

TESTIMONY OF KEVIN MERCADEL  
NEIGHBORHOOD RECOVERY SPECIALIST  
PRESERVATION RESOURCE CENTER

SUBMITTED TO

HOUSE COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY  
CONGRESSMAN BOB NEY, CHAIR

**FIELD HEARING  
HOUSING OPTIONS IN THE AFTERMATH OF  
HURRICANES KATRINA AND RITA**

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**2 p.m.**

**New Orleans, LA.**

## **Introduction:**

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify today on our observations and assessment of the local, state, and federal government's response to the emergency housing needs of residents affected by Hurricane Katrina and short and long-term housing and economic development needs and plans for the region.

In addition to fostering the stewardship of our nation's heritage, historic preservation is a powerful force in the local and state economy. In Louisiana, culture means business, and it relies upon the full development of a unique and irreplaceable heritage of historic districts, historic buildings, and places. Surveys indicate that 28 percent of those who visit Louisiana typically come to enjoy its distinctive neighborhoods and visit individual historic properties. With regards to New Orleans, 10.1 million people visited in 2004 and spent \$5.5 billion dollars; 75,000 people were directly employed in the travel industry.

As attention shifts from clean up to reconstruction in New Orleans and the Gulf Region, we must answer the question of how, and in what form, the rebuilding will happen, and how its historic fabric will be protected for generations to come. If we get the response wrong, Katrina could turn out to be among the greatest cultural disasters the nation has ever experienced and a disaster from which Louisiana may never recover.

## **Saving Our Heritage:**

My organization, the Preservation Resource Center of New Orleans (PRC), was established in 1974 and has had an important impact on the revitalization of historic neighborhoods in New Orleans throughout its thirty-two year history. We have had a major impact on revitalization efforts in Lafayette Square, the Warehouse District, Algiers Point, Algiers Riverview, Bywater, Holy Cross, Esplanade Ridge, Lower Garden District, Irish Channel, Faubourg Delachaise, Edgewood Park, Pontchartrain Park, Gentilly Sugar Hill and many other neighborhoods throughout the city. These are the homes of working people, low- and moderate-income families, majority African-Americans.

In addition, we have had a long-standing relationship with the National Trust for Historic Preservation (NTHP). Since Katrina, PRC has been working hand in glove, with the Trust, which has established and staffed a field office in our headquarters. So, my remarks before you today are consistent with and supportive of the Trust's efforts to make the Gulf Region whole again. For more than 50 years, NTHP has been helping to protect the nation's historic resources. NTHP is a private, nonprofit membership organization dedicated to protecting the irreplaceable. With over a quarter-million members, the Trust is the leader of a vigorous preservation movement that is saving the best of our past for the future.

Throughout the history of the PRC, now enhanced by the experience of the Trust in dealing with the Mississippi River floods of 1993, the Northridge earthquake of 1994, and numerous other natural disasters; we have learned that almost always, the first impulse of local officials is to tear down almost every damaged building in the name of public safety. We have also learned that this first impulse is almost always wrong. Obviously, some historic buildings will necessarily be lost, but we should not lose more than we have to. The federal and state government's role is pivotal in alleviating this urge to demolish and time is running out in New Orleans. For example, building inspectors in New Orleans are already at work and some preliminary reports estimate the total number of homes that will be torn down at over 50,000. Some unfortunate demolitions have already taken place, including the hasty razing of the Naval Brigade Hall, a significant landmark in the history of New Orleans jazz. It was torn down on Sept. 26<sup>th</sup> without permits or permission from the city or the owner.

In New Orleans alone, there are 30 districts listed as National Register of Historic Places or as locally designated historic districts. This represented ½ or more of the city's core. It must be emphasized that when we speak of historic neighborhoods in New Orleans, in the main, we are speaking of the neighborhoods of working people; the modest shotgun singles and doubles, Creole cottages, bungalows, arts and crafts homes, and not simply our more famous neighborhoods like the French Quarter and the Garden District. Recovery efforts must acknowledge the special character of this city. Failure to do so would only compound the devastation that has already occurred. Unquestionably, the complex network of existing federal, state, and local laws protecting historic structures cannot be ignored in rebuilding the disaster area, and every level of government has a responsibility to protect these vital elements of our heritage.

