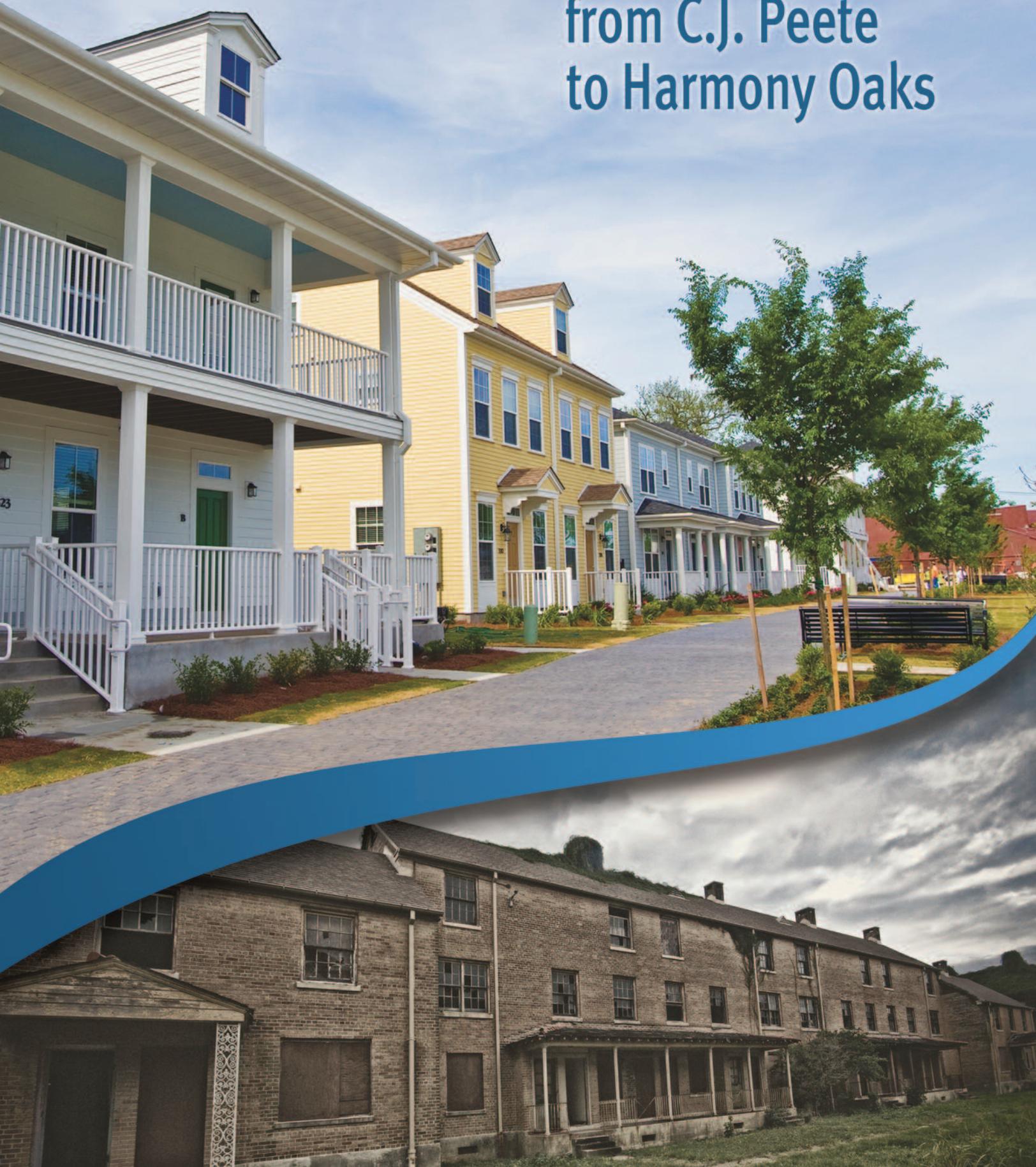


# The Long Road from C.J. Peete to Harmony Oaks



## Acknowledgements

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### Author

Katy Reckdahl is a New Orleans-based news reporter who's written for *The Times-Picayune*, *The New York Times*, *The Daily Beast*, and the *Christian Science Monitor*. She received the National Low Income Housing Coalition's media award in 2011 for her work covering public housing for *The Times Picayune*.

Visit [www.nhi.org/go/HarmonyOaks](http://www.nhi.org/go/HarmonyOaks) to download a PDF version of this report, as well as the Annie E. Casey Foundation's companion report on the role of philanthropy in the Harmony Oaks rebuilding.

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THE LONG ROAD  
FROM C.J. PEETE  
TO HARMONY OAKS



By **Katy Reckdahl**

for the National Housing Institute

*Those charged with redeveloping one of New Orleans's Big Four public housing developments faced an extreme version of nearly every challenge that public housing redevelopment struggles with. And while it wasn't perfect, they learned some lessons from their trial by fire that would hold true in other cities as well.*

Photo © Shawn Escoffery

**B**y the time her organization landed a contract to do work in New Orleans, Sandra Moore had felt the city's tug for more than a year.

Moore is president of Urban Strategies, a nonprofit community development company that often partners with developer McCormack Baron Salazar, which specializes in mixed-income and affordable redevelopments. Urban Strategies got a contract in early 2007 to provide services for residents from C.J. Peete, a shuttered New Orleans public-housing complex.

When she thought of New Orleans, Moore vividly recalled images broadcast during the wake of Hurricane Katrina: New Orleanians were pleading for water, medical help, and long-delayed buses to take them out of the devastated city. "I, like most people and people of color in particular, was mesmerized by what I was seeing on national television," says Moore. She believes it was then, in August 2005, that Urban Strategies became "involved in this project... in our spirit."

In late 2006, McCormack Baron Salazar responded to a request for qualifications issued by the Housing Authority of New Orleans to work on a development called C.J. Peete, located in the Central City neighborhood. As in most of their projects, they asked Urban Strategies to work with them on the service-provision side.

Moore has led Urban Strategies for 12 years and worked on redevelopments in dozens of other cities. But because of what she'd seen and heard about New Orleans, Moore and her staff rethought many of their usual strategies, so that they could more immediately find and assist acutely traumatized residents.

### Left Behind, More Than Once

Thousands of public-housing families were among those left behind in New Orleans after Katrina, when the federal levees broke open, deluging 80 percent of the city. After living in deplorable conditions for nearly a week, many low-income residents left town on FEMA planes and buses that didn't allow people to choose their destinations.



While official tracking was haphazard, anecdotally it seems that a good share of families moved periodically for the next several months or even years, to find jobs, schools, or apartments or to reunite with better-resourced family. Sometimes they relocated merely in search of extended family that wasn't yet weary of being overrun by evacuees.

The tone toward public-housing residents seemed set a month after the storm, when media across the nation reported the controversial statement of HUD Secretary Alphonso Jackson, who said that New Orleans "is not going to be as black as it was for a long time, if ever again." At first, the Housing Authority of New Orleans (HANO) said it would re-open most of the complexes, except for a few that were badly flooded. But soon, without any notice to the contrary, the housing authority installed steel barriers over the windows and doors of some complexes and erected tall fences around the remainder.

Rumors flew. But no one announced anything certain for nearly a year.

Then, in June 2006, nine months after Katrina hit, Jackson announced a plan to demolish more than 5,000 public-housing apartments in the so-called Big Four—four of the city's biggest complexes, including Peete. Plans showed that public-housing residents would likely be displaced for at least four more years.

At the invitation of New Orleans Neighborhood Development Collaborative (NONDC), a longtime Central City organization, McCormack Baron submitted proposals to HUD and won a contract for Peete.

NONDC, later renamed Harmony Neighborhood Development, was tasked with off-site development and became part of the official Peete development team called Central City Partners, which included McCormack Baron, NONDC, and St. Louis architects KAI Design Build.

When Moore received the word, she knew that they would need to react more quickly and with more resources than they'd ever done before. "In other communities, a small percentage of the families will be in real crisis," she says. In



New Orleans, she believed that the majority of families would be in crisis.

The rest of her New Orleans to-do list was daunting and the timeline very tight. Urban Strategies had to swiftly make contact with and provide case management to residents scattered across the

United States without consistent cell-phone numbers or addresses. They had to earn the trust of Peete residents and its close-knit group of leaders, who over the past decade had seen a series of developers arrive, demolish half of the complex's apartments, and then disappear.

And everything had to happen in record time: Peete's developers were faced with building 460 apartments and 50 affordable for-sale homes within a short construction window—18 months—because of the strict placed-in-service deadline for special Gulf Opportunity Zone low-income tax credits.

### **"Partnershiping" in a Devastated Town**

Before Urban Strategies hit the ground in New Orleans, they galvanized outside resources to assist the struggling local providers. They told philanthropies what they knew of residents' conditions and locations. "We can't walk into this community and be of any real service," they said, "if we don't have some resources that will allow us to help people get mental-health services and case-management support."

In response, the Annie E. Casey Foundation and the Ford Foundation each gave them a \$50,000 grant, Moore said. "They agreed to come up with \$100,000 between the two of them, which we then used to come into the community with the resources to be able to help people to solve problems."

"That money went a long way," Shin said, noting that they used it to start many efforts, including their search to locate residents.

Moore entered the city in 2006 along with her senior vice president, Esther Shin. But Moore didn't hand off the on-the-ground work in New Orleans until about three years later.

That's unusual.

Moore is always heavily involved at the front end—what she calls "the frame-up" of a new redevelopment. Her job at that point, she says, is to "work the political and social and economic leadership of the community."

But once everything is launched and moving, she passes the baton to her project manager and moves on. In other cities, after Urban has

been in place for as little as two years, "I'm not seeing that place very often," Moore said.

Very early on, however, Moore and Shin learned that New Orleans "was in a total state of devastation," with all of its key systems down and broken. Urban Strategies typically lands in a city and partners with existing local social-service providers. Most often they hook up first with the existing workforce investment authority, which has links to providers who work with workforce development, job training and literacy in every city. They also often center their work in other cities around schools—with afterschool programs, early childhood programs and enrichment providers—but because New Orleans was reconfiguring its entire school system, the process had to be different for Harmony Oaks.

In New Orleans, most social-service providers were scattered and in crisis. So Moore structured the response differently.

Using crucial early resources from Ford and Casey, Urban's staff was able to "lead on the partnershiping" in a different way than usual. "Sometimes as little as \$5,000 or \$6,000 to a devastated agency ... was enough to get them to be able to help us, and they really knew the (local) landscape," she said. "So we could help them, and things could move forward."

Urban Strategies is accustomed to dealing with turf issues with service-providers in high-poverty communities, which are typically underfunded and struggling to survive. "We experience this in every city we go into," says Moore. The typical first response they get is: "Who are you and are you going to take some of my resources?"

But in post-Katrina New Orleans, nerves were especially raw. Local service providers "were pointed; they were direct; sometimes the responses of locals felt mean-spirited," says Moore. "They told us that we weren't from New Orleans, we didn't know what we were doing, and they didn't want us there." They said it directly to Moore; they skipped partner meetings; they failed to share necessary information.

Shin believes that it was their "greatest challenge" politically: gaining the trust of local nonprofit leaders who feared that Urban's intent was to "come in and take resources."

Slowly, the tide turned. "One by one, people began to trust us," Moore said. She believes that they won over their toughest critics partly by keeping promises. But also "they helped to push us in ways that were helpful—and we found our common ground together."

A grant from the U.S. Department of Health and Human Services



**Sandra Moore,**  
President of  
Urban Strategies



**Jocquelyn Marshall (l) and Debbie Holmes (r),  
two resident leaders from C.J. Peete.**

was instrumental. The \$1 million grant, intended to strengthen the capacity of local nonprofits, allowed Urban to regrant a total of \$600,000 to 12 local organizations for capacity-building projects of their own.

