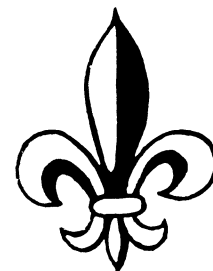


CRP  
NEW ORLEANS  
COMMUNITY RENEWAL  
PROGRAM

ECONOMIC FACTORS OF THE  
NEW ORLEANS CRP



**Larry Smith & Company, Inc.**

A SUMMARY REPORT

NEW ORLEANS COMMUNITY RENEWAL PROGRAM

SUMMARY REPORT TO  
CITY PLANNING COMMISSION

CITY OF NEW ORLEANS, LOUISIANA

- PART A - Economic Conditions and Influences
- PART B - Economic and Population Projections
- PART C - Economic Renewal Needs and Resources
- PART D - Minority Housing Patterns, Needs and Policies
- PART E - Needs and Methods for a Continuing Information Program

June, 1970

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The preparation of this report was financed in part through a Community Renewal Program grant from the United States Department of Housing and Urban Development under the provisions of Title I of the Housing Act of 1949, as amended.

NEW ORLEANS COMMUNITY RENEWAL PROGRAM

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## INTRODUCTION

Larry Smith & Company, Inc. has undertaken during the course of the last five years a thorough analysis of various economic aspects of the City of New Orleans and its Metropolitan Area. These analyses have delved into a wide variety of economic considerations with a view to pinpointing the economic conditions of the New Orleans Area, its problems and prospects for growth, its outlook for future growth if past trends continue, the degree of economic blight existing in the various portions of the City, housing conditions and requirements of the non-white minority group within the City, all with a view to providing an economic foundation for the urban renewal program being forged by the City for adoption and execution in future years.

The purpose of a Community Renewal Program (CRP) is to give a city a chance to assess its current conditions, economically, socially, physically, administratively, financially, etc., with a view to providing a solid base of understanding on which the forward looking Program can be based. Frequently, communities have stumbled ahead year-after-year from one urban renewal program to another without major consideration being given to their ability to support these programs, the results thereof, and the establishment of priorities of action which would insure that first things were accomplished first. The CRP is designed to overcome many of these handicaps.

The role of the Economic Consultant in the CRP is to conduct those analyses necessary to provide a firm economic foundation, as one of the several foundations underlying the CRP itself. Additionally, the role of the Economic Consultant in the CRP is to advise the City leadership on the economic aspects of the Program during its formulation so as to bring the experience of the Economic Consultant to bear in the solution of the City's individual problems.

The results of this study effort have been submitted to the City Planning Commission of New Orleans in a number of detailed reports on the various major elements of the study effort. This summary report has been prepared to briefly present the major elements of our findings for the purpose of giving the widest possible distribution to the findings and recommendations of this office, in support of the CRP Program.

This report is necessarily brief, and covers only the most critical findings and recommendations stemming from our analyses and investigations. Reference should be made to the detailed reports submitted by this office for a further discussion and deeper understanding of these many elements, as well as for the background leading to our conclusions. Similarly, our detailed reports present the assumptions underlying many of our analyses - since assumptions must be made any time that one attempts to assess the future. Again, reference to these detailed reports is recommended for a full statement of the assumptions underlying our conclusions.

This report is presented in five parts:

- Part A - presents a summary of our report series entitled Economic Conditions and Influences of the New Orleans Area.
- Part B - presents a summary of our report entitled Economic and Population Projections.
- Part C - presents a summary of our report series entitled Economic Needs and Policies.
- Part D - sets forth a summary of our report series entitled Minority Housing Patterns, Needs and Policies.
- Part E - briefly reviews our findings and recommendations concerning the CRP Procedures which we have made to expedite a continuing information program to act as guidance for further renewal program formulation in future years.

