

# A Brief Baseline Resilience Assessment to Support Opportunity Zone Investment: **Lower 9th Ward**

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Prepared for the City of New Orleans



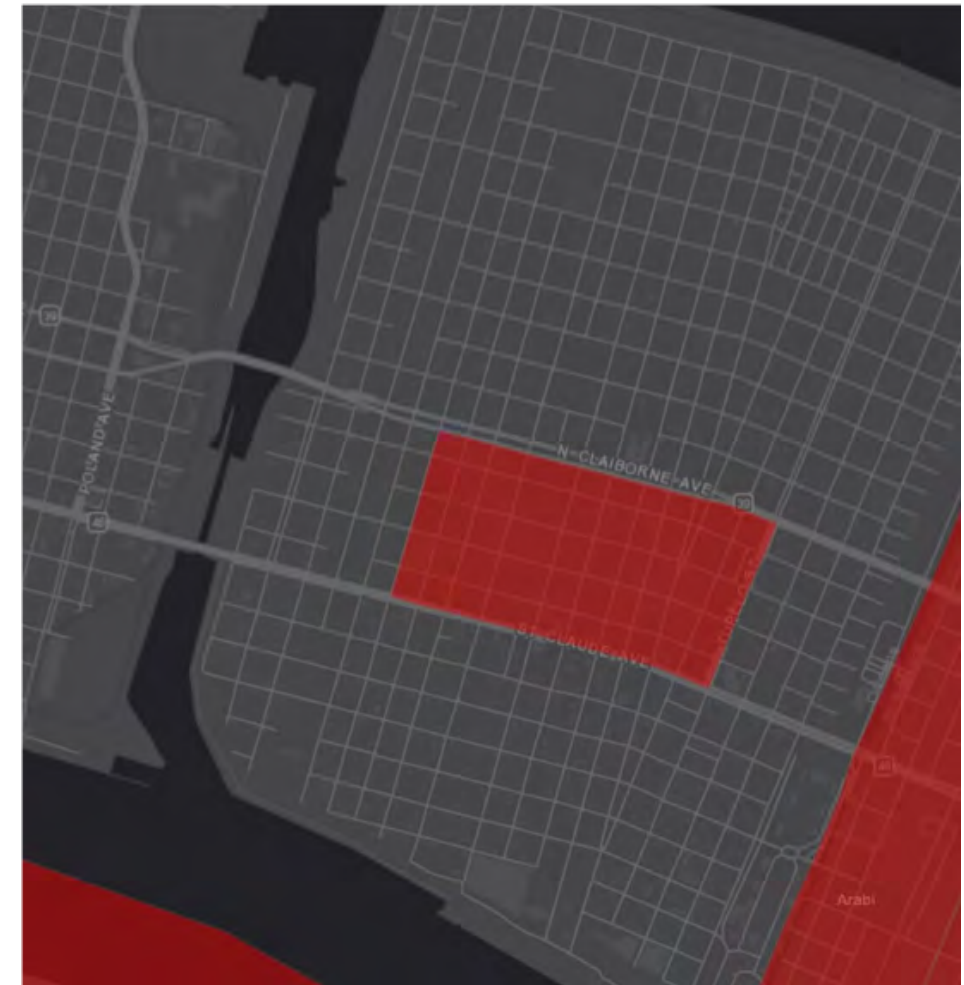
Lower 9th Ward Opportunity Zone  
Tract 9.04

**Front and Back Cover:**

Infrogmation of New Orleans. "Low9th 10Feb2014 Rampart 5011 Solar Panels." Rampart Street, Holy Cross neighborhood of the Lower 9th Ward, New Orleans, Louisiana, February 2014 commons.m.wikimedia.org/wiki/File:Low9th\_10Feb2014\_Rampart\_5011\_Solar\_Panels.jpg. [Creative Commons License Code: creativecommons.org/licenses/by-sa/3.0/legalcode]

**Title Page:**

ESRI, HERE, Garmin, Open Street Map Contributors and the GIS Community. (2019, June). Generated by GRI using ArcMap GIS Software. [Opportunity Zones in New Orleans East]



Prepared August 2019 by the

**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 considered. 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

### Opportunity Zones and Communities

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 surrounding community. This is 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 context of the larger community's physical infrastructure requirements, economic development plans, and social improvement needs.

## A Functional Expression of Resilience

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 (services) by locating in a chosen place with a functioning government, cultural attractiveness, and robust social and economic activity. The crux of the 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, using 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 (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 functions 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. It examines 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 that can only be affected by mega-investment acting on a city-wide or regional scale.

Too often community and economic development has been addressed as a series of discrete issues that can be solved one at a time through entities who traditionally work only on 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 and family levels 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. This benefits the community's resilience, reduces investor risk, and increases resilience returns.

## 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, Dr. 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.

Importantly, we also want to note and heartily thank our team of student researchers who enthusiastically supported this project and without whom its success would not have been possible: Elina Mariutsa, Kendall Avenia, Lydia Bird, Sofia Cardamone, Amar Fernald, Madelinn Harmelink, Jade Lin, Garrett Morrow, Maria Robson, Lauren Rothschild, and Delanie Smither.

