

VOLUME 3

chapter 16

STRUCTURES FOR IMPLEMENTATION AND STEWARDSHIP OF THE PLAN

The purpose of a plan is to organize for action. The New Orleans Master Plan expresses the values and aspirations of New Orleanians as they transition from recovery, to securing the foundation of new prosperity, to launching a new era of 21st century leadership. The result of an intensive community dialogue, the Master Plan is a framework of goals, policies and strategies designed to achieve the vision. It is time to bring the Plan to life through action.

This chapter analyzes current organizational and implementation structures. The 2008 master plan charter amendment will assure that the plan will be consulted for land use regulation purposes and in the preparation of the capital plan. The amendment also requires the City Council to provide funding for preparing, reviewing, and updating the master plan, as well as for activities related to ensuring consistency between the plan, zoning, land use actions, and capital plans and budgets. Simultaneous with this planning process, a new Comprehensive Zoning Ordinance is being prepared that will reflect the policies of this plan. Nonetheless, throughout the planning process, citizens expressed their concerns—and sometimes their cynicism—about implementation, enforcement, and accountability. Some of those feelings may dissipate as they increasingly see that the disaster funds are going to work in public improvements and programs across the city. Effective implementation of the plan will require new ways of organizing to achieve the goals.

A Context

1. The Role of the City Planning Commission

The City Planning Commission (CPC) has responsibility for planning to preserve and enhance the welfare of the entire city, as well as each neighborhood and unique district, such as downtown. Providing the CPC with more effective tools for carrying out its mission is a critical element of this Master Plan. These tools include a state of the art CZO and a strengthened working relationship with neighborhood residents and others in the community, renewed leadership in carrying out the CPC's planning functions, and a greater role in ensuring that public and private investment reflects the goals of community-based planning.

In 2009, as this plan is being prepared, the CPC's work is primarily project-based, focused on reviewing rezoning applications and project applications that require a conditional permit. The CPC provides advisory opinions to the City Council. The Council makes final land use decisions, generally with deference to the council member from the affected council district. Because the Council often does not have the benefit of a thorough planning process that considers and balances the interests of all stakeholders to guide its decisions, Council land use decision-making is often perceived as a political contest.

Planning cannot stop with the adoption of the Master Plan. Area plans, planning around changing uses for closed schools or churches, land assembly for new development, attraction of supermarkets—all require that the CPC has the time, staff and expertise to think ahead and to convene other city agencies around efforts to ensure that the city receives the maximum quality of life and economic benefits from change. With active planning for the future, the city will cease always reacting to change and will begin to shape and drive change towards the goals that New Orleans citizens want to achieve.

The CPC also must be at the table when other entities—for example, the federal or state governments, large institutions, special districts—undertake major planning projects affecting city welfare. Because there are so many independent authorities and entities in New Orleans, clear planning leadership is particularly important. In the short and medium term, the magnitude of federal and state recovery projects makes this issue even more urgent.

Cities with a history of disinvestment sometimes fear being seen as “making demands” on potential investors, whether private or public. However, by convening stakeholders and working to ensure that any project enhances its context (thereby improving its value), the city and the project proponent typically will have a speedier and more successful outcome. Instead of responding in an uncoordinated way to criticisms, complaints, and even lawsuits, City leadership defines a framework and the public goals for large projects, and by doing so multiplies the positive impact of private or public investments for the city.

It is the CPC's role and responsibility to look at projects from the point of view both of the entire city and of the neighborhoods or districts, such as downtown, that host new projects; to promote citizen participation in planning, so that resident and other stakeholder interests are appropriately protected and advanced; and to ensure that projects fit into the physical fabric of the city, creating a public realm and a design identity that fits harmoniously into its context, respects the city's historic resources, and improves urban livability. Ultimately, only city government, through the CPC can determine whether a project is programmed, planned, and designed in the interests of New Orleans and its community.

2. The Capital Improvement Program (CIP) and Capital Budget

The City of New Orleans in 2009 had a much larger capital budget than ever before in comparison to historic trends because expenditure of Hurricane Katrina-related rebuilding and rehabilitation funds is in full swing. Out of a total of \$181.5 million, only \$55 million represented general obligation fund proceeds

and \$400,000 miscellaneous capital funds. The rest included insurance, D-CDBG funds, FEMA funds, Criminal Justice Facilities funds, and state capital outlay, most of which is related to the storm.