PART A

ECONOMIC CONDITIONS AND INFLUENCES

TABLE 1-1  
ANNUAL AVERAGE EMPLOYMENT AND WAGES BY INDUSTRY IN 1965  
NEW ORLEANS SMSA#

<u>Category</u>	<u>Annual Aver. Employ.</u>			<u>Wages Paid</u>				
	<u>Total</u>	<u>% of</u>	<u>Rank</u>	<u>Total</u>	<u>Total</u>	<u>% of</u>	<u>Per Employee</u>	<u>Rank</u>
AGRIC. & FISH.	284	0.1	10	\$1,626	0.1	10	\$5,725	2
MINING	11,924	4.5	8	70,571	6.1	7	5,918	1
CONSTRUCTION	23,796	8.9	6	100,517	8.6	6	4,224	8
<u>MANUFACTURING -</u>								
<u>Durable:</u>	33,290	12.5	--	180,515	15.4	--	5,422	--
Lumber	1,153	0.4		3,737	0.3		3,241	
Furniture	513	0.2		1,487	0.1		2,899	
Stone, Clay, Glass	3,768	1.4		17,299	1.5		4,591	
Farbic. Metal Prod.	2,996	1.1		16,827	1.4		5,616	
Machinery	1,446	0.6		7,319	0.6		5,062	
Transport. Equip.	9,087	3.4		46,570	4.0		5,125	
Other Durable	14,327	5.4		87,276	7.5		6,092	
<u>Nondurable:</u>	24,392	9.2		94,258	8.1	--	3,864	
Food	12,002	4.5		47,421	4.1		3,951	
Apparel	4,499	1.7		11,286	1.0		2,509	
Paper	1,926	0.7		8,289	0.7		4,304	
Printing & Publ.	2,336	0.9		10,088	0.9		4,318	
Chemicals & Allied	1,637	0.9		8,345	0.7		5,098	
Petrol. Refin. & Rel.	1,190	0.5		6,147	0.5		5,166	
Other Nondurable	802	0.3		2,682	0.2		3,344	
TOTAL MANUFACTURING	57,682	21.7	1	274,773	23.5	1	4,864	5
TRANS., COMM., UTIL.*	37,634	14.1	3	161,263	13.8	3	4,285	7
WHOLESALE TRADE	25,130	9.4	5	116,324	10.0	5	4,629	6
RETAIL TRADE	48,894	18.4	2	132,682	11.3	4	2,714	10
FIN., INS., REAL ESTATE	16,728	6.3	7	68,773	5.9	8	4,111	9
SERVICES	32,333	12.2	4	181,414	15.5	2	5,611	3
GOVERNMENT**	11,734	4.4	9	60,325	5.2	9	5,141	4
Total	266,139	100.0		\$1,168,268	100.0		\$4,390	

# Includes Orleans, Jefferson, St. Tammany, & St. Bernard Parishes.

\* Excludes Railroad Employment.

\*\* Excludes Non-Commercial State & Local Employees.

## SECTION I

### ECONOMIC STRUCTURE OF THE CITY

This section presents a brief review of our analyses and findings concerning the economic structure of the City of New Orleans.

#### Overview

Employment levels and the various components of the local economic base are frequently used to highlight the significance of each component in the total local base. Standard "industrial" definitions are commonly used as a way of examining local industries. Although these may not fully explain some types of local "industries" that tend to cut across these lines (tourism, port activities, etc.) they are useful as one measure of local industrial strength.

Table 1-1, opposite, summarizes the pattern of importance of local industries based on these standard industrial definitions. As can be seen from this data, based on both the numbers of employees and total wages paid, Manufacturing is the largest single industry in the New Orleans economy. Second in importance is Retail Trade (based on the number of employees) or the Services (based on the wages paid).

However, key to the life blood of a community are those industries which bring in trade and support from outside of the community. These are called "basic industries" as compared with the "service industries" which largely serve the local population.

