city's first comprehensive zoning plan with serious enforcement protocols. These two planning processes have intentionally tried to capture the voices of the city's most vulnerable citizens, and while not always smooth, this emphasis on inclusion sets the stage for an equity framework to inform the policies that determine the city's future.

A mayoral primary is set for February 6, 2010. Since current mayor Ray Nagin is term-limited, a new mayor will take the oath of office by June 1, 2010. The new administration will be expected to lead and execute, in addition to laying out a vision for the city's future.

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## RECOMMENDATIONS

These are enormous strengths to build upon, and the Obama administration has an opportunity to further this momentum and make critical and visible gains to helping create a more prosperous New Orleans. To that end, there are several options available for the Obama administration to pursue a dedicated partnership with New Orleans. These opportunities are not exhaustive, but build upon current experiences and assets in the city; they share a certain level of practicality, given current realities and pre-existing involvement of philanthropic investors like ourselves, who are ready to build capacity and bridge gaps where necessary.

- 1. Extend the Office of the Federal Coordinator for Gulf Coast Rebuilding through 2011 and elevate its authority, having it report directly within the White House. Dedicate staff resources to New Orleans-specific initiatives.**

The Office of Gulf Coast Rebuilding in the Department of Homeland Security (DHS) was originally created through executive order by President Bush. Its term was extended by President Obama to continue through September 30, 2009. We propose extending its term through 2011, and moving it out of DHS to report to the director of the Domestic Policy Council. We believe that strong ties to the White House are essential for facilitating access to multiple programs, initiatives, and resources, helping ensure the success of the options we subsequently propose and the transformation of New Orleans to a model 21<sup>st</sup> century city. The move accomplishes several other things:

- It keeps the office in place to ensure follow-through on the federal commitments already made. Public housing redevelopments in New Orleans, for example, are slated for completion in 2010, and the 100-year levee system - a key to the safety of New Orleans and attracting private investment to the city - is to be completed by 2011. This office has played an important troubleshooting and info-sharing role, providing a central contact to local stakeholders as well as creating a space within the federal bureaucracy to view the different facets of the recovery in a comprehensive way (in this way it is a precursor to the integrated urban strategies envisioned by the administration). This office has also been the critical player in holding the Army Corps of Engineers to its deadline for repairing the levees, given the stretched resources of the Department of Defense, and a federal coordinator at elevated senior level is still needed for critical pending infrastructure projects like the rebuilding of public health hospitals in the city. The office should be tasked with ensuring 100% spend-down of federal funds appropriated for the recovery.
- It signals that the federal role is transitioning, from one primarily linked to emergency response and recovery to one focused on the region's economic and social future. Moving the office out of DHS gives its director higher level authority and the mandate to collaborate closely with key officials in the Office of Urban Affairs, the Office of Social Innovation and Civic Participation, and key federal agencies in developing unified policy for future federal investment in the city.
- It provides dedicated capacity and continuity as the city and federal government explore options within the administration's new urban agenda that intersect with the city's future vision. With elevated authority, the Coordinator's office can act as a starting point to convene and incubate the types of cross-cutting efforts and interagency initiatives that will ensure alignment among federal agencies as they invest in the city. Extending the term for more than one full year beyond the fifth anniversary of Katrina will provide time to get such integrated activities underway while responsibilities for their ongoing leadership and management are worked out. The office has already built relationships with key local stakeholders that will be invaluable as the federal role transitions to new players.
- It can reinforce and accelerate the work to overcome systemic challenges like racial polarization and mistrust, NIMBYISM, and weak political infrastructure. While progress has been made, such issues still cloud the city's future, and a strong federal presence can

ensure that the nexus of race and poverty is proactively addressed so that a lasting recovery and reinvestment will occur. Clear, forceful messages that equity and inclusion are essential to neighborhood redevelopment, for example, would strengthen the position of local practitioners and advocates working toward this goal and assist elected officials and local agencies facing tough decisions. The office should also ensure that greater transparency and public participation are more visibly integrated into governmental funding decisions and implementation.

Since the purview of this office covers the entire range of Gulf Coast communities affected by the 2005 storms, we propose the creation of a staff position with primary responsibility for coordinating partnerships specifically between New Orleans and key federal agencies. We also recommend that as many of the current staff as possible be retained, in order to maximize institutional knowledge and relationships already in place.

