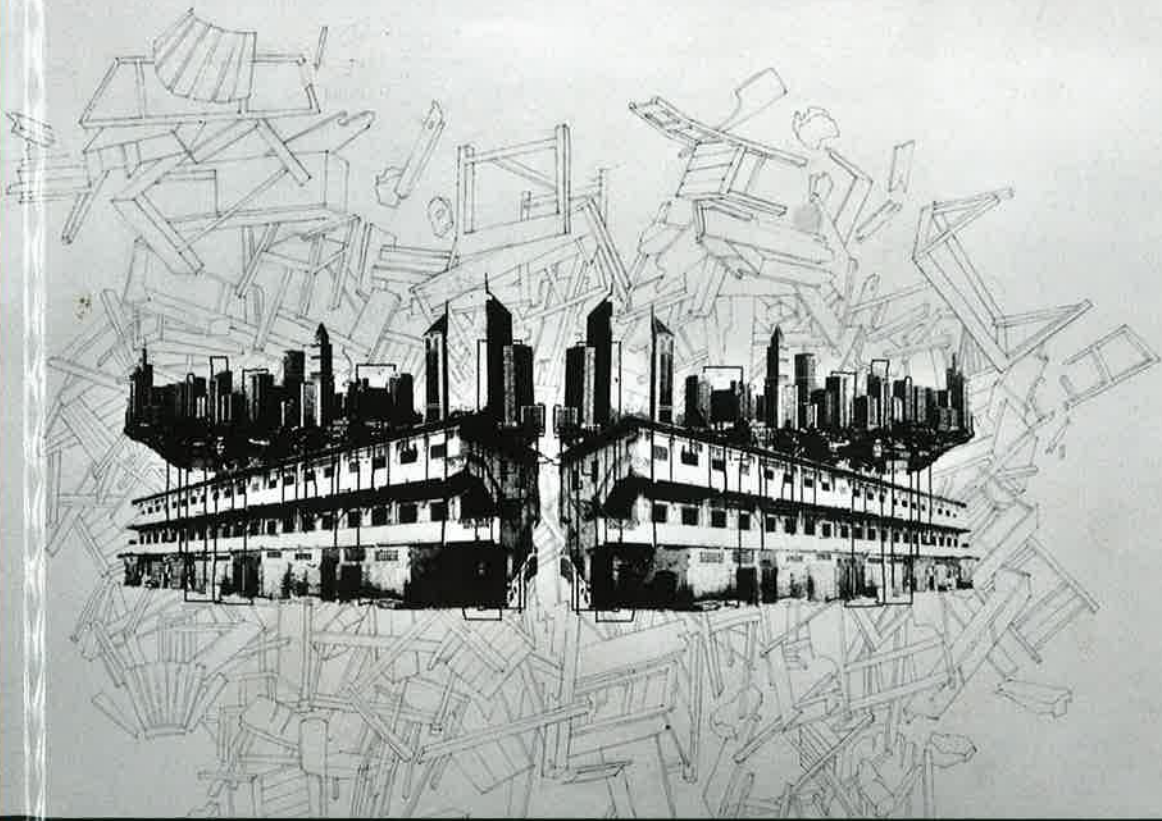


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ASHGATE

# THE HOUSING QUESTION

Tensions, Continuities, and  
Contingencies in the Modern City

Edited by Edward Murphy and Najib B. Hourani



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# The Housing Question

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in the Modern City

*Edited by*

EDWARD MURPHY and NAJIB B. HOURANI  
*Michigan State University, USA*

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Chapter 5

## The Housing Question of Disaster Reconstruction: Rebuilding New Orleans on the Tenants of an Ownership Society<sup>1</sup>

Christopher Herring

### Introduction: A Laissez-faire or State-driven Recovery?

As the federally funded housing reconstruction programs for the Katrina disaster come to a close, it is apparent that New Orleans' housing stock has been reconstructed on the tenets of an "ownership society." At the time of the storm, New Orleans' population was comprised predominantly of renters and the uneven disaster destroyed a disproportionate amount of rental housing, particularly those of low-income workers. Yet the vast majority of reconstruction funding earmarked for housing has been funneled directly to homeowners. At the same time, tax incentives have gone disproportionately towards high-end rentals and condos, the planning process has empowered the propertied class at the expense of communities dominated by renters, and nearly all of New Orleans' public housing has been razed to make way for mixed-income communities. Far from the pervasive narratives of New Orleans' market-led recovery, *the housing question of New Orleans has largely been settled through the state flooding a city of renters with homeowner subsidies and granting exclusive rights to the propertied class.*

Disaster research has shown that increased economic, social, and political stratification following disaster is axiomatic in both developing and developed nations (Kates et al. 2006). Those with greater financial and social resources are the first to return and re-establish an urban order that often results in enhancing the earlier class and political divisions that existed prior to the crisis. However, the degree and velocity of this evolution is always mediated by the state. It might be assumed that recoveries that are increasingly "left to the market"—without

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<sup>1</sup> I would like to thank Kris Feder, Margaret Weir, the editors of this volume, participants of the Infrastructures of Home and City Conference, and UC Berkeley's Center for Urban Ethnography working group for their helpful comments on earlier drafts of this article. The idea of this article was first conceived working as a community planner with the Broadmoor Improvement Agency and ACORN New Orleans during the reconstruction.



the mitigating effects of the state—would increase inequalities and geographic concentrations of rich and poor following a disaster (Comerio 2006). However, the state effect is not always ameliorating. Neoliberalism's ideological linchpin is the belief that open, competitive, and unregulated markets liberated from all forms of state interference within a system of private property represents the optimal mechanism for economic growth and social improvement. Although the conception of an "ownership society" may be inline with neoliberalism's primacy of private property, the role of massive state interference deigned to benefit those with wealth through disaster funding, tax policy, and mortgage financial assistance challenges the internal consistency of the ideologies' pure market conception. This contradiction, between *neoliberalism* as an economic theory of state absence in favor of market rule and *neoliberalization* as a process of class consolidation through techniques of statecraft, is crystallized in the arena of post-disaster housing policy in New Orleans.

