

# Critics question whether new New Orleans public housing will meet needs

by Katy Reckdahl, The Times-Picayune

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As the federal Department of Housing and Development breaks ground today on the redevelopment of the former St. Bernard housing complex, questions remain over whether the historic remaking of New Orleans' four largest developments, combined with other HUD efforts, will provide enough affordable housing.

What's clear is that the politically polarizing redevelopments of the Big Four complexes -- the St. Bernard, B.W. Cooper, C.J. Peete and Lafitte -- will include far fewer public housing units than the massive complexes they are replacing.

That's by design; the developments will morph into mixed-income communities, which by definition disperse the poor to make room for similar percentages of moderate- and middle-income families. The new mix will occupy three tiers of housing, ranging from market rate to highly subsidized.

[Map and chart showing where HUD plans low-rent units and the planned capacity.](#)

The strategy aims to end the concentrated poverty that isolated residents and bred crime, joblessness, failing schools and ill health. But housing advocates continue to accuse HUD of running the poor out of the complexes without offering enough replacement subsidized housing, either within the redevelopments or elsewhere, to supply a city in the grips of an affordable housing shortage. Furthermore, in previous redevelopments, the agency has a shoddy record of fulfilling promises of adequate replacement housing for the poor, opponents of the redevelopment say.

"HUD doesn't want poor residents to return," said Bill Quigley, the Loyola University law professor who represented public housing tenants after Hurricane Katrina in an unsuccessful anti-demolition lawsuit against HUD.

Overall, recently finalized figures on the number of replacement units hew fairly closely to HUD's previous projections, presented a year ago in the City Council chambers before the council vote to demolish the Big Four. The figures show an 80 percent drop in the number of public housing units in the Big Four compared with the number occupied before Hurricane Katrina. Only one site, the Lafitte, plans to replace all of the public housing units demolished.

HUD also will build another tier of "affordable" units; they will still be subsidized by the government, but will require tenants to pay more in rent. HUD said that by 2010 it will build

enough housing for low-income renters to accommodate about half the number of tenants that occupied the Big Four before the 2005 flood. Critics see those numbers as a glass half empty.

Much of the persistent skepticism seems based on the poor track record of the Housing Authority of New Orleans. In December 2007, Mayor Ray Nagin summed up the deep suspicion of many locals in a letter to then-HUD Secretary Alphonso Jackson.

"Many residents are distrustful that HUD will . . . move forward as promised and want assurances that there won't be delays," Nagin wrote.

The fear of delays has already proved valid. The start of construction has been delayed six months because the Big Four developers found it difficult to secure investors for tax credits designed to raise about half the money for the projects. HUD officials said recently, however, that the tax-credit financing deals are back on track, allowing construction to move forward.

### **Debate over demand**

HUD counters the continuing skepticism with what its press releases have called the agency's "long record of careful and effective redevelopment of public housing," including the demolition and reconstruction since 2002 of half of the city's public housing developments, such as River Gardens (formerly St. Thomas), Guste, Abundance Square (formerly Desire), Fischer and Florida.

But in each case, the redeveloped complex had far fewer public housing units than the one it replaced, Quigley said.

While some housing advocates have insisted HUD replace demolished units with an equal number of rebuilt units, the agency contends that such one-for-one requirements are costly and don't make sense when creating mixed-income communities.

Demand remains a subject of much debate and little clear data. But housing advocates say there's a dire need for housing affordable to poor residents of a city where, before the 2005 flood, 58 percent of apartments rented for less than \$500, according to PolicyLink, a nonprofit research organization.

Brad Robinson, a real-estate developer, said he recently received 264 responses in one week to an Internet posting advertising four subsidized rentals in the Irish Channel.

HUD spokeswoman Donna White acknowledged that the area still needs low-income housing, but she said the Big Four redevelopments represent only a part of HUD's larger housing plan for the city.

"It would be shortsighted to see 2010 as the end of HUD's investment and commitment to building affordable housing in New Orleans," she said. The agency can't in good conscience rebuild the same number of units on the Big Four sites, White said. Still, HUD officials have not provided details of any larger housing plan for the city, despite repeated requests.

## **Public housing in decline**

The arguments revisit earlier debates in New Orleans and in other cities, where HUD has since 1990 replaced traditional public housing developments with less dense neighborhoods.

Until 1995, the federal government required that each demolished public housing unit be replaced.

Since the requirement ended, the supply of public housing nationally has declined rapidly, according to the Sargent Shriver National Center on Poverty Law. Between 2000 and 2008, HUD demolished 100,000 units of public housing and replaced 40,000, according to Shriver Center data.

Some question whether a poverty-stricken city such as New Orleans, where about one-fourth of residents lived in poverty before Katrina, has enough interested middle-income residents to populate such redevelopments. A year ago, during the height of demolition protests, one demonstrator led a chant, saying: "Mixed-income communities -- where do you get the mixed?"

Critics seem more concerned, though, that HUD ultimately won't provide enough subsidized housing for the poor, regardless of whether they have middle-class neighbors.

## **Lafitte praised**

HUD plans call for a higher percentage of low-income housing than in previous redevelopments. While the number of traditional public housing units has fallen dramatically, the agency says that about 1,500, or 80 percent, of the new rental apartments will still be affordable to residents earning as much as \$35,880 for a family of four.

At three of the Big Four sites -- B.W. Cooper, St. Bernard and C.J. Peete -- HUD has mostly followed a standard mixed-income template: one-third public housing for the poorest residents; one-third "affordable" housing meant to attract those with moderate incomes; and one-third market-rate housing.

The Lafitte redevelopment, however, follows a different model -- one that may please everyone.

Developers there plan to build a less dense, mixed-income community while still replacing every one of the site's affordable apartments. Between this phase and subsequent phases, Lafitte's developers -- national nonprofit Enterprise Community Partners along with Providence Community Housing, the Catholic church's housing arm -- plan to replace all of Lafitte's 896 original units with an equal number of public housing and affordable units, and no market-rate units.

That would make the Lafitte the workhorse of HUD's affordable housing efforts, providing almost as many units for low-income renters as the three other redevelopments combined.

And those totals don't include Lafitte's 600 for-sale condos and homes, which will be built on the site and in the surrounding community. The houses will be sold at prices affordable to low- and moderate-income families.

Jim Kelly, head of Providence, said his group was the first selected by HUD for the Big Four redevelopment and had no one to mimic. "So we did what we thought was best for the former Lafitte residents and the surrounding community, " he said.

To reduce density, only 517 apartments will be rebuilt on the development's former site. The rest of the housing will be rehabbed apartments or new construction, built on empty lots in the neighborhood. By summer, the first 50 rehabbed apartments will be finished, Kelly said.

Kelly takes no credit for these ideas. Former Lafitte residents created and pushed the off-site and one-for-one replacement concepts, he said, to bring fellow residents home quickly and expand the effects of redevelopment beyond "that sliver of land that held the Lafitte."

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Katy Reckdahl can be reached at [kreckdahl@timespicayune.com](mailto:kreckdahl@timespicayune.com) or 504.826.3396.

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