**2. Make New Orleans a centerpiece of the national strategy to create a “green economy” that stimulates job growth in industries linked to renewable energy and environmental protection.**

A combination of factors makes greater New Orleans especially appropriate for piloting and implementing federal strategies to green the U.S. economy:

- Restoration of Louisiana’s coastline is integral to mitigating the impact of future storms on the city. Combined with planned upgrades and repairs to the city’s levee systems, coastal restoration plays a key role in making the greater New Orleans region safe and market-viable for private investment. Wetlands and barrier islands form a natural buffer that absorbs storm surges and blunts the force of high winds; since the 1930s, coastal Louisiana has lost over 1.2 million acres and continues to lose land at the rate of 15,300 acres per year. The state has adopted the Comprehensive Plan for a Sustainable Coast, and its full implementation would be a major spur to economic growth in industries focused on coastal ecologies.
- Southern Louisiana is fast becoming an expert in coastal protection, coastal restoration and storm mitigation, and that expertise can be converted into a “green” industry cluster, not only critical to the region’s future growth but as a resource for the nation as a whole. The universities, engineers, and firms in New Orleans and Baton Rouge, with the government, have informally created a hub of research, policy, and design and implementation activities in creating a comprehensive coastal protection plan that can and should be a model for other cities along the Atlantic and Gulf coasts that are all vulnerable to future hurricanes. With the administration’s increasing interest in promoting industry clusters, there is an opportunity to motivate the formation of formal strategies to grow and cultivate a coastal protection industry in southern Louisiana.
- The sheer amount of construction in the city, combined with the desire to reduce vulnerability and increase energy efficiency, provides an unparalleled opportunity for growth in building trades that focus on sustainable design and construction. Nonprofit

organizations such as Global Green and the Alliance for Affordable Energy are pioneering training in sustainable building practices, and initiatives such as Idea Village (funded by the Small Business Administration) and the planned Eco-Design and Industry Park seek to stimulate the growth of clean-energy businesses. In the spring, the U.S. Department of Labor provided \$5.8 million to create the Conservation Corps of Greater New Orleans in partnership with seven neighborhood-based organizations, putting more than 800 court-involved, formerly incarcerated youth to work on projects involving environmental stewardship, energy conservation, and historic restoration. Continuing investment while coordinating and linking such efforts - by ensuring training is connected to new business growth, for example - can help grow a major new industry.

- The city has adopted GreeNOLA, a Greening of New Orleans action plan based on leading ideas about sustainable and smart urban development. City government has also reorganized to more effectively implement new initiatives related to energy, development, and environment. New Orleans recently became a national Solar America City, and its plan provides incentives to support better building standards that incorporate energy efficiency, climate change protection, and alternative energy sources; find effective uses for waste material; and protect and restore the environment.

The oil and gas industries currently provide about 100,000 jobs in Louisiana. When including the oil and gas production off its shores in the Gulf of Mexico, Louisiana is the second leading natural gas producer in the country and the third leading crude oil producer. The region will be a critical proving ground in transitioning that economy to clean-energy jobs over the long term.

Success will depend upon the alignment of efforts focused on job training, business development, transit, and environmental stewardship. Sophisticated federal analytic support and technical assistance could significantly enhance the chances of long-term success, and strong federal incentives can ensure that parishes in the region work closely together on joint initiatives to facilitate equitable opportunities, appropriate transportation corridors, and smart growth. Advocates estimate that a \$2.2 billion investment could yield 52,000 new clean-energy jobs in Louisiana over the next thirty years; federal leadership and investment can help get it done right.

### **3. Pilot comprehensive and equitable neighborhood strategies to reduce blight, and promote safe and sustainable communities.**

By some estimates 65,000 residential properties sit vacant or abandoned. Safe, affordable housing – especially rental housing – remains a linchpin issue. At the same time, neighborhoods are revitalizing a full range of community institutions, and the growth of surrounding parishes has meant greater dispersal of the region’s population, especially among lower-wage workers. Improvements and expansions are being made to programs currently in place, including the Neighborhood Stabilization Program, Low-Income Housing Tax Credits, and Small Rental Repair Program. Yet the city would also benefit from concrete new opportunities:

- Site a pilot in New Orleans that combines the Choice Neighborhoods and Promise Neighborhoods programs. HUD is underway on redeveloping four damaged public

housing complexes into mixed-use, mixed-income communities, but this will not replace all the low-cost units available before the storm. With the current unaffordability of rents, low-income residents would benefit from additional choice in neighborhoods that have robust community institutions and a high quality of life. Innovation in education has been a particular hallmark of the city's recovery. The unique mix of neighborhood-level leadership and educational entrepreneurialism make the city a natural prospect for co-locating these two programs, building upon its experience with the redevelopment of the C.J. Peete and St. Bernard Housing Communities, which aim to integrate workforce housing, new public schools, and recreational facilities.

- Consider the Greater New Orleans area a core partner in the newly announced collaboration among DOT, EPA, and HUD to promote sustainable communities. The timing is propitious both in terms of planning and current challenges, as New Orleans is looking for ways to improve environmentally friendly investment, to increase affordable housing and transportation options in surrounding suburbs, and to improve the overall sustainability of its development patterns. The city's long-term future will be shaped by (and in turn will help shape) the region's economic recovery and by the extent to which suburban parishes work in partnership and embrace sustainable, inclusive growth principles, rather than conducting business as usual.

