

St. Bernard Tenants Proposal
Submission to HUD/HANO
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Introduction

This proposal is presented by the St. Bernard Housing Recovery & Development Corporation, Inc. (“St. Bernard HRDC”), on behalf of the tenants of St. Bernard, in collaboration with the AFL-CIO Housing Investment Trust (HIT) and the AFL-CIO Investment Trust Corporation (ITC).

Since Hurricane Katrina struck New Orleans over two years ago, we, the tenants of St. Bernard, have been turned out of our homes—forced to live as internally displaced persons in distant cities, doubled up with relatives or in temporary housing. This is not merely wrong—it is a violation of the public housing laws of the United States. Those laws grant tenants multiple rights to participate in the process of the redevelopment of the public housing in which they live. HUD and HANO have trampled these rights. Cast out by both the storm and our own government, we have organized and worked together to develop this proposal for the redevelopment of St. Bernard—doing by ourselves what the law required of HUD and HANO.

On August 29th, 2005, Hurricane Katrina displaced the residents of 866 units at St. Bernard. Two years later, the residents of St. Bernard still have not been allowed to return home, regardless of whether our individual units had been made less habitable by the storm. Worse, public housing units that were “acceptable” prior to the storm are now uninhabitable because of the negligence of HANO.

Instead of working rapidly and efficiently to restore residents to their homes, the response of HUD and HANO is an international scandal. These agencies, working in concert, have used the Hurricane Katrina disaster as an opportunity to make sweeping changes to HANO’s inventory of public housing and in so doing to change the complexion of New Orleans. It is no accident that a recent report of the Brookings Institution reports that those driven out by Katrina were “younger, poorer, more likely to be black, and more likely to have children.”¹

St. Bernard HRDC was founded in April 2007 by the residents of St. Bernard as a vehicle to organize together and work formally with other community groups and/or prospective developers interested in working with us to realize our goal of redevelopment and rehabilitation of St. Bernard. St. Bernard HRDC has set the following goals:

- To allow the return of all residents to their homes immediately without massive demolition and redevelopment;

¹ The Brookings Institution reports that the number of black students in the City is proportionately shrinking. African-American communities that were economically depressed before the hurricane have been hit the hardest. Two years after the storm many children are still plagued by the trauma of their horrific experiences of survival in the aftermath of the storm. “Katrina’s Children—A Call to Conscience and Action,” prepared in March 2007 by the Children’s Defense Fund, found that more than 100,000 children still do not live where they did when the hurricane struck. Tens of thousands of children suffer from disorientation and isolation.

- To be actively involved in the planning phase of any redevelopment effort, including the right of first refusal to any sale of the property;
- To be actively involved in the redevelopment management and ownership opportunities;
- To ensure there is a legitimate chance for all tenants at the time of the storm to return to St. Bernard; and
- To ensure there is a legitimate chance to obtain the job training and jobs that will be created through redevelopment, i.e., the so-called HUD section 3 requirements.

The St. Bernard HRDC is a not-for-profit open to all residents of St. Bernard at the time of the storm. Non-residents may not be members. It meets regularly and has actively solicited support and technical assistance from numerous groups and professionals whose interests are aligned with ours, including HIT and ITC. These groups have worked with us to assist us in developing a comprehensive plan for the redevelopment of St. Bernard that will meet our needs as tenants to return home to a vibrant, sustainable community—with safe, affordable housing and appropriate support services, including job training, health services, childcare and youth programs.

Our proposal is set forth in detail in the following pages. It stands in stark contrast to the Columbia proposal, which we believe was approved in contravention of federal law and which is no more than an abusive land grab, in which private interests use Katrina to carry out an economic development agenda that pre-existed the storm. Instead of demolishing units of public housing, our plan will preserve access to public housing units at pre-storm levels. This is a key difference, because under the HUD/HANO/Columbia plan the majority of the redeveloped units will likely be market rate under the prevailing “mixed income” public housing development model, so that less than half of the already reduced number of redeveloped units will be considered “affordable.” Add to that the wide latitude developers have in setting criteria for the “affordable” units and New Orleans will wind up with new federally subsidized public housing developments that house middle class people and few to none of the public housing residents displaced by the storm.²

The St. Bernard tenants were not consulted on the plan to demolish our homes and reduce the number of public housing units, nor were we involved in the process for development of a Five Year Plan or the Annual Plan for HANO, as required by law. Significantly, neither at that time, nor subsequently, has HANO done the necessary work—as required by federal statutes and HUD regulations—to study the needs of the low income residents of New Orleans in deciding on how St. Bernard should be treated.

