



# Tulane University

Department of Sociology  
220 Newcomb Hall  
New Orleans, LA 70118-5698  
Tel 504.865.5820 Fax 504.865.5544  
[www.tulane.edu/~sociol](http://www.tulane.edu/~sociol)

December 15, 2021

The Office of Mayor and New Orleans City Council  
1300 Perdido Street, 2nd Floor  
New Orleans, LA 70112

Dear Honorable Mayor LaToya Cantrell and Members of the City Council:

The following report was created in response to a request made to us by Lauren Godshall of the Tulane Environmental Law Clinic, on behalf of the Residents of Gordon Plaza, Inc., to provide an expert opinion on the costs for relocation of residents currently living in the Gordon Plaza residential housing development.

Our team was asked to provide a report detailing the estimated cost of relocating the 67 households off of the site, including compensation for the value of their homes. We have provided estimates for 1) replacement cost of individual homes, 2) the land value, 3) moving and associated expenses, and 4) transaction costs. Our estimates are based on housing and insurance industry standards for households who lose their house due to an event in which the home is deemed a "total loss." Land value is based on the median price of recent comparable sales as of December 10, 2021. Moving and relocation expenses are based on standards developed by organizations tasked with supporting relocation of homes following a disaster event, voluntary buyout programs in relation to polluting industrial facilities, and communities being impacted by climate change.

Replacement cost (67 homes)	\$293.49/sf @ 1,500sf average	<b>\$440,235</b>
Land value (67 lots)	Median price	<b>\$45,000</b>
Moving/relocation costs	LEAN/NLF estimate	<b>\$25,000</b>
Total per household		<b>\$510,235</b>
<b>TOTAL for all 67 owners</b>		<b>\$34,185,745</b>

## **Replacement Cost**

Xactimate is a software system used to estimate mitigation and repair costs for residential and commercial property losses. Xactimate is used to handle more than half of all property claims in the United States and Canada. The value of \$298.49/sf was determined through the use of Xactimate software for SIMILAR REPLACEMENT COST provided by an Independent Insurance Adjuster. The full Xactimate report is provided in the appendix (See Appendix A - Xactimate Residential Valuation Report) and is based on replacement for a similar sized home built in 1980 in the 70126 zip code.

Beyond this software being an industry standard in casualty loss situations, any alternate means of valuing a home are either inapplicable or inappropriate here. Any appraised value of the home itself is obviously irrelevant where the parties agree that these homes are uninhabitable and nearly worthless. Similarly, comparable home sales even within a mile of this site are undervalued as a measure of reasonable compensation.

## **Land Value**

As noted above, this amount was determined by an assessment of the median price of recent comparable sales. Actual sales prices were pulled from the Multiple Listing Service (MLS) based on vacant residential lots sold within 180 days of December 10, 2021.

## **Lost Opportunity**

We did not attempt to measure or account for any wider lost wealth or missed opportunities attributable to the multi-generational devaluation of these homes. This was not our charge and is not our expertise. Suffice it to say that this loss is undeniably real. A substantial effort to measure the lost value attributable to racial discrimination in the implementation of the G.I. Bill's homeownership incentives determined on average that the family of a Black WWII veteran could claim \$170,000 in lost wealth and opportunities over generations since 1945-55. The Gordon Plaza residents are, of course, in a very different position than a Black veteran denied a home loan 30 years earlier. This is not meant to suggest any equivalency here, but simply to emphasize that there are quantifiable losses not addressed by our numbers.

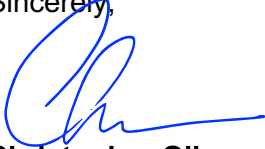
The residents of Gordon Plaza currently live in a housing development that was conceived, developed, and funded by the City of New Orleans and the Housing Authority of New Orleans (HANO) in the early 1980s. This innovative development focused on homeownership as a means of building generational wealth for low-income families. Instead, these homes marketed primarily to Black families were built upon a former municipal waste disposal site, the Agriculture Street Landfill. This site was formerly designated as a site with sufficient pollution exposure to warrant its listing by the US EPA on its National Priorities List, thereby making the site available for Superfund corrective action and funding for cleanup. In addition to generational health impacts, the homes these families bought with such hope and promise have long since become worthless.

