

BENCHMARKS FOR BLIGHT

How many blighted properties does New Orleans really have and how can we eliminate 10,000 more?

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There are 43,755 blighted homes and empty lots in New Orleans down from 65,428 two and one-half years ago. No doubt this dramatic reduction is attributable to the massive infusion of federal dollars to rebuild homes and rental properties post-Katrina. To reach its goal of eliminating 10,000 blighted properties over three years, the City of New Orleans must work with the State and the New Orleans Redevelopment Authority (NORA) to ensure that all Road Home Option 1 recipients who still want to come home and rebuild do so, and to maximize the use of the Lot Next Door program among other strategies. Simply acquiring and putting properties up for sale will eliminate blight only in neighborhoods with strong housing markets.

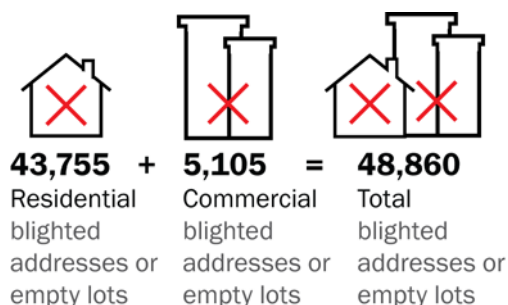
How much blight does New Orleans have?

As of September 2010, New Orleans has 43,755 residential addresses that represent blighted homes or empty lots according to U.S. Postal Service (USPS) data. In addition, New Orleans has 5,105 commercial and other addresses that represent blighted institutional buildings or empty lots.

USPS data indicates occupancy by address rather than by property. Many New Orleans properties, such as our famous shotgun doubles, have more than one address. And a single commercial property (such as a blighted high rise office building) may have a large number of addresses associated with it. Thus, the number of blighted *properties* is undoubtedly lower than the number of blighted *addresses*. (See **Appendix A** for a full description of the USPS data).

Blighted addresses or empty lots

September 2010, New Orleans



How does New Orleans compare to other cities?

In recent years, cities like Baltimore, Cleveland and Detroit have been ravaged by foreclosures leaving scores of vacant but habitable properties in their wake. In many such cities, a growing number of properties are classified by the USPS as "vacant" meaning they are likely habitable but unoccupied. Increases in vacancies are very worrisome because they suggest a weak market for properties and are the precursor to blight. In fact, most U.S. cities that are experiencing a growing number of vacancies are also experiencing a growing number of blighted homes.

To compare New Orleans to other cities, we examine the total number of unoccupied residential units by adding together blight and vacancy data. We find that the share of total residential addresses that are unoccupied has fallen dramatically in New Orleans since March 2008 when it was 34 percent. In contrast the share of unoccupied residences in most other cities has grown since March 2008. Nonetheless, New Orleans' share is still unacceptably high at 25 percent of all residential addresses. (See **Unoccupied residential addresses** below as well as **Appendix B.**)