While there has been a flurry of criticism by scholars over the neoliberalization of New Orleans (Smith 2006, Davis 2006, Peck 2006) and an impressive output on new theories of disaster capitalism (Klein 2008, Gunewardena and Schuller 2008), these accounts have primarily highlighted the outsourcing of recovery tasks, waves of privatization, tax reductions, welfare cuts, and the withdrawal of the state. Yet New Orleans' uneven geographic development is not simply or even primarily a product of new market-based approaches to disaster reconstruction or a "roll-back" of the state, but instead being driven by a "roll-out" of state programs privileging the city's propertied class (Peck and Tickell 2002). The federal, state, and local approaches to reconstruction have not alleviated or even simply reproduced the inequalities that had existed prior to the Katrina disaster, but have further eroded these gulfs of differences in a regressive fashion by pursuing a housing reconstruction strategy that is reshaping the social geography of the city. Rather than settling the social question of housing "by the gradual economic leveling of demand and supply"—the market process, which Engels saw at the center of uneven urban development in his day (1872)—the state is re-engineering a new housing stock mix in the city and implicitly a new socio-economic demographic.

This chapter seeks to explain both the role and mechanisms of state intervention in the reproduction of housing and subsequently the uneven development of New Orleans at large, and how it is that the rhetoric of markets and personal ownership has been able to veil what is one of the largest urban projects of social re-engineering in America's history. The first part of the chapter combines the disparate government housing programs into a single analytic lens, examining both FEMA's and HUD's post-disaster policies for temporary, permanent, and public housing. This perspective from the *top-down* demonstrates how federal and state programs' collective discrimination between renters and homeowners in the granting of rights and funds have increased rather than mitigated the city's pre-storm inequalities. The second part of the chapter analyzes how these housing

policies' production, praxis, and outcomes dictated from above condition and interact with the *bottom-up* local initiatives of city government and the grassroots. In understanding the interrelationships between these scales of governance and association, one recognizes the broader role of housing in the production of space in postdisaster contexts than provided by scholars who focus on housing policy alone (Nigg, Barnshaw, and Torres 2006, Crowley 2006), and how federal rules and subsidies feed local interspatial competition towards unequal ends rather than mitigating spatial inequalities. This relation shifts the critical gaze from any single level of government or particular agency of the state and reveals that the apparent "problems of New Orleans" are not the city's alone. Rather, they are part-and-parcel of the more general post-disaster policy protocol that systematically privileges homeowners. The chapter concludes reflecting on how it is that in spite of all the free-market rhetoric, New Orleans reconstruction is in fact one of the largest projects of urbanized social engineering in America's history. It is through the deep-seated policy presumptions, which conflates victims-rights with property rights, that claims of citizenship based on property ownership come to both veil and justify a process to redistribute power and resources from the larger group of renters that faced disproportionate losses to the smaller group of less affected homeowners within the city.

### Un-Natural Disaster: The Uneven Destruction of New Orleans

The failed levees damaged or destroyed 75 percent of New Orleans housing stock; over 230,000 homes and apartments (GNOCDC 2005). While these statistical totals are widely cited, the breakdown of the numbers is much more telling and reveals Katrina's unequal destruction. Of the total housing stock that was destroyed or damaged, the clear majority was renter-occupied. For a city that was primarily renters (55 percent at the time of the storm) the destruction was uneven; 40 percent of the housing victims were homeowners while 60 percent were renters (PolicyLink 2007). As one breaks down the numbers even further, it becomes clear that the poorest households, many of whom needed housing assistance before storm, face more urgent problems; 90 percent of public housing units were damaged or destroyed, along with 80 percent of the city's affordable rental housing, and 70 percent of the city's low cost rentals, while only 47 percent of higher priced rentals were affected.<sup>2</sup> This uneven destruction has to do with the demographic overlay

2 Because the largest portion of destruction was in the categories of moderate- to low-income rentals I take housing as a generative indicator of uneven reconstruction. While there are obvious methodological issues with this—for instance there were many wealthier renters, as well as a number of poor homeowners—the data still points to a high correlation between poverty and renters. Furthermore, there is a wide literature documenting the

of New Orleans' topography, which holds a general correlation between the low ground with blacker and poorer populations and between the higher ground with whiter and wealthier populations.