## Recommendations

We recommend the following:

- The Residents of Gordon Plaza should be provided full **replacement costs** for their homes, as well as additional costs associated with their relocation (e.g., land value, moving costs, etc.). Given that “Fair market value” of the homes cannot be established due to the toxicity of the land, and given that appraisals of individual properties are inherently problematic, and often discriminatory, we argue that the city should make use of the **Xactimate replacement costs approach**, which is used by the insurance industry as the standard when a structure must be replaced following a catastrophic event. We assert that is the only method that provides for a “fair and equitable” calculation for the residents.
- The process of the relocation should be **simplified** as much as possible as the Residents should have much **control over the process** as possible. Ideally, payments would be made as a **single lump-sum payment** made directly to the Residents. Further, given the residents have endured living on a toxic site for a number of years, including in some cases over forty years, the city should move to expedite this process as much as possible.
- Further, the Residents have advocated for themselves and their neighbors with the utmost dignity and in the face of profound adversity. We argue that **the City of New Orleans should honor their work through a dignified, good faith response to this request.**

Sincerely,



**Christopher Oliver**

*Senior Professor of Practice, Sociology and Environmental Studies*

*Jill H. and Avram A. Glazer Professor of Social Entrepreneurship, The Phyllis M. Taylor Center for Social Innovation and Design Thinking*

*The City, Culture, and Community Program and Urban Studies Program, Affiliate Faculty*



**Casius Pealer**

*W. Henry Shane Professor of Practice in Real Estate*

*Director, Master of Sustainable Real Estate Development (MSRED)*

*Tulane University School of Architecture*



**Ariana Tipper**

Real estate broker

## **APPENDIX A - Xactimate Residential Valuation Report**

### **Description:**

Xactimate is a software system used to estimate mitigation and repair costs for residential and commercial property losses. Xactimate is used to handle more than half of all property claims in the United States and Canada. The full Xactimate report is provided here and is based on replacement for a similar sized home built in 1980 in the 70126 zip code.

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## Valuation Report

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### Owner Information

<b>Name:</b>	John Doe	<b>Phone:</b>	(000) 000-0000
<b>Street:</b>	123 B street	<b>Date Entered:</b>	12/12/2021
<b>City, State ZIP Code</b>	New Orleans, LA 70126	<b>Date Calculated:</b>	
<b>Country:</b>	USA	<b>Pricing Area:</b>	LANO8X_DEC21

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### General Information

<b>Number of Stories:</b>	1 Story	<b>Cond.:</b>	Single Family Detached
<b>Sq. Feet:</b>	1,500.00	<b>Year Built:</b>	1980
<b>Cost per Finished Sq. Ft.:</b>	\$293.47	<b>Agent Code:</b>	

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### Foundation

<b>Foundation Shape:</b>	6-7 Corners - L Shape	<b>Foundation Type:</b>	50% Concrete Slab, 50% Deep Pilings
<b>Finished Basement Pct.:</b>	0.00%	<b>Foundation Material:</b>	100% Concrete
<b>Property Slope:</b>	None (0 - 15 degrees)	<b>Walk-out:</b>	No

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### Exterior

<b>Roof Type:</b>	Hip
<b>Number of Dormers:</b>	1
<b>Roof Material:</b>	100% Composition - Architectural Shingle
<b>Wall Material:</b>	50% Masonry Stucco, 50% Brick Veneer

### Interior

<b>Average Wall Height:</b>	10 Ft.
<b>Wall Material:</b>	100% Drywall
<b>Floor Covering:</b>	80% Hardwood - Plank, 20% Tile - Ceramic
<b>Wall Finish:</b>	100% Paint
<b>Ceiling Finish:</b>	50% Paint, 50% Spray Acoustical Texture

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### Key Rooms

<b>Kitchens:</b>	1 - Medium
<b>Bathrooms:</b>	2 - Full Bath
<b>Bedrooms:</b>	4 - Medium