While the steps toward regional cooperation have been developmental to now, the "planning consciousness" of neighborhood leadership, the still early-stage of redevelopment, and the desire to enhance economic competitiveness in an equitable and eco-friendly manner are creating significant appetite for a "bottom-up" approach that is markedly different than previous efforts. (We are proposing locally that the new mayor appoint a "regional liaison" at the beginning of her or his term.) Integration of equal opportunity, fair labor, and environmental protections is crucial. Without engaged oversight and training regarding equal opportunity obligations, new programs and funding risk following old patterns of inequality and exclusion. Federal incentives and leadership can play a critical role in fostering an equitable and truly regional approach.

- Invest in taking shared equity models quickly to scale, to reduce blight and protect emerging business corridors. Community land trusts (CLTs) provide a mechanism to intervene in cases of mortgage default and prevent foreclosures in recovering neighborhoods, as well as protect access for persons of modest means in neighborhoods with rapidly rising values. The availability of land at little or no cost makes New Orleans uniquely viable for the model's wide application throughout the city. The O.C. Haley Boulevard Merchants and Business Association in Central City and the Lower 9<sup>th</sup> Ward Neighborhood Empowerment Network Association are also interested in pioneering the use of the CLT model to protect businesses and other commercial entities they are developing to anchor their recovering neighborhoods. Both NORA and city's Community Development Department have already committed support. Increased capital and investments in capacity have the potential for testing the scalability of the model and increasing the usefulness of its widespread application in other communities.

- Integrate the Department of Justice with these and other inter-agency efforts focused on economic and community development. Safety is cited as a top issue by New Orleans residents, and reduction in the crime rate is critical to building confidence and improving the economic competitiveness of particular neighborhoods, to make them market-viable for private investment. While community groups are working hard to develop solutions, we believe that federal leadership can play an important catalytic role and ensure change at the necessary scale, and would be enhanced by working in conjunction with the other federal agencies that are coordinating their efforts to facilitate sustainable development.
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### **IMMEDIATE OPPORTUNITIES FOR ENGAGEMENT**

There are several near-term opportunities for senior officials to experience how such active citizenship, social innovations, and entrepreneurial energy are transforming New Orleans. We believe that these visits would be helpful first steps in exploring a broader and more sustained engagement. Such encounters will dramatically demonstrate the individual initiative and bottom-up approaches that are defining the city's resurgence, ensuring they inform policy development and receive consideration for support as new federal initiatives are designed and deployed. A spotlight shone by the administration would also serve as a "bully pulpit" of positive attention to attract potential investors and resources. Opportunities include:

- Make New Orleans a site of the learning tours recently announced by Adolfo Carrion, Director of the Office of Urban Affairs.
  - Accept an invitation for Valerie Jarrett, Senior Advisor to the President, to address the national conference of the Neighborhood Funders Group, to be held in New Orleans October 13-15, 2009. The Neighborhood Funders Group is a national network of foundations and philanthropic organizations whose members support community-based efforts to improve economic and social conditions in low-income neighborhoods, many of whom have been active investors and partners in New Orleans. This gathering will showcase several local efforts and successes.
  - Organize a visit by Sonal Shah, director of the Office of Social Innovation and Civic Participation, or Melody Barnes, director of the Domestic Policy Council and the Social Innovation Fund, to highlight innovative community solutions that have emerged during the recovery. We also propose that New Orleans-based initiatives receive special consideration within the Fund's first round of grants, to scale up successful approaches throughout the city.
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New Orleans will celebrate its 300th anniversary in 2019. We believe that birthday can be a celebration of a city in full renaissance, whose resilience and imagination have shaped a model 21st century city. As investors, we understand that to be far from certain. While citizens and communities feel increasingly empowered to fashion a better future, the scale and scope remain daunting and call for continued federal leadership. We stand ready to facilitate relationships with key stakeholders in the city and use our resources to ensure that federal investment results in maximum impact. We welcome the opportunity to explore ways to jointly advance the strategies described here.

## APPENDIX I

*The following lists some members of the philanthropic community which have invested in the long-term development of New Orleans and remain committed to its future:*

21st Century Foundation  
Annie E. Casey Foundation  
Baptist Community Ministries  
Ben & Jerry's  
blue moon fund  
Boeing  
City of New Orleans  
Conrad N. Hilton Foundation  
Entergy  
Ford Foundation  
Foundation for the Mid South  
Gates Foundation  
Greater New Orleans Foundation  
Gulf Coast Funders for Equity  
Institute of Mental Hygiene  
JPMorgan Chase  
Kresge Foundation  
Local Initiatives Support Corporation  
Louisiana Disaster Recovery Foundation  
Mary Reynolds Babcock Foundation  
Marguerite Casey Foundation  
Microsoft  
National Trust for Historic Preservation  
New Orleans Redevelopment Authority  
Oxfam  
Prudential Foundation  
Rockefeller Foundation  
Surdna Foundation  
United Way  
W.K. Kellogg Foundation