

**Subcommittee on Housing and Community Opportunity Field Hearing Testimony  
for Yusef Freeman, scheduled for August 21, 2009 in New Orleans, LA**

My name is Yusef Freeman and I am an employee of McCormack Baron Salazar and the project manager of the redevelopment of Harmony Oaks, formerly known as the C.J. Peete and Magnolia public housing development. In partnership with the New Orleans Neighborhood Development Collaborative, a local nonprofit organization, and KAI Design and Build, an MBE architecture firm, we were selected by the Housing Authority of New Orleans (HANO) through a response for qualifications procurement as Central City Partners (CCP) with Urban Strategies, to redevelop the former public housing site, provide community supportive services to the former residents of the site, improve educational opportunities in the neighborhood, develop sports and recreation facilities, and develop quality commercial services for the community.

The mission of McCormack Baron Salazar is to rebuild neighborhoods in central cities across the United States that have deteriorated through decades of neglect and disinvestment. In partnership with communities, we bring vision, experience, and commitment to the challenge of community revitalization.

In the past thirty-five years, the company has closed one hundred thirty-six (136) projects with development costs in excess of \$2.1 billion. It has developed 15,143 housing units and one million square feet of retail/commercial space.

MBS has been extensively involved with HUD's public housing "mixed-finance" program dating back to early 1994 when it proposed the idea to then HUD Secretary Henry Cisneros. The first two demonstration projects closed in the spring of 1996, and were both McCormack Baron Salazar developments, Centennial Place in Atlanta and Murphy Park in St. Louis. Both Centennial Place and Murphy Park are mixed-income developments requiring the physical transformation of two severely distressed public housing sites, including two significant educational initiatives with adjoining schools, welfare-to-work programs with returning residents, and a variety of new social service providers serving the new communities. The two developments offer excellent examples of public housing transformation. Since 1996, McCormack Baron Salazar has closed forty-nine (49) phases of HOPE VI developments in fifteen cities involving 6,419 units and \$1 billion in total development costs. To date more than 5,100 units have been completed and another 1,228 units are under construction.

**Harmony Oaks**

Originally constructed as 1,403 public housing units on 41.5 acres, C.J. Peete was considered obsolete long before Hurricane Katrina. Demolition approval for more than half of the site dates back to 1997, with only 723 of the original 1,403 units standing in 2005. By the time Katrina struck on August 29, 2005, only 146 families were still living at the site. These families were displaced, many out of state, by the Hurricane Katrina emergency. The buildings remained vacant until they were demolished in the spring of 2008.

The new Harmony Oaks mixed-income community will include 460 mixed income rental units: 193 public housing units, 144 Low Income Housing Tax Credit units, and 123 market-rate rental units. Three on-site historic buildings are being rehabilitated, including one residential building, the administration building and the community center. In addition to the community center, which houses the computer lab, the site will include a swimming pool, fitness room, community space, an on-site management building, and each cluster of buildings will have tot lots and secured parking.

Harmony Oaks was designed in partnership with the C.J. Peete Resident Council, HANO, and community stakeholders. A project steering committee that includes representatives from the resident council, HANO, state and local government, the school district, neighborhood faith community and other community stakeholders continue to meet on a quarterly basis to contribute to the development of the site.

The for-lease apartments and townhouses are all designed with market-rate features. There are no amenity distinctions between public housing, market rate and tax credit units. Each unit will feature high quality flooring, window treatments, central heating and cooling, wood kitchen cabinets, refrigerators, ceiling fans, microwaves, dishwashers, clothes washers and dryers, and security systems.

Construction of the 460 rental unit phase began in February of this year and is approximately 22% complete. 57 slabs have been poured, 27 buildings are framed, 95% of the drainage and sewerage are constructed and 50% of the water lines are complete.

The cornerstone of the new community will be a Campus of Learners comprised of a new state-of-the-art elementary school, recreation center, and health clinic. McCormack Baron Salazar has committed \$20 million of our allocation of New Markets Tax Credits to the Recovery School District for the redevelopment of the Woodson School that is located across the street from the Harmony Oaks site.

50 homeownership units are being developed by NONDC in the community surrounding the Harmony Oaks site. Eight of these homes are currently under construction. NONDC is working with HANO and Urban Strategies to qualify low-income homebuyers to participate in the homeownership program.

