

Office of Inspector General

City of New Orleans

Review of New Orleans Security Taxing Districts

**E. R. Quatrevaux
Inspector General**

Final Report

September 24, 2013

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



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INSPECTOR GENERAL

September 24, 2013

Re: Review of New Orleans Security Taxing Districts

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

A handwritten signature in blue ink, appearing to read "E.R. Quatrevaux", positioned above the printed name.

E.R. Quatrevaux
Inspector General

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Executive Summary	1
I. Objectives, Scope, and Methodology	3
II. Background	4
New Orleans Crime	4
III. Security Taxing Districts	8
Security District Formation	8
Types of Security Districts.....	11
Demographics and Characteristics	12
Revenues and Patrol Expenditures.....	13
Taxes and Relative Burden.....	15
Patrol Presence / Response Time Analysis	16
Observation 1. Security district patrol was supplemental and was not offset by an equivalent reduction in NOPD service in the areas tested.	18
Costs to the City of New Orleans	18
IV. Security District Governance	21
Observation 2. Security districts did not fully adhere to governance requirements established by law.....	22
V. Impacts on Public Safety	24
Crime Rate Analysis.....	25

Observation 3.	Security district presence was a significant predictor of lower property crime rates for the areas modeled, but other neighborhood characteristics had even stronger influences on crime.	27
Observation 4.	Security district presence was not a significant predictor of violent crime or murder rates for the areas modeled.....	27
Observation 5.	Tracts adjacent to security districts showed no difference in crime rates for the areas modeled.	28
	Analysis of New Security Districts.....	28
Observation 6.	An examination of new district formation did not reveal any clear crime trends.	29
VI.	Discussion and Conclusion	30
	Discussion.....	30
	Conclusion.....	33

Appendices

Appendix A: Characteristics of Security Districts

- Security District Contact Information
- Security District Demographics
- Security District Financials
- Security District Patrol Providers
- Data Descriptions and Definitions of Terms

Appendix B: Analysis Supplement

- Response Time Analysis
- Crime Rate Regression Analysis
- New District Crime Rate Analysis

Appendix C: Annual Financial Statements

Additional Documents

Map Supplement for Review of Security Taxing Districts in New Orleans
(Not attached – available for download from www.nolaoig.org).

List of Figures

Figure 1.	Homicide Rate, 2006 to 2011 (Homicides per 100,000 Inhabitants per year)	6
Figure 2.	Security Districts in New Orleans, Active as of August 2012	10
Figure 3.	Characteristics of Security Districts and New Orleans, 1990 – 2010.....	13
Figure 4.	Patrol Summary by Service Type	14
Figure 5.	Patrol Rate and Parcel Fee by Security District, with trend line.....	16
Figure 6.	Map of Census Tracts Included in Regression Analysis	26

EXECUTIVE SUMMARY

The Office of Inspector General for the City of New Orleans (OIG) conducted a review of New Orleans security taxing districts. The objectives of the review were to examine possible motivations for security taxing district formation, document key characteristics of the security districts, examine their governance, and evaluate their impacts on public safety. The scope of the review encompassed all security districts in New Orleans that had been established as special taxing districts and that provided active patrol services as of August 2012.

The purpose of security taxing districts is to reduce crime within the district boundaries and improve residents' sense of safety. Security districts attempt to fulfill this purpose by providing neighborhoods with extra patrol presence beyond the level of service provided by the New Orleans Police Department (NOPD).

Security districts began forming in New Orleans in 1997, and by August 2012 there were twenty-five active districts. In 2013 security districts' budgets showed combined revenues of \$5.1 million from an average of \$200,000 per district. About 85 percent of that amount was spent directly on security patrols, which were provided by private companies (61%), on-duty NOPD officers (30%), and off-duty officers (9%).

Evaluators identified the following observations relating to security taxing districts' management and effects on crime:

- Each security district is required to file annual financial statements with the Louisiana Legislative Auditor (LLA). Evaluators reviewed LLA filings and found that security districts did not fully adhere to governance requirements established by law.
- In general, security districts were localized safety efforts that were distinct from the City of New Orleans and the NOPD, but some types of patrols did have cost implications for City government. Off-duty patrols and on-duty patrols provided through CEAs increased the City's exposure to risks of loss or liability, as well as adding costs for use of vehicles, fuel, and equipment.
- Evaluators' analysis of NOPD emergency response data found that security districts did not appear to influence NOPD presence; security districts with private patrol did not have slower or faster response times than similar non-district areas.
- The analyses showed that security districts were statistically significant predictors of lower property crime rates, but had no statistical relationship with violent crime or murder rates. The districts also did not have any spillover effects on surrounding areas.

Evaluators also examined crime trends before and after the formation of five new security districts and found no clear trends.

Security districts were associated with lower property crime rates but were not a significant predictor of violent crime or murder rates, which are the city's most pressing public safety concerns. Furthermore, security districts were only available to those able to pay additional taxes for increased services, which raises the question of whether public safety should be treated as a private good at the neighborhood level, or as a public good at the city-wide level.

I. OBJECTIVES, SCOPE, AND METHODOLOGY

The Office of Inspector General for the City of New Orleans (OIG) conducted a review of security taxing districts in New Orleans. The first objective of the review was to document the key characteristics of security districts, including their geographic area, activities, demographics, revenues, expenditures, fees, and costs to the City. The other objectives were to evaluate security district governance and to examine security districts' impacts on public safety.

The scope of the review included all security districts in New Orleans that had been established as special taxing districts and that provided active patrol services as of August 2012. Evaluators collected information and documents directly from each security district through a standard questionnaire and document request distributed in October of 2012. In-depth interviews were also conducted with representatives of the Lakeview and Mid-City security districts and with the head of the company that manages the Audubon Area, Garden District, Hurstville, and Twinbrook security districts.

Evaluators also collected information and documents from the City of New Orleans Office of Information Technology and Innovation, Office of State Affairs, and Bureau of Treasury; the New Orleans Police Department (NOPD); the Orleans Parish Assessor; the Louisiana Ethics Administration; the Louisiana Legislative Auditor (LLA); and the Louisiana State Board of Private Security Examiners (LSBPSE). In addition, evaluators used publicly available information from the U.S. Census Bureau and performed quantitative analyses of police response times and crime rates using 2012 call for service and uniform crime report data provided by the NOPD. Geographic information systems (GIS) staff from the NOPD and the City of New Orleans assisted evaluators with spatial organization of the data prior to analysis.

The review was conducted in accordance with the Principles and Standards for Office of Inspector General for Inspections, Evaluations, and Reviews.¹ The OIG staff was greatly assisted in the preparation of this report by the full cooperation of security district leaders and employees of the City and State.

¹ Quality Standards for Inspections, Evaluations, and Reviews by Office of Inspector General, *Principles and Standards for Offices of Inspector General* (Association of Inspectors General, 2004).

II. BACKGROUND

The purpose of security taxing districts is to reduce crime within the district boundaries and improve residents' sense of safety. Security districts attempt to fulfill this purpose by providing neighborhoods with extra patrol presence beyond the level of service provided by the NOPD.

This report examines security districts in New Orleans, provides information about current security districts and important trends, attempts to answer questions about their effectiveness, and concludes with a discussion of their role in general public safety. Much of the information discussed below is presented in more detail in Appendix A and the map supplement, which provide comprehensive information on each individual security district across a wide range of categories.

New Orleans Crime

New Orleans security districts exist in a context of a high murder rate, wavering public confidence in police, and general concerns about safety; these factors all could contribute to residents' desire to form security districts. In a 2012 quality of life survey published by the University of New Orleans, 61 percent of respondents cited crime as the biggest problem in the city and 64 percent believed crime was increasing. The same study found that 36 percent of respondents did not feel safe around their homes at night and that 31 percent thought police protection was of poor quality.² In addition, recent high profile prosecutions of police misconduct and a critical Department of Justice (DOJ) investigation likely impacted public confidence in the police.³

Public opinion was not uniformly negative, however. The NOPD has announced changes to respond to the criticisms, including entering into a consent decree with the DOJ.⁴ Though improvements are likely to require several years, opinion polls showed some public optimism. A series of seven surveys commissioned by the New Orleans Crime Coalition (NOCC) reported

² The University of New Orleans Survey Research Center, *2012 Quality of Life Survey, Orleans and Jefferson Parishes* (University of New Orleans, 2012).

³ U.S. Department of Justice Civil Rights Division, *Investigation of the New Orleans Police Department* (Washington D.C.: U.S. Department of Justice, 2011).

⁴ The City of New Orleans has appealed the Consent Decree; the case is currently pending in the 5th Circuit Court of Appeals. Oral arguments were heard on August 5, 2013.

public satisfaction with the NOPD improved from just 33 percent in 2009 to 58 percent by March of 2013.⁵

Crime rates are also an important component of public perceptions of safety and could factor in residents' decisions to form security districts. In New Orleans and across the United States, crime rates, including violent and property crime, fell considerably from the highs of the 1980s and early 1990s. New Orleans overall crime rate peaked in 1990 but had fallen by about half by the mid-2000s.⁶ After Hurricane Katrina, the crime rate increased, though incomplete data for 2005 and dramatic population change following the storm made it difficult to identify reliable trends.⁷ The crime rate in New Orleans stabilized in 2009 through 2011 at a rate similar to the national trend for cities of its size.⁸

Although overall crime rates in New Orleans were generally similar to rates in other cities, the City's murder rate remained far higher than both the national average and the average for cities of similar size, as seen in Figure 1. In the first decade of the 2000s, New Orleans had the highest murder rate of any U.S. city eight out of ten years. New Orleans's murder problem was highlighted in a recent report commissioned by the U.S. Department of Justice and has been the frequent subject of media reports and public attention for years.⁹

⁵ New Orleans Crime Coalition, *NOCC Citizen Satisfaction Survey* (New Orleans: August 2009, August 2010, February 2011, August 2011, February 2012, August 2012, March 2013). Performed by Wilson Perkins Allen Opinion Research, available from www.crimecoalitionnola.com.

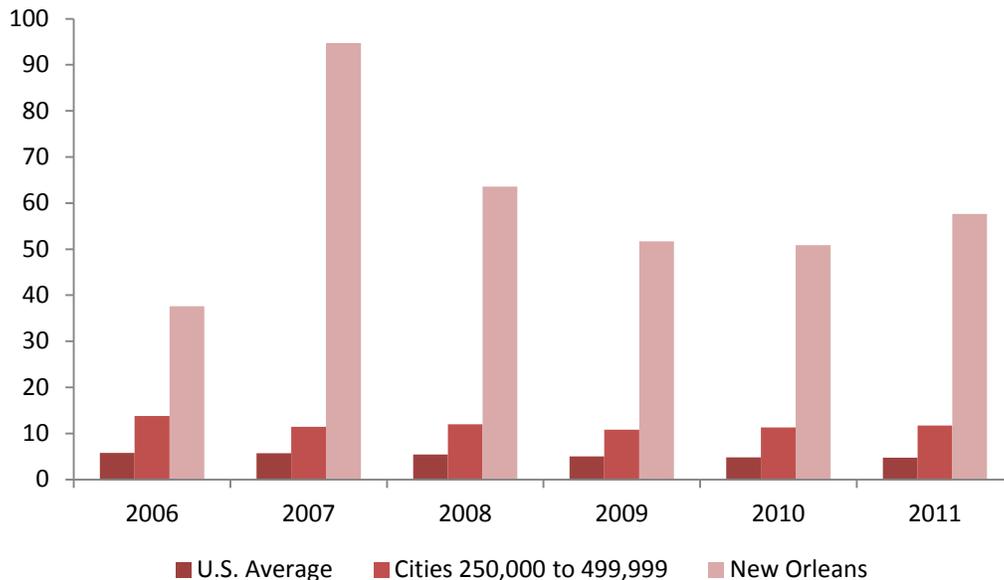
⁶ Crime rates are based on FBI Uniform Crime Reports (UCR), which are reported by police departments nationwide and compiled by the FBI. The data are grouped into two classes: violent crime (murder, rape, robbery, assault) and property crime (burglary, larceny, motor vehicle theft).

⁷ Population is used to standardize crime rates between cities of different sizes. The official population used to calculate the 2006 crime rate was 430,000, reflecting an unrealistic decrease of just 30,000 from the pre-Katrina population and resulting in an artificial lowering of the official crime rate. The 2007 crime rate calculation, in contrast, used 220,000 as the population figure and is likely to be more accurate. FBI Uniform Crime Reports at www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s./2011/crime-in-the-u.s.-2011.

⁸ In May 2013, the Times-Picayune published a series of reports on NOPD crime statistics that cast doubt on the reliability of the violent crime numbers the City reports to the FBI. Evaluators did not attempt to verify the reliability of the NOPD's data or of other data reported in the FBI UCR database. John Simerman, "How crimes are categorized can have a major impact on a city's crime rate" and "New Orleans and Orlando crime rates: a Department of Justice comparison," Times-Picayune, May 18, 2013; Gordon Russell, "Crime experts question NOPD stats that paint New Orleans as a safe city with a murder problem," Times-Picayune, May 18, 2013; and "Top Ten Most Murderous," Times-Picayune, May 18, 2013.

⁹ Wellford, Charles, Brenda Bond, and Sean Goodison, "Crime in New Orleans: Analyzing crime trends and New Orleans' responses to crime" (March 15, 2011).

Figure 1: Homicide Rate, 2006 to 2011 (Homicides per 100,000 Inhabitants per year)



Data Source: FBI Uniform Crime Statistics, www.fbi.gov/about-us/cjis/ucr.

Slower police response times might also factor into citizens' sense of safety. Although criminal justice scholars caution against the use of response times as a measure of public safety or police performance,¹⁰ response time is nonetheless a commonly reported statistic and a focus of media attention. Response times across the City increased between 2008 and 2013: in 2010 the average NOPD response time for an emergency call was eight minutes and fifty seconds,¹¹ and in 2012 the average was eleven minutes and thirty-four seconds, a 31 percent increase.

Public perceptions of safety, which do not always align with crime data, are also important to consider. Research in criminology and psychology has shown that perceptions of safety are complex; factors like crime rates and response times interact with many other factors in shaping people's sense of safety and perception of crime. Researchers have found that people's perception of crime is influenced by news media exposure, their own victimization experience (or lack thereof), the experiences of people they know, and their social position and environment, among other factors. In many cases, these factors may have more influence than crime rates on people's sense of safety, creating a discrepancy between official crime rates and

¹⁰ "Measuring the Performance of Law Enforcement Agencies-Part I," CALEA Update, September 2003, <http://www.calea.org/calea-update-magazine/issue-83/measuring-performance-law-enforcement-agencies-part-1of-2-oart-articl> and Carl Bialik, "Giving No Time to Misleading Police Stats," Wall Street Journal, August 2, 2013, <http://blogs.wsj.com/numbersguy/response-times-detroit-giving-no-time-to-misleading-police-stats-1264/>.

¹¹ For discussion of how response time was calculated, see the response time analysis in Appendix B.

perceptions of crime.¹² These findings highlight the importance of considering more than just crime rates in evaluating public safety. They also suggest that perceptions of safety may influence residents' decisions to form security districts as much or more than crime rates and other standard indicators.