Crucial bridges were also built through Una Anderson, head of NONDC, based on her existing relationships. Anderson helped them tailor conversations to the intricacies of New Orleans, Moore says. Anderson also housed Urban Strategies staff at her organization's offices, giving Urban an anchor space that was already familiar to the community.

Because Anderson was a longtime New Orleans leader, certain groups and decision makers were willing to give Urban an audience. Moore recalls: "Una would say, 'Here are three people you need to talk to, because they can help us with a, b, and c. I'm going to schedule these meetings the next time you're in town.'"

Information-sharing about Central City work was done through biweekly calls with a group of neighborhood decision makers dubbed the Kitchen Cabinet, organized by the Central City Renaissance Alliance. Urban also checked in weekly with critical stakeholders through its Steering Committee, which first convened in the fall of 2007, and included residents, neighbors and community groups. It met each week for four years.

The lesson is, says Moore, that even under those extreme conditions, "you can get stuff done, but you have to build an alternative set of systems in the interim until the regular systems work."

### **Struggling, Angry Residents**

In countless ways, Urban Strategies opened shop within a city in crisis, where rents had doubled and multiple families were often crowded together in one apartment while some rebuilt and others worked to raise money for increasingly expensive damage deposits and rents. For those out of town, sympathy was drying up and some evacuees said they felt unwelcome in schools and workplaces. A Bureau of Labor study found that those who remained displaced were three times as likely to be out of work as those who came home.

Still, displaced families trying to transfer their Section 8 vouchers home from other states and cities often ended up having to drive to the Housing Authority of New Orleans, which wasn't answering its phones regularly. There they discovered that HANO was rejecting most voucher transfers in order to pool its monies for the planned redevelopments. That wouldn't typically be allowed; federal housing money is typically designated for fairly strict housing-authority categories, but it was made more flexible for affected areas after Katrina. As a result, some former public-housing residents stayed displaced

much longer than they would have, in order to keep their Section 8 vouchers. No matter where they were, former public-housing residents also felt financially strapped because while most were paying rent with the help of Section 8 vouchers, they were used to living in public housing, which had no individual electrical or water meters. Suddenly, living in private housing rented with the help of vouchers, they were required to foot their utility bills for the first time. Ironically, if they fell behind and their utility company turned off power, the housing authorities found their living conditions in violation of Section 8 policies and took their vouchers away as well.

During a 2009 field hearing, a longtime New Orleans public-housing resident leader from the Guste Homes, Cynthia Wiggins, told Congressional leaders that because of the utility bills, she didn't believe that Section 8 vouchers were appropriate for the poorest residents, who often were senior citizens. "Some of our elderly residents are suffering, some of them are living in houses without utilities, being very quiet about it because their living arrangement is in jeopardy," Wiggins testified.

She and other resident leaders had seen "an enormous increase" in elderly residents who either had no utilities or struggled with paying high light and water bills, she said. A lawsuit filed against HUD in the summer of 2006 alleged that residents were harmed by the demolition plans partly because of the utility payments.

At a crowded public hearing in late 2006, not long after Urban Strategies began work, legal-aid housing lawyer Laura Tuggle told officials from HANO that many of her public-housing clients were despondent. "Since June of this year, I've had four clients either try to kill themselves or commit suicide. The suffering that folks are going through is real," she said.

At the same hearing, C.J. Peete resident-council leader Jocquelyn Marshall testified about a HUD letter she'd received that listed the public-housing sites proposed for demolition. "I looked at that letter, and I said, 'These people who are running the Housing Authority,



who are running HUD, Congress they must be crazy. Right now, housing is what's needed in the city of New Orleans. But yet they're going to tear down all of this property.”

By that time—a year after Katrina—many leaders were now hearing tales of woe from residents in evacuee-heavy cities, where residents and officials thought that it was time for them to leave, Wiggins said, in her testimony at the same hearing. “And truth be told, we want to leave,” she said. She and other residents had “a right to come back home.”

In any city where public housing is redeveloped, a certain level of skepticism is typical, said Moore, who's worked with such residents for more than a decade. “But in New Orleans, we had a level of anger and, really, post-traumatic stress disorder that can only happen when you go to bed one night and your world is intact, and you wake up the next day and your world is being washed away. So we had to figure out how to deal with that.”

They decided to focus first on finding C.J. Peete's residents and building a connection with them.

### Peete and Its Residents

A half-century ago, New Orleans was one of the first cities in the nation to “eradicate slums” and construct homes for the poor under the federal Wagner Act. In January 1941, the city's daily newspaper, *The Times-Picayune*, published a celebratory eight-page section to mark that achievement as 25,000 people lined up to see that first development, the 723-apartment Magnolia Street Housing Project. Magnolia was renamed C.J. Peete four decades later as part of a failed housing authority effort to re-invent its declining complexes.

When Katrina hit in 2005, several thousand of the lowest-income families in New Orleans lived in traditional public-housing apartments like those at Peete. The tenants—nearly all African American—paid one-third of their household income as rent, all they could afford, given their meager wages as nursing assistants or cooks and cleaners in private homes and in the restaurants and hotels of the French Quarter.



## Post-Katrina Timeline

### 2005

#### August:

New Orleans survives Hurricane Katrina but floodwaters from severed federal levees cover 80 percent of the city. Days after the storm, Louisiana Rep. Richard Baker is overheard telling lobbyists, “We finally cleaned up public housing. We couldn't do it, but God did.”

#### September:

Federal Emergency Management Agency makes lump-sum payments of \$2,358 toward three months rent for each qualified evacuee. Gov. Kathleen Blanco, who had pushed FEMA to deliver trailers to hard-hit towns, is surprised to learn of the initiative; she believes it will induce Louisiana citizens to rent out-of-state apartments.

#### October:

- HUD Secretary Alphonso Jackson tells *Houston Chronicle* that New Orleans is “not going to be as black as it was for a long time, if ever.”
- Lower 9th Ward residents get their first look at their severely flooded neighborhoods, from city-chartered buses that they can't get out of for safety reasons.
- At their first post-Katrina meeting, Housing Authority of New Orleans officials say that complexes remain closed for safety and security reasons. B.W. Cooper resident-council president Donna Johnigan says that she didn't get any notice of the meeting. “It's not fair to make decisions on our lives when we're not part of it,” she says.

### 2006

#### January:

The mayor's Bring New Orleans Back committee concludes that not every neighborhood is sustainable and makes unimplemented recommendations that the city put a moratorium on building permits in the worst-hit areas of the city.

#### May:

- HUD says it hasn't decided what to do with public-housing apartments, to residents' outrage. “We're like confetti, scattered all across the United States,” says Lafitte resident-council president Emelda Paul, 71. “We need answers.”
- HUD officials cancel a City Council committee appearance to describe plans to re-open thousands of public-housing apartments. Advocates say the agency is foot-dragging.

#### June:

- HUD Secretary Alphonso Jackson announces plans to demolish 4,601 apartments (3,077 of which had been occupied when Katrina hit) in the so-called Big Four developments—B.W. Cooper, C.J. Peete, Lafitte and St. Bernard. “Katrina put a spotlight on the condition of public housing in New Orleans,” Jackson says. “I'm here to tell you we can do better.” Soon afterward, HUD data shows that of HANO's 5,146 public housing households, only 2,300 have both received a voucher and been able to find a landlord to take it. Within weeks, residents file federal civil-rights lawsuit.
- U.S. Census Bureau data shows that the New Orleans area has become more white and less poor since Katrina.

#### August:

In a single-source contract, HANO hires a developer for Lafitte: Enterprise Community Partners and Providence Community Housing, the housing arm of the local Catholic church.

#### October:

HANO attorneys tell judge that resident lawsuit is premature because plans aren't yet approved. Its demolition application was returned from HUD because it lacked required “tenant input.”



**No HUD secretary was sympathetic to the residents' complaints about being left out of the process until years after the fact, when Shaun Donovan (shown here with resident leader Jocquelyn Marshall in 2008) met with them.**



The housing authority had over the years doubled Magnolia's size, building a total of 1,403 apartments on the 41.5-acre site. The trend then reversed during the 1990s, as HANO tore down more than half of its public-housing stock through HOPE VI grants. C.J. Peete too was half demolished, back to the size of the original Magnolia.

By the time Katrina blew into town, fewer than 100 families lived at Peete, amid a sea of 600 decrepit apartments that had been shuttered for a decade. "They had a lot of abandoned apartments here. It wasn't safe. It wasn't good. It was just isolated," says resident Debbie Holmes, who lived there with her young daughter.

Still, the structures' sturdy brick and concrete construction gave residents a sense of safety, both from the gunshots that too often rang within certain courtyards and from the hurricane-force winds that blew through town every few years.

The apartments' maintenance, overseen by the long-troubled Housing Authority of New Orleans, was less admired. The plumbing was notorious, with sewer lines that regularly backed up into apartments and created fetid puddles in courtyards outside the buildings. Residents combated rats and roaches and sometimes hung sheets over walls in children's rooms to keep young hands off lead paint.

Resident-council leader Jocquelyn Marshall said she felt fortunate that she didn't have many problems in her apartment. "I may have had broken pipes now and then under the building, but a lot of residents had to deal with rats coming in their homes and it was bad, real bad," she said.

So after Katrina, displaced residents as a whole weren't opposed to the idea of eventual demolition—the housing authority had been moving in that direction anyway. But many were desperate to move home for a while first, to find their footing and stabilize their families. At least one developer heard those pleas and raised the idea of phased development to HUD but was told no.

At a 2006 standing-room-only hearing, Wiggins also asked for a more resident-friendly timeline that would have allowed for phased demolition and construction. "We are not opposed to redeveloping," she testified. Wiggins emphasized that she and other leaders were opposed to HANO's process post-Katrina, which hadn't allowed for resident input. "That's what you're hearing here tonight," she said. "We have a right to be involved. We have a right to say how we want to see our communities redeveloped."

Longtime Peete tenant Gloria Williams believes that HUD officials turned a deaf ear to people's misery. She testified at a Congressional field hearing in early 2007 that she and her twin sister Bobbie Jennings had moved six times during the previous two years. The

two had Section 8 vouchers worth up to \$1,100, so they found apartments to rent. But utility bills, which rose to crippling high rates after Katrina, ran \$400 a month, too much to pay with her \$667 monthly income. She concluded: "I cannot afford to live outside public housing."

Williams and others were suspicious of HUD's explanations about the condition of the buildings, because countless other New Orleansians were able to gut and rebuild less-solid homes. It seemed as though housing officials might be cheating to prove that the brick structures were irreparably damaged. In fact, lawyers defending residents found some evidence of "spin" in HANO's email messages, most notably in one from HANO federal receiver William Thorson, who noted in one 2006 message that the repair costs per unit seemed low. He instructed his staff to "take photos of the worst of the worst. Pictures are worth 1,000 words."

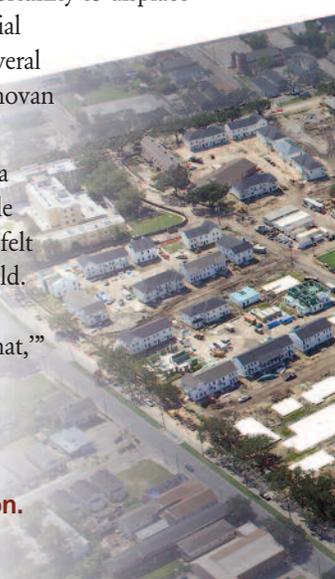
The twins were next-door neighbors in Peete and their apartments hadn't sustained water damage, which wasn't uncommon. After struggling for months to make ends meet, the sisters came back, took four hours to scrub down their apartments and moved back in.

