Five years since Hurricane Katrina

Part 2: Ongoing social dispossession

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The following is the second in a series of articles on the fifth anniversary of the Hurricane Katrina disaster. Part 1, *which focused on the political implications of the event, was published August 28.*

The immense destruction that Hurricane Katrina inflicted upon New Orleans in August of 2005, the outcome of decrepit infrastructure and government indifference, turned out to be only the beginning of the city's ordeal. In the years since, the catastrophe has been compounded by a lack of funding for rebuilding and a conscious effort to prevent the urban poor from returning to their neighborhoods.

The failure to rebuild New Orleans is reflected in its staggering population decline. Five years on, the city's population remains substantially smaller than its pre-Katrina level of 500,000 residents, with 125,000 fewer residents than before.

As dramatic as this statistic is, it actually understates the level of displacement of the working poor. The high cost of securing housing and rebuilding ruined homes has resulted in a reversal of metropolitan residential patterns. Now the majority of low-income families reside in the suburban areas, about 93,000 in all, while 68,000 poor residents live in the city proper.

At the same time, the share of high-income residents in the city has grown, many of these settling in the trendy French Quarter. This is reflected in the growth of median household incomes in the city, according to a recent Brookings Institution report, in sharp contrast to falling median incomes nationwide resulting from the economic crisis.

Current home prices are out of reach for poor residents. The Federal Emergency Management Agency (FEMA) estimates that Katrina rendered uninhabitable fully three quarters of the city's housing stock. Since that time, the housing market has remained tight, and median home prices have increased substantially, from $137,400 before the storm to $160,000 as of last year, according to National Association of Realtors data. The increase is, once again, the opposite of national home value trends, which have plummeted over the past three years.

Insurance premiums for homeowners also soared after Katrina. Major insurers State Farm and Allstate severely tightened the criteria for homes they would cover, while other companies such as AAA withdrew their business from Louisiana after catastrophic losses. Denied by major insurers, homeowners wanting to rebuild in devastated areas have little choice but to take out policies with smaller companies that charge arbitrarily high rates.

Overall, home insurance rates in New Orleans rose by 48 percent in the year after Katrina, and by 3-5 percent each year since then. Louisiana Insurance Commissioner James Donelon told *Newsweek* in a recent interview that annual insurance premiums in the state average more than $1,000. Flood insurance adds an additional $570 on average. "Only 40 percent of victims of Rita and Katrina had flood insurance in place, and though there's been a slight increase since then, it's still only about 30 percent of properties that have it now," Donelon said.

Rent rates are also a heavy burden on the poor, thousands of whom are employed in the city's low-wage tourism and service industries. Sixty percent of all renters in the city now spend at least 35 percent of their monthly income on housing costs—up from 43 percent who were burdened by unaffordable rent before Katrina.

Much of the Lower 9th Ward and St. Bernard Parish,

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which were the worst affected in the disaster, remains uninhabited. According to the non-profit LowerNine.org, the Lower 9th Ward is only about 20 percent repopulated.

The Federal Emergency Management Agency (FEMA) has been steadily pulling out its housing aid. In the weeks after Katrina, FEMA brought in 120,000 trailers to house displaced families throughout the Gulf Coast. (Building material used in the trailers, it was later discovered, had unsafe levels of formaldehyde, causing a number of health conditions for residents living in them. See: "US: FEMA trailers caused at least 17,000 illnesses among Katrina survivors")

By 2007, there were still 45,000 families living in the FEMA trailers. Then, earlier this year, the agency held a massive auction, selling off the majority of its trailers to the public— including to families who were still living in them. Currently, FEMA counts only 860 families in Louisiana using the trailers, *Newsweek* reported August 20. However, this estimate does not include families who purchased their trailers, according to Zack Rosenburg, a co-founder of the St. Bernard Project, an organization that assists residents in rebuilding their homes.

"There's been more pressure over the last two years where the government has threatened to take [the trailers] away," Rosenburg told *Newsweek*. "So what happened? Instead of facing imminent homelessness, some people decided to take control and move into apartments that they couldn't afford while others bought the FEMA trailers."

Others live in their gutted former houses, doubled up with relatives in overcrowded housing, or simply live on the streets. At least 12,000 New Orleans residents are homeless, double the number pre-Katrina.

Many poor black residents have been denied rebuilding funds by the Disaster Recovery Unit. The agency based its funding formula on a calculation of "repair value," which was determined by the value of a home prior to Katrina, rather than on the extent of damage to the home. As a result, aid has been disproportionately funneled to families in wealthier neighborhoods where damage was less severe, and neighborhoods most damaged received far less money than required. A federal ruling recently found the disbursement process discriminatory against black families.

Billions of dollars in grants and other aid promised to Katrina victims were never distributed. Of the $20 billion in federal Department of Housing and Urban Development (HUD) Community Development Block Grants, more than a quarter of it is undistributed. The Road Home program has nearly $800 million more in undistributed funds. According to an MSNBC report, the funds "have sat around for so long that they've outlived the state agency that initially ran the program," and there is no longer any staff to process applications.

At least 50,000 houses stand vacant citywide. Many of these are collapsed or overgrown with weeds. According to the Greater New Orleans Community Data Center, there are at least 7,400 other houses that are vacant, but habitable, and another 5,200 vacant commercial structures. Scores of parks, playgrounds, community centers, libraries, and other public assets have also been abandoned to blight.

All of this is the result of a deliberate policy of driving away the poorest, mostly black, layers of the population by pricing them out and by making their former neighborhoods unlivable. Local officials have pushed a policy of "shrinking the footprint"—i.e., forced reduction in the city's size, especially targeting the lower-lying neighborhoods that were destroyed in the floods.

To be continued

"Hurricane Katrina: Social Consequences & Political Lessons," a pamphlet from Mehring Books that brings together articles and statements posted on the WSWS in the immediate aftermath of the Katrina disaster, is also available for purchase online.

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