The failure of HANO to comply with applicable federal law is particularly troublesome in that HANO is in fact under HUD administrative receivership and is governed by a one

² Under the proposal submitted by Columbia the approximately 1,430 units at St. Bernard would be demolished and replaced by 465 units, only 153 of which would service the St. Bernard residents displaced by Hurricane Katrina and subsequent demolition of the project. There are no provisions in the proposal for housing the balance of St. Bernard tenants. These tenants could not relocate to Section 8 units elsewhere in the City of New Orleans because there are no available units.

person board, that person being an employee of HUD. HUD has the legal obligation to oversee housing authorities such as HANO and to ensure that they comply in all respects with Congressional mandates and its own regulations.

The essence of the Columbia proposal is that the entire community will be constructed around the development of a golf course connected with the PGA Tour. To achieve this, some unspecified party would have to take control of the existing public park in the area and convert it to an upscale golfing facility. Since neither Columbia, nor HANO or HUD has the ability to convert this public park, the proposal is at best hypothetical. Further, the construction of this golf course is dependent on raising millions of dollars in donations from private sources, which cannot be relied upon in any objective financial analysis of the proposal. This is key because the community benefits promised in the plan are to be funded by projected future profits from the operation of the golf course.

The Columbia plan also includes founding two charter schools, one for pre-K through 8th grade and one for high school. As with the golf course, the creation of the schools is a matter for governmental authorities other than HUD and HANO and certainly not within the control of Columbia.

Finally, the plan calls for a 45,000 square foot YMCA with an indoor pool, track gym, weight room, workout room and daycare facility. Again there is no reference in the proposal to how this will be financed, who will pay for it, when this facility will be built, and/or whether the YMCA has agreed to this proposal.

Had there been a bona fide consultation process with tenants, the Columbia plan could not have been selected. We believe that HUD/HANO must consider and respond to our plan as laid out in these pages.

The Team

St. Bernard Housing Recovery & Development Corporation, Inc.

Displaced tenants from St. Bernard have established the St. Bernard Housing Recovery & Development Corporation, Inc. (St. Bernard HRDC) in order to pursue redevelopment in keeping with tenant needs and objectives. The St. Bernard HRDC was founded on April 10, 2007, as a vehicle for the tenants to organize themselves and a mechanism through which the tenants can formally work with other community groups and/or prospective developers interested in working with them to realize their goals.

The tenants' goals are: 1) To return to their homes immediately without massive demolition and redevelopment, 2) to be actively involved in the planning phase of any redevelopment effort, 3) to be actively involved in the redevelopment management and ownership, 4) to ensure there is a legitimate chance for all former tenants at the time of the storm to return, and 5) to have a legitimate chance to obtain the job training and jobs that will be created through redevelopment, i.e., the so-called HUD section 3 requirements.

The St. Bernard HRDC is a not-for-profit open to all former residents of St. Bernard. Non-residents may not be members. The corporation appointed four former tenants as board members: Sharon Jasper – President; Stephanie Mingo – Vice President; Lynette Bickham – Treasurer; and Gloria Irving – Secretary.

St. Bernard HRDC has entered into a Memorandum of Understanding (MOU) with the AFL-CIO Investment Trust Corporation (ITC) and the AFL-CIO Housing Investment Trust (HIT) that establishes the basic foundation for this proposal. It commits the parties to the following principles:

- That every single one of the pre-Katrina residents of the St. Bernard housing development have the right to return to their neighborhood and live in a decent, safe and sanitary apartment, paying no more than 30% of their income for that rental unit;
- That a one-for-one replacement of affordable housing units in the St. Bernard neighborhood will guide overall redevelopment;
- That pre-Katrina residents of St. Bernard be given preferences in the training and hiring of construction workers in any re-opening, redevelopment, rebuilding or repair of the St. Bernard development, provided that all construction work must be performed by 100% union labor;
- That every effort be made to find all the displaced residents of St. Bernard and determine what their current housing needs are, whether they wish to return to St. Bernard and on what schedule;

- That a plan be developed to maximize resident ownership and control of the development on the St. Bernard site to the extent reasonably possible; and
- That, to the maximum extent reasonable possible, a resident corporation and/or affiliate organization be provided the right to purchase the development once any tax credit compliance period has elapsed and that this corporation or affiliate have a significant opportunity to participate in decisions in the development in the meantime.

In furtherance of these principles, St. Bernard HRDC, ITC and the HIT are submitting this proposal which more fully reflects the shared goals and objectives delineated above.