The housing authority cut off water and electricity to force them out, but Williams and Jennings hooked up a generator and friends ferried them food and water. They left only after the housing authority threatened to take their vouchers if they stayed, Williams testified.

Residents, no matter what their status, seemed united in their anger at the process. The citywide residents council sent a letter to HUD Secretary Alphonso Jackson, expressing their concerns, saying that they weren't opposed to demolition, but they felt as though they'd been "left out of the process," explains Marshall. She had been watching the television news in Houston when she found out that a developer named McCormack Baron was going to develop her site. "I was just in shock," she said. She and the other leaders also believed that HUD "used Katrina as an opportunity to displace families out of their homes." No HUD official was sympathetic to their complaints until several years later, when HUD Secretary Shaun Donovan sat down with them.

So while Marshall felt that she "had to keep a level head, because I was representing a whole community," she understood how the twins felt and supported their protest however she could. "They were passionate about how they felt. I could not fight that or say, 'Well, don't do that,'" she said. "That was their home."

**The former C.J. Peete footprint, post-demolition.**



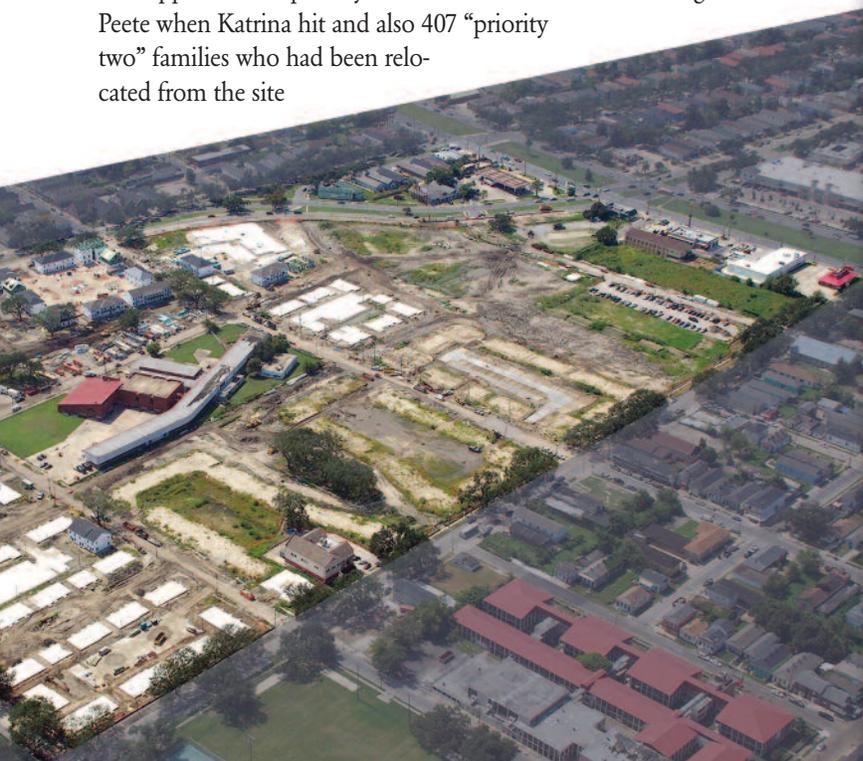
## Finding Residents

This was the atmosphere Urban Strategies was walking into, itself representing the developer that had been selected by HANO without the residents' participation. Urban's staff had proven they could prevail over skepticism in other cities, and they were ready to give it a try here too. But before they could begin that work in earnest at C.J. Peete, they had to first find the residents. It was a top focus of their first year's work.

They would eventually, in March 2008, receive funding from a federal HOPE VI award that helped with this work. But to Urban, the work seemed urgent and so—a year before the HOPE VI grant—they secured money from the Annie E. Casey and Ford foundations and were able to begin locating and assessing former residents to initiate case-management and supportive services.

One of Urban's proudest successes at C.J. Peete was that it was able to locate most former residents, despite starting out with little or no contact information.

At first, the Housing Authority of New Orleans provided them with a spreadsheet that was of little use—it was somehow formatted incorrectly, so the lines didn't match up from column to column. In the end, even the housing authority's overall count proved to be incorrect, Shin said. HANO had told Urban that Peete had 144 pre-Katrina households. But because of duplicate and wrongful listings—including people who said they'd never lived at Peete—the actual total turned out to be 99, she said. Using HANO's data, the universe of 541 "original residents" they were looking for included the supposed 144 "priority one" households who were living in Peete when Katrina hit and also 407 "priority two" families who had been relocated from the site



## Post-Katrina Timeline (continued)

### 2007

#### January:

- Hundreds of children seeking spots in the city's public schools are turned away, "waitlisted" because the re-opened buildings are full and the system lacks teachers.
- Activists and former residents move back in at the closed St. Bernard development in a "survivors village" that will endure for nearly two weeks.

#### February:

- U.S. District Judge Ivan Lemelle rules that only a trial can resolve a lawsuit filed in June 2006 on behalf of public-housing residents. "Whether Hurricane Katrina or HANO is ultimately responsible for the current state of disrepair is an issue to be decided by the trier of fact," he wrote in a 24-page decision.
- At least five C.J. Peete households, including twins Gloria Williams and Bobbie Jennings, move back into their shuttered homes. HUD had first said it would re-open Peete but changed course, citing vandals who stole copper pipes from buildings.
- Lafitte developer Jim Kelly of Providence Community Housing says that he is "scared to death that this thing will end up in courts for years while the residents are put on hold." To ease residents' stress, he advises HUD, unsuccessfully, to repair and re-open at least 200 apartments at each complex, to allow phased redevelopment.

#### March:

HANO approves proposals for remaining three Big Four developers.

Dec. 23: After a heated six-hour meeting, the New Orleans City Council votes unanimously to approve the demolition of the Big Four.

### 2008

#### December:

- Public-housing advocate the Rev. Marshall Truehill questions whether Big Four apartments will be built by 2010 GO-Zone deadline. "We're already on the cusp of 2009 and we haven't seen a single pile driven," he says.
- HUD Secretary Steve Preston presides over groundbreaking for first of the Big Four, the St. Bernard, renamed Columbia Parc after its developer.

### 2009

#### January:

With financial markets plummeting and investors scarce, Preston flies back to break ground at C.J. Peete, which will be renamed Harmony Oaks. Cooper and Lafitte lose investors and stall and will barely make the GO-Zone tax-credit deadline, even after the U.S. Congress extends it for one year to December 2011.

#### February:

Obama administration and new HUD Secretary Shaun Donovan extend impending disaster-voucher sunset for 30,533 total families, including 10,000 from New Orleans area, many of whom will eventually be transferred to regular Section 8 vouchers.

#### September:

More than 36,000 families apply for HANO's Section 8 voucher lottery; advocates say it shows dire lack of affordable housing.

### 2010

#### August:

As of Katrina's 5th anniversary, 700 households live in the four sites, 254 of them public-housing-level rentals.

### 2012

Planned phases are complete at Columbia Parc and Harmony Oaks. Construction still underway on the long-delayed Lafitte and Cooper sites, renamed Faubourg Lafitte and Yvonne Marrero Commons. The two sites, which rushed to finish their tax-credit units by the year-end 2011 deadline, are about half done with construction.



**Esther Shin, Vice President of Urban Strategies, recalls how they sent a man to West Virginia for treatment because he wanted to enroll in the construction-training program but he first needed in-patient care for substance abuse.**

under a HOPE VI grant in 1998. Those families had stated that they wanted to return, but—as with many HANO endeavors—the redevelopment never happened.

So Urban largely was starting from scratch, using a strategy that had several prongs: They got contact information from FEMA, did mailings, issued press releases, bought newspaper ads and billboards. They also hired residents to call other residents, established a round-the-clock hotline, and contracted with a “skip-tracing” service.

Urban hadn’t previously used skip tracing, a service regularly used by debt collectors, bail bondsmen, and investigators to locate people who have “skipped town”—hence the name. But Urban was able to more easily track down families in other cities with the records that skip tracers have access to, which include credit reports, job applications, Social Security and disability status, former roommate and family information, and bills for utilities such as electricity, water, phone, and cable.

Urban also printed cards with the toll-free, 24-hour hotline number and distributed them in New Orleans and in key evacuee cities. The line went directly to Shin’s email and, in the early days, she said, she most often got messages on weekends, after Peete families had run into other families.

The hotline still exists, Shin said, and she still gets occasional calls, since about 100 original families haven’t yet been located.

In a strategy that both located residents and built relationships, Urban hired former Peete residents to call their former neighbors, giving them pre-paid cell phones and paying in cash, using private philanthropy dollars. That same pot of flexible money built goodwill and got residents out of financial jams by occasionally buying groceries, paying overdue utility bills, or re-loading cell phones with minutes, Shin says.

Debbie Holmes made some of the prepaid-phone calls, starting with the information they had at hand. “It was frustrating because it was hit or miss and a lot of people’s numbers had changed over the years,” she said. But she and her neighbors soon discovered to encourage residents to spread the word, because word-of-mouth worked best.

“If one person found out what was going on and they wanted to come back, they just spread the word. It spread like wildflowers,” Holmes said.

Urban Strategies director of workforce and economic development Linda Pompa remembered that phenomenon too, how residents made calls and located people through “someone’s cousin or someone else who knew about someone’s auntie. It was great.”

Those same residents helped them tap into what had become an ad hoc Peete resident network. Jocquelyn Marshall had started the process not long after Katrina, when she went in person to the meeting in Houston where HANO distributed Section 8 vouchers to its former residents. She got contact information and asked them to pass along her number to any other Peete residents.

Because a good share of residents were elderly, a sizeable number of priority two residents had died over the previous decade. Urban ended up locating 377 households, and has 258 on its caseloads, with the largest share—161—in Louisiana, 62 in Houston and the rest scattered across 14 other states.

Cases for any stable families were closed out in early 2013, since the HOPE VI grant ended in the spring of that year, five years after it was awarded. Their legal mandate to provide case management ended with the grant, Shin says, but for those who continue to need help, the Casey Foundation will be funding one case manager for three more years.

Once they located people, Marshall remembers, “Many people were just saying, ‘I want to come home. I want to come home.’” So residents hired by Urban listened to their neighbors’ concerns, talked with them about the demolition and the redevelopment, and explained that they would have a case manager who would work with them throughout this process.

Urban’s staff did quick assessments of the family to determine whether they were in crisis, stable, or moving upward. Then the family would be linked to services wherever they were. As a result, Urban staff found themselves working with service providers in Houston and in other major cities in Louisiana, all the way up to Memphis. Generally, they connected with housing authorities across the country, whose client-services departments helped to locate residents and to link residents with services.

“Trying to connect to service providers in cities where we weren’t and didn’t have a presence was all very new,” Moore said. “The lesson learned there is that agencies could work across state lines together to support families around given outcomes.”

Holmes says that before Katrina, drug addiction was the highest-ranking problem within the complex’s families. After Katrina, mental health competed for that distinction. “From depression to schizophrenia, I’ve never seen that many at one time with mental issues,” she says.

Moore recalls meetings with residents who were dealing with PTSD and often “self-medicating” with alcohol. Urban staff understood that people were self-medicating because of what they’d been through, but it amplified already-heightened emotions, Moore says, recalling how during some meetings, there would be a handful of people who were clearly “rip-snorting drunk.”

Post-traumatic stress disorder was a “real and pervasive crisis” for Peete families, Shin says, and services were not there to meet the demand. Professionals like Holmes who also experienced the storm have been effective at offering their own personal coping strategies, Shin says. But still, seven years after the hurricane hit, “for many people the effects of Katrina have not diminished.”