In the City Charter, the City Planning Commission is charged with preparing the capital improvement plan and assisting in preparation of the annual capital budget. The 2008 charter amendment stipulated that the capital improvement plan and the capital budget must be consistent with the Master Plan:

- The City Planning Commission will prepare the capital improvement plan.
- It will assist the Chief Administrative Officer in the preparation of the annual capital budget.
- The capital improvement plan and the annual capital budget shall be consistent with the Master Plan.

Unlike some states, Louisiana has no requirement linking planning, minimum levels of service, capital improvement programs, and financial feasibility.

CAPITAL IMPROVEMENT PLAN (CIP)

Currently the City has a detailed capital improvement planning process that is coordinated by the Chief Administrative Officer and the City Planning Commission. The main elements of the process are:

Definitions for the purpose of the process

- Capital facilities are defined as buildings, land, equipment, and other commodities with a life expectancy of 10 years or more.
- Capital funds are monies held for the purpose of paying for capital expenditures, typically proceeds of property sales, bonds or other capital debt instruments, government grants for capital expenditures, proceeds from insurance settlements for immovable property losses, proceeds of assessments for street improvements, or transfers from reserve funds maintained for capital expenditures.

Timing

- In the first quarter of the year, city departments prepare their five year capital program and budget requests and confer with the Chief Administrative Office.
- As part of the process, departments must indicate whether the project conforms with the city Master Plan (preparation for the 2009–2013 plan referred to the *New Century New Orleans Master Plan* and the *Parks, Recreation and Open Space Plan*).
- Each project has to be rated for priority according to 17 criteria:
 - > Public health and safety
 - > External requirements
 - > Protection of capital stock
 - > Economic development
 - > Operating budget impact
 - > Life expectancy of project
 - > Percentage of people served by project
 - > Relation to adopted plans
 - > Intensity of use
 - > Scheduling
 - > Benefit/cost
 - > Potential for duplication
 - > Availability of financing

- > Special need
- > Energy consumption
- > Timeliness/external
- > Public support

CPC process and program

- Departments must submit their 5-year capital program and budget to the City Planning Commission. The project list must show current status of projects in process and the rationale for new projects, including cost, financing, estimated annual operating or maintenance costs, and source of funds.
- The Commission then holds public hearings with the requesting agencies.
- The Chief Administrative Officer provides the Commission with information on funds likely to be available and bond issues that the Mayor is willing to undertake.
- After the hearings and the CAO revenue estimates, the Planning Commission submits its recommended five-year capital program to the Mayor who sends it to the Council.

Mayor and CAO program

- The Mayor submits a separate executive capital budget to the Council. There is no process to reconcile any differences between the CPC recommendations and the Mayor's. The 2009–2013 CPC and executive capital improvements program documents are somewhat different in organization and presentation, do not cover the same list of city departments or agencies, and in some cases have different funding amounts for the same agencies.

On paper, this system is very thorough. However, it is not clear how departments consult adopted plans and decide how they are in compliance with them. In the current system, the departmental staff person who is creating the capital program has to give a rating number for “relationship to adopted plans” when entering a capital project in a database system. This will likely not be sufficient to demonstrate compliance under the new law.

ANNUAL CAPITAL BUDGET

The 2008 charter amendment also requires that the city's annual capital budget be consistent with the Master Plan. Although the annual capital budget is linked to the CIP, the CIP shows the allocation of total project funds to a department in the initial project year. Multi-year projects are not shown with expenditures after the initial year. If the annual capital budget simply reflects decisions already made in the CIP, it will reflect Master Plan goals and policies.

The Government Finance Officers Association recommends that regular reports on capital budget projects be made available to citizens as well as council members and city staff. They suggest issuing periodic reports that include: comparison of actual expenditures to the original budget, level of project completion; and identification of any changes in scope, schedule, or anticipated completion time.¹

¹ GFOA, *Capital Project Budget (2007) (CEDCP and BUDGET)*, Recommended Practice Brief, www.gfoa.org.

3. Fiscal management and annual operating budget

As this Master Plan is being written, New Orleans’ overall budget has increased substantially because of the disaster-related funding targeted towards recovery projects and programs. For 2009, nearly \$670 million in non-recurring funds contrast with \$486 million in projected general fund revenues.