AFL-CIO Investment Trust Corporation (ITC)

The AFL-CIO Investment Trust Corporation (ITC) is a taxable, District of Columbia not-for-profit corporation that provides a variety of services in support of labor-sponsored institutional real estate investment. The ITC has raised over \$1 billion in investment capital for two pooled real estate funds, including the \$2.7 billion AFL-CIO Building Investment Trust (BIT). It also provides investor relations and labor relations services for the BIT.

Shortly after Katrina, ITC established an office in New Orleans to help coordinate the AFL-CIO's Gulf Coast Revitalization Program (GCRP), an initiative of the ITC, HIT and BIT that has pledged to invest \$700 million in housing and economic development in the hurricane-devastated region. The ITC's New Orleans office, under the leadership of ITC Vice President Tom O'Malley, now maintains a permanent staff of four. In 2005, the City of New Orleans selected the ITC and its partner, Providence Community Housing, to redevelop 196 "adjudicated" properties within the boundaries of Treme/Lafitte and Tulane/Gravier. The ITC has also provided extensive technical support for the launch of Housing International Gulf Coast, a panelized housing manufacturer serving New Orleans and the Gulf Coast region as an efficient source of high-quality housing while also supporting well-paying permanent jobs for local residents.

AFL-CIO Housing Investment Trust (HIT)

The AFL-CIO Housing Investment Trust (HIT) could be a potential financing source for the construction of the project under this proposal. The HIT, a registered investment company, has a long history of investing in the development and preservation of housing. Together with its predecessor fund, the HIT has invested more than \$5 billion over the last four decades to create or preserve over 85,000 units of multifamily and single-family housing. These investments have produced competitive returns for HIT's investors while providing collateral benefits important to working people – such as creating more than 48,000 units of affordable housing for working families, promoting the development of sound communities, and creating approximately 50,000 union jobs in construction and related industries.

Throughout its 40 year history, the HIT has successfully utilized a community investment initiative approach for certain of its investments, focusing outreach efforts on a particular market to build relationships in order to make a substantial impact on the community's housing needs. A good example of this is HIT's New York City Community Investment Initiative. Following the tragic events of 9/11, the New York City Community Investment Initiative was launched, and in the first four years of the Initiative, over \$800 million was invested by the HIT and BIT in the five boroughs of New York City. This investment represented over \$2 billion in real estate value and 13,600 units of housing. A second phase was launched in 2006 targeting an additional \$500 million in multifamily and commercial real estate investments and, through HIT's homeownership partnership with Chase, \$1 billion in single family mortgages over the next five years.

Financing Proposal

St. Bernard HRDC is proposing to create and preserve a total of 1,085 units on the St. Bernard site. The plan calls for the renovation and rehabilitation of a large number of the existing buildings on the site, adding streets and open space and building new for-sale housing in duplex buildings. This will result in 716 units in the retained buildings and an additional 219 newly constructed for-sale units and 150 senior housing units. This proposal will result in approximately \$180 million of total development costs and more than one million square feet of developed space creating a vibrant mixed-income, mixed-finance community. As a second phase of the project, we would also propose acquiring property in the surrounding neighborhood on which to develop an additional 350 units of mixed-income housing as well as coordinating with our neighbors to bring the surrounding community back to life. One possible location for such development would be the vacant Imperial Drive site, owned by HANO, which is nearby.

Affordability

As proposed, the St. Bernard site would have 1,085 units, with a total of 866 units of housing affordable to former St. Bernard residents, the number of units which were occupied just prior to Hurricane Katrina. In addition, 219 units of additional for-sale housing would be constructed on-site, available to families earning 65% of AMI. This unit mix will provide a realistically achievable mixed-income component for the St. Bernard redevelopment reflecting actual surrounding area sales prices. An additional 350 units of market rate housing, also available to families earning 65% of AMI, is proposed in the neighborhood immediately adjoining St. Bernard as a subsequent phase to the on-site development.

The proposed 1,085 on-site units will be comprised of 641 public housing units and 75 section 8 lease-to-own/homeownership units within the existing structures. In the duplex structures on the property, 150 units of senior housing will be constructed. All 866 of these units will be affordable to public housing-eligible families whose incomes are 30% or less of the New Orleans area median income. In addition, 219 for-sale town homes will be constructed on the property. These homes will be sold at an average price of \$126,000, making them affordable to families making less than 65% of area median income.