It’s another lesson learned, Moore says. If they had a chance to do it over, they would have brought in mental-health professionals at the psychiatric level and a master’s-level social worker trained in substance abuse, she said.

But they also adjusted policies on things such as drug testing mid-stream, as an acknowledgement of how widespread the substance-abuse problem was and how limited the resources were.

Shin recalls how they sent a man to West Virginia for treatment because he wanted to enroll in the construction-training program but he first needed in-patient care for substance abuse. He was far from alone—a full quarter of people who registered for the program couldn’t pass a basic drug test.

It felt like a lost opportunity, in a number of ways. “This happened when there was no (substance-abuse) support in New Orleans to support these people, even if they’d wanted to be sober,” Moore says. Plus, trained students who feel like they could soon be hired—were it not for their substance-abuse problem—are better candidates for rehab. “We know that had they completed the training, we could have walked them more easily to a drug and alcohol program,” she said. “But when we tested them before admission, we lost them.”

**A construction training program for C.J. Peete residents, for which Urban Strategies eventually dropped a drug testing requirement for admission.**

While the teachers still require students to observe safety rules for certain types of equipment, Urban no longer requires drug tests at the beginning of the program. “It seemed like a silly deterrent,” Shin said.

### **Building Trust**

Debbie Holmes ended up working for Urban Strategies. But initially, she found herself resigned to their presence more than anything else. “There’s no doubt, no matter what we said or how we said it, it was going to happen, because this project itself was beyond the developers,” she said. “It was the powers-that-be from Washington, from federal.”

She was largely right. McCormack Baron’s hands were tied in terms of the choice to demolish the buildings. In late 2006, in response to the request for qualifications issued by HANO, an interested developer submitted a written question: Could the plans include plans for rehabilitation as well as demolition? HANO advised, in a published addendum, that plans submitted must assume that buildings be demolished, not rehabbed.

McCormack Baron did explore phased demolition, but found that phasing the demolition of infrastructure, such as utilities and road access, would have been too much of a challenge, Shin says, and that phased demolition would have created environmental hazards for families living on-site.

Nonetheless, when Urban Strategies launched the Peete monthly meetings in May 2007, they knew residents were upset and wanted someone to hear them out, Holmes says. “People were frustrated and they expressed that. They probably didn’t express it the way you wanted it to be expressed, but it was expressed.”

Marshall remembers starting the conversation by basically inviting the residents to let off steam. She told them, “As you all know, HUD Secretary Alphonso Jackson has already signed off on these sites being demolished. What are your thoughts in regard to the proposed demolition?”

“We had a few people in there ranting and raving about ‘how they going to take our house?’ and everything like that. I let them vent. I let them vent,” says Marshall, who too would end up being hired by Urban Strategies before the year was out.



Despite fears that Urban's employment of key leaders like Holmes and Marshall was an attempt to co-opt Peete leadership, Holmes, Marshall, and other hired residents continued to speak out. That was by design, Moore said. "We told them, 'If you have a choice, choose to lead. We'll work out the employment issue.'" Urban's peers in the service-provider community "still marvel at that," Moore says.

Because residents had been through such instability, the resident leaders and Urban were determined to hold monthly meetings consistently, even when there was a holiday. "We did not miss one," Shin says. They also emphasized communicating, maybe even over-communicating, to make sure everyone had accurate information. Every resident, no matter where they were, was issued a meeting notice for every month and sent a quarterly newsletter.

But the tension was still high. For the first year or so, the first public meetings "were really volatile," Shin says. Moore, an experienced facilitator, would lead the meetings, which usually lasted at least two hours. At other sites, they would start to discuss development issues a lot more quickly, Shin says. But in New Orleans, they were determined to let people vent and raise all the issues that bothered them, because that process can be therapeutic. "We'd say, 'It's not personal, let's put the issues on the table,'" Shin explains.

Residents asked, "Why should we trust what you say?" They raised issues that seemed deceptive or unfair. They accused McCormack Baron of being

like past developers who flew in, didn't honor their word, but got paid and went back home. "We had been lied to many times and misled. So residents felt they couldn't trust anyone," Marshall says. Plus, their existence at that point "was about survival, just trying to meet basic needs," she says. That too added to people's stress.

Holmes explains that because of past, unreliable developers, residents were unwilling to let down their guard for Urban and McCormack Baron. They especially rejected collaborations with Tulane University, which residents felt had failed them during a past contract that was supposed to help move welfare clients to self-sufficiency. "We literally used to hate them," Holmes says. "We did not want Tulane back at all."

So, according to Holmes, "the biggest challenge was to get people to buy in." But their willingness to do that changed from month to month. "Sometimes residents would come to the meetings. They would be fully active, participating, engaged, and ready. And the next month, they might be like, 'You need to get the hell out of here.'" "We hashed out trust issues for a long time," Shin says. "And there were days when I thought, 'What am I doing down here? I'm tired of being yelled at.'"

Most of the fury eventually dissipated, Marshall says. "People were holding all this anger in. And after people vented we said, 'OK, here's the plan of business. We have to decide do we want to move forward or go back to what it was.' And some residents actually said, 'Me personally, I don't want to go back to dealing with rodents and bad plumbing and all this type of stuff.'"

But some residents—most notably elderly twin sisters Gloria Williams and Bobbie Jennings—still believe that poor decisions were made after Katrina, when, the sisters say, "they took the project from us." Despite their feelings, however, they are friendly with Urban Strategies staff and speak highly of them, as hard workers and good people at heart.

In the early days, Shin and her staff each reached out in their own ways. Shin regularly called residents and kept in touch with them. She made sure there was plenty of food and water during the week that residents went through the charrette planning process. Other staffers brought food to the twins and others who were critical of the redevelopment. They handed out gift cards to people who filled out community surveys.

And to prove that they could implement their plans, McCormack Baron and Urban flew two groups of Peete residents to other developments they'd demolished and rebuilt in St. Louis. "We didn't want them to handpick people and sit them down with us," Marshall remembers. Instead, she and others who made the trip walked through the community and asked residents randomly, "Hey, are you satisfied with the services you're getting from McCormack? ... Did they honor their word?"

Marshall says that they got "really good feedback."



Photo © Katie Hayes Luke

**Twin sisters Gloria Williams and Bobbie Jennings still believe that poor decisions were made after Katrina, when, the sisters say, "they took the project from us." Despite their feelings, however, they are friendly with Urban Strategies staff and speak highly of them, as hard workers and good people at heart.**



# Public Housing in New Orleans: A Brief History



## 1937

The Housing Authority of New Orleans receives the first contract created under the Wagner Act and signed by President Franklin Roosevelt, for \$8,411,000 to eradicate slums and provide housing for working-poor families. For its application, HANO examined construction data from

the previous two decades; its analysis showed "that private industry has done nothing to relieve the plight of our low-income families."

## 1941

In January, HANO gives grand tours to 25,000 people of its first development, the Magnolia, which will be renamed C.J. Peete and then, after Katrina, Harmony Oaks.



## 1941

Within a single year, the city opens up 4,137 public-housing units in five developments, three (Magnolia, Calliope, and Lafitte) for African-American tenants

and two (St. Thomas and Iberville) for white renters. Two others, St. Bernard and Florida, are completed right after World War II.

## 1950s and 1960s

The housing authority more than doubles its inventory through expansions at St. Thomas, Calliope (later renamed B.W. Cooper), and Magnolia and three new developments, Melpomene (later renamed William J. Guste Homes), William J. Fischer, and Desire, which was one of the nation's biggest housing projects when it opened, with 262 buildings and 1,860 apartments for African-American families. Guste and Fischer included the housing authority's only high-rise buildings, along with low-rise structures; Guste's 12-story building was an elderly-only building.

## 1968–1972

HANO continues to add apartments to its 10 large sites. But like other housing authorities across the country, it also embarks on building homes on about 200 scattered-site lots, most often grouped in clusters, in an effort to move government-subsidized residents away from high-density sites. Residents are chosen for their self-sufficiency and have to pay their own electric bills.

## 1979

HUD lists HANO as "troubled," a status it maintains on and off for the next three decades, perhaps longer than any other public-housing agency in the nation.

## 1994

HANO tops out at 13,670 public-housing apartments, as HUD awards the agency a \$44.2 million HOPE VI grant for the massive Desire development. The demolition alone won't be finished until 2002. Construction is on the last of three phases when the levees break in 2005, flooding it to its rooftops.

## 1996

HUD enters into a cooperative endeavor with the city with hopes of improving the agency. It gives HANO a \$3.5 million demolition grant and a \$25 million HOPE VI revitalization grant for the first phase of construction at St. Thomas. It won't break ground until 2003. During the same decade, HANO demolishes half of its apartments, by razing Fischer, Florida, a large portion of Guste, and half of Peete.

## 2001

In a scathing audit, HUD's inspector general finds that during the previous five years, HANO hasn't completed one revitalization project. "Some developments such as Desire have become a poster child for uninhabitable places," the inspector general writes, finding that HANO has "permanently jeopardized" its mission of providing suitable housing.

## 2005

HANO headquarters in Gentilly neighborhood floods; director leaves in a boat.

## 2007 and 2008

Audits continue to find that HANO is still failing mission.

## October 2009

HUD Secretary Shaun Donovan announces that he will send in a team of seasoned housing officials "steeped in public-housing operation" to take hold of HANO, which has been battered by news of mismanagement and employee-embezzlement scams.



## 2012

"Turnaround" team headed by David Gilmore breaks logjam at Cooper and Lafitte, gets vouchers straightened out and distributed. HANO inventory includes 2,532 public-housing-level rentals and vouchers subsidizing about 17,000 families, nearly 25 percent of the city's apartments.

# HOPE VI

In 1992, Congress created what became HOPE VI to deal with severely distressed public-housing apartments, which by their count totaled 86,000 at that point. As of 2010, the U.S. Department of Housing and Urban Development had issued 262 revitalization grants totaling \$6.3 billion in nearly 150 cities.

The program's success depends on what objective it's judged upon.

Bruce Katz from the Brookings Institution and former chief of staff to HUD Secretary Henry Cisneros, calls HOPE VI "one of the most successful urban redevelopment initiatives of the past half-century" because it "reflected the bold notion that public housing needed not merely to provide affordable shelter but also to generate broader community revival and to alleviate poverty."

Part of the reason HOPE VI is considered innovative is because developers—given less stingy construction ceilings than were typical for public housing—figured out ways to leverage public and private monies to improve the quality of former public-housing sites through demolition, redesign and rebuilding.

The program was created on the heels of William Julius Wilson's analyses of the effects of concentrated urban poverty and made deconcentration of poverty a chief focus. It created mixed-income communities with the idea that these would avoid the problems that often accompany sky-high concentrations of poverty: unemployment, poor health, and high levels of violent and drug-related crime. Also, the targeted investment in high-poverty neighborhoods often created what HUD Secretary Shaun Donovan calls "islands of hope adrift in a vast sea of need."

Housing advocates have long been critical of the outcomes of HOPE VI projects on residents, however, particularly the failure to require one-for-one replacement of existing units and the lack of meaningful resident input. "As implemented, HOPE VI did not seek the empowerment of residents; its emphasis was on transforming neighborhoods, not the people who lived in them," says Sheila Crowley of the National Low-Income Housing Coalition, noting that for years there was "an astonishing lack of data" about how residents fared.

Some of the most comprehensive research about residents has been done by the Urban Institute, which has studied some HOPE VI residents since 2001 and found that most have ended up in safer,

less-poor communities. Principal researcher Susan Popkin has said that she and her team "were all surprised at how positive the findings were. They are much safer. They are lower poverty."

Given the way traditional public housing had been maintained across the nation, it was no surprise to find that housing quality had drastically improved, Popkin noted in an Urban Institute online interview. But researchers hadn't anticipated another finding: that one-quarter of the sample was now living in low-poverty neighborhoods.