The above paragraphs describe the context within which security districts formed in New Orleans: doubts about public safety, a record murder rate, and uncertainty about the performance and presence of law enforcement. These factors all contribute to residents' opinions of public safety and their decisions to support or oppose security districts.

¹² E.g. Weitzer, Ronald, and Charles E. Kubrin. "Breaking news: How local TV news and real-world conditions affect fear of crime." *Justice Quarterly* 21, no. 3 (2004): 497-520. McComas, Katherine A. "Defining moments in risk communication research: 1996–2005." *Journal of Health Communication* 11, no. 1 (2006): 75-91. Warr, Mark. "Fear of crime in the United States: Avenues for research and policy." *Criminal Justice* 4, no. 5 (2000): 451-489.

III. SECURITY TAXING DISTRICTS

Security District Formation

Security taxing districts in New Orleans provide neighborhoods with extra patrol presence beyond the level of service provided by the police. Some form of voluntary security effort often preceded formal security districts that tax residents. Neighborhood organizations often led these voluntary efforts, though in some cases there was simply an informal agreement among neighbors to make voluntary contributions toward the cost of extra patrol. However, voluntary security efforts often had small budgets that limited their ability to provide extra patrol. Participants noted that the voluntary nature of these efforts allowed neighborhood residents who chose not to contribute to the program to benefit from the additional patrols.

The creation of a special taxing district solved some of the perceived problems of the voluntary model but also introduced new complications. The process of establishing a security taxing district involves multiple steps and can take months or years to complete. There are three main steps in the process. First, the state legislature must pass enabling legislation to establish the security district as a political subdivision of the state and define the boundaries, function, and authority of the district. Typically the organizers of a proposed district work with their elected representatives to coordinate the introduction and passage of the statute. The second step is to hold a referendum of residents of the proposed district. Details of the district, including the proposed fee and purpose, are presented to residents for their approval or rejection. If voters approve the district at referendum, the third step is to establish a board, begin assessing fees, and initiate the proposed services. As a check on the process, security districts' enabling legislation typically includes a sunset clause that would dissolve the district after a set period of time unless voters re-approve it in a referendum.

This process officially establishes security districts as political subdivisions of the state, which gives them the right to impose taxes through the ad valorem (more commonly referred to as property) tax collection process. Most security districts assess flat per-parcel fees, although two districts use millage-based fees that vary according to property values. The fees are added onto residents' property tax bills and the City Department of Treasury collects them along with property tax payments. The City treats non-payment of the security district taxes the same as any other portion of the property tax bill, with the same legal enforcement mechanisms. The City disburses the collected tax money to each district according to the mechanism outlined in its enabling legislation, but keeps a collection fee of 1 percent.¹³

¹³ The collection fee is 2 percent if the district imposes a millage-based tax.

The first security taxing district to incorporate and be approved at referendum was Lake Forest Estates in 1997. It was followed in 1998 by the formation of the Lakeview, Garden District, and Spring Lake security districts, and Lake Carmel in 1999. Between 2000 and 2005 an additional eight districts formed, although 2002 also saw taxpayers' first rejection of a proposed security taxing district, Lake Vista, in a referendum.¹⁴ After Hurricane Katrina, new district formation continued across the city. By August of 2012, there were twenty-five active districts with security patrols.

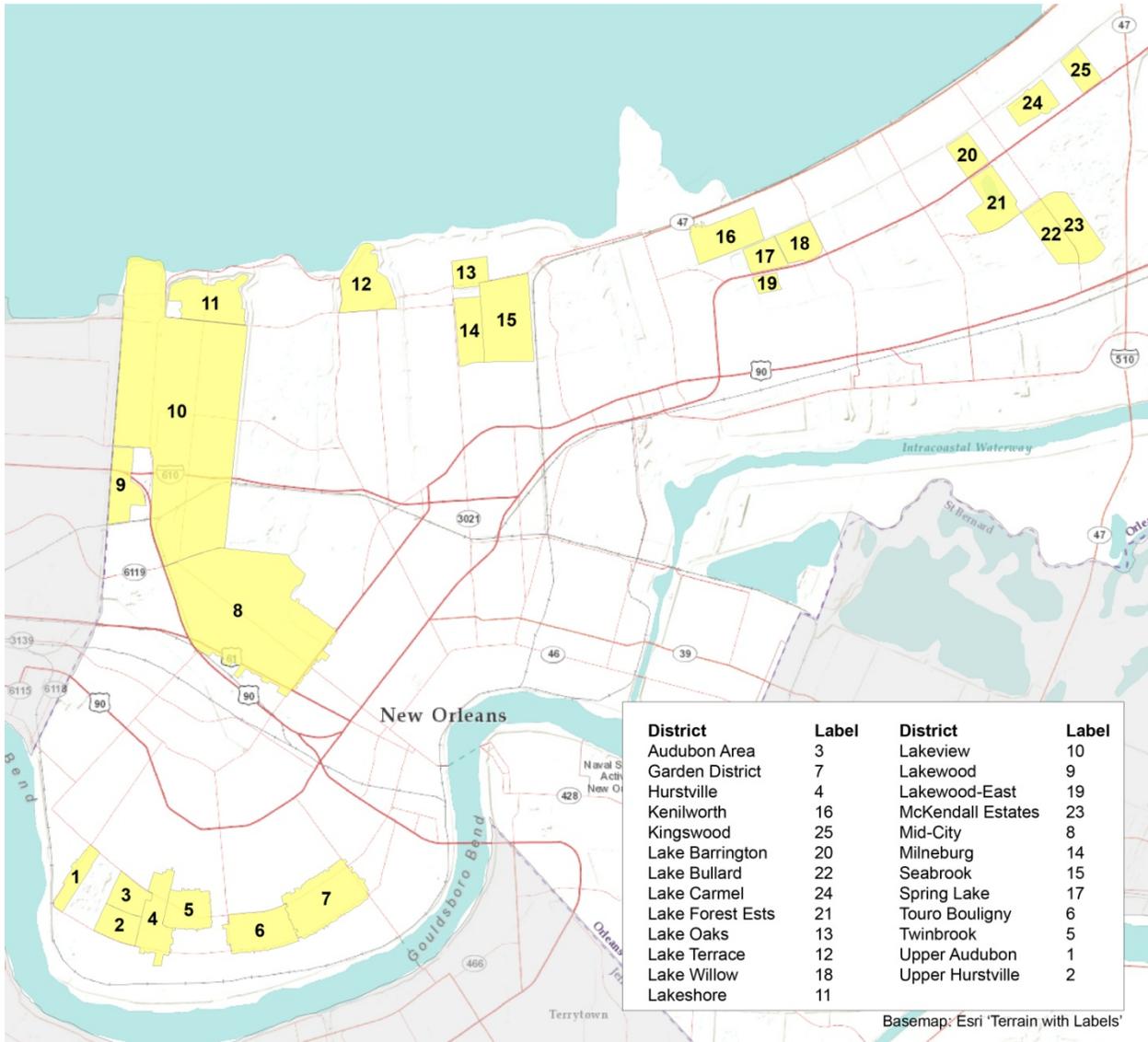
This review focused exclusively on districts that were legally established as special taxing districts and political subdivisions of the state and that engaged paid patrol service as of August 2012. Throughout this report, the term *security district(s)* refers only to districts that met those criteria.

Numerous voluntary or informal security districts existed in New Orleans, but they were not considered here, because they functioned entirely outside the systems of state and municipal government. An additional three districts (Huntington Park, Oak Island, and Tamaron) were not included as security districts, because they did not have active security patrols as of August 2012; however, all three included security as a stated purpose of their taxing districts and could initiate patrol services at a later date. Two additional districts (Lake Vista and North Kenilworth) were approved in referenda in November 2012 but were not established and active within the timeframe of this study.

The twenty-five security districts included in this report are depicted in Figure 2.

¹⁴ Neighborhood residents also voted down security taxing districts for the Maple Area (2009), French Quarter (2010), Pressburg East (2011), and Gentilly Terrace (2012) neighborhoods. The Lake Vista Crime Prevention District was sent to referendum again in 2012 and was approved.

Figure 2: Security Districts in New Orleans, Active as of August 2012



This report also did not include the Downtown Development District (DDD). The DDD was established as a special taxing district and provided safety patrols, but it was distinct from security districts in two key ways. First, it dedicated only a small portion of its funds toward security (about 15 percent according to its most recent filing with the LLA), and second, it was not located in a primarily residential area. The DDD is more accurately described as a business improvement district (BID).

Although residential security districts are a familiar feature in New Orleans, evaluators found that they are not common in most other cities. New Orleans security districts stand out because

they are located in residential neighborhoods throughout the city. Evaluators found very few other examples of residential security taxing districts outside of Louisiana and did not find any other cities with such a high concentration of them. Many cities have business improvement districts (BIDs) that provide added security patrols, but they are based in commercial areas and usually engage in economic development along with security.

New Orleans security districts are also notably distinct from the more common national phenomenon of gated communities. Gated communities attempt to deter crime by controlling who may enter a neighborhood, while New Orleans security districts attempt to deter crime by increasing patrol surveillance. The restricted access model is not available to most New Orleans neighborhoods, which are fully integrated into the street grid. Although the security goals of gated communities and security districts may overlap, the methods they use are very different.

Types of Security Districts

New Orleans security districts vary from one another in a few notable ways. The enabling legislation for the districts was split nearly evenly between the categories of “Crime Prevention and Security Districts” and “Improvement Districts.”¹⁵ Despite the seeming distinction, evaluators found districts in both categories that directed more than four-fifths of their expenditures to security patrols. Overall, “Improvement Districts” budgeted 82 percent of 2013 expenditures for patrols, and “Crime Prevention and Security Districts” budgeted 89 percent for patrols. In addition, there were organizations listed under both subparts that did not qualify as security districts for the purposes of this study. Overall, evaluators determined the similarities between the two groups outweighed the differences; references to *security districts* in this review did not distinguish between the two titles.

Evaluators also considered the distinction between security districts located in a subdivision and those that were not. Many, though not all, of the security districts in New Orleans East and along Lake Pontchartrain were comprised entirely of an individual subdivision. Subdivision security districts typically had limited entry and exit points, in contrast to many of the non-subdivision security districts that were fully integrated into the city’s street grid. Also, the subdivision security districts were in many cases smaller both in area and population than non-subdivision security districts. These differences had some practical implications for general safety and provision of security patrols that are discussed in more detail below.

Evaluators also considered the different patrol models that security districts employed. There were three main types of patrols employed by New Orleans security districts: private company,

¹⁵ Chapter 29, Part II of Title 33, La. R.S. 33:9071 *et seq.*

off-duty law enforcement, and on-duty NOPD patrols. Each district was free to employ any type of patrols, or a combination of patrol types, according to its members' preferences. Private patrols could be armed or unarmed but had to be provided by a security company licensed by the Louisiana State Board of Private Security Examiners (LSBPSE). The LSBPSE confirmed that all private security companies employed by New Orleans security districts were licensed and in good standing.¹⁶ Off-duty law enforcement patrols were provided by sworn law enforcement personnel working outside normal public duty hours. At the time of the questionnaire, security districts employed off-duty officers from the NOPD and the Orleans Parish Levee Police, although officers from other agencies also could provide these services. Finally, the Mid-City and Lakeview security districts signed formal cooperative endeavor agreements (CEAs) with the City to provide on-duty NOPD officers for security district patrols. The officers supplemented the baseline service that would normally be provided and were typically in overtime status when working for the security districts.

Demographics and Characteristics

Security districts covered large and varied areas of New Orleans. The tables in Appendix A provide a detailed list of characteristics of each individual security district. The twenty-five security districts active as of August 2012 included about 16 percent of the city's population.¹⁷

The security districts active in 2012 were diverse but shared some common characteristics that distinguished them from the city at large. Taken together, security districts had a whiter and wealthier population than New Orleans as a whole. However, an examination of the current twenty-five security districts overlaid with the city's demographics shows that security districts were found in both white-dominated and black-dominated neighborhoods.¹⁸ The income distinction is more uniform, as almost all security districts were located in high or medium income areas. With the exception of a portion of the Mid-City security district, low income areas were not included in security districts. Security districts also had lower concentrations of vacant housing than the city at large (20 vs. 24 percent), though their homeownership rates essentially matched the average.

The demographic differences between security districts and the city at large shifted with the addition of many new districts in recent years (Figure 3). In 2000 the five existing security

¹⁶ The list of security companies was compiled from responses to the OIG questionnaire completed by security districts between October and December of 2012 and is included in Appendix A.

¹⁷ Five additional districts, Huntington Park, Lake Vista, North Kenilworth, Oak Island, and Tamaron, were either approved after August 2012 or did not have active patrols at that time. If these districts were included in this analysis, 17 percent of the city's population lived within a security district.

¹⁸ See Map Supplement for maps of security districts and racial demographics, city income, and vacant housing.

districts had a combined population that was 81 percent white, fifty-three percentage points higher than the city at large. By 2010 security districts had expanded to twenty-five areas, and the combined population was 61 percent white, twenty-six percentage points higher than the city's as a whole. While the racial composition of security districts grew closer to the city average, the economic gap actually widened. In 2000 the median New Orleans household income was 38 percent less than that of the median security district household; by 2010 the gap had risen to 40 percent. Only one security district, Mid-City, had a lower median household income than the city as a whole (\$27,710 vs. \$35,041).

Figure 3: Characteristics of Security Districts and New Orleans, 1990 – 2010¹⁹

	<u>1990</u>		<u>2000</u>		<u>2010</u>	
	City-wide	Security Districts	City-wide	Security Districts	City-wide	Security Districts
Number of Security Districts	--	0	--	5	--	25
Population	496,938	--	484,674	24,958	343,829	55,006
Median Household Income	\$18,477	--	\$27,133	\$43,669	\$35,041	\$58,477
Percent Black	62%	--	67%	15%	60%	32%
Percent White	35%	--	28%	81%	35%	61%

Revenues and Patrol Expenditures

Security districts' 2013 budgets projected combined revenues of \$5.1 million from an average of \$206,000 in tax revenue per district, though revenues for individual security districts ranged from a low of \$30,000 to a high of \$1 million. On average, security districts budgeted 85 percent of their total expenditures for security patrol services. The tables in Appendix A include

¹⁹ Sources: 2012 Census for most demographic information and descriptive data; 2012 American Community Survey data for median household income data.

additional data on the revenues, expenditures, and patrol services of each individual security district.²⁰

Based on questionnaires distributed to every district, evaluators estimated that the twenty-five security districts purchased more than 205,000 combined hours of extra patrols per year, averaging about twenty-two hours per district per day. However, the distribution of hours among districts was far from uniform, as was the area to be patrolled by each officer. To control for these differences, evaluators calculated a standard patrol rate measure for each district: patrol hours per week per road mile to be patrolled. The average patrol rate was eighteen hours of patrol per week per road mile, but rates varied from fewer than two hours per week per road mile to more than thirty-eight hours per week per road mile.

Nineteen of the twenty-five security districts contracted with a private company to provide patrol services, and private patrols accounted for 61 percent, the largest portion, of the total patrol hours. On-duty police officers provided the second largest share of patrols. Just two districts, Lakeview and Mid-City, employed on-duty officers, but they accounted for 30 percent of the total security district patrol hours. However, due to the large size of the two districts, even this high volume of patrols resulted in below-average patrol rates. The smallest share of patrol hours was provided by off-duty law enforcement. Four districts relied entirely on off-duty patrols, and an additional three districts employed both private and off-duty patrols. In total, off-duty patrols accounted for just 9 percent of the patrol hours purchased by security districts. Figure 4 summarizes security districts' use of the three types of patrols; details of each individual district are included in Appendix A, Security Districts Patrol Providers.

