A Baseline Resilience Assessment to Support Opportunity Zone Investment: Algiers

Prepared for the City of New Orleans
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**Global Resilience Institute**

at Northeastern University

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Preface

Purpose of the Project and Report

The Global Resilience Institute’s Resilience Enhancement System (RES) is designed to provide public, private, and community stakeholders with information, insights, and analysis that can guide the development of resilience-building projects. The RES process is a multi-phase undertaking that may include any or all of three distinct deliverables: a Community Snapshot derived from publicly-available data about the communities being assessed, a Baseline Resilience Assessment informed by the Snapshot findings and robust community engagement, and a Project Resilience Enhancement Profile which can evaluate the most likely resilience impact of a project or type of project. Taken together, these products can provide a better understanding of the physical, social, and economic conditions that currently help or hinder a community’s resilience and considerations for potential investments that would seize the opportunity to bolster resilience. For New Orleans, three Baseline Resilience Assessments have been produced that examine the OpZones contained in three city-identified districts.

The purpose of the Baseline Resilience Assessment is twofold. First, the report describes the current resilience condition of a community in terms of its physical systems, social dynamics, and economic environment. It also includes an analysis of the community’s investment landscape – highlighting factors that make a community ripe for resilience-enhancing investment as well as those that may prove to be hurdles if not taken into account. The second goal of the Baseline report is to help identify holistic, horizontal resilience approaches to development that are likely opportunities for successful investments.

Evaluating Community Resilience

A Functional Expression of Resilience

Under the laws and regulations governing this federal program, opportunity zones are census tracts. The incentives provided only apply to investments made within the qualified census tract. However, no economic, social, or physical infrastructure is bound by the artificial constraints of a census tract. This means that investments in opportunity zones will have effects not only in the opportunity zone but also in the larger community within which the opportunity zone is contained. This an important and potentially powerful feature of the opportunity zone incentive. It gives community leaders an unparalleled ability to meet larger community goals using the opportunity zones as a catalyst for community improvement. For instance, jobs created by new businesses located in an opportunity zone can create the need for worker housing in the community at large, spur retail development both within and outside of the zone or cause the expansion or renewal of critical physical infrastructure. To leverage the full power of the program, leaders at all levels must understand opportunity zones in the larger context of community physical infrastructure requirements, economic development plans, and social improvement needs.

The Global Resilience Institute’s RES takes a functional approach to evaluating the needs and strengths of a community as they pertain to resilience-building. People and organizations choose to live in communities because they receive benefits and services by locating a chosen place with a functioning government, cultural attractiveness, and robust social and economic activity. The crux of a functional approach is its focus on how the community’s resilience, or lack thereof, impacts the day-to-day lives of the people who live, play, and work in it – combining quantitative data with information and perspective gained from community engagement. It is not a detailed systems or systems of systems approach. Such approaches, while critical to experts, are not how communities and their leaders and citizens plan, work and live. In day-to-day life, people are affected by the functions (i.e., services) provided by their community from energy and transportation, to arts, education and recreation. The RES approach provides an understanding of how resilience strengths and needs manifest themselves in the delivery of these services under normal conditions and suggests how changes to these functions represented by investment and development may positively or negatively affect the community’s resilience.

The RES does this by assessing three core elements of a community: its physical Infrastructure, social dynamics, and economic conditions -- examining how community function is inter-related and interdependent and how these functional connections impact one another, including key points of convergence where resilience factors are reinforcing one another -- thus identifying the largest overall opportunities for impact. The RES functional analysis also provides investors, developers, and the community with a view of the “scale” of resilience opportunities-- from those where investment affects the “human” scale to those than can only be affected by mega-investment acting on city-wide or regional scale.

Too often community/economic development has been addressed as a series of discrete issues that can be solved one at a time through entities traditionally engaged in addressing only their “slice of the pie.” In reality, resilience-building depends on identifying the areas where multiple needs converge and investing in the opportunities that those interdependencies present. Such resilience-building also requires solutions at multiple scales, from the individual/family level to regional levels and beyond. Thus, the RES functional analysis of an Opportunity Zone’s resilience describes for investors and sponsors how to take advantage of the greatest potential of Opportunity Zone investment and development by shaping their projects to align with these points of resilience convergence at each of these scales – thus benefiting the community’s resilience, reducing investor risk, and increasing resilience return.
Acknowledgements

First and foremost, the Global Resilience Institute would like to thank the people of New Orleans East, Algiers, and the Lower 9th Ward who gave their time and support to this project, and who work tirelessly to create a more vibrant and resilient New Orleans. We thank them for allowing us to learn from them. We hope that this project can play a role in informing successful resilience-building investments within their communities and that others can learn from their efforts and experiences.

The Global Resilience Institute is grateful for the extraordinary support of Mayor Cantrell and her staff throughout this project as we continue to pursue new, innovative ways to build a more resilient New Orleans. We would especially like to thank Col. Terry Ebbert (USMC, ret) and the members of the Mayor’s Tiger Team assembled to provide their time, insight, and guidance throughout the project: Joshua Cox, Chad Dyer, Ashleigh Gardere, Ramsey Green, Ellen Lee, Ryan Mast, and David Morris. In addition, our community engagement and meetings, and the insights derived from them, owe much of their success to the efforts of Norman Barnum of the New Orleans Business Alliance and Robin Barnes of GNO, Inc.