On the other hand, employment and self-sufficiency had not improved. And those residents receiving Section 8 housing vouchers still lived in worse housing than other poor African-American, central-city renters. Popkin also found it "staggering" to see how many former residents were in extremely poor physical and mental health, factors that also did not improve. Residents with vouchers also had a harder time making ends meet, researchers found. As a result, people reported having trouble keeping up with rent, utilities, and groceries. The Urban Institute research also zeroed in on the "hard to house," a subgroup of residents with complicated needs and problems, who make up between 37 and 72 percent of the studied HOPE VI sites and for whom, Crowley said, "HOPE VI, as designed, is unlikely to help."

Some developers have begun to respond to these concerns by getting additional private grants to hire caseworkers and link residents with services.

Of the four developments demolished post-Katrina in New Orleans, only one—C.J. Peete—received a HOPE VI grant; the rest are considered "HOPE VI-like" redevelopments. Of its HOPE VI grants, HUD allows 15 percent, \$3 million in the case of Peete, to go toward programming and services.

The new Choice Neighborhoods Initiative attempts to build on HOPE VI's successes and address its shortcomings by involving residents in implementation at all stages, tracking resident outcomes and supports, bolstering early childhood education, collaborating with schools and expanding investment into the surrounding neighborhood. In fall 2011, HUD issued one of the initiative's first grants to the Iberville housing development, New Orleans's last traditional complex.

**In 2006, McCormack Baron Salazar undertook the HOPE VI–financed redevelopment of the former Dixie Homes in Memphis (l), now called Legends Place (r).**





Photo © JoLu Productions Inc.

**Though many resident activists, such as Endesha Juakali (l), opposed demolition of the Big Four in tense, heated hearings and meetings with officials such as Donald Babers, former chairman, HANO (r), C.J. Peete leaders eventually spoke cautiously in its favor.**



Photo © JoLu Productions Inc.

In December 2007, there was a tense atmosphere inside the City Council chambers as the council voted unanimously to demolish the four complexes. Outside, mounted police and officers in riot gear surrounded large crowds that included hundreds of protestors who drove and bused into New Orleans from across the nation. Inside, officers used pepper spray and Taser stun guns on several vocal protestors. New Orleans was again on the national news.

Some C.J. Peete residents were on the list of speakers, but they all spoke in support of the revitalization. For her part, Marshall had decided “they had to trust somebody” and so she spoke in favor of demolition in what turned into a six-hour meeting.

“I can understand where the anger has come from,” she said. “But we must begin to heal. It’s time to rebuild the city of New Orleans. Residents want to come home.”

“I am for demolition,” Marshall told the council. “We are—as resident leaders of C.J. Peete.”

But privately, Marshall was still wary, because she had to answer to her residents. “I was like, ‘Lord God, let these people be for real,’ because that’s my butt on the line,” she says.

### **Getting to an Understanding**

In early 2008, shortly after the demolition vote, the mayor of New Orleans asked developers to sign memoranda of understanding with resident leaders of each of the four complexes. This included having to agree on topics such as rules of tenancy.

At Peete, Urban Strategies staff showed resident leaders their default tenant rules and asked if anything seemed unfair.

To start, Marshall and other leaders said the developers’ preference for residents sitting on back balconies or in back yards wouldn’t fly. They saw front-porch sitting as both a tradition and a crime-prevention measure that provided eyes on the street. “If I’m paying rent, whether I’m getting a subsidy from the government or paying market rent, you’re not going to tell me I can’t sit on my porch,” said Marshall. She agreed to encourage residents to sit elsewhere, but declined to “take that choice” from them.

“This is New Orleans,” she says. “We are known for sitting on porches. That’s our culture.”

Residents also prevailed on work requirements. They agreed to give first preference to those who had a job, but declined to require work for tenants, since many would just be moving home and wouldn’t have a steady job yet. They agreed to criminal-record checks with a bar against those with a record of serious drug or violent crimes. Residents also didn’t have a problem with a standard housing-

authority screening device—housekeeping checks for potential tenants—because they thought it practical, Marshall says. Unlike other redevelopments, which had sky-high market-rate rentals, Peete residents also asked for market-rate unit rents closer to the low-income housing tax-credit rents, so that tenants could more easily jump up a tier if their income increased. That request wasn’t a problem for McCormack Baron, which structures all of its developments that way, says Shin. “They’re committed to affordable housing.”

While these negotiations typically would have been conducted by a senior project person,

in New Orleans, Moore stepped into the role. The negotiations extended for months because the resident leaders and their legal-aid lawyer had detailed,

in-depth questions about how all aspects of the development would work and what the role of the resident council would be in its new environment. “The residents were good leaders, good stewards, smart and they had good counsel,” Moore says. “So the negotiations went on and on.”

***The negotiations extended for months because the resident leaders and their legal-aid lawyers had detailed, in-depth questions about how all aspects of the development would work.***

The two parties butted heads on two provisions: that the developers provide job training for Peete residents and that the developers not demolish the existing community center—which residents had gotten in the first place only after a fight—but instead allow residents to manage it. The standoff on these two items dragged on, creating a high stack of drafted MOUs.

While Urban Strategies typically manages its own sites, Marshall felt like the residents’ council had “sweat equity” from managing the center’s past day-to-day operations. “We were here before they came here and will be here when they’re gone,” she says.

Moore says that the management of the community center was a sticking point because the center was part of the real-estate deal. “The investors wanted to make sure that all of the real estate, the center included, was properly managed to the standard of any private rental development that they might invest in.” Those investors had concerns about the residents’ ability to manage the building, Moore says. “There was worry that the public-housing residents, returning from the trauma of the hurricane and then taking on management of the center on their own, would not meet the standards or expectations needed. [So] Urban was drafted to manage the center.”

In the end, residents agreed that Urban could be the manager of the center but would have the responsibility to train resident leaders to

**Affordable for-sale homes developed in the surrounding neighborhood, like the one pictured on the next page, included bricks from the old C.J. Peete development in their steps and porches.**



months,” Marshall says. Moore hadn’t experienced negotiations like this in other cities.

At one point, the mayor asked Marshall why it was taking so long. “And I spoke to the man myself,” Marshall recalls. “I said, ‘Because I’m not signing anything till all parties are satisfied.’”

At the groundbreaking the following January, nearly every speaker emphasized the residents’ involvement.

At Peete, said Mayor Ray Nagin, “residents are part of the development team.” Resident leader Patricia Franklin told a reporter she agreed with that assessment. “We express ourselves—we speak out,” she said.

### **Demolition**

As soon as HUD got the City Council greenlight in December 2007 to demolish the four complexes, they instructed contractors to work quickly, mowing down bricks as fast as they could, because they feared that a lawsuit might stop work again. Sam Bailey, a subcontractor for the Peete demolition, usually demolishes an area and then cleans it, hauling out all debris, before he moves to another area. He was instructed by the demolition’s general contractor, Dalrymple Corp. of Atlanta, not to clean until all the bricks were down, he said.

Bailey had become a hero of sorts in some of the flooded neighborhoods, where neighbors recommended him as the most reliable demolition company they knew. But he’d grown up in public housing, so he was proud to see backhoes bearing his company’s name begin work at the Peete. “It meant a lot to me,” he said.

But in July, in yet another hurdle for McCormack Baron, Bailey was forced to pull his crews off the site, even though he was 98 percent finished with the work. He’d only been paid about half of what he was owed, leaving more than \$700,000 outstanding.

Bailey filed suit and so did three other demolition subcontractors, who said that they also hadn’t been paid by Dalrymple. Dalrymple ended up defaulting on the job and the surety company that had guaranteed his work took over, causing a delay in an already-tight timeline.

### **Closing the Deal**

In January 2009, new HUD Secretary Steve Preston flew into New Orleans for C.J. Peete’s groundbreaking. He wielded a golden shovel alongside five Peete residents for what he and others called “the new C.J. Peete Community.” (Eventually, the name was changed to

manage it over a 7- to 10-year time span. When hiring staff for the center, Urban also agreed to give first option to former residents, Moore says.

Marshall and other resident-council leaders were also adamant that Urban Strategies commit to real job-training programs. Urban Strategies does that on every site it works on, says Shin, but the holdup was more about—once again—trust.

“There wasn’t actually anything about the job piece that we disagreed on,” Shin says. “But the council was emphatic on that point and I think feared that we would not make good on our commitment, so they wanted to see it written in black and white.” The council rolled up its sleeves and made sure it was done the way they’d hoped, Shin says, by actively shaping the development’s first construction-training class and pushing the development’s Section 3 coordinator to press the general contractor and subs for more hiring.

Moore says that resident leaders like Jocquelyn Marshall also wanted residents to provide the training. Moore recalls the stories residents told about “so-called ‘experts’ who came into the community and used lots of public and philanthropic resources to allegedly train or ready residents for work. At the end of the day, there was no work for the residents, the experts were gone, and the money was gone.”

The two parties went “round and round” about this point, Moore says. After much wrangling, they agreed that residents would have the first opportunity to show that they could provide “best in class” training. “If residents had the best program, we agreed to hire them,” Moore said. “If not, we all agreed to find the very best provider.”

At the other three complexes, resident leaders signed short, boilerplate MOUs in a few weeks. Not at Peete. “We took over eight

## Bricks into Homes

As backhoes tore through 50-year-old buildings at C.J. Peete in 2008, crews saved some of the jumbo-sized St. Joe bricks to be used in 50 single-family homes built in the surrounding Central City neighborhood as part of the site's redevelopment.

Salvaging the bricks was the brainchild of Peete's development team, Central City Partners, a collaboration between McCormack Baron Salazar, KAI Design Build and New Orleans Neighborhood Development Collaborative. NONDC, now renamed Harmony Neighborhood Development, was put in charge of off-site, for-sale homes. The developers liked the symbolism of incorporating some of the old bricks, which represented sturdiness and solidity to many, in the new houses planned for construction both within the complex and nearby.

As she stood by one of the first for-sale homes built under the program, Harmony Oaks resident-council president Jocquelyn Marshall sighed as she ran her hand across a set of front steps created out of the St. Joe bricks. "It really does mean a lot," she said. "It's like preserving a part of you." The distinctive red bricks remind her of those who lived within them, "neighbors you could go to for anything, the people sitting on porches."

In the years following Hurricane Katrina, Harmony Neighborhood Development, which is rooted in Central City, was responsible for the for-sale residences and also was a key on-the-ground partner for McCormack Baron and Urban Strategies, working with them to create better recreation, education, and safety for Harmony Oaks residents.

Most of the \$20 million HOPE VI grant awarded to the complex went to Harmony Neighborhood Development to construct the 50 homes, which were built in traditional New Orleans styles and sold to low-income families. In theory, the developers hoped that off-site housing could also increase the number of places available to returning Peete tenants. And since each home could be occupied as soon as its construction was finished, the homes might also bring back residents earlier, before the entire Harmony Oaks site was complete.

First Harmony acquired the lots. After identifying potential blighted and vacant properties within the nearby neighborhood, they went through a complex process to get the titles. That process involved two government agencies, one run by the state and the other by the city, which typically had to find the owners or the owners' descendants and go through legal proceedings to acquire them, a process that could take months or even a year to complete.

Some Peete residents had visions of buying one of the homes and worked with their caseworkers in an attempt to clear the bad credit that is common in low-income communities. But in the end, none made it all the way through the process.

Still, all the homes were all sold to low-income residents of Central City. "If we can create homebuyers who are very much a part of a neighborhood and good neighbors and are insisting on good neighborhood behavior by the people surrounding them, then we're going to build a much stronger neighborhood," says Harmony Neighborhood Development head Una Anderson.