Figure 4: Patrol Summary by Service Type

	Private Patrol	On-Duty NOPD	Off-Duty Law Enforcement
Number of Districts	19*	2	7*
Hours per Year	126,000	62,000	18,000
Percent of Total Hours	61%	30%	9%
Average Cost per Hour	\$20	\$29	\$32

*Three districts employed both private patrol and off-duty law enforcement.

²⁰ See the following tables in Appendix A; Security Districts Demographics, Security Districts Financials, and Security Districts Patrol Providers.

The cost of patrol services varied between the types of service providers and was generally in line with the service levels; private patrols cost less but did not connect directly to law enforcement or provide arrest powers, whereas law enforcement patrols (on- or off-duty) connected directly and provided arrest powers but cost more. On average, the estimated cost per hour of private security patrols was twenty dollars (\$20). On-duty patrol by NOPD officers cost an average of about twenty-nine dollars (\$29) per hour, while off-duty patrol (NOPD and Levee Police) averaged about thirty-two dollars (\$32) per hour. The three districts that used a mixture of private and off-duty patrol averaged an overall effective rate of twenty-four dollars (\$24) per hour.

Taxes and Relative Burden

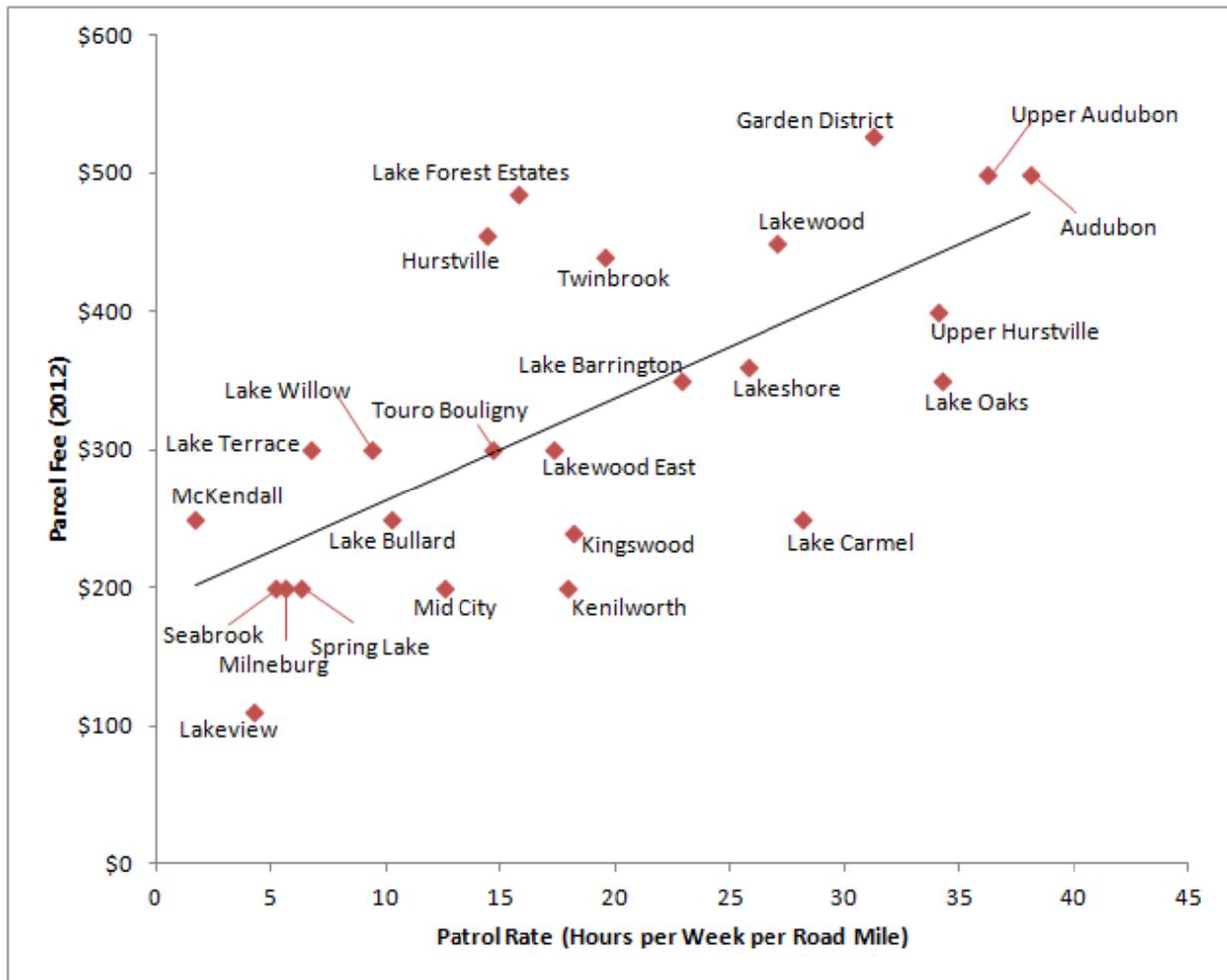
Just as in size, budget, and services provided, security districts also varied widely in the taxes charged to residents. Districts charged an average parcel fee of \$325 in 2012; however, if the number of properties in each district was factored in, the weighted average was \$260. The Mid-City security district had the highest total revenue, about \$1 million, but charged a below-average tax of \$200 for residential properties (\$300 for commercial properties). The Garden District charged the highest tax, an average of \$527 per property, based on a rate of 12 mils. The Lakeview security district charged the lowest tax, \$110, but had the third-highest total revenue due to its large size.

As seen in Figure 5, there was a general trend between the tax charged by a security district and the patrol rate provided. Security districts with low fees generally had low patrol rates and security districts with high fees generally had high patrol rates; however, the spread around the trend line demonstrates that there was some variation in this relationship. Security districts below the trend line charged lower than average parcel fees relative to their patrol rates, whereas those above the trend line charged higher than average parcel fees for their patrol rates.

Evaluators also considered the relative tax burden of each security district by calculating the tax as a percent of the district's average total 2012 property tax bill. Security district fees accounted for 10 percent of residents' total property tax bills on average. The security districts with the highest fees did not necessarily have the greatest relative impact on their residents' tax bills. The greatest relative burdens in 2012 were felt by residents of Lakewood East and Kingswood, where the security district taxes accounted for around 20 percent of the average tax bill. In contrast, the security district taxes in Lakeview, Touro Bouligny, and the Audubon Area accounted for less than 5 percent of the average resident's total property tax bill. The

Security District Financials table in Appendix A includes data on the taxes and relative burdens of each individual security district.

Figure 5: Patrol Rate and Parcel Fee by Security District, with trend line



Patrol Presence / Response Time Analysis

Security districts provided extra patrols in an effort to reduce crime and increase residents' sense of safety.²¹ Evaluators tested whether security district patrols were indeed supplemental

²¹ In addition to a general increase in patrols, many security districts also instructed their patrol officers to provide special services upon request, including vacation checks or escorting residents between their homes and cars.

to regular police patrols and whether security districts affected NOPD activity either within or beyond their boundaries.

The enabling legislation for most security districts required them to provide services in addition to the city-wide basic police service. It was typical for security district enabling legislation to include a provision stating “services provided by the district shall be supplemental to and not in lieu of personnel and services provided in the district by the municipality or parish.”²² This language was intended to ensure that security district patrols increased the total patrols in the area and were not offset by an equivalent decrease in police presence. Similarly, security districts that employed NOPD officers through cooperative endeavor agreements (CEAs) with the City included provisions that the City could not decrease the underlying police services in the districts.

Evaluators determined that the best available test of police activity levels was to compare the NOPD’s response time for emergency calls within and outside security districts. Many factors might affect response time for any given emergency call, but by looking at thousands of emergency calls in each area, one can see clear trends in response times. In order to test whether security districts influenced the amount of police presence (and thereby the response time), we compared security districts to neighboring areas that shared common characteristics. This clustered comparison controlled for the frequency and type of calls for service and the physical space covered by the officers, as adjacent areas generally had similar characteristics.

Evaluators did not use response time as an indicator of police performance or of public safety but only as an indicator of police *presence*. We assumed that extra officers in an area would lead to faster average response times, but we did not assume that faster response time was necessarily an indication of improved public safety.²³

Evaluators compared average response times for emergency calls for service in 2012 as a test of the level of police presence in security districts and neighboring non-security district areas. We hypothesized two distinct outcomes based on the type of security district patrols. In districts that purchased extra patrols within the NOPD system, we expected to see faster response time, because our test measured response by the NOPD. These districts’ patrol activities were captured within the NOPD records, so if the patrols were indeed supplemental they should have led to faster response times. On the other hand, if response time was not faster in these

²² See La. R.S. 33:9100.21(H)(1).

²³ “Measuring the Performance of Law Enforcement Agencies,” CALEA, 2003; and Bialik, “Giving No Time to Misleading Police Stats,” 2013.

districts, one might infer that the extra service purchased was offset by a decrease in basic service.

In security districts that purchased extra patrol outside the NOPD system, either from private companies or off-duty law enforcement officers, we expected to see no change in the response time. The activity of these security district patrols was not captured by the NOPD records, so the NOPD records should reflect no difference between the areas with and without extra patrols. If response time was slower or faster in the security districts than the surrounding areas, one might infer that the presence of non-NOPD patrols had affected the NOPD's provision of basic service.

Observation 1. Security district patrol was supplemental and was not offset by an equivalent reduction in NOPD service in the areas tested.

Evaluators performed four statistical tests of average response times in 2012, and all four tests supported our hypotheses for the respective security districts based on the type of patrol service provided. As expected, districts with private or off-duty patrols had essentially the same NOPD response times as their neighbors without extra patrols; the presence or absence of private patrols did not impact official police response. Statistical testing showed that districts that paid for extra on-duty NOPD patrols had faster NOPD response times, which also matched expectations. Further, none of the tests provided evidence that the City was redirecting police resources away from security districts. Taken as a whole, the response time analysis supports the conclusion that the extra patrols security district residents purchased were indeed supplemental and that the City met its legal requirement to maintain underlying police services.

The methodology and results of the response time analysis are described in more detail in Appendix B, Response Time Analysis.

Costs to the City of New Orleans

In general, security districts were localized safety efforts that were distinct from the City of New Orleans and the NOPD, but some types of patrols did have cost implications for City government.

On-duty NOPD officers worked about 62,000 hours annually for the Mid-City and Lakeview security districts and created some additional costs for the City. The CEAs between the two security districts and the City outlined each entity's responsibilities. In both CEAs, the security districts were responsible for paying the hourly salary rates of the officers performing patrols,

including overtime when applicable. In addition, each district reimbursed the City for the full-time salary of an NOPD sergeant to coordinate the extra patrols. These payments covered salary only and did not include any markup for pension, insurance, or other costs such as fuel. The City's health insurance obligations also did not increase, because officers were covered by their insurance policies at all times. Likewise, additional hours worked for security districts did not impact the City's pension obligations for officers, because overtime costs did not increase pension obligations. Both Mid-City and Lakeview security districts offset another potential cost to the City by purchasing police cruisers for officers to use on the extra patrols.

However, the agreements specified that officers were considered employees of the City even when working patrols for the security districts, thereby increasing the City's exposure to risk of workers' compensation liabilities, motor vehicle losses and liabilities, general losses and liabilities, and excessive use-of-force claims. Given the inherently dangerous nature of police work, any increase in police patrol hours inevitably increases these risks. A recent lawsuit brought against the City by the family of two men who were involved in a shooting with NOPD officers and an officer on Mid-City security district patrol illustrated the costs to the City due to increased risk.²⁴ In addition, costs such as fuel and wear and tear on equipment other than vehicles were absorbed by the City.

The CEA with the Mid-City security district explicitly acknowledged the cost trade-offs for the City, and stated that the net impact was neutral or positive:

"The City has determined that the reasonably anticipated tangible and intangible benefits to the City to be derived from this agreement, including increased police presence and protection, increased citizens' sense of well-being, reduced crime and crime rates, funds to the City generated from citations written by officers on MCSO patrols, and 1% of collections to the City, as well as the tangible benefits to the City outlined herein, are equivalent to or exceed the value of the City's obligations contained herein."

Evaluators were not able to quantify the CEAs' exact costs and benefits to the City, and accepted that some benefits were inherently intangible.

Off-duty patrol by NOPD officers presented lesser costs to the City, particularly given the limited popularity of off-duty NOPD patrol among security districts. According to state statute, off-duty officers would only be covered by City workers' compensation if they were performing

²⁴ Sipp v. Giroir and NOPD, 13-cv-00360, E.D. La., filed 2/26/13.

“any law enforcement action.”²⁵ Depending on how “any law enforcement action” was defined, some security district activities might not qualify. A similar situation applied to the officers’ use of NOPD patrol cars while on patrol for security districts: the City’s vehicle self-insurance policies would only cover patrol cars when used for law enforcement actions.

In 2012 security districts paid the officers directly, and no funds were transferred to the City. However, the pending reorganization of off-duty detail work under the Office of Police Secondary Employment may change the relationship between the City, officers, and off-duty detail employers.

Although we were not able to quantify an exact cost, evaluators concluded the City covered some costs of security district patrols provided by on- and off-duty NOPD officers. Security district residents covered the largest portion of the costs, but the general public subsidized security districts through City contributions. The public contribution is likely small compared to the total fees paid by security district residents. However, it is not clear whether any general public contribution to the districts is appropriate given that only residents within security districts’ boundaries receive the districts’ benefits. If the City increased police patrols on its own, it would be responsible for the peripheral costs described above plus direct salary costs, but it would be able to determine where the extra patrols were assigned. The trade-offs between increasing general patrol versus increasing security district patrols are discussed further in the conclusion.

²⁵ La. R.S. 23:1034.1 states that officers are covered by workers’ compensation if they are injured while performing “any law enforcement action,” even when off-duty.

IV. SECURITY DISTRICT GOVERNANCE

All security districts included in this report were established as public entities through state statute and approved by residents in referenda. The enabling legislation of each security district included a statement of purpose to guide its activities. All security districts included language in their statements of purpose regarding increased safety, reduced crime, or other security-related goals. The enabling legislation also established the composition of the boards that direct each security district. Each board was composed of residents of the security district who were charged with implementing the district's purpose. Because security districts were public entities, the board members qualified as public officials.

Security districts' boards and officials, like all public entities and officials, had to meet ethical and procedural standards established by law. It was the responsibility of each security district board and board member to understand and follow all applicable regulations. During the period under review, the majority of security districts did not have any paid staff members, therefore the volunteer boards and their members handled most security district business. The following list provides selected highlights of the requirements security districts must meet.

Code of Governmental Ethics – La. R.S. 42:1101 *et seq*

The code sets ethical standards for public officials, addressing topics such as conflict of interest, personal financial gain and gifts, and nepotism. It specifically requires officials to file annual personal financial disclosures and complete annual ethics training.

