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Plans versus Politics: New Orleans after Katrina

On Tuesday, August 29, 2005, Hurricane Katrina battered New Orleans, causing inadequate levees to collapse and flood the city in what came to be widely seen as a man-made disaster.[1] Submerged for weeks in a toxic mixture including effluents from industrial sites and sewers, mile upon mile of homes lay in ruins. The Federal Emergency Management Agency (FEMA) calculated that 105,000 of the city's 188,000 housing units were severely damaged or destroyed.[2] Businesses failed, convention bookings were canceled, and it was feared the container port might move to Mobile or Houston. It was the worst urban disaster in national memory.[3]

There were no experts on reconstructing such a devastated city, at least not within the US. But city leaders were not prepared to accept New Orleans' demise. On September 29, 2005, Mayor C. Ray Nagin appointed a blue-ribbon panel known as the Bring New Orleans Back (BNOB) commission to produce a reconstruction plan by the end of the year. Its volunteer members were leaders in the business and non-profit worlds. BNOB turned for advice to the Urban Land Institute (ULI), a Washington, DC-based research and educational organization that sought to promote responsible development.

ULI's panel of experts urged what it saw as a pragmatic approach. Nearly bankrupt before Katrina, the city lacked the resources to restore services quickly to all of New Orleans. It would have to pick and choose the most promising areas to rebuild first. In ULI's view, that was the higher-elevation, less-damaged city core—which included the business and institutional districts,

1 *Times Picayune*, "100 Days After Katrina, the Evidence is Clear that the Great Flood was a Man-Made Disaster," December 8, 2005, p. 1.

2 Damage estimate from Federal Emergency Management Agency (FEMA), February 12, 2006, provided by GCR & Associates.

3 The Bring New Orleans Back Commission called Katrina the largest disaster in national memory.

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as well as some prosperous residential areas. The hope was that vibrant rebirth in the center would catalyze growth elsewhere. Meanwhile, reconstruction of the lower-lying, poorer sections of town hardest hit by Katrina would have to wait. In fact, it might not make sense to rebuild neighborhoods likely to experience serious flooding in a future hurricane.

However, many New Orleanians rejected the ULI plan. Two-thirds of the city's pre-Katrina residents were African Americans, disproportionately residents of the poorer, lower-lying, worst damaged areas.[4] Some saw the ULI plan as a conspiracy to get rid of them and make New Orleans whiter. They inverted the ULI findings, arguing that in a situation of limited resources precisely the poorest, hardest-hit areas deserved priority. Even many middle-class whites and blacks who did not share the conspiracy theory vehemently opposed the ULI proposal because it seemed to relegate their homes and neighborhoods to oblivion. Meanwhile, city councilors representing lower-lying districts feared that ULI would plan their political base out of existence. To complicate the political picture, both the mayor and City Council were up for election in the spring.

BNOB faced daunting choices. At one extreme, it could insist on rebuilding areas that were least damaged and would recover fastest—and risk political backlash. At the other extreme, it could let home and business owners decide for themselves where to rebuild—and risk what ULI warned would be a crippled city. Was there a way to recast the plan to resolve these seemingly contrary demands? After such a disaster, what was the appropriate time frame for creating a plan? Finally, how could BNOB best build political support for whatever it decided?

The "Crescent City"

New Orleans was settled on an elevated crescent of land along the Mississippi River—hence the city's nickname "Crescent City"—running roughly from what is now the French Quarter in the east to Tulane University in the west. The river lay to the south, cypress swamps and Lake Pontchartrain to the north. In the late 19th and early 20th century, those swamps began to be drained and levees were built to allow New Orleans to expand. Since much of this area was below sea level, canals were constructed so water that accumulated in storms could be pumped into the lake. The most recent such canals were completed only a few years before Katrina struck.

New Orleans was never a densely populated city, but over the second half of the 20th century, its population declined by nearly a third. In 1960, the Census counted about 628,000 people, mostly living in the central "bowl" of the city between the river and the lake, some downstream along the riverbank in the Lower Ninth Ward, and others across the river in Algiers. In the 1960s, the city annexed 50 percent more land by draining swamps to the east. Parts of this new area, New Orleans East, were so low that one could look up at ships going by on a major canal. During the 1970s, many African Americans, most low-income but some well-to-do, moved

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[4] Urban Land Institute, *New Orleans, Louisiana: A Strategy for Rebuilding*, Washington, DC, 2006. p. 22.

into New Orleans East and, as elsewhere, many whites fled the city. Thus, even as New Orleans' land area expanded 50 percent, its population fell to 455,000 by 2005.[5]

The city's economy rested on three legs. One was tourism: visitors to the French Quarter and other attractions, the convention business, and some 735,000 cruise ship passengers passing through.[6] The second leg was the port. Besides cruise ships, it served the bulk trade for imports like coffee or steel and exports such as grain from the Midwest. The third leg was universities and hospitals: Louisiana State University and Tulane, both with major medical schools (LSU trained 70 percent of the health care professionals in Louisiana), as well as other important institutions like the University of New Orleans.[7]

Even before Katrina, New Orleans faced daunting problems. With a concentration of low-paid service jobs, it was one of the poorest cities in the country: 27 percent of households lived in poverty, more than twice the national average.[8] The city government's competence was criticized, its finances shaky.[9] The school system was one of the nation's worst, and the public housing system was so badly managed that the federal government had taken it over.[10] The infrastructure was also deteriorating. To deliver 50 million gallons of water a day to residents, for example, the water system pumped some 135 million gallons; the remaining 85 million leaked out.[11] There was a two-tiered healthcare system, with *de facto* separate hospitals for rich and poor—"1930's Louisiana medicine," says Maurice "Mel" L. Lagarde, CEO of the Delta Division of HCA Healthcare in New Orleans.[12]

A Damaged City

In the wake of Katrina, the world saw horrific images of corpses and desperate residents. But as the hurricane slipped out of the headlines, few realized how profound the damage was. When floodwalls atop the levees broke, live oaks were uprooted and houses swept into streets. The

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5 The 1960 figure is frequently cited, including in Adam Nossiter, "New Orleans of Future May Stay Half Its Old Size," *New York Times*, January 21, 2007. The 2005 estimate is from the U.S. Bureau of the Census, http://www.census.gov/popest/counties/files/CO-EST2005-ALLDATA.csv, downloaded March 5, 2007.

6 Urban Land Institute, *op cit.*, p. 33. Information about the port is from the same page of the ULI report.

7 Urban Land Institute, *op. cit.*, pp. 31-32.

8 Clifford J. Levy, "The Nation: Seeing Life Outside New Orleans Alters Life Inside It," *New York Times*, November 20, 2005, and Urban Land Institute, *op. cit.*, p. 22.

9 Urban Land Institute, *op. cit.*, p. 18.

10 Clifford J. Levy, *op. cit.*; Adam Nossiter, "Plan Shifts Power to New Orleans Schools," *New York Times*. January 18, 2006.

