Tough Choices for Rebuilding New Orleans

Community Congress II Discussion Guide and Worksheets

December 2, 2006
Participant Ground Rules

- Speak openly and honestly
- Listen carefully and respectfully to each person
- Keep comments brief and stay focused on task
- If you need to take a break, do so

*Please turn off all cell phones and pagers, or set to vibrate*
Flood Protection

What should the people of New Orleans and the city do to address the risk of flooding?

Background

The U.S. Army Corps of Engineers have repaired damaged portions of New Orleans’ flood protection system to its pre-Katrina level and made some upgrades. By 2010, Congress has told the Corps to protect New Orleans from a “100-year storm.” Even then, the region’s system of flood protection will not protect all parts of the city until some additional long-term improvements are made.

Currently residents are responsible for their own choices about the flood protection of their homes. They make these decisions based on how much information they have about flood risk choices, how much money they have, and their own preferences.

Strategies

Strategy #1: Provide People with Information about Flood Risks

Rely on the Army Corps of Engineers and Water and Sewers Board to manage the city’s flood protection. Provide people with the best available information to make informed decisions about how to deal with the risk of flood (i.e. where to live and how to build.)

Pros:

- Gives residents and businesses a high level of personal choice about how to manage their own risk.
- Requires little new public funding for flood protection and leaves local funds available for other high priority projects

Cons:

- Until 2010 and the foreseeable future, there is substantial flood risk given weaknesses in the city’s protection system.
- People and businesses may choose to locate in unsafe areas without any organized insurance program to manage their risk.
**Strategy #2: Provide Voluntary Incentives to Manage Risk**

Provide incentives to encourage people to relocate to areas with less risk or to elevate homes and buildings out of harm’s way. (For example, there might be tax breaks for moving to higher elevations or to elevate a home to a safer level.)

**Pros:**
- More people will be protected from flooding without costing them significant resources
- The city would be less dependent on outside agencies to provide protection
- It is still voluntary and people can make their own choices.

**Cons:**
- Requires public funding for these incentives, which diverts local resources away from other high priority projects

**Strategy #3: Create and Enforce Standards for Managing Flood Risk**

Create local standards that require people to elevate, strengthen or relocate their homes and businesses to reduce flood risk. Provide funding to support people who are required to take these actions.

**Pros:**
- Individuals and businesses will be better protected
- Insurances rates may be reduced because of lower risk
- The city would be less dependent on outside agencies to provide protection

**Cons:**
- Requires very substantial public investment, diverting resources from other high priority projects
- Residents, businesses, and neighborhoods have less choice about where to live and how much flood risk they are willing to live with.
Creating Vibrant Communities and Reducing Blight

*What should the people of New Orleans and the city do to discourage the neighborhood blight that results from too few people choosing to rebuild on a certain street or block?*

**Background**

Everyone whose home was flooded needs to decide whether to repair, rebuild, tear down, or sell his or her home. As a result, some streets and blocks will redevelop at different paces than others, leaving some homes next to vacant lots and gutted houses. These partially resettled blocks can produce neighborhood blight and increased crime. Such a patchwork pattern can be unsettling for people to live in, and might affect the willingness of others to invest in the rebuilding of the neighborhoods.

**Strategies**

*Strategy #1: Individual Homeowner Choice*

Provide people with the best available information about rebuilding, so that they can make informed decisions based on the conditions of the area around their homes and available funding for rebuilding (including Road Home, insurance, and loans.)

**Pros:**

- There is little public investment required, allowing public dollars to be spent for other high priority projects
- Ensures that individuals can exercise the greatest amount of personal choice in how they rebuild

**Cons:**

- Some areas may be less attractive (and potentially less safe) due to more blight
- Less likely to provide consistent level of public services across the city because people are more spread out.
- Higher risk to homeowners that the values of their property might be reduced if resettlement is not more complete
Strategy #2: Voluntary Incentives to Rebuild in Contiguous Neighborhoods

Provide financial incentives and assistance to homeowners to encourage them to voluntarily rebuild in areas where others are rebuilding to create more vibrant communities. (For example, voluntary buy-outs so that people can move from one part of a neighborhood to another.)

Pros:

- More vibrant communities and higher property values
- Easier to provide public services (like police and fire protection) when people are less spread out
- Neighborhoods will be more attractive to re-settle
- The risk of blight is reduced.

Cons:

- Will require funds that will not then be available for other high priority projects
- Even with incentives, some people will choose to live in relatively unsettled neighborhoods, with significant costs to the public to deliver services to more sparsely populated areas.