### Attached Structures

<b>Garages/Carpports:</b>	1 Car Attached
<b>Decks/Balconies:</b>	144 Sq. Ft. Treated Decking
<b>Patios/Porches:</b>	80 Sq. Ft. Bare Concrete

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### User-Defined Features

<b>Features:</b>	None
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### Additions

<b>Additions:</b>	None
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### Systems

<b>Heating:</b>	1 Forced Air Heating System	<b>Specialty:</b>	1 Fire and Burglar Alarm System
<b>Air Conditioning:</b>	1 Central Air Conditioning	<b>Fireplaces:</b>	1 Masonry Fireplace

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### Cost Breakdown

<b>Foundation:</b>	\$28,360.15	<b>Rough Framing:</b>	\$122,012.21	<b>Exterior Finish:</b>	\$43,749.85
<b>Windows:</b>	\$4,539.96	<b>Roofing:</b>	\$10,328.66	<b>Electrical:</b>	\$9,443.67
<b>Plumbing:</b>	\$10,400.08	<b>Heating/AC:</b>	\$12,742.70	<b>Floor Covering:</b>	\$14,822.27
<b>Interior Finish:</b>	\$71,993.82	<b>Appliances:</b>	\$2,856.72	<b>Specialty Features:</b>	\$4,266.48
<b>Demolition and Debris Removal:</b>	\$10,378.42				

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## Valuation Report

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<b>Estimated Replacement Cost (Calculated Value):</b>	<b>\$440,208.69</b>
<b>Actual Cash Value (Calculated Value):</b>	<b>\$275,169.74</b>
<b>Auxiliary Structures' Estimated Replacement Cost (Calculated Value):</b>	<b>\$11,492.24</b>

Fencing                               \$3,153.00  
Type: Wood Slat Fence, Height: 6', Length: 100

Driveways                             \$2,274.00  
Type: Concrete, Square Footage: 600

Portable Building                 \$6,065.24  
Square Footage: 100

### **User-Defined Features (Auxiliary Structures)**

**Features:**                               None

(Replacement cost includes all applicable permits, fees, overhead, profit, and sales tax)

(Actual Cash Value equals replacement cost less depreciation)

The Replacement Cost figure represents the average estimated cost to rebuild this building after a total loss and includes such things as labor and materials to meet current building codes and general contractor profit and overhead for your location. The actual reconstruction costs for this building may differ from this figure due to changes in economic conditions, building contractor availability, and specific building contractor attributes. The estimate does not include costs for such items as excavation, land value or detached structures. This information is to be used for insurance purposes only and is provided on the condition and understanding that it represents only an estimate and that the provider is not responsible for good faith errors.

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## Valuation Report

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### Owner Information

<b>Name:</b>	John Doe	<b>Phone:</b>	(000) 000-0000
<b>Street Address:</b>	123 B street	<b>Date Entered:</b>	12/12/2021
<b>City, State ZIP Code</b>	New Orleans, LA 70126	<b>Date Calculated:</b>	
<b>Country:</b>	USA	<b>Pricing Area:</b>	LANO8X_DEC21

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### General Information

<b>Quality:</b>	Above Average	<b>Number of Stories:</b>	1 Story
<b>Style:</b>	Ranch/Rambler	<b>Agent Code:</b>	
<b>Cond.:</b>	Single Family Detached		
<b>Sq. Feet:</b>	1,500		
<b>Year Built:</b>	1980		
<b>Cost per Finished Sq. Ft.:</b>	\$293.47		

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### Foundation

<b>Foundation Type:</b>	50% Concrete Slab, 50% Deep Pilings	<b>Foundation Shape:</b>	6-7 Corners - L Shape
<b>Finished Basement Pct.:</b>	0.00%		
<b>Basement Quality:</b>	Above Average		
<b>Foundation Material:</b>	100% Concrete	<b>Walkout:</b>	No
<b>Property Slope:</b>	None (0 - 15 degrees)		