Harmony Oaks. But at this point, they had decided to keep the name basically the same.)

HUD had hoped to break ground before the end of 2008 on all four of the demolished complexes but was able to complete only one, at the St. Bernard complex in the Gentilly area. It took longer to close on the financial deals, because of the collapse of the tax-credit market during the economic downturn.

Peete had lost a key investor, AIG Sun-America Affordable Housing Partners, a subsidiary of the floundering insurance giant AIG, which was targeted in the 2008 Federal Reserve bailout. "It was a very difficult process," recalls project manager Yusef Freeman. McCormack Baron had worked extensively with AIG Sun-America in the past, and when it went down, "we found ourselves without an investor and a lender for what was probably one of the largest—if not the largest—tax-credit allocations in the history of the tax-credit program nationally."

It was Freeman's first deal, though he had senior staff working with him all the way. He took his cues from his colleagues and didn't panic. "I mean, the folks here have been in the business for decades," he said. "And I've never seen them panic or go into disaster mode or anything like that." Instead the discussion was focused on the next step. Freeman and his colleagues met with different financial institutions, providing numbers and proposals.

For Peete, McCormack Baron needed "a big chunk of equity"—\$56 million. And they found it from New York investment bank Goldman Sachs, which stepped in and pledged \$56 million in tax-credit equity through the Gulf Opportunity Zone (GO-ZONE) tax-credit program. But this was the very first direct housing equity investment that Goldman Sachs had done, Freeman says. So getting them up to speed "on what these transactions looked like" took some time, though the staff at Goldman Sachs was determined to move to a speedy closing so that work could begin on the \$172 million on-site construction. "We were able to push forward," Freeman says.

### Planning the New Community—And Its Park

During the planning charrettes, it was clear that residents wanted improvements made not only to the site but to the adjacent A.L. Davis Park, a longtime gathering spot for Mardi Gras Indian tribes and neighbors.

"We wanted the park," Marshall says. "We wanted our state-of-the-art school, which is in the making. We wanted a community that's free of crime, where kids can play—we don't have to worry about letting our kids go outside. We wanted



**Pictures below: (top) The mascot of the Hornets greeting children at the dedication of a new basketball court supported by the Hornets-funded George Shinn Foundation. (bottom) Debbie Holmes, resident leader; Chris Paul, player for the Hornets; and Esther Shin, vice president of Urban Strategies at the court.**



**Carter G. Woodson School**

a clubhouse where there was social networking among residents—public housing residents, tax-credit residents, and market-rate tenants. We wanted a swimming pool where we can go out and leisurely take a swim, and we wanted a fitness facility to keep in shape. And [now] we have all that.”

Residents say that they still have to travel too far to shop for groceries and other basic items. Retail developments have also been planned nearby but fell behind during the nation’s financial crisis.

Residents may have been most passionate early on about the park, because there had been enough shootings and drug activity in the park that many parents, including Marshall, didn’t let their children play there. During a summer early in the construction phase, Marshall and Peete representatives met with people from the local NBA team, the Hornets. The vice president asked which public-housing site they hailed from. When they described the location, he said that the George Shinn Foundation, founded by the team’s owner, along with Chris Paul, a Hornets star player, had wanted to invest in A.L. Davis Park but had run into too much red tape.

Marshall saw an opportunity. She said, “You need to get Chris Paul on the phone and tell him he needs to put that plan on the table.” He hemmed and hawed, but she said that she wouldn’t leave his office until he made the call. “So he called,” Marshall said. And Chris Paul said that he would put the plan back on the table and invest about \$70,000

if the resident council could come up with at least \$60,000.

“So I called the vice-president of Urban Strategies, Esther Shin, and I told them we need \$60,000,” Marshall recounts. “She said, ‘For what?’” And Marshall explained and said that the partnership is “just what the community needs.” Shin promised to call back in the morning and so Marshall told the Hornets VP that she’d get back to him then.

Shin recalls how Marshall called her that day and said, “I have to have this park.” So she called some of her strong set of funding partners—including the Casey, Kellogg, and Surdna foundations—and explained that the Hornets were willing to kick in 50 percent. “We were able to find dollars pretty quickly,” Shin says.

The next morning, Marshall called the vice president. “He said, ‘What, you all couldn’t come up with the money?’ I said, ‘Quite the contrary. We have it and we want to move forward.’”

Today, near the corner of Washington Avenue and LaSalle Street, where the park is located, there’s a state-of-the-art basketball court painted in Hornets colors, courtesy of Chris Paul, Jocquelyn Marshall’s persistence, and Urban Strategies’ ability to tap into grant money virtually overnight.

### Schools

Urban Strategies typically links K-8 education with every development. “It’s incredibly critical to us to get an elementary school built with the development and to do everything we can to partner with that school, to raise money for that school and to have it be an outstanding school for residents in the development,” says Linda Pompa. Typically, Pompa said, they partner with the city school district and work with the neighborhood school near the development. But that strategy was complicated by unusual factors in New Orleans. The city’s school district was taken over by the state and largely reconfigured after Katrina; it’s now more than 80 percent charter schools, more than anywhere else in the country.

Plus, floodwaters and hurricane-force winds had ruined many of the district’s buildings, including Thomy Lafon Elementary School, which sat smack in the middle of the C.J. Peete site. Harmony Oaks had a school in a prime location, but it needed to be demolished and its governance was unclear.

The site also proved unusable for a new school. Archaeologists who monitored Lafon’s site before demolition found that the building sat on top of a Civil War-era paupers cemetery called Locust Grove. Louisiana law bars new construction on historic cemetery sites.

The Lafon building in the middle of the Harmony Oaks site was carefully demolished so that in-ground remains wouldn’t be disturbed, in an 18-month process monitored by archaeologists. In its place is beautiful greenspace with a memorial, a use allowed by state cemetery laws.

Because of Lafon’s problems, Urban Strategies shifted its focus to another Katrina-damaged school building across the street, which had been Carter G. Woodson Middle School before the storm but was, like Lafon, shuttered afterward. Luckily, Sandra Moore said, Urban had arrived in New Orleans at “just the right time,” as school-construction plans and charter considerations and expansions were being considered across town.

“The whole public schools deck was being shuffled,” Moore said.



***It seemed like we spent more time on schools than getting the units built. But it was an opportunity we couldn't let slip by.***

Urban brought residents to St. Louis, took them through a model school at a previous McCormack Baron development and talked about school memories with residents, who crafted a vision. Based on that vision, residents selected the charter operator KIPP, which had a good reputation at another Central City site.

Over the next few years, Moore and Pompa attended hundreds of hours of meetings about schools with residents, neighbors, KIPP leaders, and officials from the state of Louisiana and the Recovery School District, the state entity that took over most Orleans schools after Katrina.

At the top of the to-do list was figuring out the proper direction for Woodson, including which charter operator could run the nearby school, when it could be built, what it should look like and what programs the new building should include. Residents helped to design the new building through charrettes—design exercises that became commonplace in New Orleans rebuilding. Typically, neighbors placed dots on maps and participated in visioning exercises to guide public design projects.

“It was relentless,” Moore recalled. “Our job really was to stay at the table, to be present at every meeting, and to make sure residents knew about every meeting.” Residents lobbied, and Moore and Pompa worked with school capital-project and development people. “It seemed like we spent more time on schools than getting the units built,” Moore said. “But it was an opportunity we couldn't let slip by.”

Compared with schools linked to other Urban Strategies-managed properties, Harmony Oaks fared better, Moore said. “The community here got a lot more that it wanted. A lot more than we normally get.”

The new Woodson school opened in fall 2012 and it serves an unusual grade spectrum—grades 5 through 8. It's run by the national KIPP charter network as part of its already-established Central City campus, which also includes a partner neighborhood school teaching students enrolled in pre-K through fourth grades.

Within the new building is a “health suite” that focuses on students' essential medical and mental-health needs with a staff that includes a nurse and a social worker.

If she had a chance to re-do the health-suite planning, Moore said that she would stray from Urban's typical trajectory of “working with residents first and then moving out.” Instead,

she might have chosen a strong local health partner first, one that knew the nuances and concerns of the Central City community.

Also, Urban thought they would shape the healthcare offerings based on parental feedback. But when Urban polled parents, they were met with certain medical-care perceptions, such as “one time a year, that's it,” and “get the children's shots and that's it.” So when Urban raised the idea of healthcare at school, many asked, “For what?”

In the end, KIPP leaders were the most helpful in identifying the health needs of their Central City students. “We didn't expect that,” she said. But that's

how Urban Strategies landed on the healthcare configuration the school has now.

Throughout the city, public-school parents have had great difficulties negotiating the charter-school process and there was some speculation that it might be difficult for Harmony Oaks

families to get their children into the new, nearby school. But Harmony Oaks works closely with the school's staff, which includes a principal who serves as secretary of the Harmony Oaks governing board and lives in an off-site Harmony Homes house that was built as part of the Harmony Oaks redevelopment. “That's the tightest housing-school link we have in the country,” Moore said.

Having a principal of the school involved with Harmony Oaks means that “she governs for her community,” Moore said. “It's an opportunity for children to see a complete community with a school at the heart of it.”

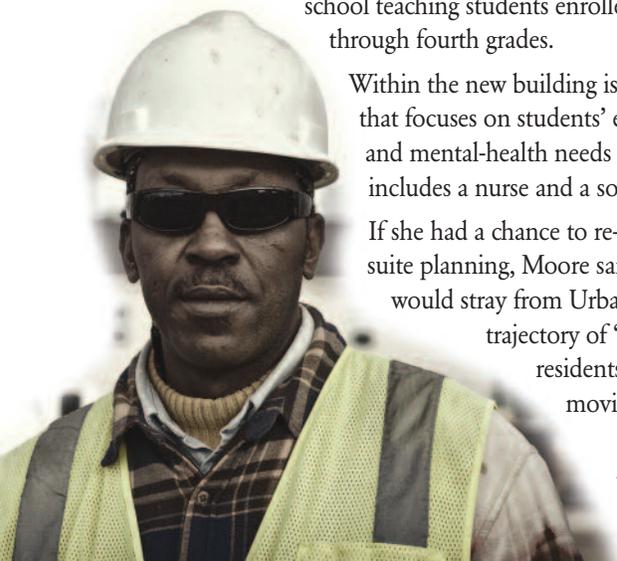
### **Jobs and Literacy**

Jeanetta Smith, 48, choked up as she watched Mark Smith, her 26-year-old son, graduate from Harmony Oaks' first construction-training class in 2009. “He's trying to succeed,” she said, tearfully, explaining that her son had been through his shares of ups and downs and that the lack of good jobs in New Orleans was always a particular frustration for him.

But once he started the class that had taught him carpentry, plumbing, and electrical work, he loved it, she said. She believed it might have saved his life.

***Jeanetta Smith, 48, choked up as she watched Mark Smith, her 26-year-old son, graduate from Harmony Oaks' first construction-training class in 2009.***

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**Advocacy to get residents hired for construction jobs at Harmony Oaks led to citywide attention on Section 3 enforcement.**

***Shin says that they were eventually able to improve some residents' literacy by creating effective partnerships that have opened up satellite locations at the Harmony Oaks Community Center. "But I wish we had been able to begin this work earlier."***



Photo © Cheryl Gerber

His older sister, Nicole Smith, 29, said that she too was proud of her brother's dedication to his courses, which would lead to a better life. "Now he won't be another statistic," she said, echoing her mother's sentiments.

Other participants too felt like their lives had changed, in both small and sweeping ways. "I didn't know how to hold a hammer. Now I can drive a nail like a pro," said Felicia Meyers, who worked as a cook and keypunch operator up until her graduation. Grace Bailey, who missed only a half-day of the 12-week, five-day-a-week Home Builders Institute pre-apprenticeship class, read a poem about tough financial straits she'd endured. She believed those dire times were now at an end because of the skills she'd learned, she said.