Unoccupied residential addresses

Blighted addresses or empty lots plus vacant but habitable homes, select cities

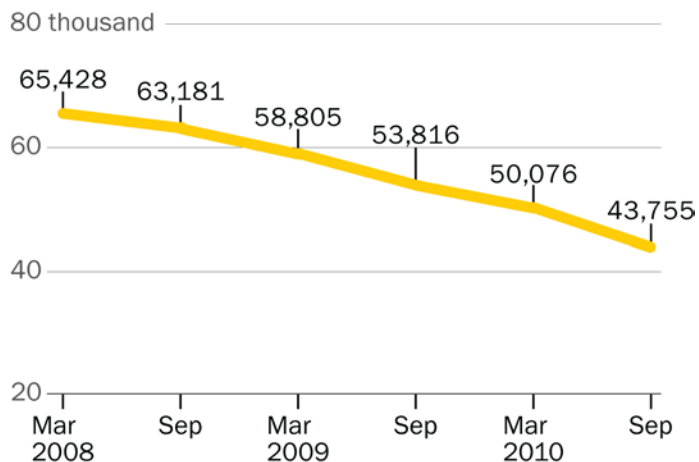
City	Date	Number	Percent
New Orleans, LA	Mar-08	71,657	34%
	Sep-08	69,727	33%
	Mar-09	65,888	31%
	Sep-09	61,310	29%
	Mar-10	57,485	27%
	Sep-10	53,111	25%
Flint, MI	Mar-08	10,078	18%
	Sep-08	10,732	20%
	Mar-09	10,990	20%
	Sep-09	10,936	20%
	Mar-10	11,130	20%
	Sep-10	12,911	24%
Detroit, MI	Mar-08	63,042	18%
	Sep-08	66,383	19%
	Mar-09	68,253	19%
	Sep-09	68,022	19%
	Mar-10	69,601	20%
	Sep-10	80,091	23%
Cleveland, OH	Mar-08	33,683	16%
	Sep-08	34,836	17%
	Mar-09	34,397	16%
	Sep-09	33,622	16%
	Mar-10	34,434	16%
	Sep-10	40,985	20%
Baltimore, MD	Mar-08	36,455	13%
	Sep-08	36,331	13%
	Mar-09	37,736	13%
	Sep-09	37,341	13%
	Mar-10	38,920	13%
	Sep-10	40,605	14%
Washington D.C.	Mar-08	20,513	7%
	Sep-08	22,476	8%
	Mar-09	24,008	8%
	Sep-09	30,618	10%
	Mar-10	31,173	10%
	Sep-10	30,612	10%

How could the City reduce blight by 10,000 properties in three years?

A good place to look for the answer to this question is our own recent history. Since March 2008, when this data first became available, New Orleans has dramatically reduced its number of blighted residential addresses from 65,428 to 43,755—in just two and a half years. This is astonishing, particularly considering that most cities experienced an *increase* in residential blight over the last two and a half years.

Blighted residential addresses or empty lots

New Orleans



The driving force behind the reduction in blight here has undoubtedly been the billions of federal dollars distributed to New Orleans homeowners through the Road Home program as well as to small and large rental property redevelopments. Over 40,000 homeowners in New Orleans have received Road Home Option 1 grants (intended to rebuild and reoccupy their storm-damaged home). A few thousand rental homes have been redeveloped using Low-Income Housing Tax Credits or support from the Small Rental Property program. To a lesser extent NORA's Lot Next Door program (through which homeowners can purchase neighboring lots to expand their home or yard) has also helped to reduce blight by approximately 350 properties.

Reducing blight on a large scale basis is extremely difficult using only the tools in a city's tool belt such as code enforcement and sheriff's sales. Cleveland, Baltimore and Detroit can attest to this. As such, the City of New Orleans must not assume that the tools at their disposal will be sufficient to eliminate 10,000 additional blighted properties.

Fortunately, the State of Louisiana, and NORA have some unique tools to continue addressing New Orleans' blight on a large scale. For example, NORA is slated to receive approximately 4,000 additional properties sold to the state via the Road Home program. And, according to the most recent estimates, approximately 10,000 Road Home Option 1 recipients have not yet rebuilt their homes but have a covenant with the State to do so.¹ The City will need to work closely with the State and NORA to ensure that these 14,000 properties, all of which are likely blighted, have the greatest possibility of being remediated. Where there are weak housing markets, simply putting these

¹ "Blight Transition New Orleans Task Force" April 2010 <http://transitionneworleans.com/SiteContent/Static/Documents/Blight.pdf>

properties "back into commerce" will not reduce blight. The most likely buyers would be speculators who would sit on these properties and do nothing to remediate them. Instead, the City, NORA, and the State must work in concert to implement best practices for eliminating blight in neighborhoods with weak markets. Such strategies may include Lot Next Door sales, and helping Road Home 1 recipients get the resources they need to complete their rehabs and move home. Simply acquiring and putting properties up for sale will eliminate blight only in neighborhoods with strong housing markets.

To help neighborhood leaders as well as local and state officials better understand how to most effectively reduce blight in New Orleans, the Greater New Orleans Community Data Center's upcoming 2010 Housing Report, in collaboration with the Urban Institute, will examine the market strength of each New Orleans neighborhood and best practices for addressing blight given different market strengths. To be alerted when this report is ready, sign up for our "Numbers Talk" newsletter at www.gnocdc.org.

