

Postdisaster Recovery Ron Nyren Mew Orleans

"The question is, how do you rebuild the economic strengths the city had before Katrina, create new economic engines, and then bring people into the center of this economic activity who have not traditionally been in those parts of the economy?"

REBUILDING EFFORTS IN SOME areas of New Orleans are helping the city finally make a semblance of a comeback. The population of the New Orleans metropolitan area has reached nearly two-thirds of its pre-Katrina level; average sales prices for single-family homes in the region are largely at or above pre-Katrina levels; the number of home sales has risen steadily all year; and the city issued

1,426 more residential building permits this May than it did the previous month, according to the May 2007 *Katrina Index*, published by the Washington, D.C.-based Brookings Institution in collaboration with the Greater New Orleans Community Data Center.

In June, the New Orleans city council endorsed a revised Unified New Orleans Plan (UNOP) in principle, and in response the

Louisiana Redevelopment Authority (LRA) agreed to begin releasing \$117 million in federal block grants to the city. But major obstacles remain to be cleared before development reaches full speed.

Construction costs, wages, and insurance premiums have all soared in the wake of Katrina. At the end of May, the Louisiana Insurance Rating Commission approved rate



increases for homeowners' insurance that range from 16 to 51 percent, with the highest increases applying to the most vulnerable areas, including Orleans Parish. At the same time, few private insurers are writing new policies for residents in south Louisiana. "Insurance is stifling redevelopment on the small scale and the large scale," says Lauren Anderson, chief executive officer of Neighborhood Housing Services of New Orleans, a nonprofit corporation that provides counseling, classroom training, loan packaging, and construction management services for homeowners and first-time homebuyers. "Insurance costs are becoming prohibitive for families who want to buy homes. We just helped a family close on a house, and the insurance costs were equal to the mortgage payments."

Developers are as stymied by the high costs as homebuyers, despite the incentives available through the federal government's Gulf Opportunity Zone Act of 2005. A spate of announced high-rise residential projects seemed poised to transform the downtown but that was a year ago. "Twenty-one of 25 downtown area have been shelved indefimings, executive director of the New Orleans Building Corporation (NOBC), a public-benefit corporation created to manage and develop underused city-owned properties.

Under these circumstances, nonprofit developers have some advantages over for-profit firms. "As a mission-based developer, I can charge in and make things work because I don't have investors or stockholders," says Jim Kelly, chief executive officer of the Catholic Charities Archdiocese of New Orleans and its redevelopment arm Providence. "We can apply for tax credits and know we're going to figure it out along the way. I think that's much harder for someone on the for-profit development side."

Even so, the rise in insurance rates is still highly challenging, notes Kelly. "We are working on a project that includes 900 apartments, and the insurance that we were looking at, including wind and storm insurance, was \$400 per unit per year pre-Katrina. We locked in this March-before the forecasts

for the number of hurricanes for

Neighborhood Housing Services of New Orleans and the U.S. Department of Housing and Urban Development have partnered with the Tulane University School of Architecture's URBANbuild program, in which students and faculty provide community design services to support the rehabilitation of neighborhoods damaged in the aftermath of Hurricane Katrina. The first prototype house (opposite page), built with traditional framing, was completed last summer; the second (below), which relies on a metal-panel framing system, was completed in May; and the third prototype (above) is a modular house.

the summer—and the rates had gone up to \$2,250 per unit."

The long delay of a definitive plan for rebuilding has further slowed development. In fall 2005, a panel of land use experts brought to the city by ULI presented recommendations for rebuilding to the Bring New Orleans Back Commission. The suggestion that initial rebuilding efforts





Providence Community Housing is currently rehabbing St. Ann Apartments—42 units of agerestricted, one-bedroom and studio apartments in the Tremé neighborhood—to its pre-Katrina state. The building was converted to apartments from the St. Ann School and Church in 2000 by the Metairie, Louisiana—based Catholic nonprofit Willwoods Community.

of last year, the Rockefeller Foundation provided \$3.5 million for a sixmonth community planning process for New Orleans.

At the end of last year, the mayor appointed urban planner Ed Blakely as executive director of the city's Office of Recovery Management. Blakely, former dean of the New School's school of management and urban policy in New York City, gained

prominence from his contributions to recovery efforts in the wake of earthquakes in Oakland, Cali- fornia, and Kobe, Japan.