### **Background and Overview:**

On behalf of the PRC and NTHP, I have personally been involved in tours, windshield surveys, and building-by-building inspections in nearly all of the city's neighborhoods since the middle of September. We have worked with and continue to coordinate our efforts with the FEMA Section 106 team, the Louisiana State Historic Preservation Office (SHPO), the city's Historic District Landmarks Commission (HDLC), and the numerous neighborhood associations of the city.

Since the beginning of October, the PRC/NTHP partnership has:

- Coordinated, housed, and managed 10 volunteer teams (over fifty people in total) which have met with hundreds of individual homeowners and left over three thousand information packets concerning such topics as mold remediation, city and HDLC permitting information, notices of upcoming PRC/NTHP workshop schedules and topics, general contact information, etc. These volunteers were composed of architects, engineers, planners, preservationists, and builders who were selected and matched from a pool of more than 1,100 volunteers on the Trust's website. The National Trust also forwarded nearly 500 of these names to FEMA for potential hiring by that agency.

- Distributed over 3,000 five gallon buckets filled with cleaning supplies and bleach; hundreds of desk masks, 2 pallets of bottled water all donated to the PRC.
- Distributed 13 generator and 400 tarps purchased by the PRC/NTHP with funds donated to the organizations. The generators have been distributed to various neighborhood associations, which in turn are lending them to homeowners working on homes that still do not have electric power.
- Conducted weekly workshops at the PRC headquarters on recovery topics such as mold remediation, hiring contractors, experiences from other cities ravaged by hurricanes, and raising homes with experts from the relevant fields. The attendance at these workshops has averaged between 40 and 70 people.
- Established a preserveneworleans e-group that now has more than 500 members. The e-group functions as a referral hub to find and evaluate tradesmen in the building industry, answer questions online about restoration and remediation techniques, and serves as an open forum on all recovery issues in the city and region.
- Sends a twice-weekly e-mail update on citywide meetings, forums, neighborhood association news, and items of relevance to recovery to over 5,000 people at their request.
- Were two of the lead nonprofit organizations on the historic preservation subcommittee of the Bring New Orleans Back Committee, as well as participated in many of the meetings and conferences organized to discuss and plan for the recovery locally, and at the state and national level.
- Renovated 7 homes since the hurricane through Rebuilding Together, a department of the PRC, and its national affiliate and Countrywide Financial in the Algiers, St. Roch and Carrollton neighborhoods thanks to skilled volunteers and from AmeriCorps. The renovations averaged \$10,000 per unit making them more cost effective than mass-producing new housing or even providing temporary trailers.

### **Ongoing Efforts – Disaster Assistance Package for Historic Preservation:**

To make saving historic buildings a reality, I urge Congress to provide targeted sources of federal and state funding for the preservation of storm-damaged structures. A coalition of national preservation organizations led by the Trust and AIA are supporting a legislative package to direct federal and state resources for preservation efforts in the disaster area. The immediate goal is to stabilize and repair damaged but savable buildings before weather and the elements lead to further erosion of the historic fabric. The first and most urgent part of these legislative measures would provide immediate federal preservation grant assistance to historic property owners and supplement any funds from insurance companies, FEMA, and other sources.

PRC and the Trust has asked congress for a two-year \$60 million “Historic Preservation Disaster Relief Grants Program” from the federal Historic Preservation Fund to be administered by the states with no federal match. Applicants would agree to rehabilitate their properties in accordance with agreed-upon preservation standards and principles. The Trust hopes to use a small portion of these grants - \$2 to \$5 million – to

target key designated “Main Street” organizations with funds for preservation planning, technical, and business assistance. So much of this region’s recovery will depend on making local, neighborhood-serving, commercial districts – many of which are already designated “Main Street” communities – viable once again.

Second, the existing tax credit for rehabilitating historic commercial structures should be streamlined and adjusted to work vigorously as a targeted incentive for restoring damaged historic buildings, especially those that house critical neighborhood-serving retail in “main street” business communities. The Trust has developed a list of recommendations that would accomplish this goal and PRC supports it. While the existing tax credit program is commendable for its success in fostering the restoration of countless historic buildings across America, there are also a number of structural elements surrounding the program that Congress should address to make it more effective in the disaster area. National Park Service data show that last year, for example, federal historic tax incentives for commercial properties leveraged over 3.8 billion in private capital into the national economy. Louisiana averages fourth in the nation annually in approved projects. The historic credit can be twinned with affordable housing and new markets credits to unlock even greater potential for historic building to create affordable housing and rebuild communities. We should do more to see this happen in the disaster area.