In the wake of 9/11, rent controls were applied in the financial district to stabilize the market, yet no such regulations were implemented after the flooding of New Orleans (Marcuse 2006). As leases expired, the remainder of New Orleans' low-income renters whose properties were not damaged saw their rents double (GNOCDC 2010). The average price of a two-bedroom apartment in the city, for example, rose from \$676 before the storm to \$940 after the disaster and by 2009 remained high at \$1,030. Proportional rises occurred across all rental properties [Brookings Institute 2010]. This was the housing disaster after the disaster, which led to both a second evacuation of New Orleans' low- and moderate-income residents, and increased the burden on those who, having remained, paid a higher proportion of their income in rents. Some tenants were evicted with very short notice and some properties were sold to speculators (Fletcher and Efrati 2005). Even though their hardships were directly connected to the failure of government infrastructure, these renters received no government disaster housing assistance, since their properties did not suffer from any water damage. The higher rents also prevented the return of those initially evacuated to other cities. Even today, rents in most parts of the city remain 50 percent higher or higher and the new higher median income allows for higher rents on low- and moderate-income residences (GNOCDC 2010).

Politicians and city officials ignored these victims of the broader social disaster of Katrina. The failure of this issue to reach a political forum reveals the depth of the presumption that federal disaster assistance is a form of supplemental insurance for private property loss rather than housing assistance more generally. This common practice, which measures loss in terms of assets rather than housing provision, robs renters of a language and platform for their claims, which are prescribed and bounded within a discourse of individual ownership rights. In sum, this brief survey of New Orleans' housing stock pre- and post-Katrina reveals the intensely uneven and unequal consequences of New Orleans' flooding. This pre-existing geography, largely a product of a long history of racism, speculation, state-sponsored gentrification, and economic restructuring greatly increased the social suffering of the disaster, while laying the groundwork for even starker divisions within the urban social ecology wrought by the state's uneven response (see Kelman 2003).

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inequalities of race and class of the disaster that have failed to take into account the important role of property ownership, while there has also been a number of reports highlighting the inequalities of race and class among homeowners.

### From the Top-down: Subsidizing Homeowners and Rental Suppression

*When the houses are rebuilt, more families should own, not rent, those houses.*  
(George W. Bush, Jackson Square, New Orleans, 2005)

#### *Temporary Housing*

The first section of this chapter surveys the three primary arenas of federal and state interventions in housing assistance and reproduction through the provision of temporary housing, permanent housing, and public housing. The findings demonstrate the strong effects of housing policy on the uneven geographic development of New Orleans. For the provision of temporary housing in the wake of disaster, the Federal Emergency Management Agency (FEMA) is charged by federal law to provide immediate emergency housing for the displaced. In the weeks following Katrina, the agency assembled a hodgepodge of arrangements including ad-hoc emergency hostels, hotels, trailers, and temporary apartments in other cities. The initial policy that set the terms of uneven development between homeowners and renters was the spatial discrimination of trailer location. FEMA's standard disaster response is to provide a displaced household with a rent-free trailer for up to 18 months as an alternative to rent assistance. Although many renters wanted trailers within the city limits in order to keep their jobs, gain new employment in the rebuilding industries, and have a voice in the reconstruction plans of their neighborhoods, they ran up against rampant opposition from homeowners and businesses who didn't want to see public spaces turned into trailer parks (Jensen 2005). Fears of the return of an already impoverished population battered by disaster drew on rhetoric of welfare drainage and public chaos. New York Times columnist David Brooks reflected this sentiment in rather bald terms when he wrote: "only those with middle-class values should be allowed back into the city" (2005). In the end, only homeowners were allowed to set-up trailers on their own property as they rebuilt their homes and in turn took control over reconstruction decisions, while renters were relegated to trailer camps scattered across the state, often isolated from jobs and transportation or in shifting hotel and rental accommodations. Since then the trailers have been plagued by controversy in the media as being contaminated with formaldehyde, inaccessible to the handicapped, and structurally unsuitable for the hurricane-prone areas, but the locational segregation and inequality between homeowners and renters was rarely mentioned.

In September of 2005 Homeland Security Secretary Michael Chertoff and HUD Secretary Alphonso Jackson announced a two-part Transitional Housing Program that would provide financial assistance for evacuees to rent housing in the private market. Running simultaneously, the first part, operated by FEMA, would provide rent assistance directly to eligible evacuees, while the second part, operated by HUD, would provide voucher-like aid to displaced households that were receiving some form of HUD assistance prior to the hurricane. The flaws of



this bifurcated program have been widely documented (see Crowley 2006). Most significant was the fact that they were both underused. Of the 723,262 households that received the first three months of rent assistance, only 246,786 requested recertification for continued assistance and only 180,636 were approved. Of the 32,000 eligible for HUD's program, only 12,350 used assistance to lease new homes. Sheila Crowley reflects on these numbers, writing, "The numbers that FEMA and HUD report about the transitional housing programs tells one of two possible stories. One story could be that people have found their own way and do not need additional assistance. The other story is that the program is so badly designed and implemented that people are unable to use it or have so much trouble accessing it that they give up" (Crowley 2006). Since the stories of people trying to get through to and get a straight answer out of FEMA are legendary, and since the growing numbers of people made homeless a second time became epidemic (GNOCDC 2008), it seems that the latter scenario is the most plausible.