11 Source: Author's interview with Thomas Murphy of ULI on October 5, 2006, in Washington DC. All further quotes from Murphy, unless otherwise attributed, are from this interview.

12 Author's interview with Maurice Lagarde, on October 19, 2006, in New Orleans. All further quotes from Lagarde, unless otherwise attributed, are from this interview.

toxic mix that filled the city for weeks and sat four feet or more deep in half the homes did the worst harm. Mold destroyed many homes that would otherwise have been in good shape.

The psychological damage was equally acute.[13] New Orleanians were "grieving," says Ben Johnson, president of the Greater New Orleans Foundation: "Loss of loved ones, loss of job, loss of house."[14] They were also angry. Often water had not overflowed levees built by the U.S. Army Corps of Engineers; floodwalls built on top of the levees had just collapsed. Although experts said—and the Corps later admitted—that floodwalls had not been up to mandated standards, throughout the fall the federal government failed to appropriate money to reimburse homeowners.[15] Even the two-thirds of homeowners who had flood insurance were infuriated by bureaucratic delays in getting paid.[16]

Then there was the race issue. Racially segregated, poor neighborhoods remain the norm in many major American cities such as New York, Atlanta, or Los Angeles.[17] Public policies had promoted this situation, Alan Berube and Bruce Katz of the Brookings Institution argued in the wake of Katrina, concentrating public housing in inner cities, subsidizing suburban sprawl through highway programs, and using zoning to block affordable suburban housing. New Orleans was not unlike most cities in this regard; it was just worse.

Conspiracy Theory. Many poorer African-American residents, who bore the brunt of Katrina's destruction, believed that wealthier, often white, New Orleanians would use the storm to try to move them out of the city. Some demographers agreed that New Orleans could experience a population shift on a scale not seen in their lifetimes.[18] The idea that some whites wanted to promote such a shift was not without some basis, says Mtumishi St. Julien, an African American who was executive director of the Finance Authority of New Orleans: "Unfortunately, I saw and heard that agenda among some people discussing the vision of the new New Orleans."[19]

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13 Urban Planning Committee, "Action Plan for New Orleans: Executive Summary," January 30, 2006, p.1, downloaded from http://www.bringneworleansback.org.

14 Author's interview with Ben Johnson, on October 11, 2006, in New Orleans. All further quotes from Johnson, unless otherwise attributed, are from this interview.

15 Federal Emergency Management Agency (FEMA), "Flood Recovery Guidance," April 12, 2006, p. 1.

16 Of about 54,000 flood-damaged owner-occupied homes, about 35,000 had flood insurance. Damage estimate from Federal Emergency Management Agency (FEMA), February 12, 2006, provided by GCR & Associates.

17 Alan Berube and Bruce Katz, "Katrina's Window: Confronting Concentrated Poverty Across America," The Brookings Institution, Oct. 2005, is the source for this paragraph.

18 James Dao, "The Nation: In New Orleans, Smaller May Mean Whiter," *New York Times*. January 22, 2006.

19 Author's interview with Mtumishi St. Julien on October 13, 2006, in New Orleans. All further quotes from St. Julien, unless otherwise attributed, are from this interview. St. Julien was also co-chair of the Housing Subcommittee of the BNOB Urban Planning Committee. John McIlwain of the Urban Land Institute, who is white, confirms that he also encountered New Orleanians who wanted a smaller, whiter city. Author's interview with McIlwain on October 5, 2006, in Washington DC.

The Mayor's Commission

New Orleans' leaders felt enormous pressure to develop a reconstruction plan quickly. Visiting New Orleans five days after Katrina, President George W. Bush told Mayor Nagin that he wanted a plan. HCA Healthcare's Delta Division CEO Lagarde, a close associate of the mayor, was among New Orleans leaders who met several times with the President and other White House representatives: "I was listening to the President of the United States specifically tell me that this is what he wanted to see."

City leaders also wanted a plan soon in order to take maximum advantage of available funding. They believed the city might receive as much as $100 billion in reconstruction money. But to qualify, every application—whether from the Federal Emergency Management Agency (FEMA), Community Development Block Grants, or countless other programs—would have to comply with a comprehensive plan. City leaders further came to feel that New Orleans was being told to prove itself. It was as if failures at all levels of government had somehow indicted the city. "It was like, here's a bunch of country bumpkins who can't get their act together," says Lagarde. "Here is Congress, waiting on New Orleans."

A key problem was that nobody knew just who was supposed to create the plan or how. Which planners should be hired? What would give them legitimacy? Would federal money flow through the state or—given that New Orleans was the economic heart of Louisiana and that the plan was often seen as a response to the President's request—directly to the city?

Granted broad emergency powers by the City Council, Mayor Nagin took the lead. Right after Katrina, in an economy measure he had laid off nearly the whole City Planning Commission, along with dozens of other city employees.[20] The commission anyway was not widely seen as up to the task of replanning a devastated city.[21] In its place, Nagin on September 29 announced the appointment of 17 members to a volunteer Bring New Orleans Back commission and enjoined them to produce a plan within 120 days from the date of the hurricane—by December 29. Racially balanced between black and white members, the BNOB had heavy representation from the business community.[22]

The mayor appointed Lagarde as BNOB co-chair, along with Barbara Major, executive director of the St. Thomas Health Clinic serving low-income clients. BNOB would be an advisory commission, independent from city government. Nagin believed that such a blue-ribbon

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20 Peter Reichard, "Curves Ahead," *Planning Magazine*, August/September 2006. http://planning.org/katrina/reader/planningaug2006.htm, downloaded March 7, 2006.

21 Author's telephone interviews with Reed Kroloff, co-chair of the Urban Design Subcommittee and dean of architecture at Tulane, March 7, 2007, and John McIlwain, March 12, 2007.

22 Details about formation of the BNOB commission from Gary Rivlin, "Storm and Crisis: Rebuilding: New Orleans Forms a Panel on Renewal," *New York Times*, October 1, 2005. For a list of BNOB members, see Appendix 1.

commission, relatively invulnerable to political pressure, would give him the best advice. "I briefed the mayor, but he wanted us to be autonomous," says Lagarde.

> I think he realized that if he stayed out of it, the commission would float trial balloons, and he could kind of sit back and judge what the reaction from the community and the nation would be.

The mayor designated Joseph C. Canizaro, president of Columbus Properties (a major real estate developer in the South), chair of the Urban Planning Committee responsible for proposing a physical plan to rebuild New Orleans. Six other BNOB committees addressed a range of critical issues: economic development, government effectiveness, education, culture, health and social services, and infrastructure.

BNOB's authority was informal. There was no budget to implement whatever plan BNOB might devise, nor would its plan have legal force. However, "the mayor's commission," as it was called, was seen as representing Nagin. Its key members had helped him win office in 2002 and were said to be crucial to his bid in the spring 2006 election.