Detailed analyses of local employment by firm and by classification reveal a substantially different industrial pattern. The five major New Orleans basic industries are as follows:

TABLE 1-2  
1965 IMPACT OF MAJOR "INDUSTRIES"  
NEW ORLEANS METROPOLITAN AREA

"Industry"	Employment		Payroll		Population Supported**	
	Number	%	Number (\$m)	%	Number	%
1 Port & Related*	40,000	16%	\$ 180	15%	400,000	38%
2 NASA - Michoud	12,000	5 #	85	7	120,000	11
3 Mining	12,000	5	71	6	120,000	11
4 Tourism##	10,000	4	30	3	100,000	10
5 Shipbuilding	9,000	3	44	4	90,000	9
Subtotal	83,000	33%	\$ 410	35%	830,000	79%
Total All	250,000	100%	\$1,168	100%	1,050,000	100%

\* Sea Transportation, Port-oriented Wholesale and Port-oriented Governmental employment.

# This category has posted a decline to 9,000 (3%), and Shipbuilding has increased to 12,000 (or 5%), as of 1968.

\*\* At a basic employment:population ratio of 1:10

## Covered employees only. Category is larger due to the large numbers of employees in this industry not covered by the minimum wage laws.



As indicated above, the Port was the largest basic industry in the Metropolitan Area as of 1965, with some 40,000 employees, a payroll approximating \$180 million, and which provided support for some 400,000 of the Area's population base.

As of 1965 the NASA operations (space activities) at Michoud matched Mining for second or third place in terms of numbers of employees, but edged Mining slightly in terms of payroll. Since that time, NASA posted a decline to some 9,000 employees as of 1968, and to even lower levels as of the early portion of 1970.

Shipbuilding which ranked #5 in 1965 has since increased dramatically to some 12,000 employees, replacing NASA as the #2 industry.

Tourism, ranking #4 in 1965 on the basis of "covered employees", has remained a strong contender as a major contributor to the local employment base - a position which is somewhat understated due to the large numbers of tourism employees who are not covered by the minimum wage laws and therefore who are not covered by the data available for analysis purposes. With the expansion of motel and hotel activities in the New Orleans Area in recent years, it would be our present expectation that Tourism has become the #2 industry of New Orleans, closely followed by Mining and Shipbuilding in that order.

#### The Port

A statistical analysis of the impact of the Port in the local economy cannot be accomplished directly due to the lack of direct statistics which can clearly reveal the number of employees directly involved in Port activities. We have utilized sea transportation Port-oriented wholesale activities, and Port-oriented governmental employment, as the basic indicators in developing Table 1-2. However, our analyses indicate that over 42% of Metropolitan Area employment has a Port orientation of one form or another (i.e. the jobs would be materially affected without the presence of the Port), and the total number who could be considered to be "Port dependent" could range as high as 30-35%. This would of course include the Shipbuilding and NASA operations which have located in New Orleans in part because of the availability of the Mississippi River and the Intracoastal Canal.

At the time of our original analyses (1965-'66) little was being done to publicize the degenerating condition of the Port due to its obsolescent facilities and due to ingrained local labor attitudes which have tended to create an "umbrella" of job and income protection that makes other competing ports in the Gulf Coast Region appear more advantageous for transshipping. This was particularly true for operations oriented to special handling techniques of recent design. At that time we concluded that because of the dominance of this key industry in the local economic base, this industry could not be neglected or relegated to a "secondary position" in efforts at improving the economic health of the Area. We concluded: "There is opportunity in the requirement that no stone be left unturned to keep the Port fully effective in every respect with other southern ports or port development possibilities. This requirement is crucial to the economic support of the City. Maximum effort must be directed in aggressive action to capitalize on and provide for the emerging new forms of water-borne goods handling, including trends to larger and faster ships, trends to increased capacity boat carriers, trends to new forms of containerization (dead weight containers and/or "lighter" types), and other such

innovations in water-born transportation. Facilities for improved mechanized handling systems must be provided here, or these facilities will seek alternative locations elsewhere along the Gulf Coast. Clearly, community support for Port requirements is mandatory for the continued successful health and growth of the New Orleans economy."

Since that time, Port management has seized the initiative and adopted aggressive programs aimed at insuring the Port's long term health and role in future patterns of water-born transportation and Port-oriented industrial activities. The aggressive "Centroport" concept is providing the galvanizing force for focusing public attention and state support on this key bulwark of the Region's economic support. As such, the current outlook is substantially different than that which prevailed at the time of our earlier detailed reports in 1967.