The City’s ordinary sources of revenue are relatively constrained and have hovered between \$400 million and \$500 million in both the pre-Hurricane Katrina and post-Hurricane Katrina periods. Sales tax is the single largest source of general fund revenues, but the City receives only 5 percent of the 9 percent tax collected, the remaining 4 percent going to the state. Orleans Parish is subject to a statewide residential property tax homestead exemption of \$75,000, making residential property taxes very low or nonexistent for many homeowners. Bond financing approved by voters for public works, infrastructure and other investments are a potential source of capital funds, and the City will receive “stimulus” federal funding as a result of the nationwide recession that began in 2008.

TABLE 16.1: GENERAL FUND REVENUES 2005–2013

SOURCE	2005 ACTUAL	2006 ACTUAL	2007 ACTUAL	2008 ADOPTED	2009 PROPOSED	2009 ADOPTED	2010 PROJECTED	2011 PROJECTED	2012 PROJECTED	2013 PROJECTED
Sales Tax	\$116,127,910	\$124,639,779	\$135,611,237	\$147,029,221	\$157,438,771	\$157,438,771	\$165,334,544	\$173,409,472	\$181,804,476	\$185,187,761
Property Tax	\$83,098,458	\$66,597,959	\$78,922,972	\$71,395,056	\$102,198,412	\$77,864,995	\$80,250,346	\$82,694,282	\$87,550,052	\$89,619,489
License & Permits	\$53,225,862	\$56,429,994	\$55,583,671	\$48,004,816	\$60,751,030	\$60,751,030	\$64,654,060	\$65,431,632	\$67,077,847	\$66,744,981
Federal & State Disaster Assistance	\$61,396,116	\$86,334,356	\$21,345,239	\$44,297,787	\$33,727,209	\$43,727,209	\$10,000,000	\$0	\$0	\$0
Charges for Services	\$36,798,112	\$27,280,554	\$35,543,996	\$41,939,706	\$52,051,602	\$52,601,602	\$54,654,060	\$55,364,779	\$56,497,099	\$57,304,177
Fine & Forfeitures	\$12,445,997	\$6,546,364	\$11,699,962	\$25,095,500	\$28,260,700	\$28,260,700	\$30,705,700	\$31,005,700	\$31,305,700	\$31,605,700
Gaming Revenue	\$2,106,661	\$193,264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$7,980,828	\$12,409,290	\$14,016,523	\$15,176,308	\$6,363,881	\$6,363,881	\$7,757,344	\$9,856,836	\$6,706,578	\$5,096,004
Intergovernmental Revenues	\$12,684,928	\$9,450,296	\$19,441,558	\$10,024,106	\$12,075,158	\$12,075,158	\$12,131,483	\$12,239,446	\$12,376,789	\$12,455,007
Utility Taxes	\$8,326,329	\$7,226,508	\$9,076,685	\$8,420,569	\$10,097,895	\$10,097,895	\$10,524,256	\$10,779,740	\$11,053,462	\$11,342,087
Other Taxes	\$7,825,226	\$7,509,480	\$9,716,485	\$9,844,548	\$10,279,575	\$10,279,575	\$10,486,317	\$10,793,061	\$11,149,803	\$11,496,546
Use of Prior Year Fund Balance	\$21,156,441	\$0	\$37,022,832	\$22,435,362	\$0	\$0	\$0	\$0	\$681,774	\$0
Other Revenues	\$42,758,188	\$22,235,466	\$27,464,291	\$25,595,637	\$26,789,588	\$26,789,588	\$25,112,755	\$25,167,755	\$24,793,981	\$25,528,754
Total	\$465,931,057	\$426,853,312	\$455,445,451	\$469,258,616	\$500,033,821	\$486,250,404	\$471,482,878	\$476,742,702	\$490,997,561	\$497,371,506

The City forecasts that non-recurring, targeted revenues will phase out in 2010 and general revenues will rise gradually to about \$500 million. As noted earlier in the Plan, some very important costs—such as water, sewer and drainage investments—are not funded from general revenues. Similarly, operating revenues are insufficient to pay for road repairs, which are typically funded by bonds. These costs must also be kept in mind to understand the full cost of achieving the goals of the Master Plan. New Orleans’ per capita revenues are estimated to be substantially lower than comparable cities, such as Baltimore, Memphis, or Atlanta.