On the other hand, Mayor Nagin's political capacity to support his commission was far from secure. He was black but not widely popular with blacks. A former vice president of Cox Communications in Southeast Louisiana, he had won a surprise victory in 2002 by securing overwhelming support from business leaders and whites, with enough African Americans to eke out a win.[23] Traditional black politicians, community leaders, and ministers had opposed him. "Anything Ray Nagin did would have a built-in constituency against it," says St. Julien, co-chair of BNOB's Housing Subcommittee as well as director of the New Orleans Finance Authority.

BNOB did hope that informal ties might increase its effectiveness. For example, Urban Planning Committee Chair Canizaro, a staunch Republican, was one of President Bush's top fundraisers. When Bush visited New Orleans, he met with Canizaro. His colleagues hoped that Canizaro might help leverage funds from Washington, or that the President, having requested a plan, would expedite the distribution of federal money.[24] One high-level participant heard that the President's principal political advisor, Karl Rove, had told Mayor Nagin that "if you give us a good plan that's endorsed by people like Joe Canizaro, we'll give you the money."[25] Canizaro's access to the White House seemed particularly useful given that Louisiana Governor Kathleen Babineaux Blanco was a Democrat, whose relations with Washington were tense after each accused the other of botched efforts to rescue Katrina victims.

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23 James Dao, "The Nation: In New Orleans, Smaller May Mean Whiter," *New York Times*, January 22, 2006.

24 Email from Douglas Ahlers, February 16 , 2007. Ahlers was a Kennedy School of Government fellow who lived in New Orleans before Katrina and participated in replanning the city.

25 Several interviewees thought funds might flow from Washington directly to New Orleans, bypassing the state.

Tensions existed not only between the federal government and the state, but also between the state and city. New Orleans, an overwhelmingly Democratic city, was one of Governor Blanco's core constituencies. Democratic candidates needed a landslide there to win any statewide election. But while Nagin was a Democrat, he had supported Blanco's Republican rival in the 2003 gubernatorial race, and after Katrina he had blamed Blanco for being too slow to request federal troops for New Orleans. Blanco was not invited to the September 29 ceremony announcing BNOB, although she showed up.

Shortly after BNOB's creation, Governor Blanco established the Louisiana Recovery Authority (LRA) to manage statewide reconstruction and coordinate with local plans. Her model for the LRA was diametrically opposite to Nagin's for BNOB. She made LRA a state agency, appointed her chief of staff as its executive director, and monitored its progress daily. Although key BNOB members were on good terms with LRA, they did not go out of their way to forge formal ties with the state. The idea was that BNOB and LRA would operate on separate tracks: the BNOB would formulate a New Orleans' plan, and LRA would incorporate that into a state plan.

The Planning Experts

Of the seven BNOB committees, Urban Planning had perhaps the most challenging assignment: create a blueprint for rebuilding New Orleans. Chair Canizaro appointed seven subcommittees: historic preservation, housing, infrastructure, land use, sustainability, and urban design. A former chair of the Urban Land Institute (ULI), he asked it to advise his committee. Founded in 1936, the institute had 28,000 members, including many real estate developers and planners, and sought to promote responsible development. It regularly sent volunteer panels of prominent experts in planning, finance, and related fields to advise cities on development.

Typically, after city planners prepared the groundwork, a ULI panel spent a week on site in the client city, and delivered its recommendations. Under ULI guidelines, panels had to reach consensus. During the week's review, there were frequently vociferous disagreements among panelists, comments John McIlwain, a ULI senior fellow who had served as a panel chair. But respect for varied views was the prevailing philosophy. Given the rule against minority reports, a skillful chair could quietly pull dissenters aside, negotiate with them, and forge agreement.

ULI panels gave advice on substantive planning issues. They did not focus on the political ramifications of their recommendations. In fact, they considered politically-driven compromises a waste of their skills. Thomas Murphy, a member of the New Orleans panel and former mayor of Pittsburgh, says: "Do you as a group invited in to make recommendations rush to the lowest common denominator?" The panels' culture was "calling it the way they see it," says McIlwain. That members were not paid and could have no business interest in their advice reinforced this approach. Individuals joined panels, says McIlwain, "to work with other professionals at the top of their field in an absolutely free fashion and make judgments that they might be constrained from making as consultants." Often, he notes, ULI's politically unpopular advice could "give cover to community leaders to guide the city in a better direction."

In the case of New Orleans—because conditions were harsh and the Planning Commission nonexistent—ULI decided to do its own preliminary research.[26] New Orleans had become a near ghost town, even in unflooded areas. The city felt as if it were in a state of siege, patrolled by the Army, National Guard, private security, and other forces. Citizens could not go out at night; they could not drink the water. There were no stores, no gas stations, and no functioning hospitals. Nearly the entire ULI staff of 30-40 spent a month in October and early November 2005 researching New Orleans and conducting preliminary interviews.

The panel ULI had assembled to send to New Orleans was its largest ever—more than 50 luminaries including the president of the Regional Plan Association of New York, the dean of the University of Pennsylvania School of Design, the president of the Borough of Manhattan, and the managing director of Lehman Brothers.[27] Smedes York, president of York Properties of Raleigh, North Carolina, was the chair. They spent November 12-18 in New Orleans, with release of their report scheduled for the final day.

The panel conducted its work in the face of substantial unknowns. Although it scheduled 300 interviews with business and community leaders and held a "town hall" meeting of 200 people, it could not reach a true cross section of New Orleanians. St. Julien notes that 80 percent had not returned, and 80 percent of those who had returned were white. Even many well-to-do residents whose homes suffered minor damage continue to stay away from the city's hardships and dangers.

Another critical uncertainty had to do with flood protection. The levees were mandated to withstand Category 3 hurricanes, and Katrina actually struck New Orleans at Category 3 force.[28] Engineers were debating just why the levees had failed. In the fall of 2005, the federal government appropriated $1 billion for the Army Corps of Engineers to rebuild the levees to a Category 3 level, with some improvements such as driving deeper pilings to support floodwalls.[29] Louisiana and New Orleans leaders rejected this response as inadequate, calling for full Category 5 protection. It was not certain what such protection meant, but major public-works projects would certainly be required such as restoring eroded barrier islands along the coast and building a massive dyke across the mouth of Lake Pontchartrain. The entire package could take decades at a cost of $30

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26 City description from Douglas Ahlers email, February 16, 2007, and John McIlwain telephone interview, March 12, 2007.

27 For a list of ULI New Orleans panel members, see Appendix 2.

28 Christopher Drew and Andrew C. Revkin, "Storm and Crisis: The Defenses: Design Flaws Seen in New Orleans Flood Walls," *New York Times*, September 21, 2005.

29 Remainder of this paragraph from John Schwartz, "Category 5: Levees are Piece of a $32 Billion Pie," *New York Times*, November 29, 2005. This is essentially the information that interviewees said they had at the time.

billion or more. The federal government had promised a study of possible improvements, but it would take two years.

