



Everything New Orleans

## HUD Secretary Shaun Donovan thanks public housing residents for patience with rebuilding process

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By **Katy Reckdahl, The Times-Picayune**

U.S. Housing and Urban Development Secretary Shaun Donovan on Friday christened the first 134 apartments on the site of the demolished Lafitte public housing complex in the city's 6th Ward.



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HUD secretary Shaun Donovan and New Orleans Mayor Mitch Landrieu were photographed Friday.

When President **Barack Obama** took office, Donovan said, not a single resident had moved back to the demolished "Big Four": B.W. Cooper, C.J. Peete, Lafitte and St. Bernard.

**Now, he said, 700 families live on the four sites.**

"Thanks to every single one of you who stuck with us," he told several former residents, who began to move back this week.

A year ago, because of the nation's financial crisis and a federal tax-credit deadline that made investors leery, the Lafitte site was completely stalled. Then, last February,

**HANO** jump-started the process with a \$10.5 million loan that helped the developers -- Providence Community Housing, Enterprise Community Partners and L+M Development Partners -- secure a construction loan for the first 134 apartments on the site. A total of 900 are planned.

Once construction began, crews worked around the clock to make the buildings habitable by the year-end deadline so the project's developers could collect from tax-credit investors.

On Friday, Goldman Sachs committed to investing \$35 million in Lafitte's second, 142-apartment phase, allowing the work to continue on that segment of the vast 27.5-acre site, which is anchored at Claiborne and Orleans avenues.

Once again, crews will be racing against the clock, since Congress extended the Gulf Opportunity Zone tax credit deadline by only one year, to the end of 2011. Sen. Mary Landrieu has secured commitments from her colleagues to extend it to 2012 but her bill still needs a sponsor in the House.

Plans for the former Lafitte site divided the property into 517 separate city lots, with 376 rental apartments and 141 for-sale homes and condos, 47 of which have financing so far, investors said this week.

Lafitte developers also said they are in discussions with FEMA to help finance a 100-unit building for seniors in the center of the site, which would complete all on-site rentals. Other planned rentals will be built off-site.

### Residents return

Emelda Paul, 76, president of Lafitte's residents council, was contemplative before Friday's dedication. She recalled, five years ago, looking out her window at North Roman and Orleans streets and seeing a man outside in a boat.

"I really didn't want to leave. I cried, I cried," she said.

But a young neighbor named Carl Osborne told her, "MaMa, we have to leave, the water is rising."

So, with her family around her, Paul stepped in water up to her chest and climbed the entrance ramp to Interstate 10, where she waited until her grandson picked them up in a car to take them to the West Bank.

The whole extended family ended up at a relative's house in Phoenix and it was there that she was contacted by Jim Kelly from Providence, who said that the developers wanted to sit down with her and the rest of her residents council.

"We've been at the table since day one," Paul said.

From the start, the Lafitte rehabilitation established itself as different from the rest of the Big Four projects in key ways. Developers announced early on that they planned to do one-for-one replacement of the 896 public-housing-level rentals demolished at Lafitte, even though other developers were replacing one-third of the highly subsidized units, at best.



John McCusker, The Times-Picayune

HUD secretary Shaun Donovan, center, was photographed Friday with Emelda Paul, president of the Lafitte Tenant Association, and Mayor Mitch Landrieu.

Lafitte's look is also distinct, with a plan that preserves many of the existing live oak trees and architecture dominated by single-family cottages and shotgun-style singles and doubles, with porches and traditional details.

And while the ambitious resident-driven plan may be compromised a bit by its delays, developers said this week that they are still committed to building 900 total rental apartments and 600 for-sale units in the site and surrounding area.

Leslie Johnson, 29, who was one of eight renters who received keys this week, gave Donovan a tour of her apartment Friday in what is now called the "Faubourg Lafitte." Former residents got first dibs, and more than 150 applied for the first phase of apartments, all set at public-housing-level rents.

More than five years elapsed since Johnson and her large extended family waded through floodwaters outside the Lafitte, ending up in the Convention Center, then Houston and the nearby Iberville development.

But the end product was worth the wait, Johnson said.

"Maybe if they had rushed it, it wouldn't have been done right."

### **Area attracts development**

Mayor Mitch Landrieu and Kelly both noted that the area around the new Faubourg Lafitte has received a shot in the arm in recent months, with the planned Lafitte Greenway, newly paved streets, a new library and the promised Veterans Affairs hospital. "Within a half-mile radius of Lafitte, \$3.2 billion of development is taking place," Kelly said.

Much of that is the result of heightened cooperation between the federal government and the city. While the city had other strong partners, in Donovan, "we have one great champion," Landrieu said.

Donovan, whose visit Friday was his 10th since taking office, did bring in the HANO takeover team, which has made strides to transform the troubled agency into a functional one.

And while his predecessor, Steve Preston, oversaw the financial closings that started construction at Harmony Oaks and Columbia Parc, Donovan and his new HANO team got the Lafitte project moving and are rumored to be close to a groundbreaking at B.W. Cooper.

But the 700 households now living in the Big Four sites are still a far cry from the 1,904 apartments that HUD had planned by this time. Most of those residents also pay more than public-housing-level rents.

Of the 348 families in Central City at Harmony Oaks, built on the site of the former C.J. Peete complex, 168 live in public-housing rentals, with 87 in mid-range rentals financed by Low Income Housing Tax Credits and

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HUD Secretary Shaun Donovan thanks...

93 in market-rate apartments.

At Columbia Parc in Gentilly, formerly the St. Bernard complex, 86 are in public-housing rentals, 123 in housing-tax-credit apartments and 135 in market-rate apartments.

No new rentals are open at Cooper, the longest-stalled site, where 266 families live in interim apartments in the original brick buildings.

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