The total number of on- and off-site affordable housing units thus contemplated in this proposal is 1,435, which equals the total number of units once available on the St. Bernard site at its full occupancy and is distributed as follows:

	Affordability	Phase I: on site	Phase II: off site	TOTAL
Public Housing with ACC	30% AMI	641*		641
Senior Housing	30% AMI	150*		150
Section 8 / Homeownership	30% AMI	75*		75
For-Sale Housing	65% AMI	219		569
Off-Site—Phase II	65% AMI		350	350
TOTAL		1,085	350	1,435

* Public housing units – these amount to a total of 866 on-site public housing units.

Tenant Management—The Leased Cooperative Model

We want to be involved in creating, managing and overseeing our own community in order to bring back the community at St. Bernard that we envision. To ensure community stability and resident involvement in St. Bernard, we are proposing to set up at least 850 of the units as a leased cooperative. This structure would be managed similarly to a limited equity housing cooperative.³ However, to meet the needs of the tax credit investors in the project, the project would be owned by a partnership between the tenants and a professional property management company for the life of the tax credits. During this time the partnership would lease the building back to the tenants, giving us an opportunity to transition into the day-to-day management of the project when the tax credit period expires. The tenant management team will work closely with the manager on significant management issues such as lease and tenant occupancy terms, preventive maintenance issues, eviction criteria, and a tenant grievance policy.

³ Limited Equity Housing Cooperatives (LEHCs) are business corporations in which residents share ownership of a building. LEHCs offer ownership opportunities to lower income households while limiting the return from resale that they can receive from the housing. They contrast with market rate cooperatives, where membership can be transferred at market value.

LEHCs provide high quality, safe, affordable housing for low-income families. LEHCs are vehicles which allow for many of the benefits of homeownership to low-income families who might not otherwise be able to own. For example, LEHCs allow members to pass their shares on to family members, allow for more active tenant management, and allow the tenants to benefit from appreciation that occurs in the property. LEHCs offer stable housing costs in rising real estate markets and resistance to defaults in down markets while requiring similar or lower subsidies than other comparable rental housing.

Upon expiration of the tax credits, the tenants would be given the right to purchase the property outright and form a limited equity housing cooperative ultimately bringing to them many of the benefits of homeownership. By structuring the project as a leased cooperative with a “springing interest” for the tenants, the project can meet the needs of the tax credit investors while providing for resident involvement and a stakeholder interest from the outset, setting the stage for the tenants to purchase the property at a later date.

A full explanation of limited equity housing cooperatives and how they are structured and managed can be found in the attachments.

Financing Plan Overview

The financial plan developed to implement this proposal integrates identified sources of funds already approved for the St. Bernard redevelopment with additional sources that would be used to attain financial feasibility for a greater number of affordable units than currently proposed by HANO.

The proposal combines 641 units of public housing with ACC contracts, 150 units of senior housing, 75 units of section 8 lease-to-own/homeownership, and 219 for-sale units. The proposal also calls for a 9,000 square-foot community center for a total development cost of \$183.4 million.

Funds that have already been identified are \$74.1 million of proceeds from the sale of 9% tax credits, \$27.0 million in CDBG funds, \$10.3 million in first mortgage debt and \$18.9 million in HANO Capital Funds for a total of \$130.3 million reported in the *Public Investment, Private Developers – How Louisiana Deployed its Go Zone Housing Tax Credit* report dated May 2007 for the Bureau of Governmental Research.

Since this proposal includes the rehabilitation of a significant number of the existing on-site buildings, it presents an opportunity for cost savings for HANO as opposed to the wholesale demolition of all existing on-site buildings. The savings realized through rehabilitating rather than demolishing two-thirds of the existing buildings, as proposed herein, is estimated at \$9.0 million, which is applied as an additional source of funds to help maximize the creation of affordable housing. By preserving the existing buildings, we expect to also be able to receive approximately \$35.9 million of Historic Tax Credits on the project as well. These funds provide the project with \$181.8 million in sources leaving a gap of \$1.6 million.

Business Terms

Predevelopment Costs

The financial structure of this project is extremely complex and holds a number of risks that are familiar to our team. We expect to receive predevelopment funding by utilizing existing relationships with organizations that make predevelopment investments in rental housing and retail/commercial developments, including the use of New Market Tax

Credits. Overhead expenses during predevelopment will be funded through the same sources. The overhead expenses will be reimbursed at construction closing, which is customary.

This proposal complies with the Cost Control and Safe Harbor Standards for Rental Mixed Finance Development (Rev. April 9, 2003) which is 10% of the project costs. This fee is at the lower end of the range provided by HUD and demonstrates our commitment to the redevelopment of St. Bernard.