Lastly, while we are encouraged by the reinvestment potential in proposals – such as Rep. Baker’s bill and Senator Landrieu’s companion measure – to acquire and redevelop large tracts of real estate, these should include every precaution against the demolition of historic properties wherever practicable. Adherence to Section 106 of the National Historic Preservation Act (NHPA), full compliance with existing local and state protections, and close consultation with the state’s historic preservation officer would greatly ensure that older and historic buildings are part of the complex network of options in rebuilding neighborhoods. I would encourage you to support specific reference to the historic tax credit as one of the tools that developers may use pursuant to Congressional recommendations for rebuilding. I urge you to consider incorporating these suggestions in any legislation that moves through Congress next session and expressly including historic preservation expertise in the nomination criteria for the applicable board positions.

These longer-term tax incentives to rebuild would infuse private sector dollars in a region desperate for reinvestment and encourage property owners to return to these devastated places.

For all these proposed grants and tax incentives, the framework and infrastructure created by the NHPA, the partnerships it establishes between the federal and state governments, and its reliance on close cooperation with local preservation organizations, can be an excellent mechanism to deliver the type of historic preservation assistance focused on some of the region’s housing needs. What Congress must support however, are these additional resources, adjustments, and innovations to make it work most effectively in responding to the disaster. The good news is that the NHPA has already

created the core of any response to saving historic homes in Louisiana and the Gulf Coast Region. What began back in 1966 in response to a grassroots movement to protect America's architectural and cultural legacy, has become a strong federal preservation program administered by the Department of the Interior. Its implementation relies on a strong link between the agency and the State Historic Preservation Officers in every state and the territories. Congress should use it as a tool.

### **Moving Forward in 2006:**

In addition to our federal legislative efforts, the PRC and NTHP continue to distribute supplies and information, conduct our weekly workshops, and maintain the e-group and e-mail updates. Rebuilding Together has set a target of repairing 1000 homes in New Orleans and coastal Mississippi. The new year, however, brings even greater opportunities.

We have identified two primary long-term recovery projects which we have already started, which we believe are essential to providing housing to New Orleans residents and which can be expanded with additional funding and serve as a model for the redevelopment of significant portions of the historic neighborhoods of the city.

The first project involves the continued use of the expert volunteers from around the country working closely with PRC staff to conduct independent, comprehensive surveys of buildings in the neighborhoods. Beginning this past Monday, January 9, we have targeted the red-tagged buildings in the National Register and local historic districts. There is a list of approximately 200 buildings in these districts that are on the city's priority list for demolition. We are working with the city's HDLC on identifying these properties as there are several conflicting lists being circulated, and will share our findings with both the HDLC and FEMA, as well as making the information available to the individual property owners. Property owners, city officials, and FEMA will make the final decision on what buildings can and should be saved. But the work of our survey teams will give them the facts they need to make informed decisions and rational recovery plans.

Early survey reports indicate that there seems to be a misunderstanding among political leadership at the local level about the structural integrity and restorability of the homes that were flooded. There is also a lack of recognition for the remarkable energy and determination in the heart and soul of residents who are willing to return and restore their homes. We have heard a lot of talk about demolition – which is the ultimate failure and which, in our opinion – would be an economic disaster. While we recognize that there are many issues that must be resolved in conjunction with housing, such as levees, insurance and building codes, while some buildings may ultimately be lost; we believe that a commitment to historic preservation and assistance to residents returning home would greatly alleviate the disastrous economic conditions facing the city at this time. This should be a top priority in our recovery efforts. This is why the Section 106 reviews and adherence to existing regulations regarding demolition must be respected, not weakened for expediency.

Our second major initiative complements the efforts of Operation Comeback, another program of the PRC operating since 1988, and a major new NTHP program – HOME AGAIN!

The down-home heart and soul of the city beats in the lesser known neighborhoods such as Holy Cross, New Marigny (also known as St. Roch), Tremé, Mid-City, and Broadmoor where officially designated historic districts showcase the modest creole cottages, corner stores, and shotgun singles and doubles that are essential ingredients in the rich architectural mix that is New Orleans.