The ULI panel broke into several subgroups, including government effectiveness, economic development and culture, and city and urban planning. On the day before the panel's November 18 presentation (and into the night), subgroups submitted their findings to the full panel for discussion. The City and Urban Planning subgroup, co-chaired by Joseph Brown (of the San Francisco urban design and landscape firm EDAW) and William Gilchrist (director of the Birmingham, Alabama, Department of Planning), had created a map dividing the city into three zones of declining priority: immediate reconstruction, caution, and delay. When one panel member saw the map, he commented that the ULI panel would be run out of town. Another member responded: "Well, sometimes it's good to get run out of town."[30]

The ULI Report

On November 18, 2005, the ULI panel presented its findings to the BNOB Commission, City Council members, the press, business representatives, and a few advocates for low-income residents. The audience was predominantly white, and despite the panel's concerns about the map prioritizing reconstruction zones, the response was largely positive, as was the report in the *Times Picayune*. "One or two advocates for lower income families or an African American said that one thing or other didn't make sense," says St. Julien. "[But] they were not able to articulate their objections because everything was dropped on them at the meeting."

A large number of ULI recommendations were really wish-list items—for example, the federal government should create a "Works Progress Administration" for artists such as the Roosevelt Administration had in the 1930s.[31] But there were a few core concepts. One was that the city must plan its reconstruction posthaste: "New Orleans is at a crossroads," said the report.

> Experience suggests that it is essential to develop a redevelopment plan within the first 90 to 120 days following a disaster. The failure to create an immediate and forward-thinking plan can result in scattered, uncoordinated, dysfunctional redevelopment.

ULI said that in its planning, BNOB should "break the mold, make bold decisions," as Lagarde puts it. "The city was badly broken before the storm," says ULI panel member Murphy. "Measurably broken—the police department, housing authority, school district. So the idea of rebuilding New Orleans as it was made no sense." The panel encouraged BNOB to imagine the future in bold terms, and to consider not only urban planning but also such issues as government effectiveness, economic development, and cultural rejuvenation.

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30 Author's telephone interview with John McIlwain, March 12, 2007.

31 Urban Land Institute, *op. cit.*, pp. 12, 28.

Since the city did "not have the capacity" to manage reconstruction, ULI said it should create an independent redevelopment authority, which would help take politics out of the planning.[32] Its directors would be appointed by the President, governor of Louisiana, mayor of New Orleans, and City Council, with no single bloc controlling a majority. As envisaged by ULI, the authority would be the conduit for all reconstruction funds, provide financial assistance to property owners, exercise eminent domain, float bonds, and assemble parcels for development.[33]

In what came to be the most controversial recommendation, the ULI divided New Orleans into three zones, indicating whether rebuilding should proceed immediately or be delayed. Investment should proceed immediately in minimally damaged areas, largely the original crescent: the French Quarter, business district, major universities and hospitals, and well-to-do residential areas. Badly flooded neighborhoods should await further evaluation and, if the decision was to proceed, further planning for their redevelopment. Parts might not be rebuilt at all; these might be areas to expand parks or wetlands that could absorb storm water.[34]

One argument for staging redevelopment in this way was safety. Since the federal government had so far authorized funds only to restore the levees to their pre-Katrina level, future hurricanes would continue to put New Orleans in "a precarious position," said the ULI executive summary posted on the Internet after the presentation. Until FEMA decided how to revise its maps of flood plains (areas where structures would have to be elevated above grade to obtain insurance), low-lying areas would continue to be most at-risk. Thus, advised ULI, areas that had suffered the worst damage should await further evaluation.[35]

Second, staged development properly done would catalyze New Orleans' renewal. The city had avoided bankruptcy only because the state had guaranteed its bonds. For some time it would lack money to deliver utilities, police, fire, and other services to the pre-Katrina footprint. Until businesses and homeowners were definitively informed which areas would get services, they would rationally balk at investing. McIlwain explains:

> If I have a wit, I know it's a crap-shoot. If I put my property here, when the city gets around to making a decision, I might be serviced. Or I might not. And by the way, how do I get the insurance companies to make a move unless they know the basics? So I'm not making a move.

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32 Urban Land Institute, *op. cit.*, p. 16. The authority was tentatively dubbed the Crescent City Rebuilding Corporation.

33 Urban Land Institute, *op. cit.*, pp. 13, 16-17.

34 Urban Land Institute, *op. cit.*, pp. 13, 44-45.

35 Interviews with McIlwain and Murphy, October 5, 2006. Also ULI, "Executive Summary," posted after the Nov. 18 presentation: http://www.bringneworleansback.org/Portals/BringNewOrleansBack/portal.aspx?tabid=83.

Initially focusing resources on least-damaged, high-elevation areas would give investors the confidence to rebuild there, ULI said. A strengthening economy would spread outward, providing resources and promoting broader recovery throughout the city.

Third, holding off in the worst-damaged areas would prevent the "jack-o-lantern" effect: rebuilt individual homes in otherwise destroyed or abandoned blocks. Such locales would be unsafe and might not get services; investments there might turn out to have been wasted. "Neighborhoods should be redeveloped as whole units and not piecemealed back together lot by lot," the executive summary stated.

Just how redevelopment should be put on hold in flooded and destroyed neighborhoods was not clear. Would the city or the redevelopment authority use some mechanism to block rebuilding? Many ULI statements suggested just that. Others described a purely voluntary approach:

> Each property owner should have the right, at his or her own investment risk, to work on property as the zones are being evaluated, as long as the owner complies with all applicable building codes.

One recommendation was clear: owners who agreed to be relocated from flood-damaged areas should receive full compensation for their homes at pre-Katrina values. Federal funding would be required since neither the state nor the city could afford such a program. However, no such program existed in the fall of 2005, and neither the executive summary nor the report provided a figure.

Delayed Reaction

Had the ULI panel remained a few more days, it might well have been run out of town. The plan soon met with skepticism, which quickly turned personal. "Canizaro had a relationship to the ULI," says Ben Johnson of the Greater New Orleans Foundation, a community foundation for southeast Louisiana.[36] "The question became: How do we know we got the right [advisory] group?" Some asked what gave ULI the right to tell New Orleans what to do. General grief and anger after the storm heightened suspicions. "Here you had all these planners wanting to envision the 21st century city," says Johnson. "The people didn't want a vision. They wanted to know: what's my deal?"