"Ray Nagin's appointment of Ed Blakely is a positive sign," says Phil Hart, executive director of ULI Los Angeles. Hart, author of African Americans and the Future of New

The Ellis Marsalis Center for Music is scheduled to open next year as the centerpiece of the New Orleans Area Habitat for Humanity's Musicians' Village in the Ninth Ward.

focus on the least-damaged areas, and that rebuilding in the most damaged and vulnerable areas be put on hold while they were evaluated, triggered significant resistance from the public. (See "A Rude Awakening," January 2006, page 50.) Mayor Ray C. Nagin rejected the strategy in favor of welcoming rebuilding in all parts of the city, maintaining that market forces should drive the recovery. In the middle

Orleans: Rebirth, Renewal, and Rebuilding—An American Dilemma, served on the ULI advisory panel in New Orleans. "I feel confident that there is someone in charge of the recovery process who is knowledgeable and astute—who knows how to marshal public and private support," says Hart. "However, he still has the same challenge we did in 2005: developing a viable strategy to repopulate the neighborhoods that can gain consensus so that you have both individual and collective action in rebuilding the city."

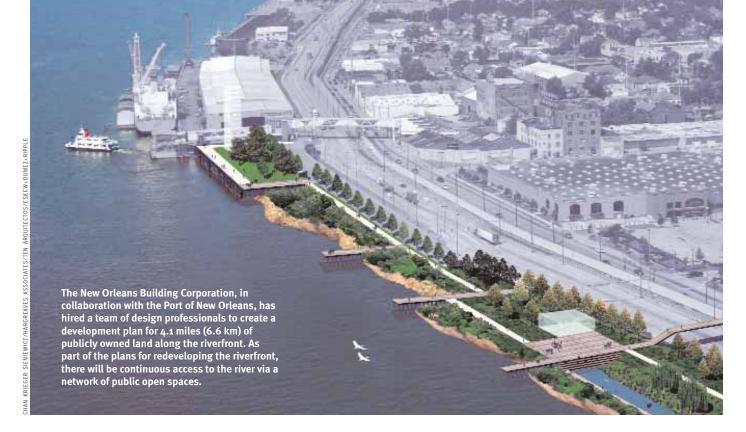
At the end of January, Blakely released the UNOP, which incorporates input from the community planning process and focuses renewal

efforts on 17 areas throughout the city. While a few of these zones are in areas that were among the hardest hit, such as the Lower Ninth Ward, the majority are in the western part of the city, which is on higher ground. The strategy is to offer incentives to developers to work in these zones and focus public infrastructure spending there in order to encourage residents to move to what are considered safer parts of the city. A revised version of the UNOP, released in May, has garnered approval from the public, but even with the LRA's forthcoming release of \$117 million, the bulk of the funding for the \$1.1 billion plan has yet to be lined up.

"In addition to bringing his own ideas, Blakely harvested some of the best ideas from the Unified New Orleans Plan and the Bring New Orleans Back plan," comments Reed Kroloff, dean of the Tulane University School of Architecture. "I think targeting specific areas is smart. They are in zones between the most ruined areas and those areas that have the least damage, and at least some of them are in safer areas in terms of rebuilding above flood elevations."

Meanwhile, the Louisiana legislature's \$7.5 billion Road Home program, designed to help residents of Louisiana affected by hurricanes Katrina or Rita get back into their homes as quickly as possible, had a rocky start, with bureaucratic regulations slowing the release of grants for months. This year, the program saw applications exceed expectations—a sign that the return to New Orleans is proceeding wellbut now program funds are estimated to fall short of demand by at least \$2.9 billion, and perhaps by as much as \$4 billion. "Now that we're hearing that there is not enough money to satisfy all of the claims, there is high anxiety in the community that is a little scary," says Anderson. "So many families who counted on this now don't have any reasonable expectation that they are going to have the resources they need to rebuild."

Nonetheless, even as the uncertainty over funding and the bureaucratic complications have been a demoralizing factor, post-Katrina voters have succeeded in making dramatic political changes. Last November, voters approved an amendment to the state constitution that cuts the number of levee boards in Louisiana from more than 20 to just two, and



requires members to be experts in waterrelated fields. Before hurricanes Katrina and Rita, the region's levee boards were widely criticized as being inefficient and corrupt. Voters also approved an amendment to replace the seven independent tax assessor offices of New Orleans with a single position, a measure that will save money and make property valuations more consistent. "I think we have seen almost a revolution in this state in terms of civic engagement," says Anderson. "On both the local and the statewide level, people have demanded change in government institutions and accountability from elected officials in a way that was unprecedented in Louisiana."

Nonprofit organizations and the private sector have also stepped forward to aid the rebuilding effort. Colliers International, a global real estate services firm, in 2005 established the Colliers USA Foundation to provide financial and other support to disaster relief efforts throughout the world, and has been allocating donations to the American Red Cross and Habitat for Humanity International.