### Tourism

Like the Port, Tourism is another "industry" that suffers from a lack of direct statistics concerning the size of its employment base. Furthermore, this industry includes those categories of workers in many establishments in which many employees are not covered by the normal minimum wage laws - and which therefore are not available for evaluation through standard statistical sources.

Again, trends since the middle 1960's have dynamically altered the characteristics of this industry in New Orleans. These trends have not affected so much the characteristics of the industry (business visitors still account for some 30-35% of the industry, with vacation visitors another 30-35%, although convention activities are increasing in importance with the opening of the Rivergate) as with the quantity of visitors and visitor accommodations, particularly within the Central Business District of the City. The 3,350 hotel or motel rooms in the Downtown Area which existed prior to 1960 have expanded to almost 5,200 rooms as of 1968, and are expected to increase to over 7,500 rooms by the end of 1970. Thus there has been more than a doubling of hotel accommodations in the Central Area over this brief decade.

It has been estimated that the number of annual visitors to New Orleans has increased from a level of about 850,000 as of 1948 to a level of some 1.65 million as of 1965. Expenditure estimates indicate that New Orleans visitors spent \$182 million in 1965, generating employment for almost 10,000 persons, and a payroll of nearly \$30 million. These expenditures account for more than 90% of the receipts of transient facilities as well as commercial-recreation facilities, and nearly 4% of the City's total retail sales.

The critical importance of the Vieux Carre to the visitor market must be kept in mind. During the hotel and motel visitor survey conducted as part of our 1966 studies, 68% of the respondents dined in the French Quarter, 73% spent an evening on Bourbon Street, and although only 26% were located in French Quarter hotels and motels - 44% indicated that they would prefer one closer to or in the French Quarter in contrast to the location of their present motel. Some 35% of those responding to the study had done major shopping in the French Quarter. Furthermore, the two studies completed in 1965 and 1966 indicated that between 91% and 99% of the visitors interviewed had visited the Vieux Carre.

As we stated in our 1967 report, "In our opinion, this industry has an importance that exceeds this level (10% of the population support of the Area) since it thrives on and supports the commerce of the Port, as well as extends the reputation of the City throughout the Nation and internationally. ....however it is imperative that the City continue to exert every effort to aggressively attract all visitors, for whatever reason, and to foster the development of facilities appropriate for such visitors. There would appear to be a need for a more "rounded" appeal through the development of daytime use facilities (perhaps of the new sport coliseum) for "family-oriented" activities, to counter-balance the heavy emphasis on adult-oriented facilities. Perhaps the development of a "Disneyland" type of activity (keyed in size to the local market in initial years, but expanded as support levels are generated) would provide this same type of family attraction." The need for expansion of family-oriented facilities remains to this date.

### Mining

As previously indicated, Mining ranks high as a contributor to the basic employment of the Region, and also ranks very high in terms of its per employee wages paid.

New Orleans enjoys the advantages of being a center for Mining and Mining support activities, now enhanced by the accelerating exploration activities for oil in the offshore tidelands of the Mississippi delta. New Orleans Mining employees are largely office workers. Some additional support is available from the support services.

A dramatic increase in the importance of this category in recent years is indicated by the increase in the number of employer units from 22 in 1950 to 164 in 1965. Of the total of 164 firms in the category, 158 were concerned with oil and gas operations while the remaining 6 were concerned with mining minerals such as sulphur. Over 11,500 of the 12,000 persons in the category were employed by oil and gas firms as of 1965.

Louisiana is the Nation's second leading producer of both crude petroleum and natural gas. Further, the State's proven reserves have increased steadily in the 1960's in spite of heavy production. The bulk of the most productive fields are within 100 miles of New Orleans.