Negative responses started pouring in, many from African Americans still far from home. Why shouldn't money flow to the *most* damaged areas, rather than the *least* damaged? ULI's analysis that the city could afford to house everyone, assuming federal funds to reimburse

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[36] The foundation had 2004 revenues of nearly $17 million. For more information, see http://www.gnof.org/page2537.cfm

homeowners, did not appease these critics. Even if the money was forthcoming, they wanted to return to their neighborhoods. Steven Bingler, a New Orleans architect, saw the ULI approach as little different from earlier urban renewal programs that had leveled neighborhoods and often failed to provide for displaced families.[37]

"Shrinking the footprint," a piece of planner's jargon, came to signify the threat of obliterating neighborhoods. Alan Eskew, a New Orleans architect, believed the city would be better off if it were more densely built, but when he heard ULI using that phrase in its November 18 presentation, he says, "I remember thinking, that's absolutely the wrong set of words."[38] The *Times Picayune* and national media picked up these concerns. Only a few weeks after ULI's presentation, a *New York Times* reporter wrote:

> Suggest that New Orleans needs to consider repopulating only elevated areas, leaving especially flood-prone ones to lie fallow, and you will be shouted down… Some local officials and residents said the [ULI] recommendation was a stake through the heart of the Lower Ninth Ward, Gentilly and other devastated areas. Mr. Nagin, who is facing re-election next year, all but disavowed it.[39]

BNOB Moves Forward

Now that it had the ULI recommendations, BNOB had to decide what to do with them. The commission continued to accept the 90-120 day deadline set by the mayor and endorsed by ULI. The idea was that "somehow within 90 to 120 days you legitimately could have a plan," says Lagarde. "You'd basically be dispersing billions of dollars within six months." Yet in December and January, the commission faced many of the same unknowns as ULI. The Army Corps still had no plan for the levees other than restoring them to pre-Katrina standards; FEMA had not updated its flood-plain maps; and there was no federal program to compensate owners for damaged or destroyed homes.[40]

BNOB meetings were open to the public and the press. Notices were often provided through email list serves, since few landlines or mobile phone services were working, and minutes were posted on the Internet. The struggle of daily life in New Orleans kept attendance down—for example, a few dozen people typically showed up at Housing Subcommittee meetings in a local church. Yet the public-participation policy could cause problems when the press showed up. Says

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[37] Author's interview with Steven Bingler, October 16, 2006, in New Orleans. All further quotes from Bingler, unless otherwise attributed, are from this interview.

[38] Author's interview with Allan Eskew of Eskew Dumez Ripple on September 18, 2006, in New Orleans. All further quotes from Eskew, unless otherwise attributed, are from this interview.

[39] Clifford J. Levy, "Political Willfulness; New Orleans Is Not Ready to Think Small, or Even Medium," *New York Times*. December 11, 2005.

[40] Gordon Russell and Frank Donze, "Planners anticipate a better city," *Times Picayune*, January 22, 2006.

BNOB Co-chair Lagarde: "Anything I said was on CNN." In one example of counterproductive behavior, when a commissioner—apparently for political reasons—asked the BNOB to commit formally to rebuilding the nearly destroyed Ninth Ward, the resolution passed unanimously (except for Canizaro's abstention), even though such a decision ran counter to the ULI recommendations and the evolving BNOB consensus.[41]

The Urban Planning Committee experienced all these problems. Chair Canizaro actively promoted citizen participation, but with limited success. He also tried to promote bi-racial participation by appointing white and African American co-chairs for each of the Urban Planning subcommittees. But his efforts here were stymied as well. For example, the Urban Design Subcommittee, which focused largely on architectural matters, ended up effectively white. The African American co-chair, an architect, resigned because of a potential conflict of interest. Another African American member almost never attended.[42] Whether from frustration or because they believed it, many New Orleanians, including African Americans dispersed across the South, accused Canizaro of promoting real estate interests, or even his own interests.

Nonetheless, Canizaro soldiered on. In late December, Canizaro held meetings with the subcommittee co-chairs as a group to decide on the Urban Planning Committee's final proposal. The committee was scheduled to present its plan on January 11.[43] All subcommittee members and the public were also invited although, as usual, few came, according to Reed Kroloff, the Urban Design Subcommittee co-chair. Some reporters did attend these final meetings, says Kroloff. But they reported nothing at all.

The New American City

Urban Planning would be the first BNOB committee to report. As it took final shape, the committee's "Action Plan for New Orleans: The New American City" reflected ULI's vision. It urged New Orleanians to "imagine the best city in the world," not just reconstruct what was broken. It also adopted key ULI recommendations: that New Orleans establish a redevelopment agency to manage reconstruction; catalyze reinvestment by immediately focusing resources on the minimally damaged institutional, commercial, and historic core; await further assessment before investing in most-damaged areas; and seek an estimated $12 billion dollars in federal funds to compensate owners of destroyed homes at their full pre-Katrina value.[44]

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41 Gary Rivlin, "Divisions Appear Within a Storm Recovery Commission," *New York Times,* October 30, 2005.

42 Author's interview with Reed Kroloff, October 16, 2006, in New Orleans. Kroloff was dean of architecture at Tulane University and former editor of *Architecture* magazine.

43 Mtumishi St. Julien interview. Reed Kroloff interview, October 16.

44 Frank Donze and Gordon Russell, "4 Months to Decide," *Times Picayune*, January 11, 2006.

One innovative element was a neighborhood planning process.[45] This was intended to give New Orleanians the information they needed to plan their future, while helping neighborhoods themselves determine what would be rebuilt soon, what later, and what perhaps not at all. The committee saw this process as both a political concession to ULI opponents and a substantive improvement on the ULI plan.

Beginning January 20, 2006, the committee proposed, each neighborhood would select a planning team. The team would collect hard data to help homeowners and businesses understand their situation. How much would be paid to compensate for destroyed buildings or to repair damaged ones? If they rebuilt in flood plains, how high would structures have to be elevated above grade? What would it cost to elevate them? Would a critical mass of residents return to constitute a viable neighborhood? Unless a sufficient number returned, the few who rebuilt might find themselves amid expanses of abandoned buildings and swamp. The committee said the neighborhood planning process, integrated into a citywide plan, could be completed in four months, and FEMA promised $7.5 million to pay for it.

The committee urged the city not to issue building permits in the worst-damaged areas until the planning process was complete and FEMA had produced its new its flood plain maps. At the end of the process, a neighborhood would be targeted for reconstruction only if, given hard facts about costs and other constraints, a critical mass of residents declared their intention to return: 50 percent would be the cut-off point.[46] It was unclear who would decide that a neighborhood should not be reconstructed if less than 50 percent of the residents declared their intention to return: a city authority, the neighborhood planners, or the residents themselves.

The key question was whether a critical mass of residents would return; rebuilding was technically and architecturally feasible at a price. New Orleans had a long tradition of constructing homes as much as 10 feet above grade in areas that flooded regularly. In Mediterranean, Colonial Revival, or Bungalow style, "raised basement houses" stood atop full-story masonry basements. Broad staircases led up to porches, often spanning the full width of the home. Floors above the high-water mark were not damaged by floods, mostly not even by Katrina. Only after expansion of the levees in the mid-20th century did overconfident homeowners in flood-prone areas begin in any number to build on grade.

Urban Planning Chair Canizaro and BNOB Co-Chair Lagarde were well aware of the political risks this plan posed, particularly the building-permit moratorium and the 50 percent cutoff point for reconstructing a neighborhood. "We knew we were at the point of the arrow," says

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45 ULI had dropped planners' usual boilerplate about neighborhood planning, but had suggested nothing so prominent or specific as the BNOB Urban Planning Committee did.