Open Meetings Law – La. R.S. 42:11 *et seq*

The law describes standards for public meetings, addressing topics such as public notice of meetings, public participation, and meeting minutes.

Local Government Budget Act – La. R.S. 39:1301 *et seq*

The act sets budgeting standards, including topics such as public hearings, budget messages, fund statements, and budget revisions.

Public Bid Law – La. R.S. 38:2211 *et seq*

The law sets regulations that promote value in public purchases, including topics such as categories of procurements, thresholds and standards for each, solicitation of bids and proposals, and resolution of protests.

Legislative Auditor Act – La. R.S. 24:511 et seq

The act establishes the Louisiana Legislative Auditor’s office (LLA) and defines annual financial filing requirements for public entities in the state.

Observation 2. Security districts did not fully adhere to governance requirements established by law.

Evaluators examined security districts’ adherence to applicable requirements, but due to the large number of security districts, it was not feasible to perform in-depth examinations of the governance of individual districts. Evaluators sent an information and document request to every security district. We asked for information about board composition and adherence to requirements for open meetings, budgeting, annual financial filings, and credit card policies, along with supporting documentation. The request clearly stated that compliance was mandatory and cited the OIG’s legal authority.²⁶ All of the security districts completed the questionnaire portion and reported that they were in compliance with applicable requirements, but eight (32 percent) did not submit the required supporting documents, including the Kingswood, Lake Bullard, Lake Carmel, Lake Terrace, Lakewood East, Seabrook, Upper Audubon, and Upper Hurstville security districts.

In addition to information collected directly, evaluators also reviewed annual financial reports that security districts filed with the Louisiana Legislative Auditor (LLA). The statements included basic financial information including revenues, expenditures, assets, liabilities, and fund balances of each security district. The financial statements also included findings if the accountant preparing the statement noted non-compliance with any legal or financial requirements. The statements are available on the LLA’s website.²⁷

Twenty-one security districts filed financial statements with the LLA in 2011.²⁸ Most security districts were not subjected to the strict scrutiny of full audits because they had revenues below the level that required a full audit. Eight of twenty-one security districts had at least one finding of noncompliance in their 2010 or 2011 filings, including three of the five security districts that had full audits. Findings included failure to monitor and update budgets adequately, shortcomings in public notice and public meetings, and late filing of financial statements with the LLA. Although many of the infractions were minor, 35 percent of security districts had findings in 2010 and 29 percent had findings in 2011. Evaluators also noted that

²⁶ La. R.S. 33:9613 and New Orleans City Code Section 2-1120.

²⁷ www.lla.state.la.us

²⁸ Three additional districts formed in 2011 but did not file statements, and a fourth formed in 2012. These four districts were included within the scope of this report but did not file 2011 financial statements.

five districts had repeat findings because prior years' issues had not been corrected. Appendix C, Annual Financial Statements, includes tables describing the different levels of financial statements, listing the requirements of each, and summarizing findings.

The frequency of findings and the presence of repeat findings suggested that it was common for security district boards to have difficulty meeting all of their legal requirements or that some security district boards may not have been fully aware of the requirements that apply to them. In addition, because most security districts had relatively low revenue levels that did not trigger stringent audit requirements, it is possible that additional problems could have gone unnoticed. As public entities, security districts must meet legal requirements for meetings, budgeting, purchasing, disclosure, and other rules related to governance.

Numerous resources are available to aid and educate security district boards. The Louisiana Legislative Auditor publishes guides on various topics and offers technical assistance to public bodies.²⁹ In addition, the OIG is releasing a Model Board Handbook and Administrative Parameters intended to guide City of New Orleans boards, commissions and public benefit corporations. Although certain City regulations included in the handbook do not apply to security districts, it will nonetheless be a useful reference regarding Louisiana laws and best practices for the functioning of public boards. In addition, the Director of State Affairs for the City of New Orleans (based in the Mayor's Office) serves as a liaison and resource for security districts.

²⁹ See the LLA website at www.la.state.la.us.

V. IMPACTS ON PUBLIC SAFETY

Public safety is one of the most basic, costly, and important services provided by local governments, but it is not easily defined, quantified, or evaluated. In recent decades, law enforcement scholars have developed numerous performance measurement frameworks to evaluate policing.³⁰ A pair of articles from the Police Executive Research Forum identified seven dimensions to policing: reducing crime and victimization; calling offenders to account; reducing fear and enhancing personal security; ensuring civility in public spaces; using force and authority fairly, efficiently, and effectively; using financial resources fairly, efficiently, and effectively; and achieving quality services and customer satisfaction.³¹ A 2012 technical report from the RAND Center on Quality Policing identified a set of five basic indicators for police performance: community opinion, crime rates, citizen cooperation with the police, response times, and clearance rates.³² These frameworks seek a balance between acknowledging the complex nature of policing and developing practical evaluation and management tools.

The role of security districts in the complex policing framework is unclear. In some respects, the same standards could be applied to security district patrols, though certain elements are largely beyond the scope of security districts. For example, security districts would be unlikely to have a major impact on crime clearance rates or calling offenders to account because their activity is limited to patrols. On the other hand, security district patrols might substantially reduce fear and increase civility in public spaces. The impact of security districts might be ambiguous even within an indicator; it is far from obvious, for example, how security districts might affect community opinion of the police (assuming residents distinguish between security district patrols and police patrols, which may not always be the case). The complex overlap between police and security district services makes it difficult to determine precisely the impact of security districts.

Evaluating the impact of security districts is also complicated by practical considerations about data availability and the common disparity between official crime data and public perception. As discussed earlier, residents' sense of safety does not always align with crime rates; factors including personal experience, media coverage, and sensational crimes are also important.

³⁰ For an overview see the bibliographical table "Multidimensional Performance Systems" at www.jonmshane.com/multidimensional_framework.pdf

³¹ Moore, Mark H. and Anthony Braga, "The 'Bottom Line' of Policing: What Citizens Should Value (and Measure) in Police Performance." (Police Executive Research Forum, Washington, D.C., 2003); Moore, Mark H. "Recognizing value in policing: The challenge of measuring police performance" (Police Executive Research Forum, Washington, D.C., 2002).

³² Davis, Robert C. "Selected international best practices in police performance measurement" (Rand Corporation Center on Quality Policing, Santa Monica, CA, 2012).

Many security districts implicitly acknowledge this reality by listing dual goals of reducing crime and increasing residents' sense of safety. Evaluators found that existing opinion research did not measure either the motivations for forming security districts or the effect districts had on residents' sense of safety; however, crime rates are readily available and constantly measured. For these reasons, evaluators analyzed the available crime data from NOPD but did not evaluate security districts' impact on residents' sense of safety.

Crime Rate Analysis

Security districts provided extra patrols within their borders in an effort to reduce crime and increase residents' sense of safety. The model is based on an assumption that areas with extra patrols would have lower crime rates. Academic studies of the impact of extra patrols in business improvement districts (BIDs) supported this hypothesis, finding that their security efforts decreased crime within the BIDs without increasing crime in adjacent areas.³³ Evaluators analyzed crime data to determine whether New Orleans security districts, located in residential rather than commercial areas, had the same impact.

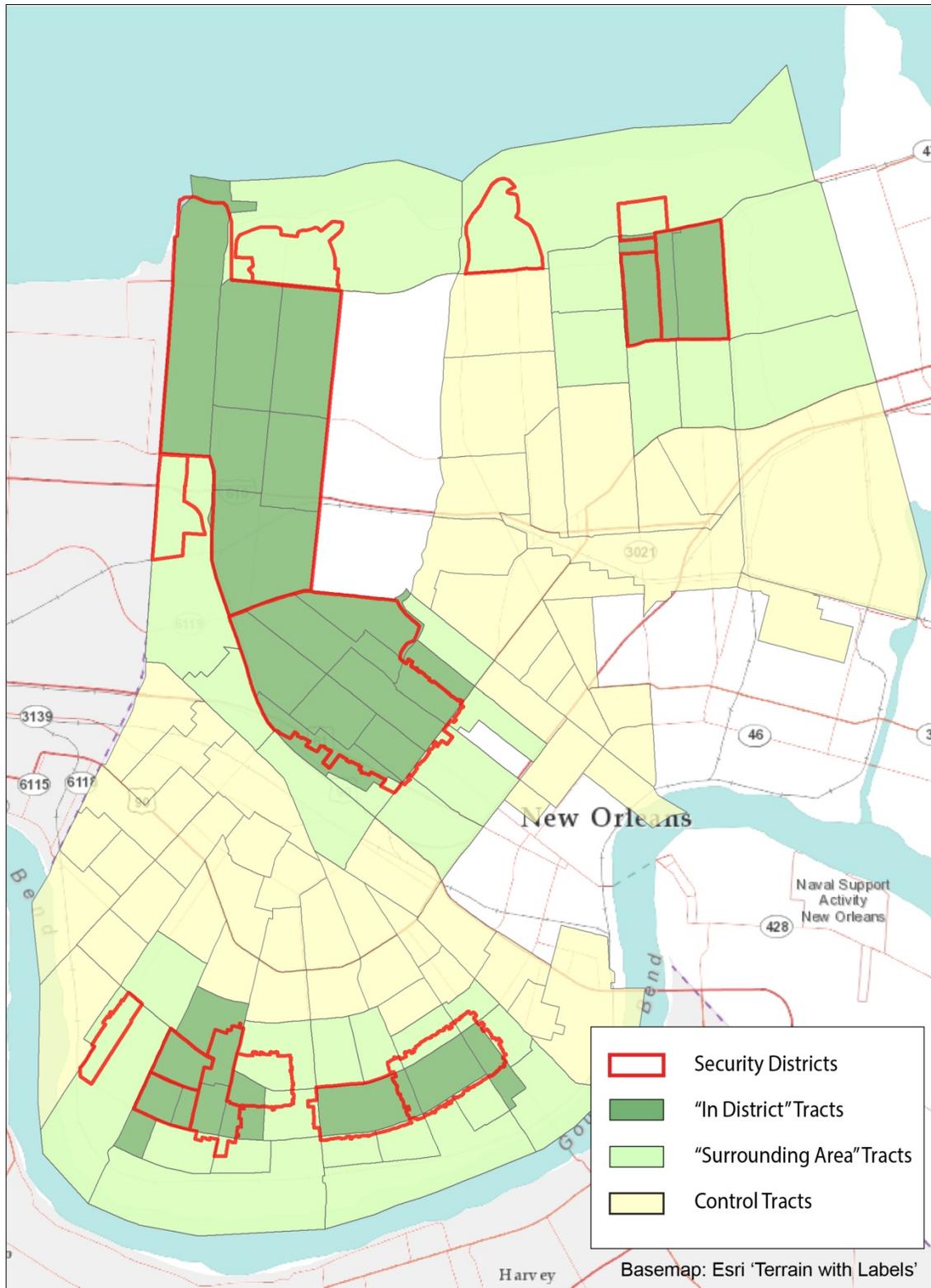
To measure the effectiveness of security districts in decreasing crime, evaluators performed a regression analysis. This analysis examined the relationship between crime rates and other variables during 2012 and tested the hypothesis that security district areas would have lower crime rates than similar areas without extra patrols.

Evaluators aggregated data for murder, violent crimes, property crimes, and total crimes city-wide in 2012; mapped the data at the Census Tract level; standardized the data into crime rates for each tract, represented as crimes per 1,000 residents; and classified the tracts as "in district," "surrounding area," or control.³⁴ Evaluators determined that some areas could not be accurately assessed by this methodology and excluded them. Appendix B, Crime Rate Regression Analysis, describes the analysis methodology and explains why some areas were excluded. Figure 6 shows the area covered by the analysis, the security district outlines, and the classification of each tract.

³³ Brooks, Leah. "Volunteering to be taxed: Business improvement districts and the extra-governmental provision of public safety." *Journal of Public Economics* 92, no. 1 (2008): 388-406; Cook, Philip J., and John MacDonald. "Public Safety through Private Action: an Economic Assessment of BIDs." *The Economic Journal* 121, no. 552 (2011): 445-462. Hoyt, Lorlene M. "Do business improvement district organizations make a difference? Crime in and around commercial areas in Philadelphia." *Journal of Planning Education and Research* 25, no. 2 (2005): 185-199.

³⁴ Crime rates were based on NOPD data classified according to the FBI Uniform Crime Reports (UCR) model. The data were grouped into two classes: violent crime (murder, rape, robbery, assault) and property crime (burglary, larceny, motor vehicle theft).

Figure 6: Map of Census Tracts Included in Regression Analysis



The analysis was dominated by two groups of security districts: the cluster in the Uptown area and the two on-duty NOPD districts (Lakeview and Mid-City). The Uptown cluster of security districts had above average patrol rates (security district patrol hours per week per road mile), were handled predominantly by private patrols, and formed a relatively contiguous group. Lakeview and Mid-City, the on-duty NOPD districts, were distinguished primarily by their large areas and their arrangements to employ on-duty NOPD patrols. The results of this analysis primarily provide information about the effect of private patrols and on-duty NOPD patrols in these areas. The analysis was not able to examine the impact of subdivision-based security districts in New Orleans East because large Census Tract sizes made it difficult to separate areas with and without security districts.

Observation 3. Security district presence was a significant predictor of lower property crime rates for the areas modeled, but other neighborhood characteristics had even stronger influences on crime.

The analyses showed that security district tracts tended to have lower property crime rates if all else was held equal, but evaluators found that the relationship was heavily constrained by the neighborhood's general characteristics, represented by the vacancy and homeownership rates. The vacancy rate was more than twice as important as security district presence in predicting property crime rates, and the security district variable was the least powerful predictor in the model. Security district presence was significantly associated with a reduction of 23 percent relative to the average property crime rate, if all else was held equal.

Security district presence was also a significant predictor of overall crime rates. However, since property crimes accounted for 85 percent of total crimes, evaluators concluded that the significant effect on overall crime rates was likely attributable primarily to property crimes.

Observation 4. Security district presence was not a significant predictor of violent crime or murder rates for the areas modeled.

Security district presence was not a significant predictor in the violent crime and murder rate models. Even when controlling for other neighborhood characteristics, the presence or absence of a security district did not show a significant relationship to violent crime or murder rates for the areas analyzed.

The results above paint a mixed picture of the value of security districts in predicting crime rates within their immediate areas. Security districts were significant predictors of lower property crime rates but were not significant predictors of violent crime or murder rates.

Observation 5. Tracts adjacent to security districts showed no difference in crime rates for the areas modeled.

Evaluators found that security districts did not have a significant spillover effect, positive or negative, on surrounding areas. As described above, the surrounding-area category represented areas on the periphery of security districts or areas where a small security district was included within a much larger tract. Evaluators found that in every analysis the surrounding area variable was not a significant predictor of crime rates. This result also suggests that security districts did not displace crime into surrounding areas. These results mirrored the findings of research on security patrols in business improvement districts.

Taken together, the results of the regression analyses suggest that security districts with high concentrations of private patrol or on-duty police patrol tended to have lower property crime rates than similar areas without security districts, but that security districts were unlikely to impact violent crime rates, murder rates, or adjacent areas outside their borders. Security districts also did not overcome other neighborhood characteristics; the models suggested that an area with high vacancy and low homeownership would have a relatively high crime rate regardless of whether or not there was a security district.