Most of the students had grown up in Harmony Oaks or in the surrounding Central City area and wanted to be part of rebuilding the site, they said. And in the end, 29 graduates were among those who actually built the new Harmony Oaks, because they were hired by contractors on the site (though some worked for only a few days, since each new low-income hire counts as one Section 3 hire, whether they worked one or 30 days).

The construction program's first graduating class included seven women, who came out in incredibly high numbers compared to the industry averages, which makes sense, since, as a general rule, the developments where Urban Strategies works are generally dominated by female heads of households. But while the women came out in higher numbers for the class than Urban had seen elsewhere, women didn't stick around in higher numbers once the work began on the site, likely due to the work atmosphere in the still-sexist industry, Shin and Moore say.

But in the end, Urban Strategies was "incredibly proud" of the workforce program they built in New Orleans, said Shin, noting that "it's not something we do everywhere." In New Orleans, they built a program with extremely strong partners including HANO, Job1 (New Orleans's Workforce Investment Act agency), the Home Builders Institute (the workforce-development arm of the National Association of Home Builders) and literacy partners like Lindy Boggs National Center for Community Literacy, YMCA Educational Services (YES!), and the Youth Empowerment Project. When Urban tried something that didn't work, they were able to work together with their partners and find solutions.

They underestimated a few challenges off the bat, though, including the severity of the literacy problem. As workforce specialists began to work with potential students who were eager to see change in their own lives, the specialists realized that not everyone could manage the reading skills necessary for the class.

Further assessments showed that the average literacy of Harmony Oaks residents was far lower than Urban Strategies has found in its previous work. The firm's literacy partners reported that the "vast majority" of Harmony Oaks clients they work with are functioning below a sixth-grade reading level.

However, residents feel stigmatized being referred to a "literacy" program. So Urban Strategies caseworkers learned to refer to the program more generically as "GED classes" or "helping your kids with homework."

Shin says that they were eventually able to improve some residents' literacy by creating effective partnerships that have opened up satellite locations at the Harmony Oaks Community Center. "But I wish we had been able to begin this work earlier," she said.

The most formidable problem they faced was getting low-income, Section 3-eligible graduates hired on the Peete worksite—that "was one of the greatest challenges" they faced in all their New Orleans work, Shin says.

"The reality is, we entered a city that had not enforced Section 3 for many, many years," says Shin. So even though Section 3 mandates that any new jobs must go to a public-housing resident or equally poor resident, if they are qualified for the job, Urban Strategies' advocacy for hiring its newly trained workers was challenged by many of its subcontractors as well as its general contractor.

Part of the problem was the timeline, in particular the delays caused by the national financial crisis and by the job's tax-credit investor, AIG, going out of business. Urban Strategies put people through a training program, but because of delays on the site, they were sitting around waiting for jobs on a construction site that wasn't going to start for two or three more months, Shin says.

Those unfamiliar with Section 3 believe that they have to hire people who are unqualified or that they will have to jump through a hundred hoops, Shin says. "So we tried not to bring out the hammer as much as possible," she said. "We'd say, 'If you have a job opening, you have to go to Bridgette, our construction coordinator, first.' And we'd try the carrot, 'Why would you have to go looking? We've got a great pool of trained residents.'"

But sometimes, the carrot alone wasn't enough. "Going to that construction trailer, there were some tense meetings," Shin says.

Because of its pushing, Urban Strategies made a citywide splash with its construction-training classes and advocacy for Section 3 hires on the Harmony Oaks site and other local construction jobs. Two years later, when the long-stalled B.W. Cooper began construction, its residents seized on Harmony Oaks's experience and demanded to be



Photo © Cheryl Gerber

hired, with the support of the new turnaround team at the Housing Authority of New Orleans, which delayed payments to the general contractor until the company met its Section 3 obligations.

### Residents Returning

When the Peete complex was rebuilt, its design fell in line with current “mixed-income” layouts seen nationwide: smaller, semi-private spaces with—as residents had requested—tot-lots scattered throughout the complex where young children could play while their parents watch from the backyard or their apartment windows.

The residents also asked for play spaces in their backyards and they got them. They also got their clubhouse and pool.

But another barrier potentially stood in the way of success: the complex’s name.

Shin said that residents were split pretty evenly about the name. One half wanted to pay homage to the original site and call it Magnolia, she said. Another half wanted a new name because they didn’t want new renters to associate the new site with the high crime and other negatives that came with the name Magnolia.

“It came down to marketing,” Shin said. Development and management people told residents that the name Magnolia would be a marketing issue for them. The word “oaks” kept cropping up in proposed names, because of the large live-oak trees on and around the site, Shin said. But a resident renaming committee came up with three names, all based upon the name Washington, for Washington Street, which borders the complex. As Shin recalls, the three names were Washington Square, Washington Park, and Washington Heights.

The committee submitted their ideas to the investors’ marketing people, who rejected the proposals. The new name would be “Harmony Oaks,” they told Shin.

Shin’s heart sank. The word Harmony hadn’t been raised at all by residents and yet she was going to have to stand in front of a group of residents and tell them the new name had been chosen. “It was a terrible moment,” she says. “People want to forget how it happened.” But Shin remembers. “I was screamed at a lot,” she says.

But she had to swallow hard and accept it, because it came from the investors. She said that, luckily, the naming process happened shortly after the groundbreaking, so “it wasn’t a proper place yet.” As a result, she believes that people have gradually come to accept the name Harmony Oaks, despite its undemocratic roots.

Perhaps, the investors had hoped, the name change contributed to the outpouring of interest. But more likely it was that Peete was offering apartments for modest rents when there was an extreme shortage of such apartments in the city. Whichever it was, thousands of people—not just former public housing residents, but a diverse mix of New Orleanians, including staff from nearby Ochsner and Touro hospitals—filled out cards expressing interest in a Harmony Oaks apartment.

Urban’s case management model is about eliminating barriers to return, so they worked closely with former residents to help them figure out next steps, Shin says.

Marshall recalls one important conversation about barriers to return. By then, she was an employee of Urban, which hired her and Holmes in August 2008. So she sat down with resident leaders and Urban





Photos second from left & far right: © Cheryl Gerber

staff and they made a list of potential barriers for residents returning to the site.

Since anyone with a criminal background would face a barrier, they decided to help facilitate expungements for those who had convictions that were old or minor. Since they were giving preference to working tenants, they needed to assist them in finding employment and give them a grace period to find jobs.

And they needed to address relocation expenses, because if residents didn't have the money necessary to move from Texas or wherever they were, that would be a barrier to return. The HANO receiver at the time, Karen Cato-Turner, refused to allow relocation assistance for returning tenants. But Marshall refused to give up on the issue.

In late 2009, when HUD—disgusted by HANO's perennially poor performance—sent in an unprecedented federal “takeover team,” led by public-housing veteran David Gilmore, Marshall saw her chance.

She spoke at Gilmore's first board meeting. “My question was, ‘Why? Why wouldn't you pay for relocation assistance for families that were involuntarily displaced from your sites when they want to come back home?’” she says. She believed that HANO's refusal violated the Uniform Relocation Act, she said.

Gilmore said, “That's true” and approved relocation assistance for all four sites.

But even with all the barriers removed, only about 15 percent of households in the new complex are former Peete residents. This also represents a 15 percent rate of return of the original residents.

About half of those are from the 1998 relocation and half came from the 99 Katrina-displaced households.

Holmes has mixed feelings about that. She harkens back to her pre-Katrina life, which—while not perfect—was familiar. Before Katrina, she felt like

part of a community, she says, where, for instance, her neighbor knew that Holmes worked two jobs and that so her teenager was in their apartment alone afterschool. “For me, it was the relationships I had with residents here. I don't think we have that right now. The community we had, it's not here.”

Still, the new development's architecture is nice and neat, Holmes said, and she believes the developers “met their obligations like they said they were going to do.” Parents are no longer worried about their children playing outside. And many elderly residents really love the new place, she said.

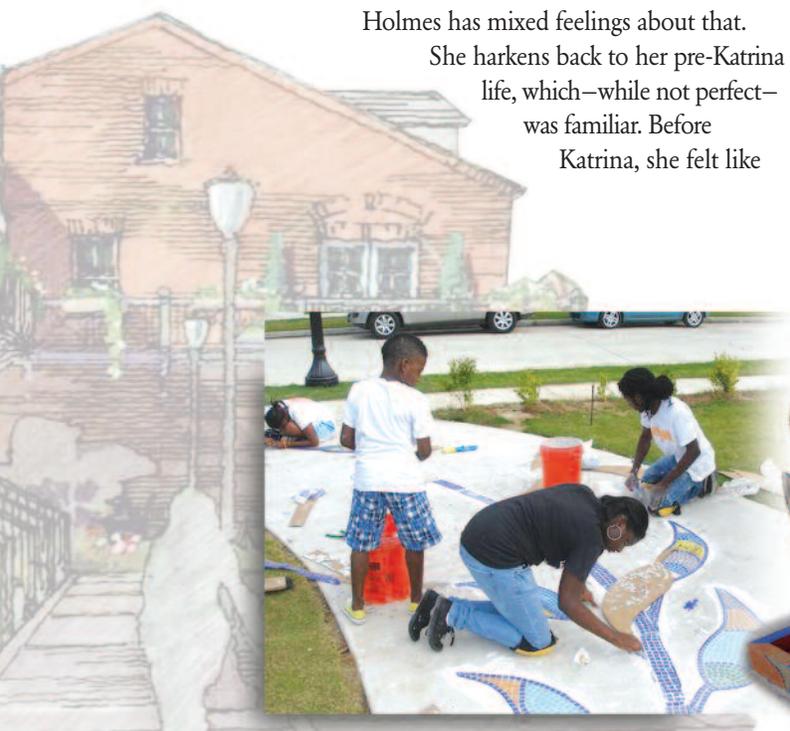
But, to Holmes, the community seems unfamiliar, since public housing apartments make up only 40 percent of the new total, so the complex was made up mostly of newcomers who rented the tax-credit and market-rate apartments. And more than half of the public-housing apartments have been rented by newcomers as well. Unlike Peete's original residents, many newcomers seem to be young and single, Holmes said, making them less likely to participate in community events. “We're all living back here together, but yet we're still not interacting with each other,” she said.

(Both Marshall and Holmes live in market-rate apartments in Harmony Oaks, thanks to their income from their jobs at Urban and the more reasonable rents for the market-rate apartments that they helped to set during the negotiations with Moore.)

Opinions differ on how the return process is going. Though Shin says that the pace of return at Peete seems faster than at other sites, Holmes speculates that the pace of return may be slower because some displaced people want to return but are waiting. She can give a few examples off the top of her head. The woman in Kentwood, La., who isn't coming back until her child is finished with college out of town. The lady in Sacramento, Calif., who just went through chemotherapy. Both are adamant about returning—at some point in the future.

Then sometimes, Holmes said, returns may be based on something as simple as timing. For instance, recently they had two-bedroom apartments open, she said. “But all the people on my list who were interested in two-bedrooms, nobody seems to be interested now. So what's going to happen is, when those two-bedrooms get full, that's when they're going to call me. That's how it usually works.”

Shin says that they have found that, in the South, families that receive a housing choice voucher are less likely to return to the redevelopment than families in other regions of the country. In cities like St. Louis and Pittsburgh, they have found that the rates of return are higher, about 25 to 30 percent. At Peete,



**Still, the new development's architecture is nice and neat, Holmes said, and she believes the developers "met their obligations like they said they were going to do." Parents are no longer worried about their children playing outside.**

priority one families did return at that higher level (even higher actually, at over 35 percent), likely because they had stronger ties to the complex than families that had been away for a decade.