To help bring back New Orleans musicians, central to the city's identity, jazz musicians Branford and Ellis Marsalis and Harry Connick, Jr., have partnered with Habitat for Humanity to build Musicians' Village in the Upper Ninth Ward. More than three dozen single-family homes have been built so far, and by early next year the organization hopes to complete

construction of the Ellis Marsalis Center for Music, a multipurpose building with a performance hall, practice space, community rooms, administrative offices, and classrooms.

The NOBC, in collaboration with the Port of New Orleans, has hired a team of design professionals to create a development plan for 4.1 miles (6.6 km) of publicly owned land along the riverfront, extending from Jackson Avenue to Poland Avenue. The primary goals include removing barriers to river access, creating a network of green spaces, building contemporary architectural landmarks, encouraging residential development, expanding the tax base, creating jobs, and spurring private investment. "It has the potential to boost the quality of life in New Orleans and provide an opportunity for more than 5,000 people to live close to the riverfront," says Cummings.

Other projects being planned in riverfront areas include new cruise terminals, Tulane University and Xavier University's Riversphere Institute, a branch of Johnson & Wales University, a new soundstage, a 60,000-square-foot (5,575-sq-m) corporate meeting center for the Morial Convention Center, and an expanded New Orleans Center for Creative Arts.

These projects aim to go beyond simply rebuilding what was already in the city. "Not often addressed is the question of the economy in New Orleans in general and how that can be rebuilt," says Kroloff. "It was not a very

stable economy before the storm, and the conversation is so often about daily issues of survival—is this levee going to break? is this school going to open?—but the long-term picture also needs to be addressed."

"New types of subsidies are needed because the so-called Gulf Opportunity Zone Act is not stimulating the economy," says Cummings. "Some sort of simple capital investment tax credit would compensate people for the higher costs of rebuilding their lives and the economy," he says. "Instead, we have byzantine incentives that aren't contributing to economic growth."

Hart points out that the city's longstanding problems of poverty and inequality also need to be addressed. "The question is, how do you rebuild the economic strengths the city had before Katrina, create new economic engines, and then bring people into the center of this economic activity who have not traditionally been in those parts of the economy?"

Kelly calls on developers to play a greater role in the city. "We need to see more of them take on projects here that may not offer the same margins as projects in the rest of the country, or might have more risk, but that represent the right thing to do." **L**

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Going Urban with Sculpture

Sculptor Peter Lundberg discusses the potential for large-scale outdoor sculptures to enhance real estate developments and help revitalize cities like New Orleans. How did you and Michael Manjarris first come up with the idea of working with developers on sculpture parks?

We met through [sculptor] Mark di Suvero, who introduced the two of us because we were both working on similar sculpture park projects. Michael suggested we join forces to approach developers about the possibility straw and Peekskill had already asked him to help them revitalize their city waterfronts, so that made it easy for us. All the sculptures will be completely accessible to the public. Ginsburg Development Companies is also handling public relations and working with area schools on educational programs that bring classes to the sculpture trail.

Both you and Michael had previously started sculpture parks on your own, working with municipalities. What led you to work with developers?

With cities, there are all kinds of committees and restrictions. Working with a developer, you can bypass quite a few of those things because of the relationship that the developer has already established with the municipality. Another advantage of working directly with developers is that they are able to help fund the project, whereas a lot of the cities and towns don't have that much money. A developer is a much more direct way to get the art out there.

What do developers gain from incorporating sculptures?

It raises a developer's profile, and it can make housing much more desirable for renters or buyers. Having a cultural element gives a project an international flair—something unusual, something unique.

Ginsburg claimed that he had been thinking about sculpture for years, but had no idea how to approach a sculptor and had never met a sculptor who had any business sense. Michael and I are essentially our own gallery, without having a physical gallery, so the overhead is quite low. I'll do everything

from working directly with the artists to installing the works. I might sell a monumental work for between \$50,000 to \$100,000, whereas a gallery might sell it for at least a quarter million dollars.

You mentioned you had worked with a developer previously to create a sculpture park on his property in Philadelphia. How did that happen?

Tom Tarrentino, the developer of the Cherokee Apartments in the Germantown area of Philadelphia, approached me. Apparently he had sent his tenants a questionnaire to ask if they would like a sculpture park where they lived and if they would be willing to pay a little bit extra for that-maybe 1 or 2 percent more on the rent-and everybody said they were interested. You're not going to get that kind of response everywhere, but in areas where a high proportion of people are interested in the arts, this sort of thing can be highly popular. He was researching sculptors and saw my work at Storm King Art Center. Originally, he just wanted to buy my sculptures, and then when he found out