We caution that these results cannot necessarily be extended to all security districts. As noted above, the models were dominated by a cluster of security districts with high rates of private patrol and by two security districts with on-duty NOPD patrol. Subdivision-based security districts, which tend to be small and isolated, were notably underrepresented in the models. In addition, the models were not able to explain a considerable portion of the variation in crime rates. Although evaluators considered the models to be reliable, we cannot rule out the possibility that the significance and/or magnitude of the security district impacts could change if a different methodology were used.

Analysis of New Security Districts

The above analysis used 2012 crime data to examine security districts' relationship with crime rates compared to other areas of the city. We incorporated additional variables in the analysis to help control for differences across the city, but this control technique was not a perfect solution. To strengthen our overall understanding of security districts, evaluators also identified

newly formed districts and performed before-and-after analyses of crime; because we examined the same areas over time, we did not have to account for comparability issues. A description of this analysis and its results can be found in Appendix B, New District Crime Rate Analysis.

Evaluators collected comprehensive NOPD crime data for 2010, 2011, and 2012 and identified five new security districts that began providing patrols within that time.³⁵ All five of the new districts were located in Gentilly or New Orleans East and provided information that offset the limitations of the regression analysis. Evaluators performed preliminary analyses, including means testing and time series analysis, but the small areas and relatively short time period precluded meaningful statistical testing.

Observation 6. An examination of new district formation did not reveal any clear crime trends.

Evaluators examined the before-and-after crime data to determine whether any trends appeared that were not detected in the statistical analyses. Visual analysis did not reveal any clear effect on crime related to the formation of these security districts. Although the conclusions were not definitive, the visual evidence did not suggest that the implementation of new security districts made a substantial or permanent impact.

These results stand in contrast to the results in Observation 3, which showed that security districts were a significant predictor of lower overall and property crime rates. However, the regression analysis was dominated by security districts that were part of a large cluster or that employed on-duty police patrol. The new security districts examined here were generally small and primarily employed private patrol, and the three in New Orleans East essentially consisted of individual subdivisions. These distinctions could explain the divergent outcomes of the two analyses. It is also possible that low numbers of crimes could have obscured trends. For example, Lake Barrington and Lakewood East had fewer than ten crimes each in 2012. When totals are very low, random chance can have an exaggerated impact on the results.

Evaluators stress that the new security district analysis was not definitive; we did not find any evidence that permanent reductions in crime occurred or did not occur. Assessing the impact of private patrol in subdivision security districts or other low density and non-clustered areas would require further study.

³⁵ We were unable to perform equivalent analyses of older districts because the NOPD could not provide complete, mappable crime data prior to 2010.

VI. DISCUSSION AND CONCLUSION

Discussion

Although our analysis showed that security districts were associated with lower property crime rates, it is not clear whether they are a solution to New Orleans's crime problem. Security districts were not a significant predictor of violent crime or murder rates, which are the city's most pressing public safety concerns, and security districts' possible role in general public safety improvement remains unclear.

On the whole, the results showed that security districts could be an effective tool for reducing property crime under certain conditions. However, they appeared to function via a familiar method: substantially increasing patrol presence over a targeted area. Nothing in the analysis suggested that the effect of security districts was different from what would be expected from a general increase in police patrol presence. Evaluators concluded that new security districts could reduce property crimes in particular neighborhoods, but the data also suggested that similar results could be achieved by increasing police patrol with or without a security district.

Furthermore, as discussed in the introduction and detailed in Appendix A and the map supplement, security districts were conspicuously absent in New Orleans low-income neighborhoods and are unlikely to form there due to the financial limitations of low-income residents. Because the security district model is unattainable for large areas of the city, public and civic leaders must consider whether and to what extent security districts contribute to city-wide public safety improvement. A recent academic study of security districts in New Orleans raised many similar questions and concerns.³⁶

At the heart of the debate over the role of security districts are questions of whether safety should be treated as a city-wide public good or a neighborhood-level private good and how activity on one level affects others. The security district model treats safety as a private good, purchased by a subset of the population for its own benefit. If safety is considered a public good, however, it is only successfully achieved if all parts of the city benefit. The private security district model does not achieve this goal, as only those able to pay benefit from improved safety.

³⁶ Galvin Wise, R., "Public Goods for a Few: The role of crime prevention and security districts in New Orleans" (Master's thesis, University of New Orleans, 2013).

There are many reasons residents might attempt to increase safety at the neighborhood level. The residents of a neighborhood might initiate a security district because they desire a higher safety standard than the general population expects. This explanation is not supported by the evidence in New Orleans, however, as polls show that dissatisfaction with current safety levels is not limited to a subgroup of the population. It is more likely that the general New Orleans population desires a higher level of safety; the leaders of one security district explained that inadequate services created a void and that security districts step in to fill it by providing the level of neighborhood policing that many communities want.

Residents might also favor security districts to target different safety concerns than those emphasized by the police. The observation that security districts are associated with lower property crime but not lower violent crime suggests the districts might reflect targeted efforts to lower property crimes. Many security districts are in low crime areas, so residents' primary concern for their neighborhood might actually be property crime. Because the police prioritize efforts to reduce violent crime and murder, residents might form a security district to supplement those efforts with patrols more appropriate to deterring property crime in their neighborhood. In this scenario, security districts would provide a method to obtain a different type of protection than that provided by the police.

Residents might also tackle safety at the neighborhood level because collective action is easier on a smaller scale. There is more likely to be consensus about service provision, budget, and methods at the neighborhood level because the group is smaller and often more homogeneous than a city as a whole. Residents concerned about crime might justifiably conclude that city-wide improvement is beyond their reach but that they could effectively organize their neighborhood to act. This practical concern also might help explain the popularity of the security district model.

Security districts might also have proliferated due to frustration with and general distrust of New Orleans's existing public safety and criminal justice institutions. The highly publicized shortcomings of these institutions might discourage residents from attempting city-wide improvements. If residents believe that additional investment of time and money in existing institutions would be ineffective, it is understandable that they might opt instead to address the problem at a private/neighborhood level by developing new institutions that they can more closely monitor and control. In this case, the security district model might reflect citizens' rejection of mainstream public safety institutions more than an inherent desire to treat safety as a neighborhood-level good.

Treating safety as a private, neighborhood-level good has practical advantages, and residents have many logical reasons to choose this route. Also, although the primary benefits of security districts are limited to a district's boundaries, there are potential positive externalities for the City. In her study, Galvin Wise found evidence that security districts helped retain residents who might otherwise have left the city to seek what they perceived as a safer living situation in the suburbs. In this scenario, security districts could keep on the tax rolls residents who might otherwise leave the city. And if security districts contribute to an increase in property values, they would further improve the City's finances by increasing the property tax base.

However, treating safety as a private, neighborhood-level good necessarily excludes segments of the population and may actually undermine city-wide collective action. Sixteen percent of New Orleanians reside in a security district, and if that number continues to grow, the security district model will become more institutionalized. If the general population believes that a neighborhood can only be safe with a security district, then neighborhoods with sufficient means will continue to form new districts. The proliferation of security districts might improve safety in certain areas, but large portions of the city will inevitably be excluded. A private-good system that improves safety on a local scale could decrease security district residents' sense of urgency for city-wide improvement.³⁷ Compounding the situation, people are only able to pay a finite amount for safety, so implementing a security district tax might reduce the amount security districts' residents are willing to contribute to other safety efforts.

It is also important to note that even as security districts become institutionalized as part of the New Orleans landscape, they are not a replacement for the police. Their services are limited to patrols; they do not attempt to provide the full range of police services. Our analysis showed that they were not associated with reductions in violent crime or murders, which likely require activities outside the security district patrol model, including performing investigations and building criminal cases. Furthermore, the extra patrol provided by security districts does not allow the police to reallocate resources according to city-wide priorities. Although this prohibition makes sense from the security districts' perspective, it undermines the potential benefits of increased law enforcement resources.

If residents were satisfied with the level of public safety city-wide, it is unclear what continuing role security districts would play. One security district leader said the model is "like working for a cure;" the ultimate goal is to work yourself out of business. She imagined that most districts

³⁷ See Bayley, David, and Clifford Shearing, "The New Structure of Policing: Description, Conceptualization, and Research Agenda" (Washington, D.C.: National Institute of Justice, 2001). Also, Baer, Susan E., and Richard C. Feiock. "Private Governments in Urban Areas Political Contracting and Collective Action." *The American Review of Public Administration* 35, no. 1 (2005): 42-56.

would fade away or shift focus to other quality of life issues if general safety concerns were met, leaving just a few districts that would still want extra patrol beyond a generally acceptable baseline.

Ultimately, the discussion returns to fundamental questions of public safety policy. City leaders should work with residents and organizations across New Orleans, in neighborhoods with and without security districts, to understand better what motivates security district formation and what role security districts might play in meeting all citizens' long term, comprehensive public safety needs. This report provides information about security districts and an analysis of their impacts, but it will be up to residents, organizations, and city leaders to determine the best role for security districts within the context of both localized and generalized public safety concerns.

Conclusion

Evaluators undertook two main objectives in this report: describing the current state of neighborhood security districts in New Orleans and assessing the impact of security districts on public safety.

Evaluators determined that security districts had some weaknesses in governance but were successful in providing extra patrol. Areas that provided extra on-duty police patrols or were part of a cluster of security districts with substantial private patrols saw lower property crime rates than similar areas without extra patrol, although neighborhood characteristics were more powerful predictors of crime levels. Bordering areas did not benefit from spillover effects or suffer from crime displacement. These observations mirrored the results of academic research on extra patrol in business districts.

In contrast, security district presence was not a significant predictor of violent crime rates or murder rates. Further, the examination of crime before and after the formation of a few new security districts did not show any clear trends.

This review did not assess the other main goal of security districts: to increase residents' sense of safety. Research has shown that sense of safety is influenced by many factors and does not necessarily mirror crime rates or other standard indicators. Determining security districts' impacts on citizens' sense of safety, both for security district residents and non-residents, would require extensive polling and opinion research beyond the scope of this project.

APPENDIX A. CHARACTERISTICS OF SECURITY DISTRICTS

Appendix A contains tables of various characteristics of security districts. The information came from a variety of sources. Each table is summarized below.

Security District Contact Information

This table contains the name of the district, contact information for the district, and a website if available. This information was provided to evaluators by the security districts.

Security District Demographics

This table contains population of the district, population density (persons per sq. mile), racial demographics, median household income, percent of vacant properties, percent of owner occupied properties (as opposed to rental properties commercial properties, or vacant housing), and the percent of properties with non-residential zoning. The City's GIS staff provided this data (excluding the percent with non-residential zoning) to evaluators using the ESRI Community Analyst web application. The application performed an analysis to calculate demographic data within security district boundaries using demographic data collected by the U.S. Census Bureau at the census tract level. The City provided the percent of non-residential zoning based on its parcel-level records.

Security District Financials

This table contains security district fees, relative tax burden, security district 2013 budgets, a reference to the enabling legislation, and the date the district was established. The financial data came from security district budgets provided by the City of New Orleans. Evaluators calculated a relative tax burden by dividing the average security district fee by the average total property tax bill for the district (provided by the City of New Orleans).

Security District Patrol Providers

This table contains the security district patrol providers, the cost per hour of patrol, the number of patrol hours per week, the area (sq. miles) of the district, the number of road miles in the district, the patrol rate, the crime count, and the crime rate. Information on cost was provided to evaluators by the security districts. The area and number of road miles was provided by the City. Evaluators calculated the patrol rate by dividing the number of patrol hours per week by the number of road miles. NOPD provided the crime count within districts and evaluators calculated the crime rate using the crime count and the population of the district provided by the ESRI Community Analyst web application.

The final table contains a description of data and all data sources. *The references for all of the footnotes in the tables are at the end of Appendix A.*

Security District Contact Information

District	Contact Information	Website
Audubon Area	Shelley Landrieu, slandrieu@bellsouth.net	
Garden District	Shelley Landrieu, slandrieu@bellsouth.net	
Hurstville	Shelley Landrieu, slandrieu@bellsouth.net	www.hurstvillesecurity.com
Kenilworth	Nakia Hooks, (504) 570-7220	
Kingswood	KingwoodImprovementDistrict@gmail.com	
Lake Barrington	Clarissa Evans, cevans91@cox.net	
Lake Bullard	Cathy Charbonnet, cathycharbonnet@lakebullard.org	www.lakebullard.org
Lake Carmel	lakecarmelnola@gmail.com	
Lake Forest Estates	Contact via website	www.lfestates.org
Lake Oaks		
Lake Terrace	Constandinos Vennis, kvennis@cox.net; Robert Drouant, rdrouant@yahoo.com	www.laketerrace.net
Lake Willow	P.O. Box 872667, New Orleans, LA 70187	
Lakeshore	lakeshorecrimeprevention@gmail.com.	
Lakeview		www.lcpdonline.com
Lakewood	lakewoodcpid@gmail.com	
Lakewood-East		
McKendall Estates	info@mckendallestates.com	
Mid-City	commissioners@midcitysecuritydistrict.org	www.midcitysecuritydistrict.org
Milneburg	Nikki Brown, nlbrown2@uno.edu	www.milneburgneworleans.info
Seabrook	Sharon Clark, (504) 237-3195	
Spring Lake	P.O. Box 871652, New Orleans, LA 70187	
Touro Bouligny	TBSDNOLA@gmail.com	
Twinbrook	Shelley Landrieu, slandrieu@bellsouth.net	
Upper Audubon	John Lafargue, JohnLafargue@aol.com	www.upperaudubon.org
Upper Hurstville	info@upperhurstville.com	www.upperhurstville.com
New Districts		
Lake Vista	Tom Long, (504) 283-8522	
North Kenilworth	Carroll Denesse, (504) 324-6044	

Security District Demographics

District	Population	Population Density	Black	White	Other	Median Household Income	Vacant Housing	Owner Occupied Housing	Non-Residential Zoning
Audubon Area	962	7,211	1%	97%	3%	\$147,936	11%	72%	1%
Garden District	4,199	9,488	10%	84%	6%	\$50,832	18%	42%	14%
Hurstville	2,281	8,927	2%	94%	4%	\$103,312	11%	60%	12%
Kenilworth	1,306	4,697	95%	3%	2%	\$52,371	15%	81%	0%
Kingswood	758	6,920	97%	0%	3%	\$50,921	14%	89%	0%
Lake Barrington	414	3,607	94%	1%	6%	\$61,302	21%	61%	0%
Lake Bullard	728	3,873	77%	2%	21%	\$84,603	10%	95%	2%
Lake Carmel	677	4,686	92%	2%	6%	\$47,402	20%	39%	0%
Lake Forest Estates	397	1,603	87%	4%	8%	\$98,493	28%	94%	0%
Lake Oaks	630	5,598	40%	44%	16%	\$64,950	4%	54%	0%
Lake Terrace	968	3,116	10%	81%	8%	\$126,167	9%	89%	19%
Lake Willow	1,024	6,696	95%	3%	2%	\$46,699	24%	35%	5%
Lakeshore	1,347	4,110	2%	94%	4%	\$107,593	10%	83%	16%
Lakeview	11,837	3,843	6%	89%	5%	\$63,760	24%	62%	20%
Lakewood	782	3,578	4%	90%	6%	\$138,959	22%	85%	0%
Lakewood-East	216	4,536	95%	4%	1%	\$36,119	30%	61%	0%
McKendall Estates	712	3,142	59%	1%	39%	\$84,241	4%	95%	31%
Mid-City	15,486	8,459	44%	46%	10%	\$27,710	24%	29%	50%
Milneburg	908	4,510	81%	11%	8%	\$44,663	27%	58%	6%
Seabrook	2,343	4,835	91%	5%	4%	\$38,460	26%	62%	3%
Spring Lake	404	3,338	83%	13%	4%	\$40,729	25%	34%	0%
Touro Bouligny	2,912	9,758	16%	80%	4%	\$47,824	15%	34%	32%
Twinbrook	1,707	8,506	5%	91%	4%	\$80,232	13%	50%	7%
Upper Audubon	841	7,080	4%	91%	5%	\$121,209	10%	70%	4%
Upper Hurstville	1,166	8,078	2%	95%	3%	\$132,343	10%	65%	7%
Security District Total	55,006	5,618	32%	61%	7%	\$58,477	20%	50%	20%
Security District Average	2,200	5,618	32%	61%	7%	\$58,477	20%	50%	20%
New Orleans City-wide Total	343,829	Not calculated	60%	35%	5%	\$35,041	24%	48%	Not calculated