Given the tremendous proven reserves of oil and natural gas, and the probability that these reserves will continue to increase somewhat in the future even with continued heavy production, the outlook for the industry in the Area is quite good. On the other hand, with the rapidly changing technology characteristic of the industry, it seems unlikely that employment in the Mining category will continue to increase at the same rate as it has in the past. For example, improvements in discovery techniques are continually being introduced and improved upon. The use of computers in the processing of geophysical data is increasing. A variety of other innovations are continually being introduced into all phases of the industry, with the net effect that industry employment nationally has, since 1957, been on a steady decline while output has maintained its level and/or increased.

The situation with respect to sulphur and salt is quite similar. Although further exploration and discovery is undoubtedly likely in the future, most reserves are now proven and employment levels are expected to remain at stable levels for the foreseeable future, subject only to technological innovation which can reduce employment in future years.

Headquarters functions for Mining operations tend to suffer from cyclical fluctuation, as does the employment level in actual drilling operations. The period of exploration generates substantial need for legal services, geophysical services, exploration services, and other related activities. These all require substantial regional headquarters office staffs in support of the exploration activity. However, with a decrease in exploration, the need for headquarter offices on a regional basis decreases, with the result that supervisory personnel are often transferred back to the original headquarter cities and the regional headquarter suffers a corresponding decline in office population.

Although industry leaders do not appear to be concerned about this element as yet, it remains as a factor which can influence future employment levels once the reserves in the offshore coastal areas are fairly well proven out - a consideration which is as yet many years away.

In view of the foregoing, the outlook for Mining is relatively stable over near future years, but subject to contraction after the next, say, 10 years as a result of the reduction in exploration and offshore activity with the final proving out of reserves in these areas. As such, it cannot be expected that employment in this category will increase at the levels experienced in the past 15 years, but rather that further increases will be relatively modest.

#### Manufacturing

As indicated previously Manufacturing as a whole ranks high in terms of its contribution to SMSA employment levels. However, the bulk of this has been in the NASA activities, and in the Ship and Boatbuilding categories.

The pattern of Manufacturing employment growth by the major subcategories of the total Manufacturing group are set forth in Table 1-3, on the following pages. The data for the 1950's are set forth first, and the data for the 1960's are set forth on the second page.

During the decade of the 1950's, Total Manufacturing declined, largely as a result of the major decline in Nondurable Goods, which was partially offset by the increase in Durable Goods during this time span. This pattern continued during the 1960's, with Durable Goods increasing dramatically, while Nondurable Goods declined only modestly (actually reflecting a slight increase in the latter portion of this period), for a substantial increase in Manufacturing in total.

Among the individual categories, Transportation Equipment showed the most marked increase, up from 4,800 in 1950 to 10,800 as of 1967, a direct expansion of the ship and boat building operations in the New Orleans Metropolitan Area over this time span. As indicated, the bulk of this increase occurred slowly through the period of 1950-1964, with a dramatic increase from 1964 to 1968.