Operation Comeback has been renovating buildings in some of the very areas of town being eyed today for grand schemes and demolitions. Unlike many of the plans now under consideration, Operation Comeback works closely with local homeowners, respecting their rights as citizens and not giving them mandates dictated from above. It has also relied on the power of demonstration, confident that others will quickly emulate a successful project, however limited in scale. Thanks to this, Operation Comeback has been responsible for the transformation of thousands of old New Orleans structures, including whole neighborhoods that were once blighted and forgotten by all but the people living there. It has accomplished this, with a revolving fund that rarely exceeds \$160,000, by efficiency and the strategic use of HOME funds and grants.

One a two-block stretch in Holy Cross, Operation Comeback is re-renovating one of its projects flooded by Katrina. It has also acquired two other parcels and a donation of \$40,000 worth of materials for each property. One is the renovation of a blighted property; the second is new construction using a design based on the neighborhood's existing historic structures. In this same area is one homeowner, who purchased her home from Operation Comeback and is currently repairing flood damage to her property.

HOME AGAIN! has targeted another home down the street for gut renovation, organized volunteers to clean out the house over Thanksgiving weekend, and already has a scope of work prepared for the project.

The HOME AGAIN projects of the NTHP already number three, and a dozen other homes have been identified as potential projects. The primary areas of focus initially will be Holy Cross, New Marigny and Tremé. Depending on funds raised, the project may expand. The goal will be to provide assistance to homeowners in flooded areas, especially; those who did not have flood insurance or were underinsured and have limited incomes. HOME AGAIN! will also provide mini-grants to homeowners in the immediate areas of concentration to assist them in their rehabilitation efforts. Our expectation is to serve as a catalyst to homeowners in these historic neighborhoods providing technical assistance as well, to show how and what can be done. The NTHP has an initial goal of assisting 100 homes.

**Conclusion:**

The economic role of historic preservation and the federal, state, and local resources it bears are tantamount to revitalizing the commercial stability of the region and preserving it for future generations. Rising out of the past, the Gulf Coast remains one of the nation's most important centers of economic activity, so many historic buildings are where its people actually live and conduct daily business, commerce, and tourism. The goal of rebuilding efforts should be to allow displaced people to come home, again, to communities that are healthy, vibrant, familiar places to live and work. Federal, state and local government should make every effort to save those buildings where possible.

**Attachment: The Operation Comeback model**



The OC model is to bring a variety of resources to the neighborhood.

- Rule #1: Work with the neighborhood residents and leaders. They are important to the success.
- Rule #2: Market the neighborhood as a great place to live or to invest in, depending on where it is in its evolution. Take stock of what it has to offer and emphasize in communications. Have as many events on site in the neighborhood as possible to break down the public's resistance or concern about it and make it "personal" for them. These can include Live in a Landmark walking tours to showcase available properties, tours of renovated houses, Renovators' Happy Hours to show case rehab projects.
- Rule #3: Take stock of the real estate, find out where the vacant properties are, research the ownership and market them.
- Rule #4: Establish one or two targets areas in the neighborhood. Buy distressed properties in close proximity to one another and rehab them for sale.
- Rule #5: Attract as many complementary resources to the neighborhood as possible. Attract Rebuilding Together to rehab houses of the elderly low income. Get an educational program going in the schools that uses the neighborhood as a lab. Find a non-profit that specializes in special needs housing (elderly) and get them active. Get schools to do volunteer projects to help. Entice real estate agents with listings in the neighborhood to all have open houses on the same afternoon and then market to the public. Apply for grants from the government in partnership with other entities. The goal is to create a wide variety of organizations that have a stake in the success of the area and that bring their own financial resources.
- Rule #6: Encourage facade improvements to businesses and houses by offering small facade improvement grants.
- Rule #7: Give abundant technical assistance to homeowners in the neighborhood who want to renovate their houses but don't know how or to get a loan or to hire a contractor, etc.
- Rule #8: Start small and build.
- Rule #9: Don't give up, even when 7 houses you poured your heart and soul into flood, the neighbors disperse around the country and the city talks about bulldozing the neighborhood.