

Preservation Advocates Mobilize to Defend Gulf Coast's Historic Properties

By Michael J. Novogradac, CPA

In the aftermath of natural disasters previous to hurricanes Katrina and Rita, the National Trust for Historic Preservation (NTHP) learned that the first instinct of officials is to tear down damaged buildings in the name of safety. That instinct is almost always wrong, says Richard Moe, president of NTHP. "Due to improved technology and building practices, many more damaged buildings can be saved than was the case just a few years ago," he says.

Currently at stake are the reported 100,000 buildings in New Orleans, historic and otherwise, and countless others in the Gulf Coast region damaged by the hurricanes, the vast majority of which Moe believes can be saved. In a survey of New Orleans after Hurricane Katrina, the Historic District Landmarks Commission (HDLC) found that 115 buildings in seven historic districts were seriously damaged and 56 more were compromised.

In mid-September as assessments of damage were taking place, the media reported that many Gulf Coast officials were considering bulldozing entire historic neighborhoods once the water receded. "Such wholesale demolition without professional on-the-ground surveys to determine which structures can be saved and which cannot, would constitute a huge debit against our shared commitment to preserve the nation's significant cultural heritage," wrote the NTHP in a letter to Gulf Coast officials.

To its credit, the NTHP wasted no time in creating a major three-pronged campaign to preserve historic and cultural resources affected by Hurricane Katrina: The NTHP, with support from the Getty Foundation, assembled survey teams to send into the region; is working along with its partners and federal, state and local governments to develop and refine tools to facilitate reconstruction and help prevent future disasters; and is launching a major effort to educate the public about the importance of historic resources of the region — and saving them.

In mid-September, Moe described the work of the survey teams as especially important since there had already been calls for the demolition of entire historic neighborhoods in New Orleans. "The down-home

heart of the city beats in historic neighborhoods such as Holy Cross, Tremé, Broadmoor and Mid-City, where modest shotgun houses, corner stores and Creole cottages are essential ingredients in the flavorful architectural gumbo that is New Orleans. It's essential that we save as many of these buildings as possible," he said.

Moe enlisted the cooperation of Alabama Gov. Robert Riley, Mississippi Gov. Haley Barbour, Louisiana Gov. Kathleen Blanco, New Orleans Mayor Ray Nagin and FEMA Acting Director David Paulison in curbing any rush to demolition. "We can — and must — rebuild these places without destroying the things that make them special," he said of the areas damaged by the hurricanes.

The Challenges

USA Today reported that the National Association of Home Builders says that among the challenges of dealing with the more than 850,000 homes the American Red Cross estimates were damaged, destroyed or made inaccessible by Hurricane Katrina, will be finding enough labor. In a survey before the storm, NAHB found that 20 percent of builders in the South faced a serious shortage of carpenters while an additional 33 percent had less severe shortfalls. According to the article, the labor shortages in the rebuilding efforts could be exacerbated by two factors: rebuilding is more labor-intensive than new construction and most of the builders in the Gulf area are small, local firms.

Possibly, the greatest challenge that Gulf Coast communities face is a waning of political will in face of the daunting scope of the work that needs to be done to restore the damaged areas to their former state. In an action that took people by surprise, New Orleans lost one of its jazz sites in mid-October when out-of-town firemen suddenly demolished a 102-year-old former music school damaged by Hurricane Katrina. Online Preservation reported that although New Orleans Mayor Ray Nagin condemned the surprise demolition of the Naval Brigade Hall, he had written a proclamation that suspended the authority of the HDLC.

According to an October 13 article in the *Times-Picayune*, the proclamation says that in the wake of

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Hurricane Katrina, "the application of the rules, regulations and review of those commissions and agencies is logistically impossible and impractical" and gives Nagin the authority "to suspend the provisions of any regulatory ordinance prescribing the procedures for conduct of local business or the orders, rules, or regulation of any local agency" in cases where complying with those laws would cause delays.

Jesse LeBlanc, chairman of the HDLC, said in the *Times-Picayune* article that he was hopeful that state and federal officials understand the importance of preserving the city's old neighborhoods and historic architecture, and they would not automatically seek to bulldoze every damaged building. "FEMA is committed to the preservation of New Orleans," he was quoted as saying.

"We'll be actively fighting to preserve every building we can," said Scott Sewell, vice chairman of the commission.

Nagin's declaration was still unsigned as we went to press but it does point to a great need to speak out in favor of ensuring that those structures so representative of the city and region that can be saved will be saved and restored and that wholesale demolition does not take place.

Taking Action

The National Trust for Historic Preservation and other preservation entities have been working with members of Congress from the Gulf States affected by the hurricanes, providing them with a disaster assistance package that gives those affected the assistance tools they need to save their historic structures. Included are the Disaster Relief Historic Homeownership Assistance Act — a proposal to provide a 30 percent tax credit for qualified rehabilitation expenditures to homeowners whose principal residence is a historic home in the disaster area; historic preservation disaster relief grants — a proposal to create a two-year, \$60 million grant program from the federal Historic Preservation Fund for repairing damaged historic properties in the disaster area; and a proposal to the Treasury Department and the Internal Revenue Service to provide certain waivers to the existing commercial his-

toric rehabilitation tax credit to make it more effective in the disaster area. Elements of the NTHP grant proposal were included in the disaster assistance bills recently introduced by Sens. Mary Landrieu, D-La., and David Vitter, R-La, though it is broader in scope.

Landrieu's and Vitter's bills, S. 1765 and S. 1766, the Louisiana Katrina Reconstruction Act, would deliver hurricane relief to Louisiana that includes an increase in low-income housing tax credit (LIHTC) authority from \$1.85 per capita to \$3.70 for 2006 and 2007. S 1765, the Louisiana Katrina Reconstruction Act, would also create a new "60-80 test" to allow 60 percent or more of the residential units in an LIHTC project located in any Hurricane Katrina disaster area and placed in service in 2005, 2006 or 2007 to be occupied by individuals whose income is 80 percent or less of area median income. The measure also proposes to change Section 142 of the Internal Revenue Code (IRC) to be consistent with IRC Section 42 to allow properties financed with tax-exempt bonds and LIHTCs to be eligible for relief from income restrictions provided by the Internal Revenue Service in Notice 2005-69. 1765 also includes significant provisions for housing programs administered by the U.S. Department of Housing and Urban Development and U.S. Department of Agriculture's Rural Housing Service.

Getting involved

With so much at stake in the Gulf Coast, it is incumbent on those of us in affordable housing and community development to step forward to help ensure that the character of the region is not lost. The NTHP has asked for our help by contacting members of Congress that serve on the appropriations or tax writing committees and asking them to include the Disaster Relief Historic Homeownership Assistance Act in its hurricane tax relief measure and to include the Historic Preservation Disaster Relief \$60 million grant program in its next appropriations supplemental bill.

In Moe's words: "The goal of recovery should be to allow residents to come back home to healthy, vibrant, livable places that retain the character that makes them unique. You can't do that by calling in the bulldozers and creating vacant lots where neighborhoods used to be." ❖