Land Lease

The St. Bernard site will be leased from HANO at a nominal amount of \$100 per year for 99 years. As a result, no land cost is included in the budget. We propose to provide HANO with a joint venture interest in the apartment portions of the community, allowing ongoing sharing of cash flows (or, if HANO prefers, their share of cash flow can be used to further write down the rents). The limited equity cooperative documents will specify the terms and conditions of the sale of units to assure long term affordability of the cooperative. We wish to provide the residents of any residential housing the right of first refusal to purchase the property after the 15-year tax credit period. If this right is not exercised by the tenants, HANO will be next in line for purchasing the rental housing. These rights will be memorialized in the Disposition and Development Agreement.

ACC Contract

In order to insure affordability for the former very low-income residents, the project will need to receive Annual Contributions Contract financing for each very low-income unit. Since ACC funding barely covers expense costs, the mixture of tax credit and market rents will cross subsidize the expenses incurred in operating the property. A highly capable and efficient management company will oversee property management with close coordination with the resident managers in training to assure that they are part of the process. An onsite property management office will be open for pre-leasing activities during the early stages of redevelopment. Adequate and trained staff to handle administrative, maintenance, leasing, marketing, and tenant and homeownership matters will monitor costs attributable to operating the property. Rigorous preventive maintenance protocols will be established to keep properties in top shape, satisfying owners, tenants, lenders and long-term asset management needs. On the homeownership and rent-to-own units, Housing Choice Vouchers will be targeted to low-income families to assist them in becoming homeowners. Each family must receive financial literacy and homeownership counseling to assure sustainability.

Fair Housing

We are committed to an affirmative fair housing marketing plan for all former tenants, as this is our priority in redeveloping the property. We understand that some of the tenants will need training and technical assistance in assuring that they meet the tenant-established lease and occupancy guidelines. These tenants will receive priority for the redeveloped public housing assisted units. For public housing eligible tenants who did not previously live at St. Bernard, we will work with HANO to identify the families who have requested St. Bernard residency from the HANO site-based waiting list.

Timeline and Critical Path

We have designed this proposal to get us and all former residents who wish to return, back into their homes as quickly as possible while creating our personal vision for our community. To this end, the proposal contemplates units being reoccupied as soon as possible. This will be accomplished through a phased redevelopment to accommodate those families who have returned.

This proposal recognizes the critical need for the FY2007 low-income housing tax credits that have already been awarded to the St. Bernard project to be put in service by the mandatory deadline of December 2010. Given that this proposal calls primarily for the rehabilitation of existing buildings and contemplates the use of panelized housing for the new construction, the timeline for completion should be accelerated.

This proposal is structured to meet the goals of providing all pre-Katrina residents of St. Bernard with a place to return to and making sure that this now happens as quickly as possible. Our community's families have been away from their homes for more than two years now, and it is time to make giving them a home to return to a priority.

Tenant Management – The Leased Cooperative Model

To enhance community stability and resident involvement in the redevelopment of St. Bernard, ownership of the proposed public housing with ACC will be structured as a leased cooperative, to be managed as a limited equity housing cooperative. The formation of the limited equity cooperative will be done in stages as the role of the residents must be acceptable to the low income housing tax credit investor. The importance of ownership as recognized by all community stakeholders provides an incentive for residents to maintain their units for the long term and to have a substantial stake in the stability of their community.

Cooperative ownership of housing is a form of a Common Interest Development (CID), where a collection of individuals share ownership and management responsibilities for a group of housing units. In a Cooperative, members own shares in the corporation that in turn owns the property. As a stockholder in the corporation, the shareholder has the right to lease a specific apartment so long as the individual is both a member of the cooperative and abides by the rules and regulations of the cooperative board of directors.

The board of directors of a cooperative is comprised of shareholder/owners often with additional outside board members who bring specific expertise to the board. Ownership is transferable between individual owners of the stock in the cooperation. Cooperatives can be nonprofit corporations that own the entire development, unlike condominium owners who each possess individual pieces of real estate.

Design Concepts and Physical Plan

We envision a community of mixed incomes on a pedestrian-oriented site that also is reintegrated with the surrounding street grid. A total of 850 units in existing buildings will be substantially rehabilitated and, in many cases, expanded to provide 425 public housing units together with 425 tax credit subsidized rental housing units. These 850 units will be structured as a leased cooperative. This will allow us to be involved in the day-to-day management of our own community, eventually allowing us to become homeowners through our own tenant-run cooperative. In addition, the Master Plan calls for the development of 219 additional new construction lower density duplex units, intended for immediate home ownership or long term ownership on a lease-to-own basis. Approximately 75 of these units will be affordable to public housing-eligible families; the remainder will be available for sale as condominium units. Significant senior housing is also included on the site, to further enhance the diversity of the community. Any new construction on the site will satisfy FEMA's standards for minimum floor elevations for the neighborhood.