Appendix A. About this data source

Suggested Citation: *GNO Community Data Center analysis of HUD Aggregated USPS Administrative Data on Address Vacancies, September 2010.*

Each municipality measures blight differently, and many don't measure blight at all. In 2006 the U.S. Department of Housing and Urban Development (HUD) began acquiring quarterly extracts of U.S. Postal Service data and began publishing this data at the census tract level. HUD and researchers in cities across the country are exploring the utility of this data. Vacant addresses are defined by the USPS as those that have not had mail collected for 90 days or longer. No-Stat addresses include addresses identified by the letter carrier as not likely to receive mail for some time (e.g. blighted and abandoned buildings, and empty lots), buildings under construction and not yet occupied, and rural route addresses vacant for 90 days or longer. In cities that have lost population, No-Stat counts most likely indicate blight.

The City of New Orleans' blight strategy plan does include combining all of the data controlled by different City departments such as code violations, lien status, and demolition permits. This will help the City better understand the effectiveness of code enforcement, sheriff sales, and other tools available to the City for addressing blight. The best general indicator of blight, however, is the occupancy of each property. The City also plans to incorporate data on occupancy from neighborhood groups that have conducted labor-intensive door-to-door canvassing. But this occupancy data will not likely be available for all properties across the city nor on a regular basis. As long as a parcel-by-parcel census of all properties in New Orleans is not available on a regular basis, USPS data on occupancy continues to serve as the best freely available, regularly updated indicator of blight.

Census tract boundaries do not always conform to municipal boundaries. We define the comparable cities in this report as the aggregation of census tracts (as defined in 2000) that most closely approximate the official city (Census Place) boundaries in 2000. Our definitions are based on the Neighborhood Change Database developed by the Urban Institute and GeoLytics, Inc. The Database is documented in Tatian (2002), which can be found at <http://www.geolytics.com>.

About Various Sources of U.S. Postal Service Data

The Greater New Orleans Community Data Center (GNOCDC) relies on three different sources for USPS data, all of which are based on the USPS Address Management Services (AMS) database.

1. GNOCDC publishes data on **blighted and unoccupied addresses** for the City of New Orleans and a few comparison cities. The source for this blight data is the U.S. Department of Housing and Urban Development (HUD), which makes it available for free from the HUD website. HUD's data is aggregated to the census tract level and is available quarterly beginning with December 2005 data. Beginning in (but not prior to) 2008 residential address counts are available separate from commercial address counts. The HUD data is unique from other sources of U.S. Postal Service data because it includes tabulations of No-Stat addresses, which we use as a proxy for blight. HUD maintains an archive of its U.S. Postal Service data on its website.
2. GNOCDC publishes **ZIP code level data on addresses actively receiving mail** for the New Orleans metro area. The source for this data is the Delivery Statistics Product, which the U.S. Postal Service makes available to the public for a small processing fee. The Delivery Statistics data is aggregated by ZIP Code, with separate tabulations for residential and commercial addresses. The Delivery Statistics Product includes tabulations of active and vacant addresses, but does not include tabulations of No-Stat addresses. The U.S. Postal Service does not maintain an archive of its Delivery Statistics data, although some private resellers do.
3. GNOCDC publishes **census block level and neighborhood level data on addresses actively receiving mail** in the City of New Orleans. The source for this data is the Valassis Residential and Business Database, which must be purchased from Valassis Direct Mail Inc. Valassis is one of only a few companies nationwide that qualifies to receive weekly data feeds from the U.S. Postal Services' Address Management Services (AMS) database. The Valassis Database is unique from other sources of U.S. Postal Service data because it provides address level data. Although the address level data cannot be released to the public, GNOCDC developed a robust in-house geocoding process in order to generate extremely accurate census-block and neighborhood level data. The Valassis Database includes active and vacant addresses, but does not include No-Stat addresses.

There are slight differences between the Valassis Database and the HUD and Delivery Statistics data. The Valassis Database includes a record for each residence that is part of a "drop stop" (e.g. each dorm room in a college dormitory). The Delivery Statistics data and the HUD data, in contrast, count each drop stop as only one address regardless of the number of residences at the drop stop. This difference explains why the Valassis Database has a few thousand more addresses than the HUD and ZIP code counts. There are also slight timing differences between the sources.