Security District Financials

District	Fee	Relative Tax Burden	Projected Fee Revenue	Security Budget	Total Budget	Percent Security Spending	Enabling Legislation	Date Est.
Audubon Area	\$500	5%	\$173,934	\$151,000	\$167,000	90%	La. R.S. 33:9091.3	2002
Garden District	\$527 ¹	8%	\$718,806	\$694,595	\$785,325	88%	La. R.S. 33:9091.2	1998
Hurstville	\$455	6%	\$324,900	\$370,200	\$437,600	85%	La. R.S. 33:9091.11	2007
Kenilworth	\$200	12%	\$116,000	\$138,000	\$147,000	94%	La. R.S. 33:9078	2004
Kingswood	\$240	19%	\$65,658	\$68,000	\$84,610	80%	La. R.S. 33:9079	2007
Lake Barrington	\$350	15%	\$57,000 ²	\$55,320	\$58,900	94%	La. R.S. 33:9077	2011
Lake Bullard	\$250	10%	\$59,500	\$55,558	\$81,637	68%	La. R.S. 33:9080	2008
Lake Carmel	\$250	14%	\$82,913	\$61,913	\$82,913	75%	La. R.S. 33:9071	1999
Lake Forest Estates	\$485	12%	\$83,420	\$60,000	\$83,420	72%	La. R.S. 33:9072	1997
Lake Oaks	\$350	10%	\$108,900	\$105,360	\$108,994	97%	La. R.S. 33:9075	2004
Lake Terrace	\$300	7%	\$120,350	\$110,000	\$120,350	91%	La. R.S. 33:9091.4	2002
Lake Willow	\$300	11%	\$45,000	\$37,278	\$49,988	75%	La. R.S. 33:9073	2010
Lakeshore	\$360	8%	\$228,301	\$210,240	\$215,890	97%	La. R.S. 33:9091.7	2004
Lakeview	\$110	4%	\$609,625	\$564,980	\$632,330	89%	La. R.S. 33:9091.1	1998
Lakewood	\$450	6%	\$169,736	\$157,680	\$168,530	94%	La. R.S. 33:9091.8	2004
Lakewood-East	\$300	22%	\$31,200	\$29,260	\$31,170	94%	La. R.S. 33:9080.3	2010
McKendall Estates	\$250	7%	\$32,750	\$14,400	\$49,600	29%	La. R.S. 33:9080.1	2008
Mid-City	\$200	7%	\$990,000	\$1,235,000	\$1,373,000	90%	La. R.S. 33:9091.14	2008
Milneburg	\$200	13%	\$52,416	\$52,416	\$53,000	99%	La. R.S. 33:9080.4	2010
Seabrook	\$200	14%	\$175,635	\$120,000	\$173,896	69%	La. R.S. 33:9091.16	2010
Spring Lake	\$200	9%	\$30,392	\$33,267	\$40,392	82%	La. R.S. 33:9074	1998
Touro Bouligny	\$301 ³	4%	\$301,034	\$255,864	\$301,855	85%	La. R.S. 33:9091.10	2006
Twinbrook	\$440	5%	\$248,292	\$223,000	\$248,608	90%	La. R.S. 33:9091.9	2006
Upper Audubon	\$500	6%	\$169,100	\$165,452	\$168,157	98%	La. R.S. 33:9091.12	2008
Upper Hurstville	\$400	6%	\$154,638	\$165,000	\$179,400	92%	La. R.S. 33:9091.6	2003
Security District Total	--	--	\$5,149,499	\$5,133,783	\$5,843,565	88%	--	--
Security District Average	\$325	10%	\$205,980	\$205,351	\$233,743	85%	--	2005
New Orleans City-wide Total	--	--	--	--	--	--	--	--

Security District Patrol Providers

District	Patrol Provider	Cost per Hour	Patrol Hours per Week	Area	Road Miles	Patrol Rate	Crime Count	Crime Rate	
Audubon Area	New Orleans Private Patrol	\$17	169	0.13	4.4	38.1	9	936	
Garden District	New Orleans Private Patrol <u>and</u> Off-Duty NOPD	\$25	539	0.44	17.2	31.3	204	4,858	
Hurstville	Off-Duty NOPD	\$33	154	0.26	10.7	14.5	47	2,061	
Kenilworth	New Orleans Security Serv.	\$21	128	0.28	7.1	18.0	32	2,450	
Kingswood	New Orleans Security Serv.	\$23	56	0.11	3.1	18.2	19	2,505	
Lake Barrington	Dysmas Security	\$19	56	0.11	2.4	22.9	6	1,449	
Lake Bullard	New Orleans Security Serv.	\$25	42	0.19	4.1	10.2	6	824	
Lake Carmel	New Orleans Security Serv.	\$14	84	0.14	3.0	28.2	5	739	
Lake Forest Estates	Metro Security	\$18	64	0.25	4.1	15.8	3	755	
Lake Oaks	Metro Security	\$18	112	0.11	3.3	34.2	10	1,587	
Lake Terrace	Off-Duty Levee Police	\$30	65	0.31	9.7	6.7	15	1,550	
Lake Willow	L&R <u>and</u> Off-Duty NOPD	\$30	24	0.15	2.5	9.4	52	5,076	
Lakeshore	Metro Security	\$16	252	0.33	9.8	25.8	7	520	
Lakeview	NOPD On-Duty	\$31	350	3.08	82.5	4.2	301	2,543	
Lakewood	Metro Security	\$18	168	0.22	6.2	27.0	7	895	
Lakewood-East	New Orleans Security Serv.	\$20	28	0.05	1.6	17.4	9	4,166	
McKendall Estates	Off-Duty NOPD	\$28	10	0.23	5.8	1.7	5	702	
Mid-City	NOPD On-Duty	\$28	840	1.83	67.0	12.5	659	4,255	
Milneburg	Metro Security	\$25	40	0.20	7.1	5.6	31	3,416	
Seabrook	New Orleans Private Patrol	\$25	91	0.48	17.4	5.2	86	3,671	
Spring Lake	Off-Duty Levee Police	\$32	20	0.12	3.2	6.3	11	2,720	
Touro Boulogny	Metro Security	\$28	173	0.30	11.8	14.7	105	3,606	
Twinbrook	New Orleans Private Patrol	\$26	168	0.20	8.6	19.6	47	2,753	
Upper Audubon	Weiser Security	\$19	168	0.12	4.6	36.2	19	2,260	
Upper Hurstville	New Orleans Private Patrol <u>and</u> Off-Duty NOPD	\$19	168	0.14	4.9	34.1	12	1,029	
Security Districts Total		--	--	3,969	9.8	302	--	1,707	--
Security Districts Average		--	\$24	159	0.39	12.1	18.3	68.3	2,293
New Orleans City-wide Total		--	--	--	169.4	Not Calculated	--	16,647	4,842

Data Descriptions and Definitions of Terms

Title	Description	Source
Population	Total population of the district.	City of New Orleans GIS staff ⁴
Population Density	Persons per square mile.	City of New Orleans GIS staff
Black	Percent of the population identified as black.	City of New Orleans GIS staff
White	Percent of the population identified as white.	City of New Orleans GIS staff
Other	Percent of the population not identified as white or black.	City of New Orleans GIS staff
Median Household Income	Median household income.	City of New Orleans GIS staff
Vacant Housing	Percent of housing units identified as vacant.	City of New Orleans GIS staff
Owner Occupied Housing	Percent of housing units identified as owner occupied.	City of New Orleans GIS staff
Non-Residential Zoning	Percent of security district area with a zoning classification that does not include the term "residential."	City of New Orleans
Fee	Standard fee charged in 2012. For security districts with tiered fee structures the basic residential fee was used. For security districts with millage fees the average was used (see footnotes below).	City of New Orleans
Relative Tax Burden	Standard Fee divided by average total property tax bill (property taxes plus all special millages and fees) for each security district – 2012 figures.	City of New Orleans
Projected Fee Revenue	Total fee revenue projected in the 2013 budget approved by the security district board.	Security District 2013 Budgets (from City of New Orleans)
Security Budget	Total security spending projected in the 2013 budget approved by the security district board.	Security District 2013 Budgets (from City of New Orleans)
Total Budget	Total spending projected in the 2013 budget approved by the security district board.	Security District 2013 Budgets (from City of New Orleans)
Percent Security Spending	Security spending as a percent of the total expenditures projected in the 2013 budget approved by the security district board.	Security District 2013 Budgets (from City of New Orleans)
Enabling Legislation	Louisiana Revised Statute establishing the security district.	Louisiana Revised Statutes
Date Est.	Date the Security District was approved by residents in a referendum.	Secretary of State website, http://staticresults.sos.la.gov/
Patrol Provider	Name of the company or group that provides security patrol services.	OIG Questionnaire
Cost per Hour	Projected security expenditures from 2013 budget divided by estimated hours of patrol from OIG Questionnaire.	OIG Questionnaire and Security District 2013 Budgets
Patrol Hours per Week	Average hours of security patrol provided per week.	OIG Questionnaire
Area	Total area of the security district in square miles.	City of New Orleans

Title	Description	Source
Road Miles	Miles of roads and streets within the district.	City of New Orleans
Patrol Rate	Average patrol hours per week per road miles within the district.	OIG Questionnaire
Crime Count	Number of crimes within the district in 2012 fitting FBI Uniform Crime Report classifications as compiled by NOPD	City of New Orleans
Crime Rate	Crime count for 2012 divided by population (2010 Census)	City of New Orleans and 2010 Census

¹ The Garden District security district charged a fee of 12 mils in 2012; the average billed was \$527.

² The Lake Barrington security district submitted an expenses-only budget that did not list projected revenues for 2013. The fee revenue listed was estimated by evaluators for this report based on 2012 fee revenues.

³ The Touro-Bouligny security district charged a fee of 6.7 mils in 2012; the average billed was \$301.

⁴ City-wide data for all demographic data came from the 2010 U.S. Census and the 2012 American Community Survey.

APPENDIX B. ANALYSIS SUPPLEMENT

Response Time Analysis

Evaluators used NOPD records of all 2012 calls for service that dispatchers classified as emergencies (Code 2). Evaluators calculated the time elapsed from creation of the record (the time the call was answered by a 911 operator) to the time an officer arrived at the scene to determine the response time. Any entries lacking an arrival time or location were excluded from the analysis, leaving a total of 127,384 emergency calls. Of those calls, 20 percent (26,067) were located within a security district. Evaluators conducted four separate two-sample z-tests, one for each of four distinct areas in the City, to determine whether or not NOPD response time to calls for service were different for areas bound by security districts compared to nearby areas not bound by a security district (Figure A).

Figure A: Analysis of 2012 Emergency Response Times in Comparable Areas with and without Security Districts

Security District(s)	Comparison Area	Response Time Difference	Statistically Significant? (0.01 level)
Lakeview Crime Prevention District	vs. NOPD 3 rd District (with all Sec. District areas removed)	35% faster	Yes
Mid-City Security District	vs. NOPD 1 st and 3 rd Districts (with all Sec. District areas removed)	20% faster	Yes
N.O. East Security Districts	vs. NOPD 7 th District (with all Sec. District areas removed)	3% faster	No
Garden District and Touro-Boulogny Security Districts	vs. Southern Central City (NOPD 6 th District, zones F and Q)	3% slower	No

The first two rows of Figure A show comparisons of the on-duty patrol districts (Lakeview and Mid-City) to the NOPD districts within which they are located (1st and 3rd). As discussed above, these security districts effectively paid for NOPD overtime as a means of increasing patrols within their boundaries. Officers working for the security districts were instructed to prioritize regular patrolling within the district, but also responded to emergency calls within the security district area. The officers were still working within the NOPD system, so their response to emergency calls still registered in the NOPD call for service records.

The first two-sample z-test compared the average NOPD response time to calls for service (measured in minutes and seconds) between the Lakeview security district, located entirely within the NOPD 3rd District, and the NOPD 3rd District with all security districts removed. A total of 15,673 calls were analyzed, including 3,259 calls within the Lakeview security district. The results ($z = 2.58, p < .01$) indicated the Lakeview security district response time (mean = 8:44) was significantly faster than the non-security district area response time (mean = 13:33). In 2012 Lakeview security district had an average response time that was 35 percent (4 minutes and 48 seconds) faster than the NOPD 3rd District as a whole (excluding parts within any security district), and the difference was statistically significant.

The second two-sample z-test compared the average NOPD response time to calls for service within the Mid-City Security District to parts of the NOPD 1st and 3rd Districts that overlapped with the Mid-City security district. A total of 29,015 calls were analyzed, including 6,395 calls within the Mid-City security district. The results ($z = 2.58, p < .01$) indicated the Mid-City security district average response time (mean = 9:40) was significantly faster than the non-security district area response time (mean = 12:08). In 2012, Mid-City security district had an average response time that was 20 percent (2 minutes and 28 seconds) faster than the average response time for the combined NOPD 1st and 3rd Districts (excluding parts within any security district). These results confirmed the hypothesis that purchasing extra patrols within the NOPD system would speed NOPD response time.

The third row of Figure A shows the comparison between parts of New Orleans East with and without security districts. A two-sample z-test compared the average NOPD response time to calls for service within a group of New Orleans East security districts, consisting of Kenilworth, Kingswood, Lake Barrington, Lake Bullard, Lake Carmel, Lake Forest Estates, Lake Willow, Lakewood East, McKendall Estates, and Spring Lake, to the response time for all parts of the NOPD 7th district not included in one of the listed districts. A total of 19,323 calls were analyzed, including 1,594 calls within the security district group. The results ($z = 2.58, p = .17$) indicated the average response rate for the New Orleans East security district group (mean = 14:48) was not significantly different from the average response rate for the non-security district area (mean = 15:18). In other words, the average response time within the security district areas was slightly faster than the comparison area, but the difference was not statistically significant; that is, the difference was no greater than what would be expected by chance. This result fit with the expectation that private patrol presence would not impact NOPD response time either positively or negatively.