Public open space would be available throughout the site, including a substantial park and playground area on the eastern side, and tree lined streets running both north-south and east-west. A mix of building types will include both preserved multifamily housing stock and lower scale duplex structures. The site is opened up as space between most of the preserved buildings is significantly increased. This building-type mix is intended to enhance neighborhood security while maintaining a density consistent with urban neighborhoods.

Finally, and critical to the master plan concept, is the creation of an anchor facility intended to provide a mix of social and community support services, including job training, job readiness, and financial literacy training together with traditional support services. To accomplish this we plan to work with the AFL-CIO Investment Trust Corporation which is working to acquire funding and supporters for such a facility. This facility would be home to job training services offered by the Gulf Coast Construction Careers Center operated by the Building and Construction Trades Department, AFL-CIO, as well as distance learning services linked to the job training and life skills educational capacity of the National Labor College, which is located just outside Washington, DC.

In order to meet our goal for re-housing our community as quickly as possible, our plan calls for new housing that will be constructed both on and off-site. We will make maximum use of panelized construction technology in order to achieve increased efficiencies, assure high building quality and generate local employment opportunities in the Gulf Coast Region. These buildings will utilize steel and/or wood technologies which have the flexibility to produce components for single family, duplex, and attached residential as well as low-rise multifamily and low-rise commercial projects. It is intended that buildings produced will reflect high standards of architecturally compatible design, functionality, ability to resist storm damage and meet applicable code

requirements, energy efficiency and other sustainable concepts. New facilities for producing the panelized housing are now operational in Reserve.

Principles of the Master Plan

The proposed Master Plan Concept focuses on the use of highly efficient panelized construction technology for new housing and on the substantial rehabilitation of existing housing stock—approaches that will increase the speed with which the project can be completed. This strategy avoids massive demolition and site clean-up at a time when demolition and hauling resources are strained to the maximum in the region. Project implementation can be accelerated making housing available to residents in the shortest possible time.

We are committed to creating a community filled with St. Bernard families and giving them a place to rebuild their lives and their communities while creating a vibrant community with access to good jobs, job training, affordable housing, quality public education, quality public transportation and quality public healthcare. To carry out this vision we are focused on three primary principles.

First, we and our partners are committed to the right of former New Orleans residents to return to their neighborhoods. By preserving approximately 75% of the existing buildings, the proposed master plan achieves a density of 22 units per acre—less than the current density of 28 units per acre, but substantially more than the 12 units per acre contemplated by Columbia. This higher density makes available more rehabilitated and new housing for returning residents, providing easy access to public transportation routes, while at the same time opening up the site and effectively integrating it into the surrounding community.

A second principle embodied in the proposed Master Plan Concept is a "high road" redevelopment strategy that focuses not just on bricks and mortar, but also on the provision of long-term educational and economic opportunity to support a healthy community over the long-term. Incorporation of job training and the use of panelized building technology from local plants leverages the construction opportunity into life changing economic opportunity.

A third principle embodied in the proposed Master Plan Concept is effective and fully participatory community involvement, from the initial planning process through long-term facility management and individual home-ownership. The proposed master plan concept is intended to be the start of a dialogue with former St. Bernard residents, with the surrounding community, and with HANO. It is critical that we be accorded our legal rights to participate actively in the development and elaboration of the master plan. The proposed master plan concept presented here is intended to demonstrate that it is possible to achieve a balance of higher density development, mixed income housing, mixed building types, preservation, and full integration of the site into the surrounding community. However, a fully participatory process, involving all of the affected parties,

will unquestionably result in a plan that differs from and improves upon that presented here in many important details.

The approach to the redevelopment of the St. Bernard Public Housing Site described in the proposed Master Plan Concept has the greatest chance of succeeding in achieving not just the rebuilding of a part of New Orleans but the restoration of a community, the affirmation of respect for our community's residents, and the creation of long-term opportunity that restores hope for a better future.