Even with federal assistance in hand, reports show that many evacuees could not find landlords willing to accept vouchers or FEMA payments fearing that evacuees without jobs or resources would not be able to pay their rent for a full year (Wilgoren 2005). There was no government assistance provided to renters in locating nearby affordable housing, resulting in many settling into marginalized neighborhoods. Evacuees also experienced considerable illegal discrimination in their search for housing to rent (NLICH 2005).<sup>3</sup> In sum, the temporary housing arrangements fast-tracked homeowners back into the city, while relegating a disproportionate number of renters to polluted trailers, bureaucratic mazes, and marginalized neighborhoods of foreign cities and rural backwaters.

### *Permanent Housing*

While the flaws of the temporary housing programs disproportionately hindered low-income renters, the benefits of housing reconstruction have primarily aided wealthier homeowners. The federal legislation that would have specifically targeted housing production and repair funds to the lowest-income households—the "Affordable Housing Fund Act" and the "Gulf Zone Housing Recovery Act"—both died in Congress. During this same time, Congress funneled billions of dollars into the pockets of homeowners through three supplemental appropriation bills in the forms of Community Development Block Grants (CDBG). CDBGs by law require that 70 percent of funds be used for low- and moderate-income households. However, during congressional deliberations the income targeting was reduced to 50 percent, and the HUD Secretary was given authority to waive

<sup>3</sup> The National Fair Housing Alliance tested discrimination in Florida, Alabama, Georgia, Texas, and Tennessee—all of which were frequent relocation points for evacuees in the wake of the storm. In 65 cases of testing landlords, black people were discriminated against in two-thirds of the cases.

even this requirement. This reduction was made because members of Congress wanted to be sure that homeowners, not landlords and renters, would be the primary recipients of the funds (NLIHC 2005).

The division of this money reveals the priorities of the state and is indicative of the larger trends of reconstruction. The program, called "The Road Home," was intended to provide \$6.35 billion to assist homeowners, \$1.54 billion for affordable rental housing, and \$26 million for housing homeless people. However, six years later after subsequent adjustments, over \$10 billion has been committed to Louisiana Homeowners and only \$1.3 billion committed towards rental units, most of which are affordable. Even the Bush administration suggested that a higher amount of the grant should go towards creating rental units, advising that at least \$2.5 billion be allocated to rental properties (Crowley 2006). *Instead of instating a system of recovery aid proportional to the level of destruction among housing types, the state is re-engineering a new housing stock mix in the city and implicitly a new socio-economic demographic.*

For homeowners, the plan stipulates that all those who sustained damage are eligible for up to \$150,000 per household. The primary programs to generate rental properties are the small rental properties program (SRP), to assist landlords, and the Low Income Housing Tax Credit (LIHTC) Piggyback program. Besides the *meager funding* of the rental programs in relation to need, is the *poor implementation*. In the case of the SRP program by December 2007, not a single unit had been rebuilt under the program, despite having released \$502 million in "conditional award letters" (Winkler-Schmit 2007). Even after 2009, less than 30 percent of the funds had been expended. Similarly, in the Piggyback program, only about 50 percent of the funds had been spent at the start of 2010. In comparing this to the 90 percent expenditures of homeowner programs by the same date, one quickly realizes the differences in market incentives between the two categories of residents. As will be discussed in the next section, the temporal mismatch of return between homeowners and renters led to an attenuated power grab of the planning process by the owners of property. Therefore, whether former residents return or not, the future renters of the city will face a greater crisis of affordability due to the state's privileging of homeowners.

While rental properties, specifically affordable rentals, were far and away the largest type of housing destroyed in New Orleans, these properties are receiving nearly 10 times less assistance than the minority properties of homeowners. In New Orleans 45,936 Homeowners had received \$4,112,039,203 in reconstruction funding by September of 2010 (A. Vanveckhoven, personal communication, September 3, 2010). During the same time the LRA's small rental program produced only 3,131 units in New Orleans; 2,564 of which offer affordable rents, and the Piggyback program produced merely 13 properties in New Orleans of the planned 1,814 units, 904 of which offer affordable rents and 127 of which are designated for supportive housing (A. Vanveckhoven, personal communication, September 3, 2010). Even if all the programs designed to bring low-income housing back to

New Orleans resulted in “complete success,” they would still only rebuild one-third of the pre-storm affordable housing stock (PolicyLink 2007). With billions having already been spent towards homeowners in the program, the LRA will fall short of meeting its obligations of the CDBG to meet even the already reduced 50 percent requirement of spending towards serving low- and moderate- income people.<sup>4</sup> In rejecting the proven demand-side subsidies utilized in past disasters and relying entirely on supply-side tactics, the state has abandoned a large group of evacuees, many of whom remain in precarious situations scattered in cities across the nation.

The government’s disaster housing policy is radically remaking New Orleans’ housing stock-- a starkly different mix from what had existed prior to the storm-- and in doing so is reorganizing the social structure of the city.<sup>5</sup> While this policy might in fact produce superior housing, both in quantity and in quality for those who can afford it, it has done relatively little for the thousands of low-income renters who evacuated, and either face increased housing burdens or find themselves unable to afford to return altogether. Although supporters of free markets claim to reject programs of “social engineering,” the direct subsidies currently being provided to the propertied classes of New Orleans by the US taxpayers amounts to nothing less than one of the largest urban projects of social re-engineering in America’s history.