Finally, evaluators compared the average NOPD response time in 2012 for an area combining two Uptown security districts with primarily private patrols (the Garden District and Touro-Boulogny) to an adjacent area referred to here as Southern Central City (defined by NOPD District 6, zones F and Q, excluding any parts inside any security district). A total of 5,172 calls were analyzed, including 2,401 within the security district group. The results ($z = 2.58$, $p = .34$) indicated the average response rate for the Uptown security district group (mean = 9:52) was not significantly different from the average response rate for the non-security district area (mean = 9:36). Although there are many differences between the security district area and the adjacent comparison area, the volumes of calls for service and the distances to be covered by officers in the areas were similar, so evaluators determined the comparison to be valid. Average response time within the security district area was slightly slower than the comparison area, but the difference was not statistically significant. Again, this result fit with the expectation that private patrol presence would not impact NOPD response time either positively or negatively.

Crime Rate Regression Analysis

Evaluators performed a series of standard regression analyses to test the power of security districts as an overall predictor of crime rates.³⁸ Data for all UCR crimes city-wide in 2012 were mapped and aggregated at the Census Tract level.³⁹ The dataset included 14,020 property crimes and 2,515 violent crimes, for a total of 16,535 total crimes city-wide. Crime data were standardized into a crime rate represented as UCR crimes per 1,000 residents for each tract, calculated for (1) total crime, (2) property crime, (3) violent crime, and (4) murders. Evaluators removed five tracts that had fewer than ten residents and removed three tracts that were high outliers for crime rate (greater than three standard deviations above the mean) prior to performing regression analysis. These adjustments left a data set of 169 tracts for analysis.

A tract was defined as having a security presence (“in district”) if 50 percent or more of a tract’s land area was covered by one or more security districts. Tracts bordering security districts or with 1 to 49 percent coverage by security districts were classified as “surrounding area.” Evaluators coded the “in district” and “surrounding area” distinctions as separate dummy variables with a value of one to represent security district presence.⁴⁰ All other tracts were coded zero to reflect the absence of a security district. This strategy yielded 23 tracts coded as in district and 41 coded as surrounding area.

The coding strategy captured most security districts well but was not effective in sparsely populated areas or for small security districts. Census tracts vary in size according to the population density of an area, creating larger tracts in less populated areas. The coding strategy yielded especially poor results in New Orleans East, which has a combination of large Census tracts and small security districts. Many tracts included one or more entire security districts but were nonetheless classified “surrounding area” because the large tract size overwhelmed the security districts. Because of the inherent problems created by this circumstance, evaluators created a subset of data that excluded both New Orleans East and certain large parts of the city that did not contain any security districts. The subset was defined as all tracts overlapped by the First, Second, Third and Sixth NOPD Districts, yielding 109 tracts with 23 coded as in district

³⁸ All regression analyses were conducted using the IBM SPSS Statistics Regression program.

³⁹ Crime was also modeled at the Census Block level but did not produce meaningful results. Extremely low crime rates at the block level made meaningful analysis difficult; many Census Blocks had zero crimes for the entire year. Additionally, the Census Bureau releases only limited data at the block level due to privacy concerns, limiting possible control variables.

⁴⁰ “In district” and “by district” were also entered as continuous variables with the patrol rate (patrol hours per week per road mile) of the security district within the tract, or the average patrol rate if multiple security districts were within the tract. Over the course of the analyses evaluators found that the dummy coded variables produced better results than the continuous variables. The continuous variables also violated assumptions of normality for linear regression. All analyses discussed used the dummy variables for security district classification.

and 33 coded as surrounding area. The minimal reduction in security district classified tracts highlights the extent to which small security districts were obscured in the full data set. For these reasons, evaluators chose to use the subset data for analysis. The subset included a total of 8,657 crimes (7,341 property crimes and 1,316 violent crimes) used to calculate crime rates in each tract and perform the analyses. Figure 6 on page twenty-six of the main report shows census tracts for the analysis area, including their classification as in district, surrounding area, or control tracts.

Analysis of this subset emphasized certain types and areas of security districts (and of New Orleans) and excluded others. We elected to reduce the data set because of methodological concerns, but must examine the effect of the decision. The data subset contained three subgroups of security districts: the Uptown cluster (Audubon, Garden District, Hurstville, Touro-Boulogny, Twinbrook, Upper Audubon, and Upper Hurstville), a group of districts near Lake Pontchartrain (Lake Oaks, Lake Terrace, Milneburg, and Seabrook), and the on-duty NOPD security districts (Lakeview and Mid-City). The Lakeshore and Lakewood security districts were included but were largely overshadowed by the much larger, adjacent Lakeview district.

The Uptown cluster and on-duty NOPD security districts dominated the analysis due to their sheer size, comprising 92 percent of the security district coded tracts and 75 percent of the surrounding area tracts. The security districts near Lake Pontchartrain had a minimal impact on the analysis, and as noted above, the New Orleans East districts were excluded altogether due to methodological concerns, as were sections of New Orleans with no security districts.

The regression analyses must be seen chiefly as an examination of the impact of the two types of security districts that dominate the subset. The Uptown cluster was a mostly-contiguous group of security districts that as a whole had a high patrol rate (twenty-five hours/week/road mile compared to an overall average of eighteen) and tended to employ private patrol companies (84 percent of combined total patrol hours). The Lakeview and Mid-City security districts were characterized chiefly by their use of on-duty NOPD patrol arranged through official agreements with the City. They also covered large areas and had relatively low patrol rates. In short, due to the composition of the data subset, the regression analyses described below effectively analyzed the impact of these two security district types but cannot necessarily be extended to other types or areas of security districts. The exclusion of New Orleans East made the regression analyses particularly weak for understanding the impacts of subdivision-based security districts.

Before final analysis, evaluators used stepwise regression to identify important external factors to use as control variables. The use of control variables decreased the likelihood that our

analysis would misrepresent the impact of security districts. Census and American Community Survey data on population, age, race, income, homeownership, and vacancy were introduced as possible control variables (See Figure B). The overall model, $Adj. R^2 = .35$; $F(1, 165) = 10.24$, $p < .01$, identified two significant control variables to be used in subsequent models: percent of vacant housing units, $\beta = .49$, $t = 7.34$, $p < .001$, indicating that crime rate increased as percent of vacancies increased, and percent of owner-occupied housing units, $\beta = -.21$, $t = -3.19$, $p < .01$, indicating that crime rate increased as percent of owner-occupied housing decreased. Although this selection excluded traditional measures such as income and race, the effects of these variables were represented within the vacancy and ownership figures. The owner occupancy rate was strongly correlated with income, but actually did a better job of predicting crime rates than income alone. Similarly, the vacancy rate correlated strongly with both income and race variables but was a better predictor of crime rate. Inclusion of vacancy rate as a control variable was also favored because it captured some of the unevenness of the lingering impacts of Hurricane Katrina.

Figure B: Analysis Variables

Included Variables	Description
Total Crime Rate	Total UCR crimes per 1,000 residents, 2012 NOPD crime records and Census 2010
Violent Crime Rate	Violent UCR crimes per 1,000 residents, 2012 NOPD crime records and Census 2010
Property Crime Rate	Property UCR crimes per 1,000 residents, 2012 NOPD crime records and Census 2010
Murder Rate	Homicides per 1,000 residents, 2012 NOPD crime records and Census 2010
Vacancy Rate	Vacant housing units, percent, Census 2010
Homeownership Rate	Owner occupied housing, percent, ACS 5 year average 2007-2011
In District	Tracts with 50% or more Security District coverage, dummy variable
Surrounding Area	Tracts with 1% to 49% Security District coverage, dummy variable
Excluded Variables	Description
Median Age	Age of residents, median, ACS 5 year average 2007-2011
Percent Over 18	Residents over age 18, percent, ACS 5 year average 2007-2011
Percent Over 65	Residents over age 65, percent, ACS 5 year average 2007-2011
Percent Age 15-34	Residents between 15 and 34 years old, percent, ACS 5 year avg. 2007-2011
Percent Black	Black residents, percent, Census 2010
Percent White	White residents, percent, Census 2010
Percent Hispanic	Hispanic residents, percent, Census 2010
Median Household Income	Household income, median, unit adjusted to thousands of dollars, ACS 5 year average 2007-2011

Evaluators performed a standard multiple regression analysis following the adjustments described above. The analysis examined the impacts of security presence, vacancy rate, and home ownership rate on overall crime rate. The model significantly predicted 39 percent of the variability in the overall crime rate for tracts in the subset, $Adj. R^2 = .39$; $F(3, 104) = 23.69$, $p < .001$.

Together, the three variables predicted 39 percent of the variability in the overall crime rate for tracts in the subset (Figure C). The results indicated that the presence of a security district, $\beta = -.17$, $t = -2.12$, $p < .05$, and an increase in home ownership rate, $\beta = -.21$, $t = -2.57$, $p < .05$, reduced the overall crime rate. In contrast, an increase in vacancy rate, $\beta = .46$, $t = 5.41$, $p < .001$, predicted an increase in overall crime rate. The security district variable was significant, predicting an 11.3 point decrease in crime rate for tracts that were mostly within a security district. The average crime rate across all tracts was forty-seven crimes per 1,000 people, so the security district variable predicted a 24 percent reduction from the average if all else was held equal. However, the standardized coefficients (β) showed that both other variables were stronger predictors of crime rate, with vacancy rate nearly three times as important as security district presence.

Figure C: Total UCR Crime Rate Regression Results

Variable	Coefficient (<i>b</i>)	Standard Error	Standardized Coefficient (β)
Vacancy Rate	1.21*	0.22	0.46
Ownership Rate	-0.30*	0.12	-0.21
In District (dummy)	-11.30*	5.32	-0.17
Adjusted R ²	0.39*		

*significant at 0.05 level

The same analysis was performed for property crimes rather than total crime and again produced a significant model, $Adj. R^2 = .30$; $F(3, 104) = 16.13$, $p < .001$, though it explained just 30 percent of the variability in property crime rates (Figure D). The results again indicated that the presence of a security district, $\beta = -.17$, $t = -2.01$, $p < .05$, and an increase in home ownership rate, $\beta = -.18$, $t = -2.07$, $p < .05$, reduced the property crime rate. An increase in vacancy rate, $\beta = .40$, $t = 4.38$, $p < .001$, predicted an increase in property crime rate. The

security district variable was significant and predicted a 9.19 point decrease in the property crime rate, equivalent to a 23 percent decrease compared to the average property crime rate of 39.5. However, the vacancy rate was again a much stronger predictor than security district presence.

Figure D: Property UCR Crime Rate Regression Results

Variable	Coefficient (<i>b</i>)	Standard Error	Standardized Coefficient (β)
Vacancy Rate	0.85*	0.19	0.40
Ownership Rate	-0.21*	0.10	-0.18
In District (dummy)	-9.19*	4.58	-0.17
Adjusted R ²	0.30*		

*significant at 0.05 level

A regression was also performed for violent crimes (Figure E), producing the strongest overall model, $Adj. R^2 = .57$; $F(3, 104) = 48.95$, $p < .001$, which explained 57 percent of the variation in the violent crime rate. The results for home ownership, $\beta = -.27$, $t = -3.89$, $p < .001$, indicated that an increase in home ownership rate predicted a decrease in the violent crime rate. The results for vacancy, $\beta = .57$, $t = 8.09$, $p < .001$, indicated that an increase in vacant homes predicted an increase in property crime rate. The security district variable just missed significance $\beta = -.13$, $t = -1.96$, $p = .052$, suggesting that the presence of a security district nearly predicted a decrease in violent crime. Even more so than in the other models, the standardized coefficients showed that the vacancy and homeownership rates were far more important predictors of violent crime rates than the security district variable.

Figure E: Violent UCR Crime Rate Regression Results

Variable	Coefficient (<i>b</i>)	Standard Error	Standardized Coefficient (β)
Vacancy Rate	0.37*	0.05	0.57
Ownership Rate	-0.09*	0.02	-0.27
In District (dummy)	-2.12	1.08	-0.13
Adjusted R ²	0.57*		

*significant at 0.05 level

Finally, a regression was performed for murder only, excluding other violent crimes (Figure F). The model was significant, *Adj. R*² = .29; *F*(3, 104) = 15.20, *p* < .001, though it explained only 29 percent of variation in murder rates between the tracts. Vacancy rate was the only significant predictor in the model, β = .50, *t* = 5.44, *p* < .001, indicating that an increase in vacancies predicted an increase in the murder rate; both homeownership and security district classification failed to produce significant effects.

Figure F: Murder Rate Regression Results

Variable	Coefficient (<i>b</i>)	Standard Error	Standardized Coefficient (β)
Vacancy Rate	0.05*	0.01	0.50
Ownership Rate	-0.004	0.004	-1.03
In District (dummy)	-0.08	0.20	-0.04
Adjusted R ²	0.29*		

*significant at 0.05 level

The regression analyses of 2012 crime rates suggested that security districts were associated with lower property and overall crime rates, but did not significantly predict violent crime or murder rates. In all cases it is important to recall the limitations of the models. All of the models left a considerable portion of the variation in crime rates unexplained; intangible characteristics, variables not available for analysis, and random chance all could have contributed to the uncertainty. Although we cannot rule out the possibility that the significance

and/or magnitude of the security district impacts could change, evaluators used thorough, sound methodologies and overall considered the models to be reliable.

It is also important to recall that even when significant, the security district variable was the least powerful predictor of crime rates. This suggests that security districts were associated with decreased crime from a certain baseline, but that neighborhood characteristics, represented by the vacancy and homeownership rates, were much stronger predictors. Finally, as noted above, the models were dominated by security districts with high rates of private patrol or with on-duty NOPD patrol. The results cannot necessarily be extended to security districts with different characteristics; subdivision-based security districts were not covered by the models.

Evaluators also found that the security districts did not have a significant spillover effect on surrounding areas. As described above, the surrounding area category represented areas on the periphery of security districts or areas where a small security district was included within a much larger tract. Preliminary data analysis included all of the analyses described above, performed both including and excluding the surrounding area variable. In all cases the surrounding area variable did not approach statistical significance.⁴¹ It was subsequently removed from the analysis and was not presented in the results tables above.

This outcome suggested that security districts did not impact crime rates in surrounding areas; no spillover effect was noted in the positive or negative direction. The impact of security districts was also limited to the extent that it could be drowned out if too much surrounding non-district area was included in the same tract.

Taken together, the results of the regression analyses suggest that security districts with high concentrations of private patrol or on-duty police patrol tended to have lower property crime rates than similar areas without security districts, but that security districts were unlikely to impact violent crime rates, murder rates, or adjacent areas outside their borders. Security districts also did not overcome other neighborhood characteristics; the models suggested that an area with high vacancy and low homeownership would have a relatively high crime rate regardless of whether or not there was a security district.

⁴¹ For the total crime rate regression the partial district dummy variable had a significance score of 0.257, where only scores under 0.05 were considered significant. In the property crime rate regression the significance value was 0.226 and for the violent crime rate regression it was 0.648.

New District Crime Rate Analysis

The figures below provide visual interpretations of the effect five new security districts had on crime in their districts, even though statistical testing was not possible. Each figure shows the crimes within the security district, pre- and post-formation, as a percentage of crime city-wide. Displaying crime in this way controlled for both seasonal variation and city-wide crime trends. A flat line trend suggests that crime in that area followed the same patterns as the city in general. For example, if a new district saw crime decrease but the whole city had a proportionally equivalent decrease, it likely would not have been attributable to the security district, and the figure would show a flat trend. In another example, if the security district saw crime decrease faster than the city as a whole due to the security district's formation, the figure would show a downward trend and suggest that the security district had impacted crime.