Strategy #3: Set and Enforce Standards to Rebuild in Contiguous Neighborhoods

The city sets standards, provides funding and enforces a more settled pattern for neighborhoods so that people live on blocks with other people and more vibrant communities.

Pros:

- Reduces costs of delivering public services with more clusters and denser neighborhoods.
- Provides a clearer direction for investment in communities.
- Provides a more ordered means of planning for the rebuilding/restoration of public services and community-serving facilities.
- The risk of blight is further reduced

Cons:

- Homeowners will lose personal choice in where they rebuild
- Requires the most substantial level of funding in order to be successful; this would divert significant resources from other high priority projects
Affordable and Rental Housing

What should the people of New Orleans and the city do to create a sufficient amount of affordable and rental housing?

Background

Prior to Katrina, more than 50% of New Orleans’ population were renters, and most were low- to moderate-income households. The city lost more than x units of rental housing in Hurricane Katrina and the most serious losses were in the affordable housing sector of the market. One of the most important factors slowing New Orleans’ recovery is a lack of available housing for workers.

Strategies

Strategy #1: Small Rental Assistance Program

As part of the Road Home program, funds will be available to assist in constructing or rebuilding rental units across the city.

Pros:

- Creates more rental units that are privately owned rather than increasing the amount of publicly owned housing
- Consistent with the mixed density of many of New Orleans’ neighborhoods.
- Less likely to produce high concentrations of poverty.

Cons:

- It will take time for these programs to be implemented and a great deal of uncertainty to those renters who want to return.
Strategy #2: Fund Transitional Housing for Workers

Establish and fund a transitional housing program that is aimed primarily at providing affordable workforce housing. This could include the construction of tent cities, trailers and dormitories. It could also include the renovation and re-opening of the former, public housing project, or the reuse of the former public housing project sites.

Pros:

- Focus on providing the necessary workforce for the rebuilding process.
- Serves an immediate need
- It is a less expensive and safer alternative to permanent housing for temporary workers

Cons:

- Need to identify sites and provide infrastructure for transitional housing sites.
Strategy #3: Create Incentives for Developers to Build Affordable Housing

Provide funding and programs that encourage or require builders to include a certain amount of affordable housing units in their developments or to build on abandoned lots to increase the density of city neighborhoods.

Pros:

- Creates more affordable housing units that are privately owned
- Encourages the development of mixed-income neighborhoods

Cons:

- Requires significant investment of funds, diverting resources from other high priority projects
- This could be done in a way that doesn’t fit the current neighborhood characters.
Strategy #4: Low- and Moderate-Income Public Housing

Use public funds to construct more permanent low and moderate income housing.

Pros:

- Creates more units for low and moderate income individuals.
- The land is already there.

Cons:

- Could require a substantial amount of funds to build and maintain the properties, thus diverting resources from other high priority projects
- The public sector has a mixed record of managing satisfactory public housing
Infrastructure

How should the people of New Orleans and the city use available dollars to rebuild the city’s infrastructure (e.g. roads, water system)

Background

The city’s physical infrastructure (for example, road network, sewer systems), was hardly in perfect shape before Katrina, and suffered severe damage in the flood. It has been estimated that it will cost $??? Billion to rebuild the city’s infrastructure. Given limited resources, we will need to make choices about how to prioritize that rebuilding.

Strategies

Strategy #1: Rebuild Infrastructure to Pre-Katrina Levels

Dedicate resources to rebuilding the city’s infrastructure as it was before Katrina.

Pro’s:

- The existing system determines the infrastructure investments, so no new analysis of decisions has been made.
- FEMA will pay for this rebuilding approach.
- All parts of the city are supported.

Cons:

- Resources will be spent on areas the may repopulate very slowly, which makes breakdowns more likely in areas with more people in them.
Strategy #2: Concentrate Infrastructure Resources to Meet New Needs of City

Pro’s:

- Pre-storm bond approval??
- Resources are focused on areas of highest needs, which depending on repopulation pattern, may entail some shifting of investments.

Con’s:

- It may be difficult to identify the new greatest needs.

Strategy #3: Rebuild infrastructure to better condition than before Katrina by raising additional funds through increasing user fees, taxes, and external fund-raising

Pros:

- Eventually, the city has an infrastructure that is stronger than before Katrina.
- This plans reflects vision of the city beyond current budget constraints.