Most large cities, however, seek federal and state funding for large projects that municipalities cannot be expected to fund alone out of their revenues or even through bonds. Very large infrastructure projects are in this category. Examples of crumbling infrastructure abound all over the country—for example, as noted in earlier

TABLE 16.2: PER CAPITA FISCAL REVENUE FOR THE CITY OF NEW ORLEANS

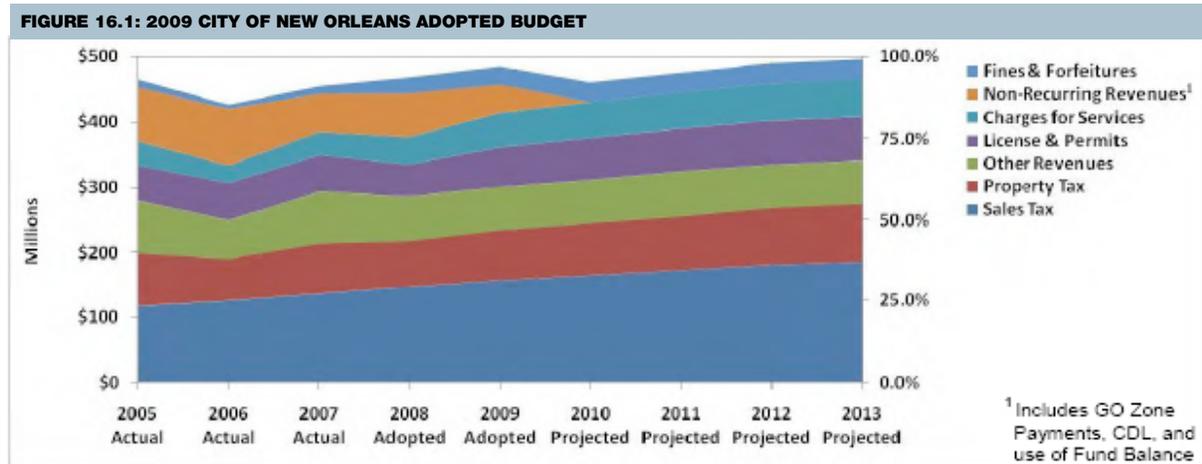
	2007	2008	2009	2010	2011	2012
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SOURCE: CITY OF NEW ORLEANS REVENUE ESTIMATING CONFERENCE QUARTERLY ECONOMIC REVIEW, APRIL 2009

TABLE 16.3: COMPARISON OF PER CAPITA REVENUE WITH OTHER REPRESENTATIVE CITIES IN 2008

	NEW ORLEANS	BALTIMORE	MEMPHIS	ATLANTA
AVERAGE HOUSEHOLD INCOME	\$45,902	\$45,353	\$42,866	\$57,367
PER CAPITA REVENUE	\$1,283	\$2,901	\$1,458	\$2,251

SOURCE: 2008 AUDITED BUDGET STATEMENTS FOR CITY OF BALTIMORE, MEMPHIS, AND ATLANTA



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chapters, water and sewer systems all over the country last received substantial investment a generation ago in the 1970s to come into compliance with the Clean Water Act. The cost of upgrading national infrastructure has been estimated in the trillions of dollars.

Increased government funds come through a few basic strategies: development that brings in more property tax; development that brings in more sales tax; transfers from other governmental or other entities, including discretionary grants; increased fees for licenses, permits, and other charges; increased fines. Cutting costs and becoming more efficient in delivering services is another way to enhance fiscal health. Potential sources of additional regular revenue that are worth exploring include:

- Increase in property tax and sales tax revenues through recruitment of chain retail stores and grocery stores to appropriate New Orleans locations, as suggested in the opportunity site section of Chapter 14. New Orleans residents are clearly underserved by supermarkets and other retail and spend a lot of money in suburban jurisdictions. The City or the proposed economic development PPP can build on the preliminary analyses provided in Chapter 14 to create recruitment packages for retailers. To make sure that new retail development contributes to the urban design character of the district where it is located, the city also needs to make sure that urban store models with good design quality are used, as has already happened in many cities. By ensuring-high quality design, these developments will not only contribute revenue as a result of their operations, but they will help raise real estate values in the surrounding neighborhood.
- Increases in licenses, permits, fines and fees can be calibrated to make sure that users are paying the cost of the services. Licenses, permits and fines should be the same for all citizens, but an argument can be made that fees for some services such as recreational classes could be collected from most users, but with scholarships or a sliding scale for those who cannot afford them. Rather than keeping all fees low, or having no fees at all for certain services, it is better from a revenue point of view to distinguish between different kinds of users.