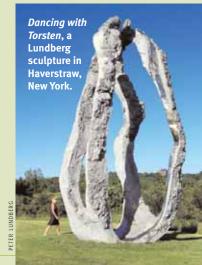


Known for his monumental castconcrete sculptures, Vermontbased Peter Lundberg has exhibited his work at such venues as Storm King Art Center in Mountainville, New York; Long Island University; Connecticut State University; the entrance to the George Washington Bridge in New York City; and throughout Europe. He has also started sculpture parks in New York, Connecticut, Philadelphia, and North Carolina, as well as in Sweden and Germany. He and sculptor Michael Manjarris of Houston worked with the Ginsburg Development Companies, based in Valhalla, New York, to open the Hudson River Sculpture Trail in Haverstraw, New York, last September. Lundberg and Manjarris are currently spearheading an effort to place dozens of largescale outdoor sculptures throughout New Orleans.

of putting up sculptures on their properties. I had already done a similar project with a developer in Philadelphia. We then found Martin Ginsburg of Ginsburg **Development Companies and** made a proposal. He bought into the idea right away, and we began placing sculptures in Haverstraw. The goal is to bring a total of 100 sculptures to the banks of the Hudson River from Manhattan to Saratoga by 2009, in time for the celebration of the 400th anniversary of Henry Hudson's arrival on the river. Some of the sculptures will be at Ginsburg's properties, but they will also be placed in other towns along the river, like Peekskill and Ossining.

Who negotiated with the towns to bring this about?

Ginsburg handled all the negotiations. The mayors of Haver-





that I developed sculpture parks, he asked me to make a presentation about the possibility of pulling one together for his property and including the work of other artists as well.

We completed the first phase in 2005, with a dozen sculptures by local, national, and international artists. He has told me that as soon as we placed the sculptures, his turnover rate and his vacancy rate dropped. That brought in greater revenue, so he didn't even have to increase his tenants' rents after all. Now he wants to do a second phase, so this summer we are going to start looking at new sites.

I also recently met with a downtown development group about placing sculpture in the downtown area of Germantown as well. They saw the sculptures at the Cherokee Apartments and became interested in constructing their own trail, so we're looking at placing six sculptures in the downtown area.

You're working on a plan to bring sculptures to New Orleans. How did that effort get started, and what are the plans? After the Hudson River project got underway, Michael and I began exploring other possibilities. Michael was born in New

Orleans, and we started thinking about the need to bring visual artists back to New Orleans after Hurricane Katrina. There has been quite an effort to get musicians to return to New Orleans because music is so important to the city's identity. But the visual artists are really struggling too, and there hasn't been a similar effort to keep them in the city. We both know a number of artists who had to leave New Orleans because Hurricane Katrina destroved their studios. Artists are so important because they are the ones who can enhance the visual nature of the urban landscape.

We met with the Arts Council of New Orleans, the governor's office, the New Orleans Jazz and Heritage Foundation, corporations, and developers to see what was possible. So far, we've gotten support from the arts council, the Jazz and Heritage Foundation, and private donors. We are really just in the beginning stages of it-the major effort will probably begin next year-but we will be placing up to 25 sculptures in time for Louisiana's first annual World Cultural Economic Forum in August.

Most of these sculptures will be monumental, from 20 to 100 feet [6.1 to 30 m] tall, by artists like Mark di Suvero, Charles Ginever, John Henry, Deborah Masters, Michael, myself, local New Orleans artists like Coral Lambert, and many others. If we can find the sponsorship for it, we'd like to place as many as 100 sculptures by next year.

How are you selecting the sites?

The Arts Council of New Orleans has been helping us find sites and to get permission to use them. We are selecting major sites with very high visibility so that wherever you are in the city, you'll see a handful of the sculptures. We're looking at both publicly and privately owned lands, and we will be placing works with some of the universities. We're also planning educational programs at some of these universities, with the artists giving presentations about their work.

All of these artists are loaning their sculptures, so all that is needed is the funds to cover our production costs. Those costs can be fairly substantial, of course, with installation, marketing, and that sort of thing. It won't involve purchasing the pieces at this time. However, the idea is to find sponsors for the project who not only can help with the installation of the work, but also, at a future point, pur-



chase some of the pieces from the artists at extremely discounted rates and donate them to the city. Ultimately, our hope is to raise enough money with grants to help artists move back into the city.

Are you aware of any other sculpture parks in this country that resulted from collaborations with developers?

There are a lot of sculpture parks cropping up in Seattle and elsewhere, but I don't know of any other cases of developers incorporating sculptures at this scale. In the 1960s, a lot of corporations like PepsiCo developed their own sculpture parks, but that has really waned in the last 20 to 30 years. Times became leaner and art became more expensive, so corporations bowed out of collecting sculpture at that scale. But I believe that you can do it where it's economically viable. The way we've done it here in Philadelphia and along the Hudson River has certainly worked out. It's making a tremendous visual impact. You drive into town and you see these monumental works. You can't help but notice it.—R.N.

