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## *Christmas Presents for New Orleans, From HUD*

### **Bulldozers for the Poor, Huge Tax Credits for Wealthy Developers**

By BILL QUIGLEY

**O**n the 12th day before Christmas, the U.S. Department of Housing and Urban Development (HUD) is planning to unleash teams of bulldozers to demolish thousands of low-income apartments in New Orleans. Despite Katrina causing the worst affordable housing crisis since the Civil War, HUD is spending \$762 million in taxpayer funds to tear down over 4600 public housing subsidized apartments and replace them with 744 similarly subsidized units--an 82% reduction. HUD is in charge and a one person HUD employee makes all the local housing authority decisions. HUD took over the local housing authority years ago--all decisions are made in Washington DC. HUD plans to build an additional 1000 market rate and tax credit units--which will still result in a net loss of 2700 apartments to New Orleans--the remaining new apartments will cost an average cost of over \$400,000 each!

Affordable housing is at a critical point along the Gulf Coast. Over 50,000 families still living in tiny FEMA trailers are being systematically forced out. Over 90,000 homeowners in Louisiana are still waiting to receive federal recovery funds from the Road Home. In New Orleans, hundreds of the estimated 12,000 homeless have taken up residence in small tents across the street from City Hall and under the I-10.

In Mississippi, poor and working people are being displaced along the coast to allow casinos to expand and develop shipping and other commercial activities. Two dozen ministers criticized the exclusion of renters and low-income homeowners from post-Katrina assistance: "Sadly we must now bear witness to the reality that our Recovery Effort has failed to include a place at the table ... for our poor and vulnerable."

The bulldozers have not torn down any buildings yet and New Orleans public housing residents vow to resist. "If you try to bulldoze our homes, we're going to fight," promised resident Sharon Jasper. "There's going to be a war in New Orleans."

Resident resistance is being expanded by allies from a coalition of groups who see the destruction of public housing without one for one replacement harming all renters and low-income homeowners.

Kali Akuno, of the Coalition to Stop Demolition, explains why many people who do not live in public housing are joining residents in this fight. "In the past two years, New Orleans has faced a series of social crises that have struck a blow to our collective vision for a more just and equitable city, not simply one that is more inviting to elites. Yet none of these crises has been as uniquely urgent as this. What is at stake with the demolition of public housing in New Orleans is more than just the

loss of housing units: it destroys any possibility for affordable housing in New Orleans for the foreseeable future. Without access to affordable housing, thousands of working class New Orleanians will be denied their human right to return."

A federal court has refused to stop the scheduled demolitions. Residents offered evidence to show the three story garden-style buildings were structurally sound and pointed out that the local housing authority itself documented that it would cost much less to repair and retain the apartments than demolish and reconstruct a small fraction of them. The New York Times architecture critic described them as "low scale, narrow footprint and high quality construction." HUD promised to subject plans for demolition to 100 days of scrutiny--yet approved demolition with no public input in less than two days. The court acknowledged some questions about the fairness of the process but concluded that if the demolitions turn out to be illegal, residents can always recover money damages later.

The U.S. House of Representatives passed a bill that requires one for one replacement of any public housing demolished, but Senator David Vitter (R-La) has stopped the Senate version cold.

The Institute for Southern Studies reports that the Gulf Coast Housing Recovery Act, S. 1668, sponsored by Sen. Mary Landrieu (D-La.) had the support of the entire state's delegation and the U.S. Department of Housing and Urban Development -- until September, when HUD and Vitter suddenly withdrew their backing. There's been much speculation over Vitter's sudden about-face on the measure, especially since he's been reluctant to disclose his objections in much detail.

The Congressional Quarterly Weekly offers partisan politics as one explanation for his actions:

"...[P]olitical experts say the senatorial flap is not unexpected, given Louisiana's rough-and-tumble politics and Vitter and Landrieu's chilly relationship. Landrieu is up for re-election next year and has emerged as the GOP's top target among incumbent senators, in part because of the state's rightward shift in recent elections.

"The fact that Mary Landrieu is widely identified as the most vulnerable Democrat coming into the next election cycle, you certainly don't want to give her big victories in helping the state," said Kirby Goidel, a professor of political science at Louisiana State University. "He probably feels safe enough to hold it up as long as it's not too obviously political and he has some policy-related cover. He's a pretty hardball political player."