TABLE 1-3

**MANUFACTURING EMPLOYMENT BY MAJOR CATEGORY (PART 1)  
NEW ORLEANS STANDARD METROPOLITAN STATISTICAL AREA  
1950-1960**

Employees	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Manufacturing-Total	45,900#	48,900	52,400	57,300	53,600	51,200	51,600	51,600	45,800	44,800	44,700
Durable Goods	14,100	16,800	20,800	24,800	21,800	19,400	20,300	21,300	17,900	17,300	17,600
Lumber and Wood Prods.	1,600	1,700	1,500	1,300	1,400	1,600	1,600	1,400	1,300	1,300	1,100
Furniture and Fixtures	1,100	1,100	1,100	1,100	900	700	700	700	600	600	550
Stone, Clay & Glass Prods.	2,600	2,700	2,700	2,600	2,500	2,600	2,800	2,900	2,500	2,400	2,750
Fabricated Metal Prods.	2,200	2,700	2,700	2,800	2,800	2,800	2,900	3,000	2,900	2,900	2,850
Machinery Incl. Elect.	700	1,200	2,700	2,900	1,300	1,200	1,400	1,400	1,200	1,200	1,150
Transportation Equip.	4,800	6,100	7,200	8,500	8,000	6,400	6,900	7,700	5,400	5,000	5,400
Ship & Boatbldg. & Rep.	4,800	6,000	7,100	8,000	8,000	6,300	6,800	7,700	5,400	4,900	5,250
Other Durable Goods	1,000	1,400	3,000	5,600	4,900	4,200	4,000	4,300	3,900	3,900	3,800
Nondurable Goods	31,800	32,100	31,600	32,500	31,800	31,800	31,300	30,300	27,900	27,500	27,100
Food & Kindred Prods.	14,300	14,400	14,200	13,900	13,800	13,600	13,500	13,200	12,900	12,900	12,950
Apparel/Other Text. Prods.	5,700	5,700	5,800	6,200	5,600	5,800	5,500	5,300	4,700	4,700	4,700
Paper & Allied Prods.	3,400	3,500	2,900	3,300	3,200	3,100	3,100	3,000	2,900	3,100	2,950
Printing/Pub./Allied Ind.	2,700	2,600	2,400	2,400	2,400	2,500	2,600	2,600	2,400	2,100	2,200
Chemicals/Allied Prods.	1,500	1,600	1,600	1,600	1,800	2,100	2,300	2,400	2,200	1,900	1,700
Petrol. Ref./Related Ind.	1,500	1,700	1,800	1,800	1,900	1,900	1,800	1,800	1,600	1,500	1,550
Other Nondurable Goods	2,600	2,700	2,800	3,300	3,100	2,700	2,500	2,800	1,200	1,200	1,050
Population (000's)*	(685.4#)	(713.6)	(728.1)	(748.4)	(755.5)	(759.7)	(791.3)	(818.0)	(816.9)	(831.6)	(866.1)
Manufacturing-Total	67.0	68.5	72.0	76.6	70.9	67.3	65.2	63.1	56.1	53.9	51.6
Durable Goods	20.6	23.5	28.6	33.1	28.9	25.5	25.7	26.0	21.9	20.8	20.3
Lumber and Wood Prods.	2.3	2.4	2.1	1.7	1.9	2.1	2.0	1.7	1.6	1.6	1.3
Furniture & Fixtures	1.6	1.5	1.5	1.5	1.2	1.0	.9	.9	.7	.7	.6
Stone, Clay & Glass Prods.	3.8	3.8	3.7	3.5	3.3	3.4	3.5	3.5	3.1	2.9	3.2
Fabricated Metals Prods.	3.2	3.8	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.5	3.3
Machinery Incl. Elect.	1.0	1.7	3.7	3.9	1.7	1.6	1.8	1.7	1.5	1.4	1.3
Transportation Equip.	7.0	8.5	9.9	11.4	10.6	8.4	8.7	9.4	6.6	6.0	6.2
Ship/Boatbldg. & Repair	7.0	8.4	9.8	11.2	10.6	8.3	8.6	9.4	6.6	5.9	6.1
Other Durable Goods	1.5	2.0	4.1	7.5	6.5	5.5	5.1	5.3	4.8	4.7	4.4
Nondurable Goods	46.4	45.0	43.4	43.4	42.1	41.9	39.6	37.0	34.2	33.1	31.2
Food & Kindred Prods.	20.9	20.2	19.5	18.6	18.3	17.9	17.1	16.1	15.8	15.5	15.0
Apparel/Other Text. Prods.	8.3	8.0	8.3	8.3	7.4	7.6	7.0	6.5	5.8	5.7	5.4
Paper & Allied Prods.	5.0	4.9	4.0	4.4	4.2	4.1	3.9	3.7	3.6	3.7	3.4
Printing/Pub./Allied Ind.	3.9	3.6	3.3	3.2	3.2	3.3	3.3	3.2	2.9	2.5	2.6
Chemicals/Allied Prods.	2.2	2.2	2.2	2.1	2.4	2.8	2.9	2.9	2.7	2.3	2.0
Petrol. Ref./Related Ind.	2.2	2.4	2.5	2.4	2.5	2.5	2.3	2.2	2.0	1.8	1.8
Other Nondurable Goods	3.8	3.8	3.8	4.4	4.1	3.6	3.2	2.4	1.5	1.4	1.2