4. Annual budget process

Starting in FY 2008, the City began using the Budgeting for Outcomes (BFO) process to prepare the annual city budget:²

BFO starts with a set of results that matter to citizens and encourages creative ways of achieving them within the resources available. It emphasizes accountability, innovation, and partnerships. Like performance budgeting, BFO focuses on what the public receives, how much it costs, and how will outcomes be measured.

² The discussion of fiscal projections and the budget process, and all quotations and graphics are from City of New Orleans, *Budget 2009*, <http://www.cityofno.com/pg-35-97.aspx>

Budgeting for Outcomes links all the components of the City's performance management system including the City's five-year financial plan, the annual budget, programs, performance monitoring and reporting, and citizen and employee feedback on performance and priorities.

The sequence of tasks in the BFO process are: identify how much money is available; establish prioritized results; allocate revenues to the results; conduct analyses; rank budget programs; identify performance measures; monitor performance.

- **How much money is available?** The City identifies the framework for creating the budget by projecting expenditures and revenues for five years based on current conditions and trends and adjusted for inflation and known specific circumstances. The revenue projections were based on growth assumptions, from the 2008 base, for population, construction and tourism. National economic trends were also factored in. A 7 percent increase in City revenues in 2009 is expected to be followed in 2010 with a 3 percent decline, with subsequent growth rates of 1 percent to 3 percent. The increased revenues are expected to come from property taxes, as rebuilding continues, and expanded tourism. In late 2008, the City forecast, "based on current expenditure and revenue trends" that in 2011 it would no longer depend on federal and state loans needed in the aftermath of Hurricane Katrina to keep the budget balanced, as required by law. The forecast assumes the City will not take on any more debt. It is common for repayment of Community Disaster Loans to be waived by the federal government, but if it is not, the city can request an extension for five years. In 2012, the city will begin paying \$4.9 million a year as repayment on a \$52.3 million General Obligation Zone debt reduction loan.

Priority Areas of the 2008–2009 Budget

Public Safety

MAKE NEW ORLEANS A SAFER CITY

Progress measured by:

- Violent crime rates
- Cases accepted for prosecution by DA
- Emergency response times
- ISO rating (relating to the Fire Department)

Recovery and Livable Communities

REBUILD, REDEVELOP, AND RENEW THE CITY OF NEW ORLEANS

Progress measured by:

- Number of net new jobs in targeted industries (biomedical, port, aerospace, digital, tourism, entertainment)
- Percent of population utilizing clinics
- Number of property inspections in target areas
- Percent change in population

Opportunities for Youth

FOCUS RECREATION AND DEVELOPMENT PROGRAMS TO PROVIDE OPPORTUNITIES FOR THE YOUTH OF NEW ORLEANS

Progress measured by:

- Number of participants in educational, recreational, and athletic programs for youth
- Juvenile crime rates
- High school graduation rates
- Number of youth job placements through JOB 1