We are also grateful for the substantive contributions from the community members, City Councilors, public servants, members of non-profits, and stakeholders from the private sector who have been invaluable resources and partners. Their experiences and perspectives, generously shared over hours of interviews, meetings, and tours enabled this project to be a model for similar resilience-building endeavors in communities across the nation.

Further, this report would not have been accomplished without the dedication, wisdom, and tireless efforts provided by the Global Resilience Institute’s Founding Director, Stephen Flynn, Executive Director, Dr. Robin White; Director for Research and Innovation, Dr. Phil Anderson; Dr. John Plodinec of the Community and Regional Resilience Institute (CARRI); Distinguished Senior Fellow at the Global Resilience Institute, Warren Edwards, (MAJ GEN USA, Ret.) of the Meridian Institute; and Angie Valencia, Scott Pickens, Alexis Palmer, Christopher Grasso, Carlisle Dockery, Blair St. Onge, Laura Shrago, and Caroline Crawford of the Global Resilience Institute.

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A Baseline Resilience Assessment to Support Opportunity Zone Investment in Algiers

Executive Summary

Algiers: Past and Present
Algiers contains two of New Orleans’ 25 Opportunity Zones and is the only New Orleans neighborhood that is located on the West bank of the Mississippi River. Predominantly residential and low-density, the area has local charm and a village-like atmosphere, and includes an area designated as a local historic district: Algiers Point. Federal City, a major U.S. Naval Support Area and one of New Orleans’ largest economic development districts, is also located in Algiers. Despite Algiers’ physical location enabling it to avoid much of the flooding that frequently overwhelms much of the Parish, it has not seen the same level of investment and economic activity as in many other parts of the city. Underpinning the differences between the East and West banks of the river is the physical isolation that the river provides. Often a barrier between the residential population and their commute to the city’s downtown as well as between the city’s tourist population and Algiers’ historic sights, the river is central to the identity and condition of Algiers. Despite this separation, the area has noteworthy social capital stemming from the historic significance of Algiers Point. Further, the safety of the West bank’s shores make Algiers more of a safe haven from the wrath of hurricanes than many other parts of the city, giving Algiers a stable foundation for vitality and prosperity.

The Resilience Landscape

Physical Environment
Like much of New Orleans, resilience in the Algiers Opportunity Zones is affected by the conditions of its built environment – age and efficiency, reliability, sustainability, and access. Although resilience in much of New Orleans is affected by Mississippi River flooding, Algiers is much less vulnerable to flood damage. The river’s primary effect on Algiers is caused by the way it impedes transit to and from the central city, thereby affecting community residents’ economic opportunities. Additionally, Algiers, like much of the city, is affected by heat stress in some of the more densely populated points of the neighborhood.

Economic Environment
The two Opportunity Zones in Algiers have markedly different economic environments which shape the opportunities for investment. Both tracts report incomes less than the parish average and comparatively higher rates of unemployment. Tract 2 is significantly outside of the parish norms in both income and unemployment. The other OpZone, Tract 6.05, encompasses Federal City, a former U.S. Naval Support Area which is one of the largest economic development districts in Louisiana. The primary employment industry for residents in both Tracts is healthcare and social assistance.

Social Environment
Algiers’ long history and rich culture cause residents to be attached to the neighborhood and to want to remain in the area and see the kind of economic development that maintains the local culture. Algiers is physically divided from the rest of the city, with the river serving as not only a physical impediment to easy access to jobs and services, but also a psychological barrier. Residents perceive that it serves to divide Algiers from vitality of the rest of the city. Furthermore, residents believe that policy and investment decisions are affected by the community’s lack of access to education, concerns about crime rates, and a lack of bridging capital across racial groups which results in perceptions of structural racism.

The Investment Landscape
Psychologically, New Orleans’ landscape is a mix of optimism for change and continued frustrations with bureaucratic grind. Governance power exists in diverse forms in New Orleans, with some governing agencies reporting independently to the state, some to the city council, some to the mayor, and some, such as the Sewerage and Water Board, to both. The fractured responsibility has presented a challenge to economic and community developers and become a disincentive for investment. Additionally, Algiers’ historic housing stock, which could serve as a major asset, burdens development through its permitting requirements. Algiers has an approximately 50 day permit approval process with nearly 12% of permits taking 100 days or longer, illustrating one of the hurdles to investment. On the positive side, Mayor LaToya Cantrell enjoys high approval ratings in the district and has an interest in transformative change in Algiers. Further, the City has several plans which could be integrated into successful strategies to shape Opportunity Zone investments, and the district has existing assets which could be leveraged by a careful Opportunity Zone investment strategy.