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### Exterior

<b>Roof Type:</b>	Hip	<b>Number of Dormers:</b>	1
<b>Roof Material:</b>	100% Composition - Architectural Shingle	<b>Wall Material:</b>	50% Masonry Stucco, 50% Brick Veneer

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### Interior

<b>Average Wall Height:</b>	10 Ft.	<b>Wall Material:</b>	100% Drywall
<b>Floor Covering:</b>	80% Hardwood - Plank, 20% Tile - Ceramic	<b>Wall Finish:</b>	100% Paint
<b>Ceiling Finish:</b>	50% Paint, 50% Spray Acoustical Texture		

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### Garages

<b>Garage #1</b>			
<b>Number of Cars:</b>	1	<b>Style:</b>	Attached
<b>Living space above garage:</b>	0.00%		

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### Attached Structures

<b>Deck/Balcony #1</b>			
<b>Sq. Ft.:</b>	144	<b>Shape:</b>	Rectangle
<b>Deck Material:</b>	Treated Decking	<b>Covered:</b>	0.00%
<b>Enclosed:</b>	0.00%	<b>Height:</b>	0'
<b>Levels:</b>	0	<b>Benches Length(ft):</b>	0'

<b>Porch/Patio #1</b>			
<b>Sq. Ft.:</b>	80	<b>Material:</b>	Bare Concrete
<b>Covered:</b>	100.00%	<b>Enclosed:</b>	0.00%

**Other Attachments:**  
None

**Policy Number: NA**

**Residential Valuation - Page 3**

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## Valuation Report

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### **Detached (detached items are not included in the final estimated cost)**

**Detached Items:** None

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### **User-Defined Features**

**Features:** None

### **Additions**

None

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### **Systems**

**Heating:** 1 Forced Air Heating System

**Specialty:** 1 Fire and Burglar Alarm System

**Air Conditioning:** 1 Central Air Conditioning

**Fireplaces:** Masonry Fireplace: None

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### **Home Features**

**Exterior Features:** 3 Exterior Doors, 12 Vinyl Horizontal Sliding Medium (12 - 23 SF)

**Interior Features:** 2 Hanging Light/Pendant, 4 Ceiling Fan, 10 Track Lighting (number of spotlights)

**Additional Features:** None

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### **Rooms**

**Living - Large (Above Grade Room)**

**Bedroom/Small Living - Medium (Above Grade Room)**

**Bedroom/Small Living - Medium (Above Grade Room)**

**Bedroom/Small Living - Medium (Above Grade Room)**

**Bedroom/Small Living - Medium (Above Grade Room)**

**Kitchen - Medium (Above Grade Room)**

**Appliances:** 1 Garbage Disposal, 1 Dishwasher, 1 Range Hood, 1 Free Standing Range

**Counters:** 100% Plastic Laminate

**Cabinet Features:** 1 Peninsula Bar

**Bath - Full Bath (Above Grade Room)**

**Counters:** 100% Plastic Laminate

**Fixtures / Features:** 1 Ceramic Tile Tub/Shower Surr.

**Bath - Full Bath (Above Grade Room)**

**Counters:** 100% Plastic Laminate

**Fixtures / Features:** 1 Ceramic Tile Tub/Shower Surr.

**Utility - Small (Above Grade Room)**

**Hall - Medium (Above Grade Room)**

**Dining - Medium (Above Grade Room)**

**Entry/Foyer - Small (Above Grade Room)**

**Laundry - Small (Above Grade Room)**

**Nook - Medium (Above Grade Room)**

**Walk-in Closet - Medium (Above Grade Room)**

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## Valuation Report

### Cost Breakdown

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Type: Wood Slat Fence, Height: 6', Length: 100

Driveways \$2,274.00  
Type: Concrete, Square Footage: 600

Portable Building \$6,065.24  
Square Footage: 100

### User-Defined Features (Auxiliary Structures)

**Features:** None

(Replacement cost includes all applicable permits, fees, overhead, profit, and sales tax)

(Actual Cash Value equals replacement cost less depreciation)

The Replacement Cost figure represents the average estimated cost to rebuild this building after a total loss and includes such things as labor and materials to meet current building codes and general contractor profit and overhead for your location. The actual reconstruction costs for this building may differ from this figure due to changes in economic conditions, building contractor availability, and specific building contractor attributes. The estimate does not include costs for such items as excavation, land value or detached structures. This information is to be used for insurance purposes only and is provided on the condition and understanding that it represents only an estimate and that the provider is not responsible for good faith errors.