The formation of the five new security districts depicted in the figures below did not have an obvious impact on crime percentages. Lake Barrington's percentage of city-wide crime decreased in 2012 relative to the prior year, but the trend started even before the security district began patrol that April (Figure G). The start of patrol in Lake Willow did not coincide with any discernible change in its percent of crime (Figure H), and the same was true in Lakewood East (Figure I). Crime fluctuated widely in Milneburg both before and after security district formation, but no trend was visible (Figure J). The Seabrook security district, which borders Milneburg, was the only one of the five to show a clear crime decrease, but the effect was temporary. Seabrook's percent of crime decreased sharply when patrol began in April of 2011, but by the end of that year the effect appeared to have worn off (Figure K).

Figure G: Lake Barrington Crime as a Percent of City-wide Crime, 2010 to 2012 Quarterly

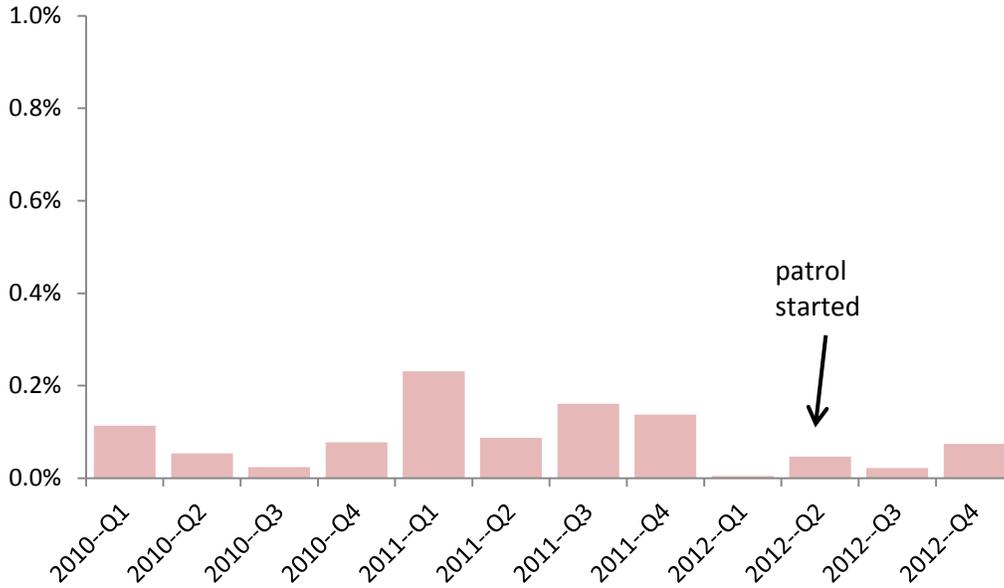


Figure H: Lake Willow Crime as a Percent of City-wide Crime, 2010 to 2012 Quarterly

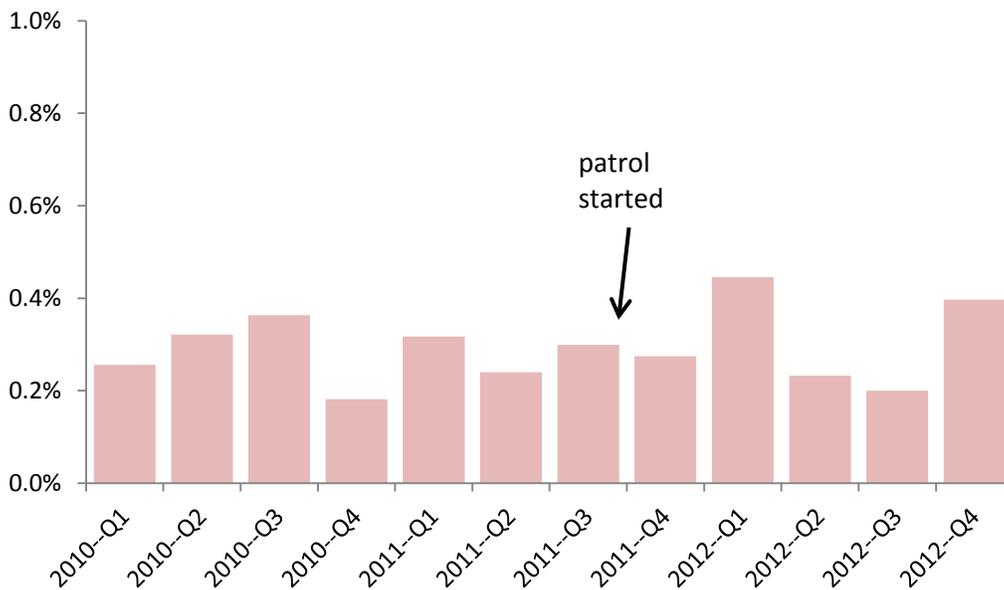


Figure I: Lakewood East Crime as a Percent of City-wide Crime, 2010 to 2012 Quarterly

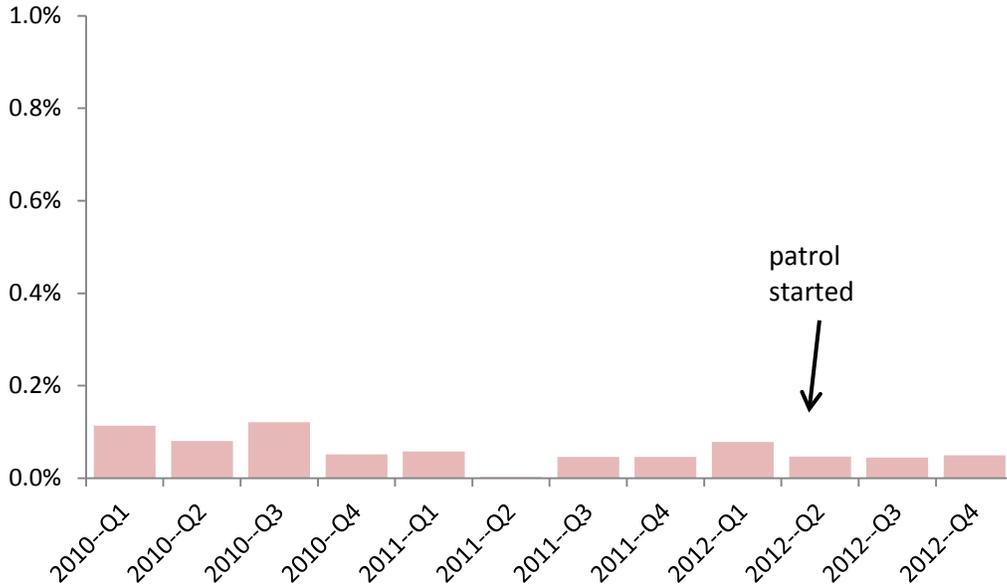


Figure J: Milneburg Crime as a Percent of City-wide Crime, 2010 to 2012 Quarterly

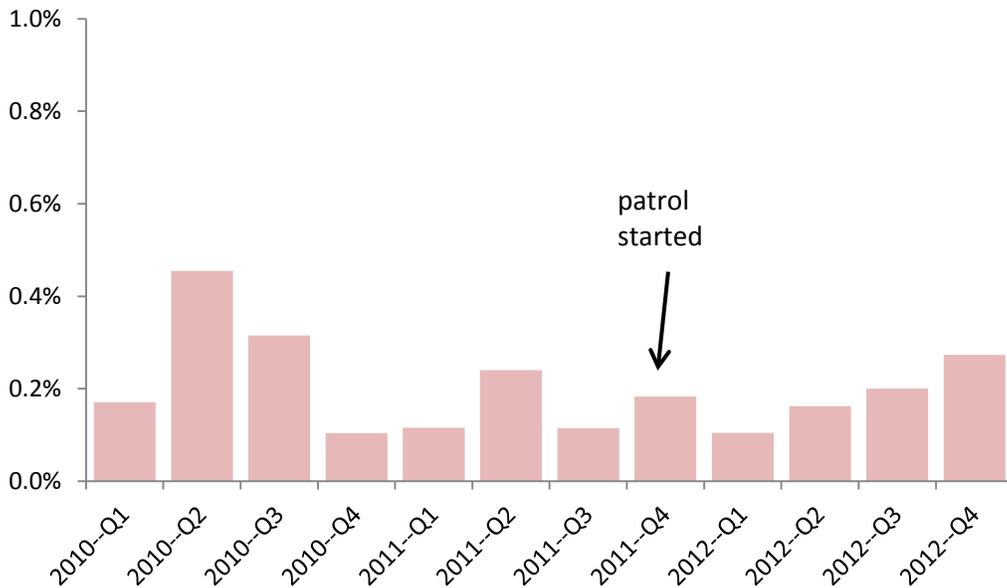
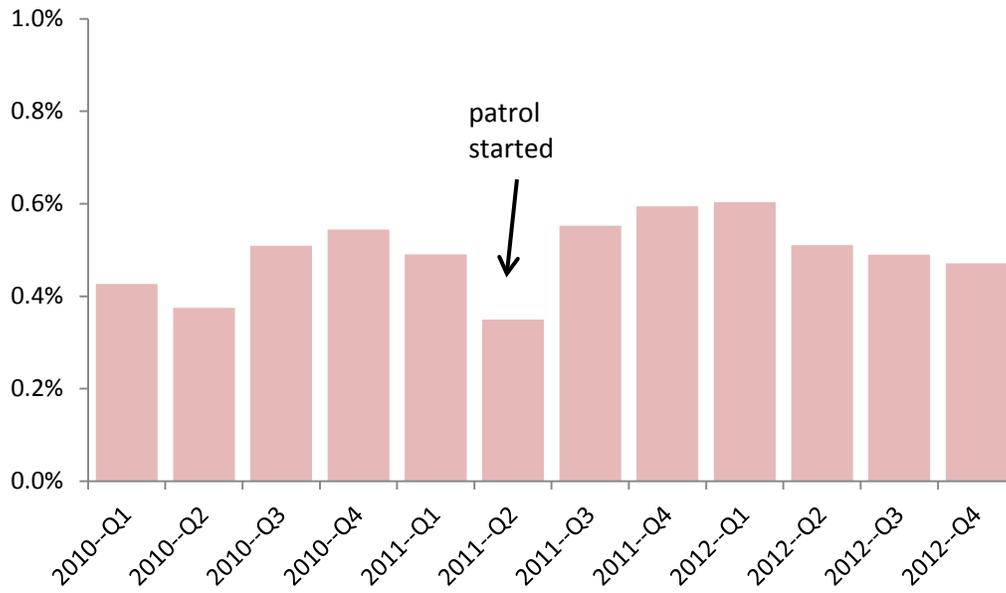


Figure K: Seabrook Crime as a Percent of City-wide Crime, 2010 to 2012 Quarterly



APPENDIX C. ANNUAL FINANCIAL STATEMENTS

As public entities, Security Districts were required to file annual financial statements with the Louisiana Legislative Auditor (LLA). Required financial statements vary in complexity based on the entity’s revenue; Figure A summarizes the types of filings and the requirements of each.

Figure A: Financial Statement Types by Revenue Level

Revenue	Type and Description	Due Date (from end of fiscal year)
\$50,000 or less	Sworn Financial Statement —Management submits financial summary and notarized statement that revenues were \$50,000 or less. No CPA involvement.	90 days
\$50,001 to \$199,999	Compilation —CPA compiles financial information and compliance questionnaire provided by management but does not test or analyze underlying documents.	6 months
\$200,000 to \$499,999	Review and Attestation — CPA examines and analyzes financial data within defined areas and makes inquires about agency management but analysis is not comprehensive and does not test internal controls.	6 months
\$500,000 or more	Audit — CPA examines entity records and provides an official opinion that the financial information therein is presented fairly and accurately, and assesses internal controls.	6 months

Source: Louisiana Governmental Audit Guide

The LLA required most security districts to hire a certified public accountant (CPA) to complete their annual financial statements. However, only audit reports, required for entities with \$500,000 or more in revenue, included a truly comprehensive, independent examination of the entity’s finances and controls. Lower level filings nonetheless provided valuable information but should not be misconstrued as true audits. Fifteen security districts filed lower level financial statements (Sworn Financial Statements or Compilation Reports) in 2011 and seven filed higher level statements (Review and Attestations or Audits). Despite the low level of scrutiny, eight different security districts had at least one finding of noncompliance in their 2010 or 2011 filings. Figure B provides information on all 2010 and 2011 findings against security districts.

Figure B: Findings in 2010 and 2011 LLA Financial Statements

Year	District and Filing Type	Finding	La. R.S
2010	Lakeview Audit	Did not amend budget when actual revenues and expenditures varied from budgeted amount by more than 5 percent	39:1310
2010	Mid-City Audit	Did not publish public notice of the budget hearing in the official parish journal	39:1307
2010	Mid-City Audit	Held cash in an account in excess of the FDIC deposit insurance limit	49:327 C(2)
2011	Mid-City Audit	*Did not publish public notice of the budget hearing in the official parish journal	39:1307
2010	Touro Bouligny Audit	Did not amend budget when actual revenues and expenditures varied from budgeted amount by more than 5 percent	39:1310
2011	Hurstville Review and Attestation	Held cash in an account in excess of the FDIC deposit insurance limit	49:327 C(2)
2010	Upper Hurstville Review and Attestation	Had not resolved potential refund liabilities for fees erroneously collected and distributed to the district by the City in 2009	N/A
2011	Upper Hurstville Review and Attestation	*Had not resolved potential refund liabilities for fees erroneously collected and distributed to the district by the City in 2009	N/A
2010	Kenilworth Compilation	Did not amend budget when actual revenues and expenditures varied from budgeted amount by more than 5 percent	39:1310
2010	Kenilworth Compilation	Did not evaluate revenue collection during the year adequately for budget monitoring	N/A
2011	Kenilworth Compilation	*Did not amend budget when actual revenues varied from budgeted amount by more than 5 percent	39:1310

* Findings with asterisks are repeats of a previous year's finding.

Year	District and Filing Type	Finding	La. R.S
2011	Kenilworth Compilation	Did not include fund balance information in the budget and did not use LLA budget template	N/A
2010	Lake Terrace Compilation	Did not evaluate revenue collection during the year adequately for budget monitoring	N/A
2011	Lake Terrace Compilation	*Did not evaluate revenue collection during the year adequately for budget monitoring	N/A
2010	Upper Audubon Compilation	Could not provide evidence (meeting minutes) that budget was approved in an open meeting	39:1309
2010	Upper Audubon Compilation	Did not file financial statement with LLA by deadline	24:513 A(5)
2010	Upper Audubon Compilation	Did not evaluate revenue collection during the year adequately for budget monitoring	N/A
2011	Upper Audubon Compilation	*Could not provide evidence (meeting minutes) that budget was approved in an open meeting	39:1309
2011	Upper Audubon Compilation	*Did not file financial statement with LLA by deadline	24:513 A(5)
2011	Upper Audubon Compilation	*Did not evaluate revenue collection during the year adequately for budget monitoring	N/A

* Findings with asterisks are repeats of a previous year's finding.

Source: Louisiana Legislative Auditor, www.lla.state.la.us