Comprehensive Neighborhood Redevelopment

We believe that community and physical development are inseparable. We plan to work with a team of the very best housing and community developers, affordable housing financiers and community leaders to ensure that we are involved in the planning, construction, and operation of this community. By doing this, we can assess community assets and work to improve opportunities through a range of initiatives, with a focus on education, health, employment, child care and homeownership. To meet these goals we will seek to increase residents' access to job training and apprenticeship opportunities through our work with the AFL-CIO Investment Trust Corporation and the Gulf Coast Construction Careers Center of the Building and Construction Trades Department, AFL-CIO.

Provision of Community Services: The Young Men of Color Program

In New Orleans, the ITC and HIT have worked to build upon the Young Men of Color Program initiated by the AFL-CIO. Launched in November 2006, the Young Men of Color Program is a response to the Dellums Commission Report sponsored by the Health Policy Institute of the Joint Center for Political and Economic Studies. The program centers around establishing an "anchor facility" that serves as both a community center and workforce training center designed to motivate young people, increase life skills, improve health and provide access to employment.

The "anchor facility" in the St. Bernard redevelopment would also serve as a meeting place for residents, while housing several of the entities that contribute to the health and success of a community, including job training and career counseling services, a computer lab equipped to offer distance learning opportunities, classroom/meeting space and child care services. Additionally, this facility could house the management office for the newly developed housing project, particularly if it is structured as a limited equity housing cooperative. The central location and array of services offered at the anchor facility will be crucial to ensuring that it serves as a clearinghouse for input from local residents about what is happening in the community and what changes and improvements should occur in the future. It is intended to seek grants from foundations and corporate donors to both acquire the facility and support its operations.

The distance learning element of the anchor facility would receive special attention. The residents would be able to take advantage of specific programs offered through the National Labor College. Web learning modules in subjects such as computer literacy, math for banking, customer service, personal communications, and sales techniques will be offered. Participants will be able to pursue certificates and/or degrees in a number of different disciplines. The center will offer flexible hours so that students may further their education on a schedule that meets their specific needs. A key offering will be courses in financial literacy, through which participants will learn life skills related to money management that will assist them as they seek to establish good credit or move towards eligibility to purchase a home.

Finally, through an alliance with the Building and Construction Trades Department, AFL-CIO, the facility would offer meaningful job training to residents with direct opportunities for job placement.

Gulf Coast Construction Careers Center (GCCCC): Job Creation

Over the past year, the ITC and HIT have worked closely with the Building and Construction Trades Department (BCTD), AFL-CIO, to make workforce training in New Orleans a reality. Through the dedication of its New Orleans team, headed by Executive Director Art Lujan, the BCTD has launched the Gulf Coast Construction Careers Center (GCCCC), a one-stop center for fast-track training and job placement for careers in the building and construction trades. In December 2006, the GCCCC received a three-year, \$3 million grant from the State of Louisiana's Recovery Workforce Training Program to support its three-week pre-apprenticeship course, *Introduction to Construction*. This course is designed as an entry point for workers in the construction industry to access an articulated career path into privately financed apprenticeship training.

In June 2007, the GCCCC opened its doors for its first three-week pre-apprenticeship program. Since that time, classes have been held at the Ironworkers Training Facility located at 8116 Chef Menteur Highway in New Orleans. To date, the GCCCC has graduated five classes. Of the first classes, 73 individuals have graduated, of which 67 are African American males and 6 African American females. Of the 73 graduates, 39 have been accepted into apprenticeship programs and approximately 70% have been successfully placed into employment.

Special priority for on-the-job training and employment at the St. Bernard project will be given to former residents of St. Bernard and other HANO facilities, and through the GCCCC program these residents will be afforded opportunities to pursue careers in the construction industry. To maximize participation of this target group, the GCCCC will establish relationships with other community-based employment and job training programs as well as state employment service offices.

Further, with its long track record of meeting resident employment and training goals in conjunction with housing projects nationwide, the HIT is uniquely qualified to meet both the Section 3 goals and the objectives established by HANO. It is expected that a Project Labor Agreement (PLA) will be negotiated between the development partner and building and construction trades unions covering construction of the project. The PLA will specifically require contractors of every tier to utilize the GCCCC for referrals in compliance with the applicable Section 3 requirements as well as with employment and training goals of HANO. HIT will build on its established relationships with officers of building and construction trades unions at the national level and with local union officers and Joint Apprenticeship and Training Committees to help insure full support and cooperation in achieving these objectives for the St. Bernard project.