### *Public Housing*

When Katrina struck, more than 5,000 families, nearly all of them black, were living in New Orleans’ public housing units, and a thousand more units were vacant or uninhabitable. At the time, the waiting list for public housing had 8,250 names (Cass and Whoriskey 2006). In the first three years after the flooding, most of the complexes were closed, some surrounded by fences and razor wire, many of them biohazards in destroyed communities attempting to return; this is considered by many as an intentional tactic to prevent the return of New Orleans’ poor. In July 2007, only 1,100 units were occupied according to HUD figures. The other 4,500 were demolished.

4 This policy bent has resulted in a serious lag in the development of such historic neighborhoods as Tulane/Gravier, where 80 percent of the residents rented their homes and other areas with high rates of rentership: a fact that more often than not correlates with higher levels of poverty (with the exception of the Central Business District and French Quarter, which suffered minimal damage).

5 Besides inverting the percentages of renters and homeowners in the city, government policy has also qualitatively reshaped the rental stock, producing more rentals for the wealthier renters. The GO Zone tax credits are generating primarily luxury and multi-family developments in highly developed areas ripe for gentrification (Thomas 2006), while Low Income Housing Tax Credits are exceeding government targets for those earning 50–60 percent AMI and falling far short of goals for those earning less than 50 percent AMI.

The destruction of the city’s public housing stock was seen instantly as an opportunity. Within weeks of the disaster, congressional Representative Richard Baker of Baton Rouge remarked, “We finally cleaned up public housing in New Orleans,” the unguarded Baker continued to chuckle, “We couldn’t do it, but God did” (Harwood 2005). Even while hundreds of units remained unflooded and essentially undamaged, the projects remained closed to their displaced residents. According to the Housing Authority of New Orleans (HANO), it needed time to plan the city’s new course of action in solving the public housing “problem,” without the residents (Savidge 2006).

The public housing solution ended up being a wholesale reconstruction through the importation of the HOPE VI initiative. Unlike the Road Home and Temporary Housing programs that were more evolutionary in their policy development, the remaking of New Orleans’ public housing represents a clear case of utilizing the disaster for a large-scale institutional transformation. Initiated in 1993, HOPE VI has provided over \$4 billion in grants to destroy earlier public housing projects and replace them with new privately developed mixed-income developments. This process had already occurred in New Orleans before the storm with the River Garden apartments, but there were no other HOPE VI plans in the pipeline at the time of the storm. The program was designed to address the concentration of poverty, isolation, and poor architectural design associated with the earlier projects that have come to represent the ultimate “symbol of failed social welfare policy in America” (Popkin, Turner and Burt 2006). However, most of the new developments have fewer units than the projects they are replacing, and only a third are reserved for low-income residents, to meet the goal of creating mixed-income communities (another third being for moderate-income residents, and the other third rented at fair-market prices).

Hope VI in New Orleans will certainly decrease the isolation and segregation within public housing properties, but at the expense of preventing many of the former residents from ever returning. For instance, the C.J. Peete housing complex, one of New Orleans’ largest, had over 1,500 occupied units before the storm. Through Hope VI, it will be redeveloped into a complex with only 120 units (HANO 2008a). The St Bernard area was originally constructed with 1,400 public housing apartments, but since applying this innovative program to “revitalize” public housing, only 160 units will be public housing eligible (HANO 2008b). The new developments attempt to mainstream the few public housing residents of the redesigned community—the “lucky few” who are mere symbolic placeholders to save the social service face of the Housing Authority—while the vast majority of residents become further marginalized. This amounts to nothing less than the revictimization of the majority of New Orleans’ public housing population: first by the government’s failed levees, and second by the destruction of their former homes.

A widespread sense of betrayal exists among former residents and has been further reinforced by the question of the demolitions’ necessity. This is because



HOPE VI was originally aimed at replacing the dilapidated and outdated skyscraper superblocks, a particularly problematic architectural and urban design. Yet, New Orleans' public housing developments cannot be compared with the modernist high-rise superblocks that captured the American imagination as in the cases of Cabrini Green and the Robert Taylor Homes of Chicago. CJ Peete and St Bernard were comprised of ground level units with pitched roofs and nineteenth-century vernacular design. The projects already embodied the pedestrian friendly-low rise design embraced by the Congress of New Urbanism whose architectural principles define the HOPE VI makeovers. These units suffered only minor damage and could have been inhabitable with some minor repairs after their destruction. Instead, this radical reconfiguration of public housing finance and reconstruction appears to be driven by a general fear of the urban poor and minorities.

The HUD and housing authorities' discourses surrounding public housing are no longer centered on the city-wide problems of poverty that they sought to solve in the past, but, rather, the problems and pathologies that the institution of public housing itself created. Instead of returning to their original goals of alleviating urban poverty more broadly, HUD, which controls the public housing authority of New Orleans, is attempting to undo the conflicts within their own properties, while disregarding and often exacerbating the problem of affordable housing at large (Feemster 2003). The authority claims that it is improving the lives of its residents, without recognizing the displacement of most of the former tenants. Just as temporary housing and permanent housing policy have unevenly benefited property owners over renters, the dismantling of public housing units not only denies renters of affordable housing (or long-time homes, as was the case for many of HANO's tenants), but also enhances the home values of the surrounding landowners, and opens up new investment opportunities for New Orleans' developers.