"The whole voucher issue is big for us," Shin says. Families that wanted to keep their voucher but move into the new development could move into a tax-credit unit. But to move into a public-housing unit families would have to give up their vouchers, according to HUD policy.

Some families also chose not to return because their children were in better schools and they had better jobs and lived in better neighborhoods, Shin says. In what she calls "a powerful indicator of success for families," Shin notes that their data shows that former Peete households are, on average, earning more and living in safer neighborhoods than they were.

Urban Strategies senior project manager Linda Pompa says that, in her opinion, getting *everyone* to return seems like less of a "self-sufficiency model" and one that's more "paternalistic." If the goal of caseworkers is only to boost return numbers, "they're not going to necessarily counsel people about other options, like becoming a homeowner without their voucher, or getting a better job or moving to a different school district so your kid can be in a better school. If their goal is to make that [return] number as high as possible, then that becomes their priority," she says.

Marshall believes that the neighborhood will eventually become a community and that she sees movement in that direction. They're getting ready for Carter G. Woodson school, which will open soon across the street from the site. They've started a Youth Council, to see what resources they should create for older kids, who say that they don't have anywhere to gather. McCormack Baron even purchased two water slides to help keep the complex's children occupied during the summer.

Recently, the resident council amended its bylaws to become Harmony Oaks Neighborhood Association, a group that includes everyone who lives at the development. They've begun a Neighborhood Watch. Urban also continues to host community-

engagement meetings and plan regular activities that include a well-attended weekly Bingo game, holiday parties, back-to-school parties, and health fairs.

All of these activities are implemented intentionally "to create a sense of community and shared goals among original and newer residents," Shin says, noting that while she and other Urban staffers understand that some original residents "miss their friends and the camaraderie that existed," she also sees new residents who are also enthusiastic about volunteering and meeting their neighbors "to create a new community."

Marshall, a New Orleans Saints fan, compared the redevelopment's success with the Saints, one-time losers that came back to win the Super Bowl. That win came in January 2010, just as Marshall was helping to cut the ribbon at the new Chris Paul basketball court and welcoming the first families back to Harmony Oaks. "It couldn't have happened at a better time," she said, noting that the achievements helped her realize that anything is possible. "You set your mind to it, you believe, and it will happen," she said.

### **Coda: Neighbors**

Kim Adams-Hall, 50, lived in the Magnolia since she was born, in 1962. Her grandmother was the first tenant who moved into her apartment and raised three generations there. She and Debbie Holmes went to Thomy Lafon school together and lived a few courts apart.

Adams-Hall was happy about her community and where she lived. "I had a nice apartment. I loved it to death," Adams-Hall says. "But I really like it now. I hate to say it, but I do. Because I was one of those who was opposed to tearing it down."

A group of the new tenants are from her church. They particularly love the complex's 24-hour security, which Peete didn't have before. "They love it because of the security. The cleanliness. It's a beautiful place to live." Adams-Hall is a block captain on her



# C.J. Peete to Harmony Oaks: The Numbers

## 510 total new housing units:

- 50 off-site, for-sale homes
- 460 apartments:
  - 193 public housing
  - 144 low-income housing tax-credit (can use a housing choice voucher to pay rent)
  - 123 “market-rate” (but rents set at affordable levels)

## Construction total cost \$172.3 million:

- \$66.9 million from the Housing Authority of New Orleans
- \$56 million in tax-credit equity from investor Goldman Sachs
- \$27 million from Louisiana Community Development Block Grants
- \$16.2 million from HUD HOPE VI grant
- \$4.3 million in foundation and private money
- \$1.9 million in bonds

## Services and programming:

- 377 located households; 258 on caseload
- \$42 million (more than \$111,000 per located resident):
  - more than \$26.6 million in grants
  - in-kind services worth \$15 million

## Key grants:

- \$19 million from the Recovery School District and FEMA to open Carter G. Woodson School across the street from Harmony Oaks
- Nearly \$3 million (\$2,950,000) from HUD HOPE VI grant
- \$1 million from U.S. Department of Health and Human Services, for capacity building support to local nonprofit organizations
- \$1.3 million from W.K. Kellogg Foundation for workforce and health-promotion programs
- \$800,000 from Kresge Foundation for the development of Lafon Park in the center of the complex along with GED, literacy, and health programs and service coordination
- More than \$750,000 from Annie E. Casey Foundation for community outreach, workforce development, service coordination and childcare
- More than \$200,000 from Baptist Community Ministries, a New Orleans nonprofit, for data systems and case management
- \$300,000 from Goldman Sachs for literacy training
- \$150,000 from the Center for the Study of Social Policy for service coordination
- \$100,000 from the Ford Foundation for outreach and community engagement
- \$40,000 from the Greater New Orleans Foundation to support the development of Woodson
- \$70,000 grant for basketball court from Hornets; matched with \$70,000 from Kellogg

block in a Neighborhood Watch group run by another former resident, who also was a passionate opponent of demolition. She goes to the community center to use the well-run computer lab and recalls the days when they used to have to fight and struggle to get working computers. They’re also offering GED classes, another new and welcome addition, she said. But she’d like to see commodity and food-shelf items distributed from the center for seniors, like they used to do in Peete.

She has one quibble. “I like to grill.” And because she’s on the second floor, she has to carry the grill all the way down to her backyard because grilling on the patios is forbidden at Harmony Oaks. “They told me it’s not safe. I’m getting used to that,” she said.

Marshall is stepping down from the presidency of the neighborhood association, she says, and Adams-Hall plans to run for the open seat. So the other day, when she saw the twins—Jennings and Williams—she asked them what could make them happy in Harmony Oaks, because right now they are unhappy. Some of what they asked about was food-related: they asked her to work on commodity distribution, because the grocery stores are so far away, and also said that being allowed to have a deep-freezer in their apartments would allow them to buy meat and other perishables on sale. They were also disappointed that the regular bingo game is on hiatus: they liked seeing everyone and winning little prizes each week. And, since the twins grew up in rural Louisiana, they’d like to be able to dig into their yards to plant a garden and use a hose to clean their sidewalks, neither of which are allowed. Adams-Hall said that she’d do what she could to help.



Photo © Shawn Escoffery

## Lessons Learned from Harmony Oaks Redevelopment

Another neighbor says privately that the twins need to move forward, that they're stuck in the past, "still looking for the Magnolia."

But Adams-Hall has nothing but affection for the duo. "I love them, those twins, they've been around a long time," she says. After all, when people ask Adams-Hall where she's living, she still says, "Back in the Magnolia ... Oh, I forgot, Harmony Oaks." To her, that's a sign that the new place feels like home.

It also feels like home—a new home, across town—to LaNesha Schexnayder, 20, who now lives in Harmony Oaks, with her two children, her mother, and younger brother. They came from downtown, the badly flooded Lower 9th Ward, after deciding that they wouldn't be able to finish reconstruction of their family home. It was a wrenching decision. "We wanted to rebuild it, because that's where we grew up. But we weren't able to do it financially," she said.

So they now reside in a four-bedroom tax-credit unit at Harmony Oaks.

The family searched carefully before moving in. "I feel like these apartments are the best ones in New Orleans," Schexnayder said, praising the townhouse design of her unit and how it came fully equipped: with a stove, microwave, dishwasher and washer-dryer. She's also been taking advantage of community-center services—repairing her credit and creating a resume that already landed her a security-guard job, she said.

Other residents seem nice, Schexnayder says. "I don't know their names," she said. "So I just refer to them as neighbor. I say, 'Good morning, neighbor. How are you doing?'"

- 1) You can do good work even in a devastated city, but you have to build an alternate set of systems until the regular systems get up and running again.
- 2) A city's social-service providers know the landscape, but if they are in crisis, you can galvanize outside resources before you hit the ground and "lead on the partnership" by providing money to the providers so that seasoned locals can get back to work.
- 3) With creative thinking – and a strong resident word-of-mouth network – you can find people scattered across the country.
- 4) Service providers can work together across state lines if everyone is working toward the same goals.
- 5) Peer counseling can ease post-traumatic stress disorder. But without high-quality mental-health interventions, it can linger on for years after a natural disaster, negatively affecting health, employment and parenting.
- 6) During tense times when rumors take hold quickly, it helps to stick to a strict meeting schedule and communicate, even over-communicate with residents, so that accurate information is what spreads.
- 7) Let people vent for weeks or months, until they can plan productively, even if that means relaxing your usual timetables.
- 8) Show residents the developments you've completed elsewhere and let them have unfettered access to those developments' tenants.
- 9) To build trust, stay in close touch with residents, provide food and beverages at any gatherings and use flexible foundation cash to pay some overdue bills, buy groceries or to hire residents to do outreach.
- 10) Be open to adjusting rules of tenancy to local traditions and expanding the role of residents in the new development.
- 11) Seize one-of-a-kind opportunities by maintaining a strong set of funding partners who can literally fill a gap overnight.
- 12) Make a list of potential barriers to return and find ways to address each one.
- 13) Understand that residents may have mixed reactions to a new complex. One neighbor may see it as peaceful and less intrusive while another may see it as dull and lacking warmth.
- 14) Determine literacy levels early and assemble early partnerships to address it, in order to better improve lives and move toward more stable employment.
- 15) When coming into a complex political environment and culture like that of New Orleans, you will have to prove yourselves. But having a deft local development partner helps you dodge bullets, navigate the landscape and put your foot in the door.







## A Note on the Role of Philanthropy

In “Investing in Harmony Oaks: The Philanthropic Role in Transforming a Low-Income Neighborhood Through Public Housing Redevelopment,” Leila Fiester examines the role that the Annie E. Casey Foundation and other philanthropies played in the development of the Harmony Oaks community and the lessons learned. These include:

One [lesson] is to make long-term investments in places and allow the work to evolve in response to emerging needs, opportunities, and resources. Long-term investments pay off by generating the human and organizational capacities needed to cultivate, lead, participate in, and manage social change as well as by producing more concrete results. But investing over the long haul requires a willingness to forgo immediate financial returns in exchange for potentially greater social results in the future. It also requires a certain agility to recognize the shifts that occur in local environments over time and to revise tactics accordingly.

A second lesson is that responsive investing and strategic risk-taking are important capacities for private foundations involved in social change. Socially responsive investments reflect a desire to achieve social change as well as financial returns; they are driven not only by fiscal strategies but by values, such as a commitment to involving residents in neighborhood changes that affect their lives. A foundation with a responsive investing strategy operates somewhere in between traditional philanthropy and venture capitalism, serving as an advocate for specific social principles among other investors and change agents. This position carries risks: The principle-based strategy may not produce the intended results, and other investors may not come on board. As the Harmony Oaks experience demonstrates, however, the responsive strategy and its inherent risks can make all the difference in achieving difficult, high-impact community changes. Moreover, private foundations may be uniquely positioned to take these risks (although not all are set up to do so).

A third lesson is about the value of flexible dollars. A relatively small amount of philanthropic investment can leverage huge amounts of public dollars when used strategically. Furthermore, foundations are uniquely positioned to give their grant recipients flexibility to use the money for purposes that cannot be anticipated and may be unconventional but are, nonetheless, essential for transforming neighborhoods.

A fourth lesson is to take a multifaceted approach that encompasses housing, human capital, commercial, and workforce development plus health services delivery and school reform. The keys here are (a) to use housing development or community redevelopment as the focal point for neighborhood-wide revitalization, and (b) to invest in the “people side” of redevelopment as well as the physical structures.

In the full report, Fiester explores the changing and key roles philanthropies can play in community revitalization and describes these and many other lessons in detail. Read the whole report: [www.nhi.org/go/HarmonyOaks](http://www.nhi.org/go/HarmonyOaks)



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