Cons:

- There may be substantially increased costs to tax payers or users of the infrastructure (for example, more toll roads).
- There is a risk of delays in fundraising to get enough money to “do it right”. These risks may make it unlikely that significant progress will happen in the meantime.
Public Services

How should the people of New Orleans and the city provide critical public services (e.g. police, fire, health clinics, schools) to meet our city’s post-Katrina needs and realities?

Background

New Orleans’ smaller population means a smaller tax base to support public services. As such, it is virtually impossible for the city to provide the same level of service across the city as it did before the storm. The city must determine how to best allocate resources to meet the city’s new geographic and financial realities.

Strategies

Strategy #1: Return to Pre-Katrina Public Services

Rebuild and staff all Pre-Katrina public facilities (e.g. police and stations, health clinics, schools) even if it means lower quality services.

Pro’s:

- There would be greater access to services across the city.
- More neighborhoods would feel connected by services.
- There would not have to be difficult choices about which areas are provided with services.

Con’s:

- The quality of services would be lower than in the past, because city agencies would be trying to support the same number of facilities with much less money.
- There could be a greater risk of wasted resources; facilities in lower population areas may be under-used, and those in high population areas may be over-used.
**Strategy #2: Rebuild Facilities Based on Changing Needs of City**

Assess how conditions and populations in the city have changed since Katrina. Rebuild and staff facilities to meet changing needs.

**Pro’s:**

- Services could be provided in a more efficient and less wasteful way because they would be adapted to the current/actual needs of city.
- Highest quality service for the largest number of people

**Con’s:**

- The process of deciding how resources should shift would be difficult and controversial
- People in less populated neighborhoods could receive lower quality services.
- Depending on the pattern of people returning, it might be necessary to build new facilities in some areas.

**Strategy #3: Combine Facilities and Co-locate Them to Reduce Costs of Services**

Actively seek out opportunities to reduce the cost of providing public services (so that more can be provided) by combining facilities (e.g. a police sub-station operates out of a fire department, etc.).

**Pro’s:**

- The delivery of services would be more efficient and at reduced cost.
- The public services system would be able to cover a larger geographic area of the city.

**Con’s:**

- There may be difficulties in getting different city agencies to cooperate with each other in sharing building facilities in manner that is fair to workers and responsive to the public.
- Some agencies would be in facilities not well suited to what they do; they may have some impact on their responsiveness to the public.
Public Amenities

How should the people of New Orleans and the city provide public amenities (e.g. libraries, parks, community centers) to meet our city’s post-Katrina needs and realities?

Background

New Orleans’ smaller population means a smaller tax base to support public services. As such, it is virtually impossible for the city to provide the same level of amenities across the city as it did before the storm. The city must determine how to best allocate resources to meet the city’s new geographic and financial realities.

Strategies

Strategy #1: Focus on small investments in many facilities across the city

Spread the city’s resources out evenly across the city (e.g. prioritizing neighborhood parks, over city parks) so that all neighborhoods have access to amenities nearby even if they are lower quality.

Pros:

- More people all over the city would have access to amenities.
- More neighborhoods would feel connected to the rebuild effort and to the city.
- There would likely be fewer political controversies about where to invest in facilities.

Cons:

- Since agencies would be spreading less money over the same number of facilities, the quality of service would go down.
- Limited funds would make it difficult to maintain facilities.
- If the facilities were to be maintained at a reasonable level, more voluntary support from citizens would be required.
**Strategy #2: Make More Concentrated (Larger) Investments in a Smaller Number of Major Facilities.**

Focus the city’s resources on creating higher quality amenities in a smaller number of facilities (e.g. prioritizing major city parks over neighborhood parks) even if it means that some facilities won’t be maintained/rebuilt or will require volunteer community efforts to support.

**Pros:**
- Maintenance of the facilities would be concentrated and more efficient.
- The supported amenities could be at a higher quality level, which could help them attract more support from the individual and organizational donors.

**Cons:**
- Because they are serving a broader population, each facility needs to meet very diverse needs.
- Some people would have to travel a good distance to get amenities.

**Strategy #3: More efficient concentration of services and sharing of community facility space.**

Actively seek out opportunities to reduce the cost of providing public amenities (so that more can be provided) by combining facilities (e.g. a community center could share space with a library or a school.)

**Pros:**
- The amenities could better support actual needs
- This approach allows the system of amenities to adapt to population needs.
- Resources would be used more efficiently.

**Cons:**
- There might need to be a need to build new facilities,
- Significant time and investment would be concentrated on to figure out how to integrate services