High-Performing Government

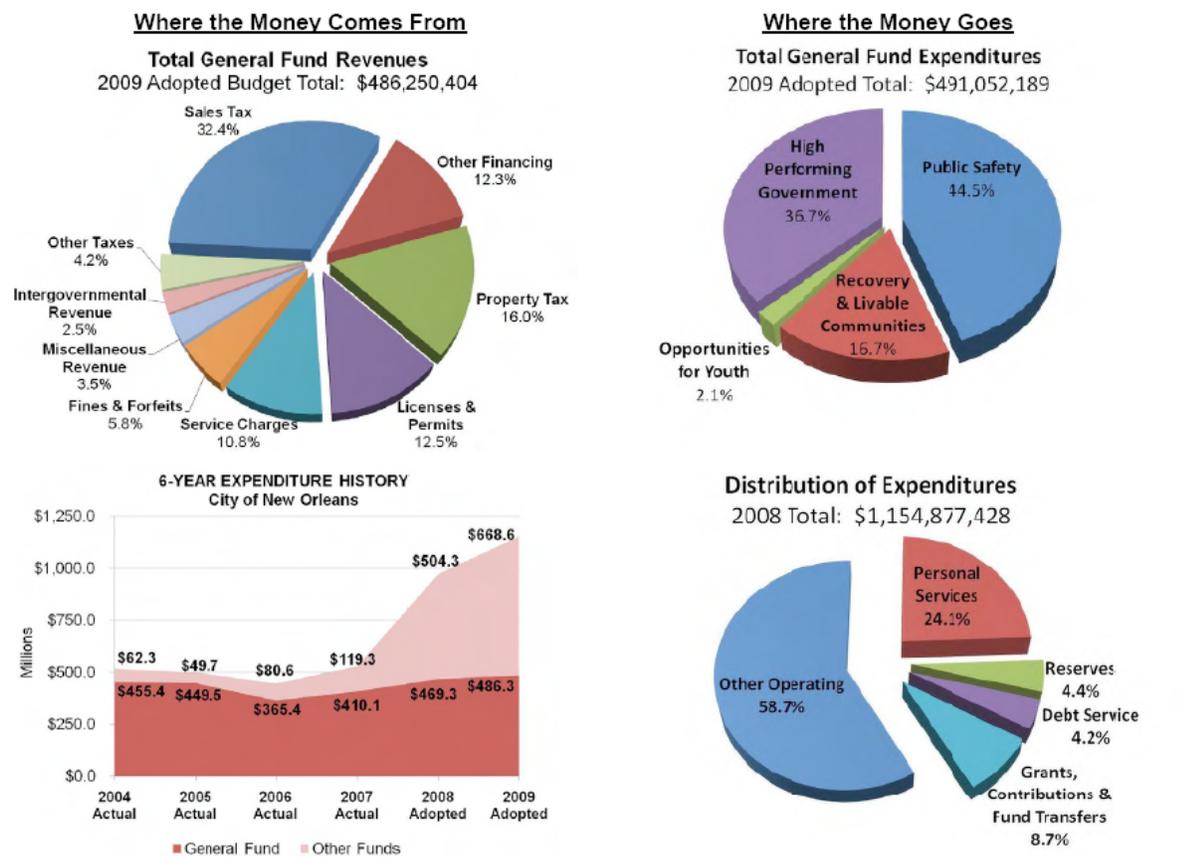
RESTRUCTURE AND REFORM NEW ORLEANS CITY GOVERNMENT TO BE MORE EFFICIENT AND EFFECTIVE

Progress measured by:

- Improve or maintain the City's credit rating
- 10 percent reserves, consistent with financial policies, for all twelve months
- Percent of result area measures showing progress

- Establish prioritized results.** The City’s four priority areas for the budget in 2008 and 2009 were: Public Safety; Opportunities for Youth; Recovery and Livable Communities; and High Performing Government. These categories were described as “the four results that matter the most to the public,” but there is no indication in the budget document about how that determination was made. Performance measures, shown below, were identified for each category. While in some cases, the performance measures seem well-chosen, in others it is not clear why, for example, “percent of population utilizing clinics,” and “number of property inspections in target areas,” are among the four performance measures chosen for the category “Rebuild, Redevelop and Renew the City of New Orleans,” rather than measures such as number of building permits, or number of new rental units.
- Allocate revenues to the results.** The projected General Fund revenues were then distributed among the four categories, again without discussion of the rationale:
 - > Public Safety: 42 percent
 - > Recovery and Livable Communities: 16 percent
 - > Opportunities for Youth: 2 percent
 - > High Performing Government: 39 percent.
- Conduct analyses.** Teams of city staff worked together to identify the strategies, programs and activities that would best advance the goals in each of the four categories. They “considered citizen concerns and priorities, plans developed since the storm, best practices, innovations, and research,” based on department proposed budgets and declarations of how the requested funds would “achieve results for citizens.”

FIGURE 16.2: BUDGET-IN-BRIEF



- **Rank budget programs.** Executive staff ranked the programs in each category according to a number of considerations and then distributed available funding in rank order until there were no more resources. This process is described as transparent because the rankings are public. However, why certain programs might be considered to rank higher than others, “according to how well they achieve the results,” remains opaque in the budget document.
- **Identify performance measures and monitor performance.** Funded programs are intended to have performance measures, but some agencies are listed as needing to develop them in 2009. The City produces a quarterly report on progress in producing the identified outcomes in the four categories (as of June 2009, the third quarter report for 2008 has been made public.)