# A Baseline Resilience Assessment to Support Opportunity Zone Investment in the Lower 9th Ward

## Executive Summary

### Lower 9th Ward: Past and Present

The Lower 9th ward is a neighborhood on the East side of the Industrial Canal which contains the Census Tract 9.04 Opportunity Zone. Once a thriving working-class neighborhood of New Orleans, the Lower 9th Ward experienced a period of economic decline before Hurricane Katrina, and the devastating storm only exacerbated existing challenges. Despite some philanthropic efforts to rebuild the Lower 9th Ward, the neighborhood has still not recovered from its pre-storm condition. Many lots remain vacant and a significant portion of residents have not returned to their homes. There is a need to develop local services and resources to fulfill basic needs such as grocery stores, medical offices, and childcare centers. Underpinning many of the Lower 9th Ward's challenges is the stigma associated with Katrina's destruction of the neighborhood and the lack of investment that has resulted. Despite these challenges, there is opportunity to build on social capital initiatives such as the Lower 9th Ward Center for Sustainable Engagement and Development. The possibility to improve the resilience landscape must be initiated by creating a coherent and comprehensive plan to solidify a vision for the future of the Lower 9th ward.

### The Resilience Landscape

#### Physical Environment

The relationship between the area's natural environment and built environment puts the Lower 9th Ward in a particularly vulnerable position. Resilience of the neighborhood is affected by the surrounding bodies of water and the existential flood threat they pose. Rising sea levels and soil subsidence are likely to advance the intensity of this risk. Likewise, elements of the built environment, such as unreliable levees and deficient transit infrastructure, create vulnerabilities for residents and businesses.

#### Economic Environment

The economic landscape in the Lower 9th Ward is far from optimistic. Poor economic prospects have led to a community where only a minority of the population works and few people are actively seeking jobs. Financial struggles make it difficult to keep even a grocery store open due to high prices and stolen goods, resulting in a food desert. Opportunity to invest in land resources is limited as nearly all land is zoned "historical urban" and a substantial portion of the available real estate is residential.

#### Social Environment

The Lower 9th Ward social environment has suffered greatly from the population exodus and resulting social capital drain during and after Katrina. New residents who have moved in after the storm often experience tensions with those who have lived there before the storm. Compounded by rampant poverty and difficulty accessing education and other civic functions, high crime rates have dissuaded significant investment in the Lower 9th Ward. Consequently, negative perceptions of the community hinder the social environment of the Zone.

#### The Investment Landscape

Politically, New Orleans' landscape is a mix of optimism for change and continued frustrations with bureaucratic gridlock. Governmental power exists in multiple places in New Orleans, with some agencies reporting independently to the state, some to the city council, some to the mayor, and some, such as the Sewerage and Water Board (S&WB), to both. The fractured responsibility has presented a challenge to economic and community developers and become a disincentive for investment. The Lower 9th Ward in particular has a 226-day time for permit approval compared to 125 days for most other areas of the city, illustrating one of the hurdles to investment. However, Mayor LaToya Cantrell enjoys high approval ratings and an interest in transformative change. Further, the City has a number of plans which could be integrated into successful strategies to shape Opportunity Zone investments, which a careful and comprehensive Opportunity Zone investment strategy could begin to explore.

#### Opportunities for Resilience Building

The Qualified Opportunity Zones located in the Lower 9th Ward represent potential as catalysts for reimagining the pre-Katrina 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 Lower 9th Ward community, the city needs a focused, comprehensive vision and plan to guide Opportunity Zone projects based on a thorough analysis of the interrelationships of functional requirements and their resilience impacts. This vision and implementation plan will reduce risk and aim to increase investor returns while achieving the social impact envisioned by the Opportunity Zone legislation. Transformational change in the Lower 9th Ward must be anchored on developing basic community services while mitigating future risk. Opportunity Zone investments should be focused on projects which are likely to provide successful financial return (based on the current state of the Lower 9th Ward and its designated Zone) while simultaneously strengthening the resilience of the community by 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 9.04 should focus on projects addressing:

1. Coordinated planning involving multiple levels of stakeholders to solidify a vision and a plan for what is possible in the Lower 9th Ward.
2. Building flood-safe, and energy efficient housing in coordinated neighborhoods that unites the residents and increases homeownership opportunities.
3. Incentivizing basic services providers at the neighborhood scale using local business owners willing to work with community needs.
4. Using the available abandoned space in creative ways, including flooding mitigation, urban agriculture, and community recreation spaces.

#### A Way Ahead in the Lower 9th Ward

Based on the insights from this baseline analysis of the Lower 9th, we believe the City of New Orleans should lead the community and investors to collaboratively undertake these actions:

- Develop a graduated, clustered housing approach to provide new housing stock for Lower 9th residents that implements improved and new housing in concert with the reintroduction of transportation services and cleanup/renewal of vacant properties. Housing investments should leverage public incentives and local needs to improve housing availability in terms of structures, flood preparedness, and energy efficiency.
- Seek investment in a range of local businesses interested in providing basic services desperately needed by the existing community, and provide incentives that increase the attractiveness for motivated local entrepreneurs to expand into the community.
- Leverage vacant lots and open space to provide community amenities that will increase the livability of the neighborhood, identifying space that could help with storm water management, parks, or urban agriculture – particularly gardens, which could either increase fresh food supply for the district or become a revenue source for the residents.
- Examine the Forstall property for its potential as a space for a community solar farm.

### Investments for Foundational Change

The Opportunity Zone in the Lower 9th Ward, notwithstanding its sub-optimal location, should be leveraged as part of a broader strategic plan to build community resilience and foster economic growth. An integrated strategy, developed by the City, the community, and investors, should focus on the following key areas: :

- Taking advantage of the “substantial improvements” requirement in the Opportunity Zone law to transform vacant and blighted properties into housing, so as to provide accommodation for lower-income and aging residents and encourage population growth.
- Building flood mitigation and energy efficiency into housing plans, thereby reducing long-term housing costs and risk exposure.
- Investing in local businesses to fill the gaps in local service provision in the Lower 9th, with a focus on hiring local residents and matching the scale of service provision to the needs of the community.
- Leveraging open spaces, such as the Forstall property, for community gathering spaces and projects with potential for economic growth, such as solar farms.

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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.

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## 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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