### **Community Supportive Services**

The development team procured Urban Strategies to coordinate community and supportive services for households who lived at the former C.J. Peete development. Urban Strategies is a not-for profit corporation that works to help communities build safe neighborhoods, good schools, and a range of comprehensive human service supports.

Urban Strategies is coordinating all of the support programs that assist former C.J. Peete residents achieve self-sufficiency, including intensive case management, job training and placement, quality child care and schools, access to physical and mental health services, senior programs, and enrichment activities for children and youth. Urban Strategies case managers are working closely with the residents to access needed services, regardless of where they are currently residing in the country.

CSS activities currently operating out of the C.J. Peete Community Center include case management, technology programs, social activities, tutoring, construction job training, health programs, and community based programs built on local partnerships. Urban Strategies case workers are currently providing community supportive services to 485 former C.J. Peete residents.

### **Re-occupancy**

When complete, 193 of the 460 rental units at Harmony Oaks will be public housing units. All former residents interested in returning to the site will complete an application to the management company, McCormack Baron Ragan (MBR). To be admitted to a public housing unit, the applicant must meet all eligibility requirements for admission to public housing as established by HUD and HANO. In addition, all applicants, including public housing applicants must go through a screening process. The process and re-occupancy plan was established in consultation with the resident council and HANO. This includes an evaluation of an applicant's past performance in meeting financial obligations, especially rent, to consider if there is a substantial risk that such applicant will not fulfill its rent obligations. In addition, a criminal record check, as allowable by law is completed for all applicants for occupancy in the residential community that shows no record of past criminal activity by a household member as follows:

- (A) No record of conviction for manufacturing drugs;
- (B) No record of conviction for distributing drugs;
- (C) No record of conviction for drug possession within the last seven years;
- (D) No record of a conviction for a crime against a person within the last seven years;
- (E) No record of a conviction for a crime against property, or for concealed weapons possession, within the last seven years; and
- (F) No record of conviction for murder, attempted murder, rape or attempted rape.

Again, this criterion was established in consultation with the resident council and HANO.

Before an applicant is denied admission to the development on the basis of a criminal record, McCormack Baron Ragan will notify the head of household of the proposed denial and shall provide the subject of the record and the head of household with a copy of the record and an opportunity to contest the accuracy and relevance of the record.

HANO adopted the re-occupancy policy under which residents of the former C.J. Peete public housing development, and of other HANO-owned public housing developments, will have priority rights to admission to the public housing units in Harmony Oaks, subject to the previously-mentioned eligibility requirements and screening criteria. HANO has defined and prioritized the categories of persons having priority rights to admission to public housing units as follows:

- (a) "Tier One ": Families resident at the C.J. Peete Site at the time of Hurricane Katrina and thereupon evacuated. HANO has indicated that there were 146 such families.
- (b) "Tier Two": Families who were relocated from the C.J. Peete Site as a consequence of the HUD demolition approvals granted in 1997 and who elected, prior to their relocation and pursuant to HANO's Relocation Plan adopted in connection therewith, to have the right to return to the redeveloped C.J. Peete community.
- (c) "Tier Three ": "Priority One" families on HANO's "Disaster Re-occupancy Priority List."
- (d) "Tier Four ": Families on HANO's Disaster Re-occupancy Priority List who resided at the time of Hurricane Katrina in HANO units that will not be reopened.

In July, McCormack Baron Ragan and Urban Strategies held workshops for returning residents to assist with the application process. Case managers continue to work directly with the residents to prepare them for the application process and re-occupancy.

### **Closing**

In partnership with the C.J. Peete Resident Council, HANO, HUD, the Louisiana Housing Finance Agency, the Louisiana Office of Community Development, the City of New Orleans, Councilmember Stacy Head's office, the Ford Foundation, the Annie E. Casey Foundation, LISC, Living Cities, the Greater New Orleans Foundation and others; the development and community supportive services team have been successful in commencing construction and connecting residents to needed services.

To continue this success, further investment is needed to provide additional community supportive services. While Katrina was four years ago, the traumatic impact on residents is still at the forefront. More funds are needed to provide mental health services to families impacted by the storm. In addition, more resources are needed to sustain case management services, literacy classes and job training. We appeal to the government and philanthropic community to help address these funding gaps.

In addition, we appreciate the support of the Federal Government to continue the demolition process of the Thomy Lafon School that is centrally located in the Harmony Oaks site and provide opportunities for the revitalization of the Claiborne Commercial corridor that is located at the northern end of the development.

Thank you for providing the opportunity to testify before you today.