46 Urban Planning Committee, "Action Plan for New Orleans: Executive Summary," January 30, 2006, http://www.bringneworleansback.org, and Gordon Russell and Frank Donze, "Rebuilding proposal gets mixed reception," *Times Picayune*, January 12, 2006.

Lagarde. "This wasn't going to be a popularity contest." Mayor Nagin, in particular, let them know he had concerns. But after all, he had established BNOB as an autonomous advisory group. "We weren't supposed to duck anything," says Lagarde.

The two agreed that it was appropriate to adopt most of the ULI proposals for several reasons. Foremost, they believed ULI was fundamentally correct, says Lagarde. After extensive interviews with fellow New Orleanians, they found that the ULI approach had "captured the moderate, commonsense point of view that was most practical." They thought it only right to alert residents to the risks of redeveloping in the most-damaged areas under current circumstances. Until the planning process was complete—with information available about flood plains, the realistic future of neighborhoods, and availability of city services—issuing building permits seemed misleading. It might lure people to spend money for nothing.

Finally, the committee respected the ULI panel. "Why ask for advice if you're not going to take it?" asks Lagarde. "Here's this blue ribbon group that used the very best minds in America to help come up with these ideas. And in the end, we sit back and say, 'Nah, we don't want to change'? I think that left a lot of people cold."

The PowerPoint Presentation

The Urban Planning Committee had hired the Philadelphia firm of Wallace Roberts & Todd (WRT) to draw the slides for a PowerPoint presentation. Among dozens of images, WRT created one map that located large green dots over low-lying areas to suggest that they might be places to expand parks or wetlands. The committee did not have any intention of converting the entire area under the dots into parks. "It would be nuts," says Kroloff. "The proposal was non-threatening. Who's going to argue against parkland?" But the dots covered almost a third of New Orleans. "Never was there a bigger graphic design error than that one," Kroloff rues. "I didn't actually do it myself, but I didn't stop anybody from putting it up."

On the morning of January 11, 2006, the front page of the *Times Picayune* ran a composite of key maps the Urban Planning Committee was to present later in the day. It included the dots, and New Orleanians instantly dubbed it the "green-dot map."[47] Before the Planning Committee even made its presentation, several City Council members held a press conference in the Sheraton Hotel to denounce it. Councilwoman Jacquelyn Brechtel Clarkson declared it "a blatant violation of private property rights that is unprecedented in America."[48]

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47 For a copy of the "green-dot map," see Appendix 4.

48 Gordon Russell and Frank Donze, "Rebuilding proposal gets mixed reception," *Times Picayune*, January 12, 2006, and Bruce Eggler and Frank Donze, "Ornery Council bucks the plan," *Times Picayune*, January 14, 2006. That spring, some councilors would campaign on the fact that their family's house was under a green dot.

A few minutes after the impromptu Council press conference, on a different floor of the Sheraton, Planning Chair Canizaro prepared to present the report. Even though New Orleans had been evacuated for a month after Katrina, the committee had almost met the mayor's and ULI's tight 120-day deadline of December 27. An overflow crowd had assembled; people were sitting and standing in a double ballroom and spilling into the halls. Given the small number of residents who had attended earlier meetings, the Planning Committee was astonished at the turnout.[49]

Before Canizaro spoke, the mayor delivered a few words, noting that while he might not agree with all the committee's recommendations, he wanted it to present its results. Eskew, a member of the Urban Design Subcommittee, says:

> The mayor set up a triangle where the committee had done its work, the public was out there waiting to hear what it said, and he was sitting back playing cat and mouse. People would ask, "Isn't that his commission?"

Starting badly, the presentation went downhill. Canizaro was booed as he stood up. The first person to respond declared, "I don't even know you, Joe Canizaro, but I hate you." After the meeting Canizaro sought out the individual who had made that remark. "I know you don't know me," Canizaro said. "But I want to sit down and talk. I want to find out what the real issue is."[50] Canizaro sought to engage the community, says Housing Co-chair St. Julien: "Joe was not afraid to do that, and I think his concern was heartfelt."

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49 Reed Kroloff telephone interview, March 7, 2007.

50 These quotes are from Mtumishi St. Julien.

Appendix 1

Members of Bring New Orleans Back Commission

Maurice L. Lagarde III (co-chair), President and CEO, Delta Division of HCA

Barbara Major (co-chair), Executive Director, St. Thomas Health Clinic

Donald T. Bollinger, Chairman of the Board and CEO, Bollinger Shipyards, Inc.

Kim M. Boyle, Partner, Phelps Dunbar

Cesar R. Burgos, Managing Partner, Burgos & Evans

Joseph C. Canizaro, President and CEO, Columbus Properties, and Chairman of the board, Firstrust Corporation

Scott S. Cowen, President, Tulane University

Alfred Clifton Hughes, Archbishop of New Orleans

Fred Luter, Jr., Pastor, Franklin Avenue Baptist Church

Wynton Marsalis, Jazz musician

Alden J. McDonald, Jr., President and CEO, Liberty Bank and Trust Company

Daniel F. Packer, President and CEO, Entergy New Orleans

W. Anthony Patton, President and CEO, EBONetworks

James J. Reiss, Jr., CEO, Reiss Companies

Gary N. Solomon, Sr., Venture capitalist and chairman of the board, Crescent Bank & Trust

Oliver M. Thomas, Jr., President of the New Orleans City Council

David A. White, Owner of group of McDonalds franchises, investor and real estate developer

Appendix 1 (continued)

Urban Planning Committee Chair and Subcommittee Co-chairs

Chair

Joseph C. Canizaro, President and CEO, Columbus Properties, and chairman of the board, Firstrust Corporation

Historic Preservation Subcommittee Co-chairs

Edgar L. Chase, III, Dean, Division of Business, Dillard University
Peter M. Trapolin, Trapolin Architects

Housing Subcommittee Co-chairs

Lauren Anderson
Director, Neighborhood Housing Services
Kathy Laborde
President, Gulf Coast Housing Partnership
Mtumishi St. Julien
Executive director, Finance Authority of New Orleans

Infrastructure/Data Subcommittee Chair

Gregory Rigamer
CEO, GCR & Associates

Land Use Subcommittee Co-chairs

Walter R. Brooks
Executive director, Regional Planning Commission
Larry Schmidt
Director, Trust for Public Land–New Orleans

Sustainability Subcommittee Co-chairs

Pam Dashiell
President, Holy Cross Neighborhood Association
Douglas Meffert
Professor of River and Coastal Studies, Tulane University

Urban Design Subcommittee Co-chairs

Reed Kroloff
Dean, School of Architecture, Tulane University
Ray Manning (resigned because of concerns about conflict of interest)
Manning Architects

Appendix 2[51]

ULI Panel

Panel Chair
Smedes York
President, York Properties
Raleigh, North Carolina

Government Effectiveness Subgroup Co-chairs
C. Virginia Fields
President, Borough of Manhattan
New York, New York
Thomas Murphy
Mayor of Pittsburgh
Pittsburgh, Pennsylvania
Carl Weisbrod
President, Real Estate Division, Trinity Church
New York, New York