The Budgeting for Outcomes project is commendable but needs to be refined with better explanation of criteria for decisions, better performance measures and more communication with the public. Some departments’ performance measures consist simply of the number of requests processed and similar bureaucratic counts—suitable in some cases, but other departments need to develop measures that are really about outcomes for the city.

5. Enforcement and accountability

Throughout the master plan process, New Orleanians expressed their frustration about enforcement and about accountability. New Orleans has many regulations and ordinances that are not consistently or efficiently enforced. This has been a problem in the city for many years, but the scale of challenges that the city continues to face during the recovery process has created critical enforcement problems affecting the quality of life of thousands of residents, business owners and others. The imperfect and poorly funded enforcement system that existed before the storm was overwhelmed by post-storm needs. Starting in 2009, more funds are being allocated to enforcement agencies, with the result that more staff is being hired and more focused strategies are being implemented. However, the resources still fall short of the need.

Because responsibilities are often dispersed among many agencies and information is hard to obtain, citizens often do not know who can be held accountable for delivering city services. For example, Code Enforcement, Safety and Permits, and the Health Department could all be involved in various aspects of an enforcement case. Information-sharing leaves much to be desired within city government and citizens outside government often express frustration about their inability to get information. The city website is improving somewhat but, for example, has a hard to find telephone directory which is several years old, with many obsolete listings. While some agencies have web sites that provide names and contact information for their staff and any board members, others do not. Overburdened departments like the Planning Commission find themselves with obsolete information on their websites, but no ability to get quick remedies to correct them, because they must wait for changes to be made by the Office of Technology.

6. Performance measures and data systems

A number of cities, including Baltimore, New York, and Washington, DC, have instituted performance measurement systems throughout city government. A few New Orleans city departments have very basic forms of this practice, for example, the Police Department’s CrimeStat system, but it has been criticized for not sharing the data with the public in a timely way. Parks and Parkways and NORD release monthly data on the website about their operations, activities and number of people served and Code Enforcement is also providing more information about its activities.

The Washington, DC, system, CapStat is currently seen as the best model for both performance accountability and information sharing. Washington puts operational data from multiple agencies on its website for download and live data feed—274 datasets. According to one industry publication, Washington went “From Worst to First” in government information systems in seven years:

DC Stat . . . collects data from dozens of city agencies . . . to identify ways to increase revenue, cut costs and improve services. In one example, DC Stat tools identified \$12 million in annual revenue that had gone uncollected due to a lack of coordination between information for the District's Chief Financial Officer and local housing inspectors. DC Stat was also used to identify "Hot Spots" where police resources were then targeted, reducing violent crimes by 25 percent, and "New Communities" where investments were made to reduce unemployment and increase home ownership.³

As this quotation points out, effective data collection and integration not only can inform public servants and help them improve performance, it can also save the city money and even find new revenues.

FIGURE 16.3: WASHINGTON DC'S CAPSTAT WEBSITE

The screenshot shows the 'Data Catalog' page of the District of Columbia's CapStat website. The page features a navigation bar at the top with links for 'District of Columbia', 'MAJOR FENCY', 'DC GUIDE', 'RESIDENTS', 'BUSINESS', 'VISITORS', 'GOVERNMENT', and 'FOR KIDS'. On the left, there is a vertical menu with categories like 'DC TO HOME', 'SERVICES', 'INFORMATION', 'ONLINE SERVICE', and 'REQUESTS'. The main content area is titled 'Data Catalog' and includes an introductory paragraph about public access to city operational data. Below this, there are three columns: 'Live Data Feeds', 'See it on Google Maps', and 'Custom Downloads'. Each column lists various data categories such as '311 Service Requests (Hansen)', 'CJIS Juvenile Arrests and Charges', and 'Completed Construction Projects'. A 'Popular Downloads' section is also present, listing specific data files from 2009 and 2008. On the right side, there are several informational boxes, including one about subscribing to a 'Data Catalog News feed' and another explaining different data formats: 'Text / CSV', 'Atom feed', 'XML', 'ESRI', and 'KML'.

Washington's CapStat provides a wealth of data online available to anyone.

³ Intelligent Enterprise, Dec. 1, 2005. <http://www.intelligententerprise.com/showArticle.jhtml?articleID=174300381>