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Structuring a Responsive and Responsible Redevelopment Authority

In November 2005, the Urban Land Institute (ULI) presented to the Bring New Orleans Back Commission a draft strategy to rebuild New Orleans. Included in the ULI's recommendations was a call for a redevelopment authority to plan, oversee, and implement the redevelopment of New Orleans. Two months later, the Urban Planning Committee of the Bring New Orleans Back Commission recommended the establishment of the Crescent City Recovery Corporation. The Commission received, but has not yet taken action on, the recommendation.

The proposed entity would have the power to:

- Receive and expend redevelopment funds
- Implement the City's redevelopment plan
- Buy and sell property for redevelopment, including use of eminent domain as a last resort
- Issue bonds
- Coordinate with the City Planning Commission and enhance its capacity.

The corporation would be governed by a board with 7 to 15 members. The committee has not offered specifics on who would do the appointing. All we know is that board membership would be based on qualifications and that no single appointing authority would have a majority of appointees. Members' terms would be staggered.

The proposed authority offers several benefits if (and this is a big if) the board and staff are chosen carefully for their expertise and given freedom from political interference. In that case, the entity could:

- Provide a focused vehicle for leading and coordinating redevelopment activities

- Help to overcome the perception that money invested in New Orleans will be wasted in petty politics and corruption
- Make difficult decisions, such as the sequence of redevelopment, on a rational basis
- Take tough actions, such as expropriating property
- Move more quickly and efficiently than local government.

There are a number of negatives and risks:

- The entity could become a vehicle for sweetheart deals.
- A redevelopment corporation with broad powers over an entire city could operate as a shadow government, performing many governmental functions, without accountability to the voters.
- Such a vehicle could become too developer-oriented, and insensitive to local historical and cultural conditions.

The issue is a thorny one, since establishing a strong authority removes significant control from the hands of public officials, placing it in the hands of a group of private citizens. That is a step that should be taken only if there is a compelling reason. The ULI had posited two reasons: first, the redevelopment corporation would provide the federal government with confidence to invest in New Orleans, and second, the task of redeveloping New Orleans is beyond the capacity of local government.

We suggest a third: the status quo is failing the city's residents. We have searched in vain for signs that the city council and mayor have joined forces to meet the challenge of rebuilding. We fear that leaving the rebuilding in the hands of squabbling officials will inevitably and unnecessarily slow the process, causing the city to wither.

Establishing a redevelopment authority offers an alternative approach to managing redevelopment. It does not, however, guarantee that the public will be better served. Like any other tool available to government, the vehicle can be used to promote the public good or misused to further private agendas. Unfortunately, New Orleans' track record in that regard is not inspiring. Too often appointed bodies have been used to facilitate transactions that were not in the public interest. The same could happen in this case.

Whether New Orleans would be well served by creating the Crescent City Recovery Corporation depends in part on matters that have not yet been addressed in sufficient detail. These include the authority's powers, procedures, structure, and composition. BGR notes these can be formulated in a way that mitigates some of the risks associated with redevelopment authorities.

BGR strongly recommends that any legislation and/or charter provision establishing a redevelopment corporation seek to reduce risk of abuse by:

- Requiring that redevelopment conform to the City's master plan (which must be revised to reflect post-Katrina conditions)
- Incorporating a meaningful public participation component into planning
- Incorporating transparency into the entity's operations and processes
- Establishing conflict-of-interest rules that go beyond existing state requirements
- Creating transparent and rigorous processes to govern contracting
- Creating an independent oversight body with the resources and authority to conduct real-time oversight and investigations
- Creating a structured appointment process that will generate a board with the expertise, professionalism, leadership, integrity, balance, and civic spirit needed to rebuild New Orleans.

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