Republican interests are clearly not served by the return of all African-Americans to New Orleans. Louisiana was described before Katrina as a "pink state"--one that went Democratic some times and Republican others. The tipping point for Louisiana Democrats was the deeply Democratic African American city of New Orleans. Immediately after the hurricanes struck, one political analyst said "the Democratic margin of victory in Louisiana is sleeping in the Astrodome in Houston." Tiny turnout by African-American voters in New Orleans in recent elections has led white Republican interests to calculate immediate new political gains. Demolition of thousands of low-income African American occupied apartments only helps that political and racial dynamic.

But no one will say openly that African American renters are not welcome. Supporters of the destruction of thousands of apartments have come up with a series of stated reasons for their actions, but it clearly looks like political gain and economic enrichment for contractors, lawyers, architects and political friends are the real reasons.

Reduction of crime was supposed to be the main reason for getting rid of thousands of public housing apartments--yet crime in New Orleans has soared since Katrina while the thousands of apartments remain shut.

Every one of the displaced families who were living in public housing is African-American. Most all are headed by mothers and grandmothers working low-wage jobs or disabled or retired. Thousands of children lived in the neighborhoods. Race and class and gender are an unstated part of every justification for demolition, especially the call for "mixed-income housing." If the demolitions are allowed to go forward, there will be mixed income housing--but the mix will not include over 80 percent of the people who lived there.

This absolute lack of any realistic affordable alternative is the main reason people want to return to their public housing neighborhoods--or be guaranteed one for one replacement of their homes. Absent that, redevelopment will not help the residents or people in the community who need affordable housing.

HUD Secretary Alphonso Jackson has his own reasons for pressing ahead with the demolitions. HUD has approved plans to turn over scores of acres of prime public land to private developers for 99 year leases and give hundreds of millions of dollars in direct grants, tax credit subsidies and long-term contracts. One of the developers described it as the biggest tax-credit giveaway in years.

There may be crime in the projects after all--even if the residents are gone. Consider the following examples.

Investigative reporter Edward T. Pound of the National Journal has uncovered many questionable and several potentially criminal actions by HUD in New Orleans. Pound reported that HUD Secretary Jackson worked with, and is owed over \$250,000 from an Atlanta-based company, Columbia Residential. Columbia Residential was part of a team that was awarded a \$127 million contract by HUD to develop the St. Bernard housing development. Columbia was also awarded other earlier contracts for as yet undisclosed amounts under still undisclosed circumstances.

Pound also discovered that a golfing buddy and social friend of Secretary Jackson was given a no-bid \$175 an hour "emergency" contract with HUD within months of Katrina. The buddy, William Hairston, was ultimately paid more than \$485,000 for working at HANO over an 18 month period.

A review of the dozens of no-bid contracts approved by HUD in New Orleans shows millions going to politically connected consultants, law firms, architects, and insurance brokers.

What is scheduled to happen in New Orleans is happening across the United States. It is just that New Orleans offers a more condensed and graphic illustration. The

federal government is determined to get out of housing all together and let the private market reign. A [2007 report of the Urban Institute](#) confirms that in the last decade over 78,000 low-income apartments have been demolished by HUD.

That is why locals are receiving support and solidarity from residents and housing advocates in Chicago, Miami, Los Angeles, Minneapolis, and New York.

Destruction of housing for the working poor is also a global scandal as corporations and governments push entire neighborhoods out. In India, traditional fishing villages destroyed by the tsunami are being forcibly moved away from the coast and the land where they lived is being converted to luxury hotels and tourist destinations. The International Alliance of Inhabitants, which opposes the demolitions in New Orleans, points out poor people's neighborhoods are also being taken away in Angola, Hungary, Kenya, Nigeria, Russia, Venezuela, and Zimbabwe.

Poor and working people in New Orleans and across the globe are living on property that has become valuable for corporations. Accommodating governments are pushing the poor away and turning public property to private. HUD is giving private developers hundreds of millions of public dollars, scores of acres of valuable land, and thousands of public apartments. Happy holidays for them for sure.

For the poor, the holidays are scheduled to bring bulldozers. The demolition is poised to start in New Orleans any day now. Attempts at demolition will be met with just resistance. Whether that resistance is successful or not will determine not only the future of the working poor in New Orleans, but of working poor communities nationally and globally. If the U.S. government is allowed to demolish thousands of much-needed affordable apartments of Katrina victims, what chance do others have?

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