## APPENDIX B - Author's Biographies

### **Christopher Oliver**

*Senior Professor of Practice, Sociology and Environmental Studies*

*Jill H. and Avram A. Glazer Professor of Social Entrepreneurship, The Phyllis M. Taylor Center for Social Innovation and Design Thinking*

*The City, Culture, and Community Program and Urban Studies Program, Affiliate Faculty*

Education:

Ph.D., Michigan State University

B.S., California State Polytechnic University

*Chris's research interests include urban and environmental sociology, and issues of urban development, urban policies, and state regulatory mechanisms. His past research focused on environmental pollution and cleanup in both large metropolitan areas and smaller urban centers, with an emphasis on federal and state policies and their regulation of industry, as well as the use of technology to mitigate and remediate polluted sites. Additionally, Chris is also interested in the relationship between state policies, private sector investment, and economic development, and their consequences on environmental conditions and localized issues of redevelopment. His more recent work explores issues of urban development ("gentrification") related to housing policy and the location of public residential housing developments in proximity to environmentally polluted sites. As Jill H. and Avram A. Glazer Professor of Social Entrepreneurship, Chris will use his background, experience, and skills to continue his work exploring the relationship between access to safe and affordable housing and economic opportunity, and the creation of sound policies and regulatory frameworks to ensure all communities are protected against environmental and social injustices.*

### **Casius Pealer**

*W. Henry Shane Professor of Practice in Real Estate*

*Director, Master of Sustainable Real Estate Development (MSRED)*

*Tulane University School of Architecture*

Education:

J.D., University of Michigan Law School

M.Arch., Tulane University School of Architecture

*Trained as an architect and a real estate attorney, Casius has over 25 years of experience in affordable housing and community development. He worked as legal counsel for public housing authorities across the country implementing mixed-finance redevelopment projects and served as the first Director of Affordable Housing for the U.S. Green Building Council (USGBC). Casius was Chair of the American Institute of Architects (AIA) Housing Committee in 2011 and served as President of the board for the Housing Authority of New Orleans (HANO) in 2019. He has*

*taught at Howard University and Tulane University, where he has served as Director of the graduate program in real estate since 2014. Casius has been published in the ABA Journal of Affordable Housing and Community Development Law, the AIA Journal of Architecture, and Affordable Housing Finance Magazine. He is licensed to practice law in New York State and Washington, DC, and is a LEED Accredited Professional.*

**Ariana Tipper**

Real estate broker

Education:

M.S., Urban Planning, Portland State University

B.A., Political Science (with honors)

*Ariana Tipper is currently a real estate broker with French Quarter Realty. Ariana received her undergraduate degree at Loyola, New Orleans. She followed her undergraduate program with ten years of her career devoted to homeless services throughout the country. Her work included repatriation of Katrina Survivors through Caritas, a non-profit organization based in Austin, Tx. Motivated by her work with the unhoused, she began her Masters Degree in Urban Planning at Portland State University. While completing her Master's program, she worked with the Broadmoor Development Corporation and the Broadmoor Improvement association to develop a neighborhood-based evacuation strategy rooted in transportation equity. Upon graduation, Ariana worked for the New Orleans Redevelopment Authority where she built the Lot Next Door Program. After leaving the public sector, Ariana began her real estate career with several renovations of her own, giving her a first hand understanding of the promise and perils of home renovation. Additional experience includes her work with St. Claude Main Street, The Felicity Street Redevelopment Project, Faubourg Lafayette Neighborhood Association and The Preservation Resource Center. She is also honored to volunteer with the Veterans Administration in their mission to end homelessness in the New Orleans metro area.*