Economic Development and CultureChair
Dr. Philip Hart
CEO, Hart Realty Advisors
Hollywood, California

City and Urban PlanningCo-chairs
Joseph Brown
President and CEO, EDAW, Inc.
San Francisco, California
William Gilchrist
Director, Department of Planning, Engineering & Permits, City of Birmingham
Birmingham, Alabama

Infrastructure Chair
Warren Whitlock
Director, Construction Coordination, Columbia University
New York, New York

Housing and Redevelopment Chair
Tony Salazar
President, West Coast Division, McCormack Baron & Salazar
Los Angeles, California

Panel Members
Leonard Bogorad
Managing Director, Robert Charles Lesser & Co., LLC
Bethesda, Maryland
Peter Brink
Senior Vice President, Programs, National Trust for Historic Preservation
Washington, D.C.
Timothy Canan
Booz Allen Hamilton, Inc.
McLean, Virginia
Donald K. Carter
President, Urban Design Associates
Pittsburgh, Pennsylvania
Paul D. Charles
Executive Director, Neighborhood Recovery Community Development Corporation
Houston, Texas
Andrew I. Cohen
Managing Director, Tishman Speyer Properties
New York, New York
Fernando Costa
Planning Director, City of Fort Worth
Fort Worth, Texas
Larry Dale
Executive Vice President, GMAC Commercial Holding Capital Corporation
Denver, Colorado
F. Christopher Dimond
Senior Vice President, HNTB
Kansas City, Missouri
Richard F. Galehouse
Principal, Sasaki Associates, Inc.
Watertown, Massachusetts
Maria Gotsch
Co-President and Co-CEO, New York City Investment Fund
New York, New York
Gary Hack
Dean and Paley Professor, University of Pennsylvania School of Design
Philadelphia, Pennsylvania
Mossik Hacobian
Executive Director, Urban Edge Housing Corporation
Boston, Massachusetts
Oscar Harris
Founder and Chairman of the Board, Turner Associates, Inc.
Atlanta, Georgia
Philip Hart
President/Chief Executive Officer, Hart Realty Advisors
Los Angeles, California
D.J. Hodson
Manager, Langan Engineering and Environmental Services, P.C.
New York, New York
Susan Hudson-Wilson
Founder, Property & Portfolio Research, Inc.
Chebeague Island, Maine
Steven R. Jenkins
Partner, Haynes and Boone, LLP
Dallas, Texas
Neisen Kasdin
Shareholder and Chairman, Urban Development Group, Gunster Yoakley & Stewart PA
Miami, Florida
Charles Kendrick
Managing Director
Clarion Ventures, LLC, Boston, Massachusetts
Robert C. Lieber
Managing Director, Lehman Brothers
New York, New York

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51 Source: Full panel: Urban Land Institute, *New Orleans, Louisiana: A Strategy for Rebuilding*, Washington, DC, 2006. Subgroup chairs: ULI PowerPoint presentation, November 18, 2005, downloaded from: <http://www.bringneworleansback.org/Portals/BringNewOrleansBack/Resources/fnal_compress.ppt>

William Morrish
Elwood R. Quesada Professor of Architecture, Landscape Architecture, and Urban and Environmental Planning, University of Virginia School of Architecture
Charlottesville, Virginia
Rob Palmer
Chief Planner, HNTB
Jacksonville, Florida
Patrick Phillips
President, Economics Research Associates
Washington, D.C.
J. Michael Pitchford
President and CEO, Community Preservation and Development Corporation
Washington, D.C.
Ronald Ratner
President and CEO, Forest City Residential Group, Inc.
Cleveland, Ohio
Mary Reilly
Brophy & Reilly, LLC
Columbia, Maryland
Janice Roberts
Co-President and Co-CEO, New York City Investment Fund
New York, New York
Kerri Rogers
President, Public Private Partners, Inc.
Stamford, Connecticut
Jonathan Rose
President, Jonathan Rose Companies
Katonah, New York
Donovan Rypkema
Principal, Place Economics
Washington, D.C.
Bill Struever
President, Struever Bros. Eccles & Rouse, Inc.
Baltimore, Maryland
Ken Todd
Ken Todd Town Planning Consultants
South Brisbane, Queensland, Australia
Robert D. Yaro
President, Regional Plan Association
New York, New York
Leonard Zax
Partner, Latham & Watkins, LLP
Washington, D.C.

ULI Senior Fellows

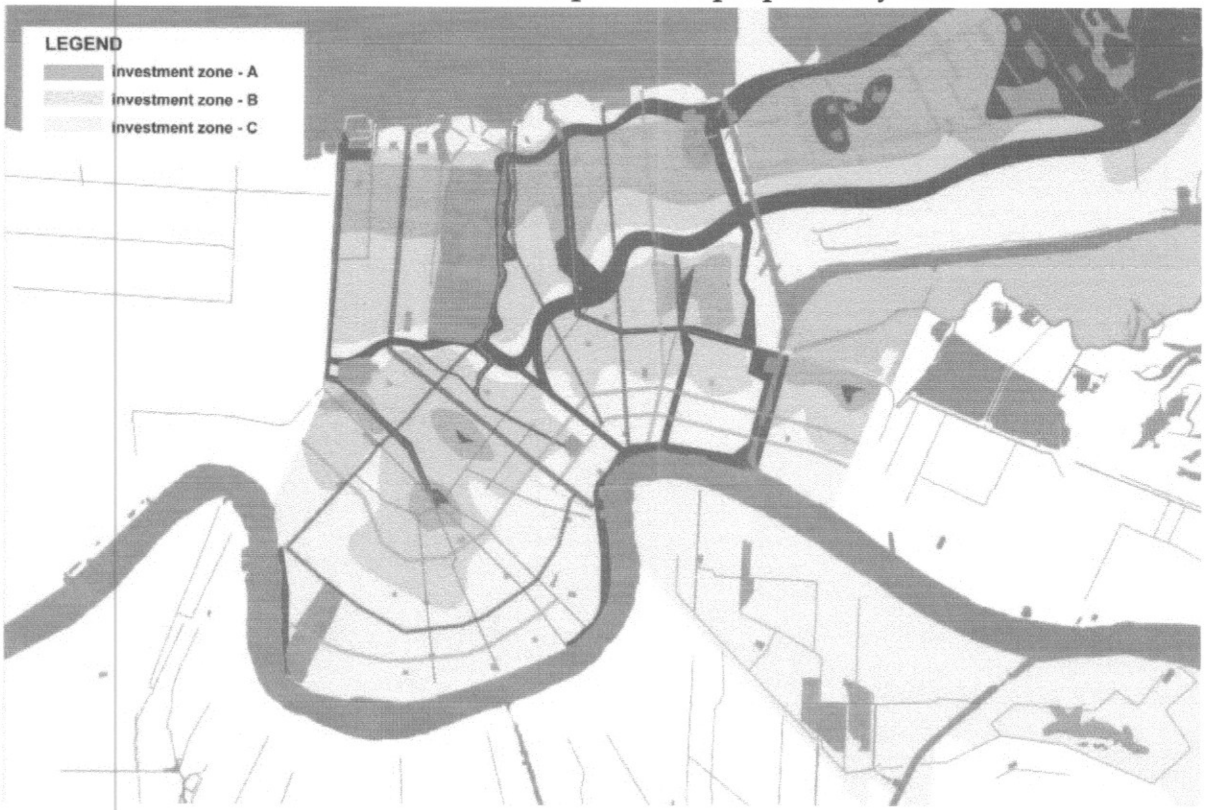
Robert Dunphy
Senior Resident Fellow, Transportation and Infrastructure
William Hudnut III
Senior Resident Fellow, ULI/Joseph C. Canizaro Chair for Public Policy
Maureen McAvey
Senior Resident Fellow, ULI/Klingbeil Family Chair for Urban Development
John McIwain
Senior Resident Fellow, ULI/J. Ronald Terwilliger Chair for Housing
Edward McMahon
Senior Resident Fellow, ULI/Charles E. Fraser Chair for Sustainable Development

