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BGR REPORTS...

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Wanted: A Realistic Development Strategy

New Orleans' displaced homeowners who want to rebuild find themselves stymied by unresolved issues beyond their control. Will the federal government rebuild levees that provide sufficient protection for their neighborhood? Will flood and other insurance be available? Will a critical mass of their neighbors return?

One of the critical decisions – what parts of the city will be open for redevelopment – rests in the hands of local elected officials. It is an issue calling for a clear, realistic resolution. Unfortunately, it is the subject of an emotionally charged debate.

Currently, there are three competing approaches on the table.

- The Urban Land Institute's recommendation that redevelopment proceed in stages, and in a compact, connected pattern.
- City Council's position that the entire city should be opened immediately for simultaneous redevelopment.
- A laissez-faire theory that redevelopment should be allowed anywhere in the city for a limited period of time, such as one year, with consolidation or elimination of sparsely settled areas to follow.

The laissez-faire approach is no plan at all and should be dismissed. It extends the period of unplanned uncertainty, forcing battered homeowners in badly damaged parts of the city to abandon their property or rebuild without knowing whether their homes and neighborhoods will be annihilated in another year or two. While purporting to empower residents to rebuild, the approach denies them the fundamental assurances needed for rational investment. It serves the public poorly, turning home owners into unwitting speculators and leaving the City's development pattern to chance. It also damages the credibility of the current planning effort by deferring a key decision.

The City of New Orleans owes its residents a plan laying out exactly which parts of the city can be rebuilt and when. The plan must be based, not on political considerations, but on careful analysis of the physical and demographic realities facing the city. The criteria should

be relevant, objective, clearly articulated, and applied in an even-handed manner. The analysis should be supported by hard scientific data, expert projections, realistic predictions of outcomes, sophisticated financial analyses, and comparisons of alternative plans. The evaluation process should be conducted openly, and the scoring, evaluation and results should be made available to the public.

As members of the Bring New Orleans Back Commission have pointed out, any credible plan must deal with a harsh reality: a dramatic reduction in the population for the near and medium term. The Commission's advisors estimate that New Orleans' population will be between 250,000 and 275,000 in three years. This would mean a reduction of the City's population to its smallest since the 1890s. It represents a decline of 45% from the pre-Katrina census estimate of 462,000 and a decline of 60% from the City's peak of 627,525 people in 1960.

Post-Katrina population estimates for the coming years are well below half of the population for which New Orleans' infrastructure and building stock were constructed. Unless the city's plan addresses the mismatch between the city's footprint and its population by initially directing development into more compact areas, the outcome will be random, scattered development in a sea of blight.

We've had a foretaste of this scenario. New Orleans' population decline between 1960 and 2004 was accompanied by a rise in the number of blighted and abandoned structures. In 2002, Mayor Nagin's transition team estimated that the number of housing units in the city exceeded the number of households by 18,000. Before the current crisis, the result of the decline was already apparent in badly scarred neighborhoods, like Central City and the Ninth Ward.

No one relishes the challenge of prioritizing the reconstruction of one area of town over another. But it would be irresponsible for our leaders to ignore the facts and the predictable outcomes of a strategy that doesn't address them.

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BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information call 588-2052 or visit BGR's website, www.bgr.org.