Opportunities for Resilience Building
The Qualified Opportunity Zones located in Algiers represent unparalleled potential as catalysts for reimagining the historical significance of the Algiers community and spurring long-term transformational change that creates a vibrant, urban area based on strong economic growth, excellent quality of life, and proven social equity. To attract the quality and quantity of investment required to implement transformational change in the Algiers Opportunity Zones and the surrounding communities, the city needs a focused, comprehensive vision and plan based on a thorough analysis of the interrelationships of functional requirements and their resilience impacts. This vision and implementation plan will reduce risk and increase investor returns while achieving the social impact envisioned by the Opportunity Zone legislation.

Opportunity Zone investments should be focused on projects which are likely to provide successful financial return (based on the current state of Algiers communities and their designated Zones) while simultaneously strengthening the resilience of the community by the virtue of the invested projects. Based on the resilience status described above and the interdependent impacts of critical resilience issues, Opportunity Zone investment in Tracts 2 and 6.05 should focus on projects addressing four resilience-building themes:

1. Executive Summary
1. Investing in transit in order to improve education, job, and business opportunities, increasing efficiency and connectivity to other areas of the City and other Parishes for work and play.

2. Building affordable workforce housing that is more energy efficient while also reducing the cost burden of existing residents and increasing attractiveness to young professionals.

3. Creating livable places with urban village “feel,” services, and businesses, better serving current residents and at the same time making the Algiers neighborhoods attractive to young professionals, families, and tourists.

4. Using Opportunity Zones and existing community organizations and assets to build a coordinated plan to drive the future of Algiers and spur investment.

A Way Ahead for Algiers

Based on the insights from this baseline analysis of the Algiers district, we believe the City of New Orleans should undertake these actions:

• Continue the examination of historic property renovation regulations, codes, and rules that seeks to create a set of regulations that preserves the historic character of the property and its contribution to New Orleans culture while allowing for modern, energy-efficient construction methods and outcomes.

• Expand transit capacity and alternative transportation methods to increase access to and from the central city and Algiers.

• Leverage the existing community energy found in the various Algiers community planning and development organizations but impose a coherent governance structure on the Algiers district that has sufficient responsibility and authority to produce and oversee a long-term community development vision and strategy that leverages the power of the two Opportunity Zones in a way that spurs economic and social development in the community.

Quick Wins

Algiers’ character, culture, and proximity to downtown across the River makes it ripe for Opportunity Zone investments that are “quick wins” with high impact on Algiers and the City’s goals to stimulate new business and residential growth beyond the downtown and Central Business District.

The basis for these Quick Wins builds from implementation of public-private investments in improving bus and ferry transit for Algiers: 1) public investment for dedicated bus lanes and improved ferries (see also RTA Strategic Mobility Plan and New Orleans East Resilience Baseline), and 2) private investment in transfer stations located in the neighborhood’s Opportunity Zone, Tract 6.05. These Leading Edge of Transformation investments allow the City to achieve high impact, quick wins in Algiers by collaborating with investors to:

• Develop a zone of curated, locally authentic arts, entertainment, and hospitality businesses in both Tracts to stimulate the growth of Algiers as the “Little Easy.”

• Create vernacularly resonant housing that retains the neighborhood’s character, improves energy efficiency, and makes Algiers a desired residential location for those who desire art/entertainment village ambience with proximity to downtown or outlying Jefferson and St. Bernard parishes.

• Create or utilize additional incentives for the commercial corridor abutting Tract 2 to spur contiguous investment because of the disadvantageous boundary of the census tract.
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About The Global Resilience Institute

Based at Northeastern University in Boston, MA, the Global Resilience Institute’s (GRI) research and educational mission is to develop and deploy practical and innovative tools, applications, and skills that drive social and technical changes, which strengthen the capacity of individuals, communities, systems, and networks to adapt to an increasingly turbulent world. Launched in 2017, GRI is the world’s first university-wide institute to respond to the resilience imperative. Today, GRI undertakes multi-disciplinary resilience research and education efforts that draw on the latest findings from network science, health sciences, coastal and urban sustainability, engineering, cybersecurity and privacy, social and behavioral sciences, public policy, urban affairs, business, law, game design, architecture, and geospatial analysis. GRI works in close partnership with industry, government, communities, and non-governmental organizations, as well as engages in external outreach to inform, empower, and scale bottom-up efforts that contribute to individual and collective resilience.

About Northeastern University

Founded in 1898, Northeastern is a global research university and the recognized leader in experience-driven lifelong learning. Our world-renowned experiential approach empowers our students, faculty, alumni, and partners to create impact far beyond the confines of discipline, degree, and campus. Our locations—in Boston, Charlotte, North Carolina; the San Francisco Bay Area; Seattle, Toronto; and the Massachusetts communities of Burlington and Nahant—are nodes in our growing global university system. Through this network, we expand opportunities for flexible, student-centered learning and collaborative, solutions-focused research. Northeastern’s comprehensive array of undergraduate and graduate programs—on-campus, online, and in hybrid formats—lead to degrees through the doctorate in nine colleges and schools. Among these, we offer more than 140 multi-discipline majors and degrees designed to prepare students for purposeful lives and careers.
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