However, housing policy alone cannot account for the skewed reproduction of New Orleans' housing stock. Not only does housing production rely on various other policy initiatives, it is also formulated instep with policies of planning, economic development, and environmental management. Similarly, these funding directives emanating from the federal and state level take on varied articulations and are structured by a number of localized policies and initiatives. The next section observes the multiplier effects, feedback loops, and reinforcing relations between programs dealing specifically with housing, and those involving the distribution of public goods and incentives of private development on the local level that compound the renter/homeowner division and the associated class and racial populations.

### **From the Bottom-up: Endogenous Growth and the Hidden Mechanisms of Redistribution<sup>6</sup>**

*The commitment is that individual decisions made by individual citizens will determine which neighborhoods come back and which neighborhoods don't come back—and if they do, how they come back. There's a lot of room for creativity.* (Steven Bingler, Director of the Unified New Orleans Plan, August 7, 2006)

#### *Planning*

The second part of this chapter analyzes how these housing policies' production, praxis, and outcomes dictated from above condition and interact with the bottom-up local initiatives of city government and the grassroots. Steven Bingler's opening speech for the Unified New Orleans Plan (UNOP), quoted above, marked the start of the third privatized planning process after the flood, which would eventually dictate projects of public infrastructure and the form of community organization around reconstruction. Bingler's speech expressed a common theme in the portrayal of New Orleans' revival—a radical fusion of individualism and democratic choice. However, the "individuals" he was primarily speaking to were homeowners, and the "room for creativity" allowed for further exclusion of renters. The planning process, bankrolled by the Rockefeller Foundation, Greater New Orleans Foundation, and Bush-Clinton Katrina Fund became the most expensive planning process in US history, and had serious ramifications in shaping the future housing stock of New Orleans. At the initial meeting of UNOP, residents grouped themselves under one of the 14 planning districts and listed their needs, concerns, and visions for the future of their neighborhoods. Most of the attendees were middle- and upper-class homeowners, along with a small number of real estate developers, since most renters were relegated to trailer parks, hotels, and family homes outside the city. This unequal representation had a number of effects.

First, even in the most progressive communities, the predominance of homeowner involvement inevitably had regressive consequences for the city's renters due to the inherent divergent incentives and interests between renters and homeowners. The plans were not simply being designed to replace damaged neighborhood assets, but to increase land values in general (Davis 2006). In some cases, the process was being used to rid neighborhoods of long-standing apartment buildings, often replacing them with parks. Joseph St Martin, an architect hired by one of the homeowner groups, described this land use switch as "killing two

<sup>6</sup> Several of the statements and findings of this section are garnered from my own experience as a community planner with ACORN and the Broadmoor Improvement Association in New Orleans from 2006–2008.



birds with one stone”: destroying old rental units that lowered property values of homeowners in the area and installing parkland that inevitably increases the space’s exchange values in their place (Saulny and Rivlin 2006). Besides using the planning process to convert former multifamily rentals into parks or other uses, the emboldened neighborhood associations also used their power to prevent the development of new federally supported affordable developments, by putting moratoriums on permitting or building multi-family housing (PolicyLink 2007). This is part of the larger paradox of improving lower- and working-class neighborhoods whose members still face formidable challenges and uncertainty in their ability to return. Projects explicitly designed to “improve impoverished areas” inevitably reduce the opportunity for the former disadvantaged renters to return, as their neighborhoods become more desirable, and incur higher rents.

Second, the priorities of infrastructural investments in roads, street lighting, signage, and public places such as schools and parks compounded the divide between areas comprised predominantly of rentals and those with high levels of homeownership. The overarching plan for the billion dollars in public funds was to prioritize reconstruction investment in the areas that were most quickly being repopulated—most often owner-occupied areas with less damage—and then to phase-in future “market driven” development in more heavily damaged and poorer areas of town. In terms of city financing, the plan was seen as strategic and necessary. A municipality in fiscal crises can only recover with a robust tax base. Without the money to completely rebuild city services such as sewage, electricity, schools, and hospitals, the municipality wanted to limit the extension of inefficient public provisions that would prove inadequate. Officials and planners were trying to avoid what had come to be called the Jack-o-lantern effect; a form of development with patches of scarcely populated neighborhoods that would require the costly extensions of public services to a few, as opposed to efficient denser settlements.

Both the “*participatory*” nature of the planning process and the *rationalized logic* of infrastructural phasing veiled the highly *politically structured* housing policy that ultimately shaped the trajectories of both. Local politicians were able to claim that it was not bureaucratic meddling that determined how neighborhoods were rezoned against renters, but rather a negotiated democratic process. Similarly, the local government, often the object of criticisms for corruption and favoritism, was able to justify infrastructural priorities on rational planning principles based on “neighborhood viability” dictated by the individual choices of residents who had decided to return. Here we see how the top-down housing policy—quickly aiding homeowners through temporary housing policy, distributing the vast majority of housing reconstruction funds to homeowners through permanent housing policy—and restricting and reducing access to public housing—structured and partially determined bottom-up planning practices. In sum the bottom-up planning process simultaneously *compounded* the widening gulfs of power and resources between renters and homeowners and *masked* the underlying social relations of power conditioned by the federal and state governments.

