

ORDINANCE
(AS AMENDED)
CITY OF NEW ORLEANS

CITY HALL: April 5, 2007

CALENDAR NO. 26,455

NO. 22605 MAYOR COUNCIL SERIES

BY: COUNCILMEMBER WILLARD-LEWIS

AN ORDINANCE to generally control the rising number of abandoned or blighted properties in the City of New Orleans as defined by LA R.S. 33:4720.12 and 19:136.1, to establish the City of New Orleans' Lot Next Door program which shall assist in the elimination of abandoned or blighted properties; to spur neighborhood reinvestment, enhance stability in the rental housing market, and maintain and build wealth within neighborhoods. This ordinance is also part of a comprehensive housing strategy to assist in the efforts of the City in reaching its recovery and rebuilding goals as outlined in the Neighborhood Planning Process; and otherwise to provide with respect thereto.

WHEREAS, in the City of New Orleans there exist a significant number of residential properties that have been deemed blighted by the City before Hurricane Katrina and it can be reasonably foreseen that the number will increase as families do not return or cannot financially sustain a residence in the City; and

WHEREAS, it is expected that the City will also secure additional properties from the State's Road Home Program; and

WHEREAS, the City is working with New Orleans Redevelopment Authority (NORA) and other redevelopment entities in eliminating additional blight as permitted within the context of community improvement plans outlined in LA R.S. 33:4720.57; and

WHEREAS, the City of New Orleans has entered into a Cooperative Endeavor Agreement with NORA to eradicate blight and return blighted, abandoned and adjudicated properties back into commerce; and

WHEREAS, LA R.S. 19:136.2 allows the governing authority of a municipality to acquire abandoned or blighted property in order to return it to commerce; and

WHEREAS, LA R.S. 33:4720.11, et seq., and R.S. 33:4712 allows the City to sell abandoned, adjudicated and/or uninhabitable properties, this ordinance shall enable the City to address in a comprehensive manner the speedy restoration of quality housing in neighborhoods, while controlling the rising number of abandoned or blighted properties throughout the city.

SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY

ORDAINS that any residential lot in City ownership, NORA ownership, or any entity representing the City and charged with the disposition of real estate acquired through the Road Home Program, or that is adjudicated to the City of New Orleans will be assessed for both current condition and value; and a purchase price shall be placed on the property.

SECTION 2. All lots held or controlled as described above will be mapped and

cataloged in GIS by the City of New Orleans in consultation with NORA, and the information will be uniformly available through the City of New Orleans' website to the general public. Information to be listed within the database will include street address, property Tax ID, property description, the purchase price being asked by the entity, appraised fair market value, lot size, zoning, and flood zone information.

1 **SECTION 3.** The Lot Next Door Program shall be available only to homeowners with
2 homestead exemption and apply only to adjacent immediately adjoining residential lots that
3 share a common lot line and/or street frontage such that lots can be subdivided in compliance
4 with the standards of the City's Subdivision Regulations and Comprehensive Zoning Ordinance.
5 Homeowners shall include those owners of single and multi-family dwellings.

1 **SECTION 4.** The Office of Recovery Management and NORA shall develop procedures
2 to identify properties that qualify with the sections of this ordinance.

1 **SECTION 5.** Owner occupiers of condominium units and town homes shall have rights
2 to purchase adjoining units with a common wall whose primary entrance is on the same level as
3 the occupied unit. Further, at no time shall this ordinance be constructed to grant any waiver of
4 condominium/community association rules, regulations and bylaws and current zoning and
5 building codes and regulations that define the right of the purchaser to change or modify the
6 configuration of owned units. However, at no time shall this ordinance be construed as to grant
7 any waiver of zoning, site plan or other requirements associated with the use of the acquired
8 property.

1 **SECTION 6.** Upon obtaining title, expropriation, or upon adjudication of property,
2 NORA shall determine the homestead exemption status of the adjoining parcels as defined as
3 eligible purchases within this ordinance. For those adjoining properties where a viable
4 homestead exemption exists, NORA shall send a registered letter to the named owner(s) and
5 address(es) in the tax rolls informing the owner(s) that the adjoining property is available for
6 purchase from the governing authority, guiding owners to where they can find additional
7 information about the adjoining property including the purchase price, and describing the process
8 through which the adjoining property can be acquired. The letter shall also inform the property
9 owner that they have sixty (60) days from the date of the letter to provide a twenty (20) percent

10 non-refundable deposit and submission of additional proof of owner occupied status which will
11 allow them to acquire the property. No right shall arise until said deposit is received and
12 accepted by NORA; however, in no event shall NORA otherwise dispose of or sell to any
13 non-adjoining purchaser a qualified lot prior to the expiration of the sixty (60) day period.