Resource People

Peter Hasselman
Orinda, California
Aki Omi
Senior Designer, EDAW, Inc.
San Francisco, California
Richard Schwien
Director of Technology, EDAW, Inc.
Irvine, California
Sue Southon
Principal, Strategic Planning Services
Bloomfield Hills, Michigan

Appendix 3[52]

Investment zones and parkland proposed by ULI



Note: Darkest ribbons represent proposed parkland.

Descriptions of investment zones from ULI's "Executive Summary":

Investment Zone A represents those areas that will require significant study regarding safety, environmental hazards, and suitability for redevelopment before they can be rebuilt. It is possible that not every building in these zones will be rebuilt but it does not mean that the communities cannot be rebuilt in a new configuration after these studies are completed and necessary mitigation steps are taken. These areas will most like have new open spaces created to mitigate future flood damage.

Investment Zone B represents those areas that were hard hit but will not require the extensive study that Zone A will need and redevelopment can begin on a block by block basis. Rebuilding should be done block by block and not house by house, to avoid the jack-o-lantern pattern of spot redevelopment with one or two rebuilt houses followed by vacant lots or derelict houses.

Investment Zone C indicates those areas that received minimal damage and rebuilding can begin immediately. Rebuilding can be done house by house.

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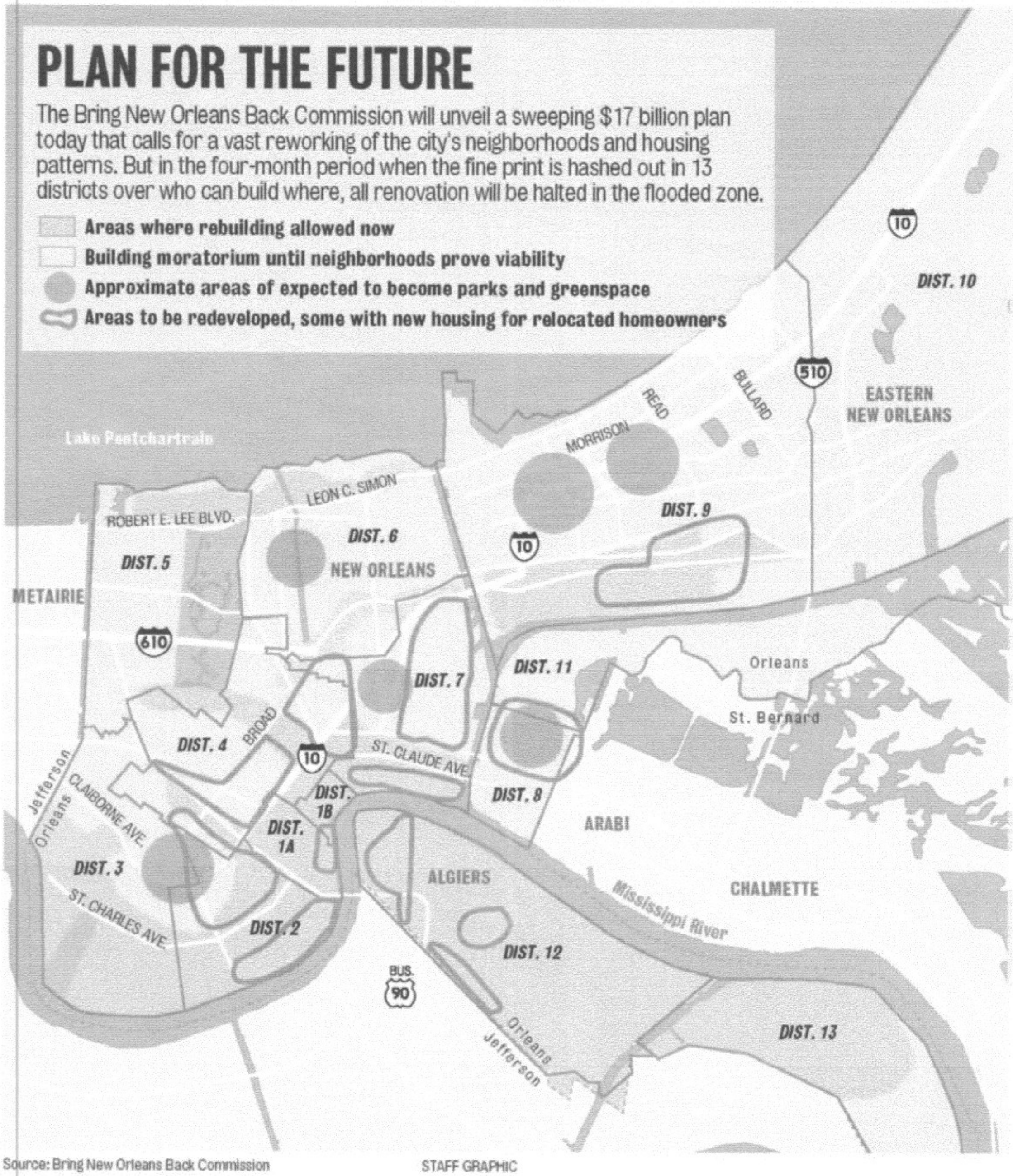
[52] Plan downloaded from: <http://www.bringneworleansback.org/Portals/BringNewOrleansBack/Resources/fnal_compress.ppt> Description of zones from ULI, "Executive Summary," downloaded from: http://www.bringneworleansback.org/Portals/BringNewOrleansBack/portal.aspx?tabid=83. This material is used and reproduced with permission of the Urban Land Institute, Washington, DC, 2005.

Appendix 4[53]



Composite map of the proposed BNOB plan for New Orleans, published on the front page of the *Times Picayune* on January 11, 2006. New Orleanians instantly dubbed it the "green dot" map, after the circles on it, originally in green, indicating possible areas for future parkland.

[53] Used with permission of *The Times-Picayune*.