### *Community Associations, Philanthropy, Volunteerism*

The other important dimension through which top-down biases were compounded and veiled through bottom-up initiative is the interface between civil society and reconstruction. A result of the 12 district planning process was the rescaling of economic growth towards the neighborhood level. Rather than pursuing a city-wide plan, utilizing the most expert planners and primary resources toward an integrated plan focused on large-scale infrastructure, the state and city agreed to pursue a piece-meal reconstruction process reliant on local community organizations that would be responsible for recruiting outside volunteers to gut thousands of homes, raising philanthropic funds to rebuild schools and libraries, and partnering with universities to assess community needs and provide expertise. This localized mode of reconstruction, reliant on public-private partnerships, was not simply the spontaneous outgrowth of grassroots initiative, but rather formulated within the prescriptions of the local government and the planning process by which the Mayor’s Office of Recovery Management appointed community development corporations (CDCs) and improvement agencies to implement their own plans of reconstruction. However, this model of community-driven development has not affected all equally and *non-profits, foundations, and universities have become hidden mechanisms of redistribution through the new, fragmented urban politics of neighborhood organizations.*

Research on associational participation in non-disaster settings suggests that such a community-based process will have highly unequal results. Residents of affluent areas are more likely than others to join community organizations and to have organizations that achieve unity and become effective (Logan and Molotch 1987). People of higher socioeconomic status participate more in local issues and show a stronger link between “sensing a problem” and “becoming active” (Cox and McCarthy 1980). In post-Katrina New Orleans, it became apparent that the areas with more homeowners with greater wealth had increased advantages in both attracting outside resources and funneling limited city resources into their communities through a number of channels.

First, improvement associations and CDCs became the key organizers of outside expertise and philanthropic donation. Universities partnered with neighborhoods rather than municipal departments—Harvard and MIT in Broadmoor, Cornell and Columbia in the Lower 9th Ward, Dartmouth in Gently, etc.—and large corporations and foundations adopted neighborhoods. For instance, the Global Clinton Initiative and Shell Oil both proved critically important to the regeneration of the Broadmoor neighborhood by funneling funding through the neighborhood’s improvement association. Although there was not a direct correlation with the wealthiest neighborhoods receiving the greatest level of donations, the best use of expertise and largest sums of corporate support went to neighborhoods with greater organizational capacity and accountability, while those with less organization, and more often, greater social and economic challenges received less and used their resources less effectively.

Second, improvement associations and CDCs, often in partnership with faith groups, were the primary groups organizing and recruiting the armies of volunteers to gut homes. Organizing free volunteer labor to gut the homes of homeowners, a costly first step in the process of rebuilding, became the key strategy to bring back residents in the community. Thousands of church, civic, and student groups travelled from across the country to partake in this process, amounting to one of the largest mobilizations of volunteers in America's history. The capacity of neighborhood organizations to support volunteer groups were by no means comparable to levels of neighborhood need, nor were volunteer efforts directed by any reflective strategy of city-wide planning. This led to uneven concentrations of volunteer labor, by which savvy neighborhood groups, often those with more homeowners with a certain degree of wealth and cultural capital, garnered more free labor than their poorer counterparts.

More important to the distinction between homeowners and renters was the fact that the thousands of volunteers who gutted houses did essentially nothing for renters, as organizations almost always dispatched volunteers to homeownership units. This was partially due to the hosting organization's internal priorities, but more fundamentally because the nonprofits did not want to make it seem as if free labor was being spent on a landlord's future profits. Even in the most progressive neighborhood organizations, such as ACORN in the 9th ward, volunteers were restricted almost entirely to homeowner units for this reason. Rather than having a citywide program to organize and dispatch volunteers in a strategic manner that took into consideration issues of equity and efficiency, the cleaning up of the housing stock was left to a variegated process of neighborhood organizations vying for a limited pool of volunteers. In the end, nearly the entirety of free volunteer labor went toward the benefit of New Orleans' homeowners.

Third, CDCs were responsible for teaming up with for-profit developers on the larger tax credit projects to renovate scattered-site single-family homes for sale and rent. Because of the difficulties in transferring adjudicated properties and buy-out properties from the Road Home program, CDCs were purchasing or receiving donations on lots on a one-by-one basis, which makes the work very overhead-intensive and slow (Schrayner 2007). While this process is unnecessarily inefficient for all neighborhoods, those with the weaker CDC's and often fewer homeowners had the hardest time jumpstarting development and accessing the readily available funds for rental development.

Last, all of these differences in organizational strength have been amplified by the 'follow-the-market' approach of investors and government. The sequence and speed of gutting was highly uneven and communicated important signals to investors, homeowners looking to return, and government officials making choices of infrastructure investment, thus creating a multiplier effect that led to further polarization in development. Several government grants for schools and public buildings were awarded through competitive processes between community organizations and in some cases relied on matching funds or proof of external private support. In sum, the city's district-based planning process and its

empowerment of local associations resulted in private contributions and volunteer efforts to become central drivers of inequality of intra-urban distinction.