Comprehensive Neighborhood Development

We envision a broader community development approach as part of this process. While the redevelopment of the St. Bernard site and our return to our community is our top priority, we realize the need for comprehensive neighborhood development that goes along with the St. Bernard redevelopment. For this reason, we have begun to survey the neighborhood in the vicinity of the St. Bernard site in order to begin identifying potential property for off-site development and affordable housing. Though numerous Katrina damaged houses still remain in the area immediately adjoining St. Bernard, we feel a number of property owners will be attracted back to them once the redevelopment of St. Bernard itself gets underway.

By also focusing on the redevelopment of the surrounding community, we can hope to achieve a critical mass of housing and community development which will result in a vibrant community where not only St. Bernard residents have returned but the broader community has been assisted in rebuilding and rehabilitating their neighborhood.

Tenant Outreach Plan

Hurricane Katrina caused a large Diaspora of the former tenants from the St. Bernard development. Tenants are known to be living in Houston, Dallas, Atlanta, Baton Rouge and many other cities. In conjunction with the Advancement Project, HUD and HANO, the St. Bernard Housing Recovery & Development Corporation intends to spearhead a comprehensive effort to reach out to all of these former tenants of the St. Bernard Housing development.

St. Bernard HRDC feels it is critical to undertake a comprehensive outreach effort immediately. It has been over two years since Hurricane Katrina and little has occurred in the way of redevelopment. Ex-tenants are understandably frustrated and anxious to know when they will be able to return home.

Furthermore, this comprehensive outreach effort will provide an excellent opportunity for involving as many of the former tenants as possible in the detailed development of St. Bernard HRDC's proposal for St. Bernard. Ideas for how this can be accomplished at various stages of the outreach effort are provided below.

St. Bernard HRDC will engage in a multifaceted approach to outreach to obtain the highest possibility of success:

- First, using the contact lists compiled by HUD and HANO of the current location of all former tenants, the St. Bernard HRDC will create a phone tree to reach out to all former tenants. Volunteers from the St. Bernard development will be in charge of contacting a manageable number of former residents until all residents have been contacted. This phone tree will serve as a vehicle for keeping all former residents informed on the dates of future meetings, planning events, training courses, etc.

Tenants expressing an interest in providing input as St. Bernard HRDC's proposal for St. Bernard is developed in detail will receive a project synopsis specially prepared by members of the development team experienced in user participation and will receive a follow-up telephone call soliciting their reactions.

- Second, the St. Bernard HRDC will coordinate a central contact point where former tenants can obtain information pertaining to current happenings and developments in the redevelopment of St. Bernard.

This central point of contact will be housed in an on-site office that will be staffed by tenant volunteers as well as other members of the development team. In addition to provision of information from this office by telephone and e-mail, on-site materials and displays depicting the proposed redevelopment will be available, providing tenants visiting the site a first hand opportunity to learn about what is happening.

- Third, ads will be placed in key markets in which former tenants are known to be currently living. As mentioned above, these markets include Houston, Dallas, Atlanta and Baton Rouge. These ads will include all contact information for the St. Bernard HRDC, and information regarding future meetings and events.

If enough tenants in any particular market express interest in further involvement in the detailed development of St. Bernard HRDC's proposal for St. Bernard, meetings will be scheduled and advertised in those markets. Additionally, all tenants who expressed such interest as part of the initial phone tree contact will receive follow-up calls with this meeting information.

- Finally, a website will be created to publish this information on the World Wide Web. Tenants visiting the website will be prompted to e-mail the on-site office with their contact information, and if not previously identified via the phone tree, will receive a follow-up phone call so that they can be included in the comprehensive outreach effort going forward.

Wherever possible, St. Bernard HRDC intends to employ former residents of St. Bernard in reaching out to the residents in the Diaspora. We believe that this will lead to the greatest number of responses as tenants reach out to their former neighborhoods. St. Bernard HRDC's proposal for the redevelopment of St. Bernard is a tenant-driven effort seeking to create a welcoming community for the return of all residents of St. Bernard who were displaced by Hurricane Katrina. As such, it is vital that all ex-residents of St. Bernard be identified and contacted in order to provide them information about how they will be able to return. Secondly, in order to be most welcoming, it is important that ex-resident input on the detailed development of St. Bernard HRDC's proposal be solicited and accommodated to the greatest degree practicable. The tenant outreach plan has been developed in order to promote these objectives.

St. Bernard HRDC stands ready to initiate the tenant outreach plan directly upon acceptance of this proposal by HANO. The tenant outreach plan is in fact an integral element of this proposal since the number one priority of St. Bernard HRDC for St. Bernard redevelopment is the replacement of all units at St. Bernard that were occupied pre-Katrina and the opportunity of all people who lived in those units to be able to return home to their community.

Exhibits

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