1 **SECTION 7.** NORA will provide the property owner(s) desiring to purchase the lot with
2 the purchase price, the minimum being the appraised value of the property plus any expenses
3 incurred by the governing entity. Upon acceptance of the deposit referenced in Section 6, the
4 purchaser will then be provided at least an additional 60 days to close on the sale, the exact time
5 to be determined by NORA.

1 **SECTION 8.** Upon jmsale through the Lot Next Door, the purchaser will be required to
2 bring properties into compliance with current housing, health, and safety codes within nine (9)
3 months and this requirement should be detailed in the act of sale provided to the purchaser.
4 Further, the program is intended to benefit the adjacent owner and members of the owner's
5 immediate family for five (5) years from the date of the Act of Sale. The Act of Sale shall
6 include a restrictive covenant on the property to insure that this property is not transferred before
7 the termination of this five (5) year period. This provision is to prevent speculation and windfall
8 profits or the owner acting as agent for other purchasers with the intent of making gains on the
9 purchase and reuse of the property.

1 **SECTION 9.** In cases where two neighbors are registered for a middle lot that falls into
2 public ownership, the neighbors may choose to subdivide the property such that each neighbor
3 receives half of the property and shall resubdivide their lots to incorporate the parcel into their
4 property. In the event that splitting the property is not feasible or the neighbors do not wish to
5 split the property, the property will be auctioned by NORA to the homeowner who is the highest
6 bidder over the minimum purchase price.

1 **SECTION 10.** The requirements placed on homeowners who have purchased property
2 through this program to build on, or in some other way bring the lot back into commerce through
3 the development or expansion of the existing home and accessory buildings will have six months
4 from closing to begin construction as evidenced by the issuance of a building permit.

1 **SECTION 11.** NORA in consultation with the Office of Recovery Management shall
2 develop the final rules and regulations for the Lot Next Door Program within 90 days of passage
3 of this ordinance and shall submit those regulations for review and approval by the City Council.
4 The City of New Orleans shall immediately promulgate these regulations upon City Council
5 approval and ensure that these regulations be binding upon any entity to which properties are
6 conveyed or any entity acting on behalf of the City.

1 **SECTION 12.** Within 30 days of approval of the final rules and regulations by the City
2 Council, the City of New Orleans or entities to which properties have been conveyed or entities
3 acting on behalf of the City shall notify neighbors of the available lots, ensure a web site for the
4 program is fully operational, and broadly disseminate information about the program throughout
5 the community via web and print mediums.

1 **SECTION 13.** If one or more adjacent property homeowners (where one exists) declines
2 to purchase the lot next door or fails to comply with the requirements of Section 5 of this
3 Ordinance as it pertains to providing a deposit within 60 days of notice, the lot will then be
4 packaged for sale through established procedures as executed by NORA and the Office of
5 Recovery Management. At no time, however, shall a lot be offered at a lower price than the
6 minimum purchase price established or offered to a neighboring homeowner without returning to
7 that homeowner with an offer to purchase at the new lowered purchase price.

1 **SECTION 14.** NORA and the Office of Recovery Management shall develop a
2 proposed budget for the Lot Next Door Program within ninety (90) days of passage of this
3 ordinance and shall submit the same for review and approval by the City Council.

1 **SECTION 15.** This program shall be available to all legal residents of the City of New
2 Orleans.

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS April 19, 2007

ARNIE FIELKOW
VICE PRESIDENT OF COUNCIL

DELIVERED TO THE MAYOR ON April 20, 2007

APPROVED:

DISAPPROVED: April 25, 2007

C. RAY NAGIN
MAYOR

RETURNED BY THE MAYOR ON April 26, 2007 **AT** 4:30 P.M.

PEGGY LEWIS
CLERK OF COUNCIL

ROLL CALL VOTE:

YEAS: Carter, Fielkow, Hedge-Morrell, Midura, Willard-Lewis - 5

NAYS: 0

ABSENT: Head, Thomas (Official City Business) - 2

RECUSED: 0

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THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY
Peggy Lewis, CMC
CLERK OF COUNCIL