### Uneven Reconstruction

Several years after the disaster these unequal processes, emanating from both above and below, are reflected in various indices of recovery. According to the 2010 census, Orleans Parish has a population of 343,829 residents, as compared to the 455,000 it had before (GNOCDC 2011). More striking though are the changes in the housing stock and its increased disparities. More than one in four residential addresses in New Orleans, most of which were rentals, are vacant or blighted. In terms of the renter/homeowner divide, the majority has turned, with the homeownership rate rising from 46 percent before the storm to 53 percent currently. With the increase in the construction of luxury apartments since the storm, which have been disproportionately spurred by government tax breaks (Thomas 2006), many of the renters are disproportionately new compared to the homeowners. Those renters who have returned spend more of their money on rent, as average rental prices still hovered at over 50 percent of pre-storm prices five years after the storm. About 58 percent of city renters pay more than 35 percent of their pre-tax household income for housing, the standard mark of unaffordable housing (GNOCDC 2011). Since the post-Katrina bulldozing of several major public housing developments, there has been more than a 75 percent reduction in the number of public housing apartments available. Over 5,000 families are on the waiting list for traditional public housing and another 28,960 families are on the waiting list for housing vouchers—more than double what it was before Katrina. Before Katrina, New Orleans was famously an overwhelmingly black city, with African Americans making up 67 percent of the population. That figure has dropped to 60 percent in the 2010 census, which reveals 118,000 fewer black residents. The fact that blacks were disproportionately renters suggests that the government's housing policy has been critical to this outcome. As the median income has increased, homelessness has doubled, and the poverty rate remains the same at 23 percent, more than twice the national average (GNOCDC 2011).

### Conclusion: Homeownership as the *Sine Qua Non* of Citizenship

The participatory planning process, the explosion of civic and neighborhood organizations in the city, and the state's narration of an endogenous growth process driven by entrepreneurs has led New Orleans' reconstruction to be viewed primarily as a citizen-led, bottom-up, democratic process. Referring to the reconstruction as "democracy in action," former mayor C. Ray Nagin framed New Orleans' reconstruction as a grass-roots development on a citywide scale that would preserve the rich heterogeneity and vibrancy that New Orleans had

long been known for. The idea that individual choice and initiative dictated the course of recovery was often highlighted in contrast to governmental initiative. Reflecting on his response to the storm four years later, the former mayor claimed that his strategy had been to “encourage market forces, rather than government dictates,” and that “our citizens made intelligent free-market decisions on where to come back” (Dade 2009). What these claims mask is the decisive role of the federal government’s unprecedented assistance to homeowners in the wake of disaster.<sup>7</sup> It may appear on the surface that innovative and emboldened forms of locally organized reconstruction processes represent a citizen-led recovery, but this has only occurred on top of a multi-billion dollar federal subsidy that has primarily benefited a minority of the city’s former population.

The findings in this chapter demonstrate that the primary aim of post-disaster housing policy is not to assist victims of disaster who wish to return. Were this the case the primary response in New Orleans would have been focused on the creation of affordable rental housing. *The policies affecting New Orleans’ housing reconstruction make clear that in times of disaster, homeownership stands as the sine qua non for civic involvement and the right to the city.* When an entire city evacuates, the question of citizenship and the boundaries of belonging become apparent. While voting rights in the November city elections following the flood were protected for all former residents, economic rights to the federal emergency spending funds were extended primarily to homeowners, as the right to return was severely limited to renters through the state’s trailer park-site selection. What is most striking is the degree to which this assumption of unequal rights and distribution is accepted without question. This is in large part due to historical precedent. Unlike the radical implementation of HOPE VI, the GO Zone tax credits, and privatized planning process, governmental assistance to victimized homeowners of natural disaster is an extension of earlier entitlements. However, this entitlement is a relatively recent federal initiative, firmly taking hold only in the late 1960s, when federal funding for reconstruction switched from primarily being spent on reconstructing public infrastructure to replacing private property (Comerio 2006). Although crises are often moments in which dominating doxa are revealed and thrown into question, they may also be used to extend and accelerate the dominant politico-economic ideology, such as the tenets of an “ownership society.”

As a result of these policies, a large number of New Orleanians who resided in the city at the time of the storm have been systematically excluded from the decisions that shape their city: first by a long-time federal approach of “insuring” private property, and second by the capture of the political processes by homeowners. The federal government and state representatives followed the post-disaster protocol of funneling disaster aid to homeowners, a practice increasingly enshrined as an entitlement by legislative precedent. Without private property,

<sup>7</sup> The Road Home Program is the single largest recovery-housing program in US History ([www.road2la.org](http://www.road2la.org)).

the majority of New Orleanians had no legal claim of return or to the political institutions of the city. The homeowners who remained with their political rights intact hindered programs and planning decisions that could have assisted renters to return. This conflation of victim rights with property rights in times of disaster has resulted in a tacit property-based definition of citizenship, which has been used both to obfuscate and justify the systematic barriers towards renters and grant unearned rewards to homeowners. In turn, this elision of citizenship has masked the critical role played by the state in the uneven geographic development of New Orleans examined in this chapter.

While disasters crystallize the distinctions between homeowners and renters, they may also serve as a site to build new discourses surrounding not only the rights of disaster victims, but also housing rights and broader social rights to the city. Henri Lefebvre’s notion of the right to the city extends beyond the confines of the state and into the general production of social space (Lefebvre 1996). In his conception, the right to the city involves two principal rights for urban inhabitants: the right to *participation* and the right to *appropriation*. First, a shift from property rights to victim rights, particularly what many activists called for at the time, a right to return, would have diffused a number of issues surrounding unequal access to reconstruction processes (Smith 2006). Alternatively, shifting funding away from place and property to individual victims themselves would also have mitigated the uneven appropriation (Glaeser 2005). While these policies would have softened or at best neutralized the regressive effects of the state in New Orleans reconstruction, rather than revolutionizing them as Lefebvre would beg us to consider, they would have certainly laid the ground for a more equal and just recovery.