You can find more detailed information on this data in the following publications:

- The following Technical Documentation provides a comparison of the counts of active residential addresses generated from these three sources of U.S. Postal Service data:

Valassis Lists Data as an Indicator of Population Recovery in the New Orleans Area. Ortiz and Plyer. 2008.

<http://www.gnocdc.org/repopulation/ValassisTechDoc.pdf>

- The following Research Note explains why U.S. Postal Service Delivery Statistics are useful for tracking repopulation in a post-disaster context, and documents some of the limitations of the data as a measure of repopulation:

Using U.S. Postal Service Delivery Statistics To Track the Repopulation of New Orleans & the Metropolitan Area. Plyer and Bonaguro. 2007.

https://gnocdc.s3.amazonaws.com/reports/GNOCDC_research_note_May07.pdf

- This paper reviews literature from the fields of demography and other disciplines to identify available administrative data sets including USPS data that can form the basis of sound, relevant, and timely county-level population estimates following a catastrophic U.S. event:

Using administrative data to estimate population displacement and resettlement following a catastrophic U.S. disaster. Plyer, Bonaguro, and Hodges. 2009.

<http://www.springerlink.com/content/27r338422847q807/>

Appendix B. Residential blight in New Orleans and five comparison cities

City	Year	Residential addresses (A)	Vacant but habitable residential addresses (B)	"No-Stat" blighted residential addresses or empty lots (C)	Unoccupied residential addresses (B+C)	Percent of residential addresses that are unoccupied ((B+C)/A)
New Orleans, LA	Mar-08	213,780	6,229	65,428	71,657	34%
	Sep-08	213,364	6,546	63,181	69,727	33%
	Mar-09	213,345	7,083	58,805	65,888	31%
	Sep-09	213,799	7,494	53,816	61,310	29%
	Mar-10	216,026	7,409	50,076	57,485	27%
	Sep-10	212,986	9,356	43,755	53,111	25%
Flint, MI	Mar-08	54,627	8,152	1,926	10,078	18%
	Sep-08	54,550	8,368	2,364	10,732	20%
	Mar-09	54,517	8,568	2,422	10,990	20%
	Sep-09	54,583	8,456	2,480	10,936	20%
	Mar-10	54,484	8,632	2,498	11,130	20%
	Sep-10	54,361	10,071	2,840	12,911	24%
Detroit, MI	Mar-08	352,360	56,860	6,182	63,042	18%
	Sep-08	352,804	59,186	7,197	66,383	19%
	Mar-09	352,796	60,173	8,080	68,253	19%
	Sep-09	353,127	59,642	8,380	68,022	19%
	Mar-10	353,206	60,866	8,735	69,601	20%
	Sep-10	352,964	71,675	8,416	80,091	23%
Cleveland, OH	Mar-08	210,948	23,148	10,535	33,683	16%
	Sep-08	211,038	23,683	11,153	34,836	17%
	Mar-09	210,797	23,042	11,355	34,397	16%
	Sep-09	210,825	22,416	11,206	33,622	16%
	Mar-10	210,621	22,862	11,572	34,434	16%
	Sep-10	209,273	28,403	12,582	40,985	20%
Baltimore, MD	Mar-08	287,600	23,673	12,782	36,455	13%
	Sep-08	289,387	22,062	14,269	36,331	13%
	Mar-09	290,124	22,667	15,069	37,736	13%
	Sep-09	291,030	21,942	15,399	37,341	13%
	Mar-10	292,369	21,158	17,762	38,920	13%
	Sep-10	292,445	21,829	18,776	40,605	14%
Washington D.C.	Mar-08	285,627	10,877	9,636	20,513	7%
	Sep-08	289,396	10,624	11,852	22,476	8%
	Mar-09	291,775	10,149	13,859	24,008	8%
	Sep-09	300,249	9,876	20,742	30,618	10%
	Mar-10	301,935	10,851	20,322	31,173	10%
	Sep-10	303,097	10,559	20,053	30,612	10%