\* Data for 1950-1963 do not include St. Tammany Parish  
# Columns may not add due to independent rounding

TABLE 1-3

MANUFACTURING EMPLOYMENT BY MAJOR CATEGORY (PART II)  
NEW ORLEANS STANDARD METROPOLITAN STATISTICAL AREA  
1961-1968

Employees	1961	1962	1963	1964	1965	1966	1967	1968	Average Annual Change		Average Annual Change
									Numerical Change 1950-1968	Numerical Change 1961-68	Numerical Change 1961-68
Manufacturing-Total	43,000	44,550	48,850	54,750	58,600	59,600	57,800	58,300	12,400	690	15,300
Durable Goods	17,200	20,000	25,100	30,650	33,700	33,700	32,200	32,700	18,600	1,035	15,500
Lumber & Wood Prods.	950	1,000	750	1,050	1,200	1,200	1,000	1,000	-600	-35	50
Furniture & Fixtures	450	500	500	600	500	500	500	500	-600	-35	50
Stone/Clay/Glass Prods.	2,850	2,950	2,900	3,500	3,900	4,000	4,200	4,400	1,800	100	1,550
Fabricated Metal Prods.	2,750	3,000	3,100	3,100	3,100	3,300	3,200	3,300	1,100	60	550
Machinery Incl. Elect.	1,150	1,150	1,200	1,200	1,400	1,600	1,300	1,400	700	40	250
Transportation Equip.	5,500	6,200	6,850	7,800	9,200	10,400	10,800	12,500	7,700	430	7,000
Ship & Boatbldg. & Rep.	5,450	6,200	6,800	7,750	9,200	10,400	10,700	12,500	7,700	430	6,500
Other Durable Goods	3,550	5,200	9,800	13,450	14,300	12,800	11,200	9,700	8,700	485	6,150
Nondurable Goods	25,800	24,550	23,750	24,150	24,900	25,900	25,600	25,600	-6,200	-345	-200
Food & Kindred Prods.	12,200	11,600	11,500	11,650	12,300	12,800	12,800	12,900	-1,400	-80	700
Apparel/Other Text. Prod.	4,500	4,600	4,250	4,400	4,500	4,600	4,500	4,400	-1,300	-70	-100
Paper & Allied Prods.	2,700	2,200	2,100	1,950	2,000	2,000	2,000	2,000	-1,400	-80	-700
Printing/Pub./Allied Ind.	2,150	2,150	2,250	2,400	2,500	2,500	2,500	2,600	-100	5	450
Chemicals/Allied Prod.	1,700	1,650	1,550	1,700	1,700	2,000	2,000	1,900	400	20	200
Petrol. Ref./Related Ind.	1,550	1,550	1,450	1,250	1,200	1,300	1,100	1,200	-300	-15	250
Other Nondurable Goods	1,000	800	700	800	800	700	700	700	-1,900	-105	-300
Population (000's)	(873.8)	(883.4)	(952.1)	(1,010.1)	(1,062.9)	(1,080.3)	(1,097.7)	(1,115.1)	% Change in Employed 1950-68	% Change in Employed 1961-68	
Manufacturing-Total	49.2	50.4	54.0	54.2	55.1	55.2	52.7	52.3	27.0%	35.6%	
Durable Goods	19.7	22.7	27.8	30.3	31.7	31.2	29.3	29.3	131.9	90.1	
Lumber & Wood Prods.	1.1	1.1	0.8	1.0	1.1	1.1	0.9	0.9	-37.5	5.3	
Furniture & Fixtures	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.4	-54.5	11.1	
Stone/Clay/Glass Prods.	3.3	3.4	3.2	3.5	3.7	3.7	3.8	3.9	69.2	54.4	
Fabricated Metal Prods.	3.2	3.4	3.4	3.1	2.9	3.1	2.9	3.0	50.0	20.0	
Machinery Incl. Elect.	1.3	1.3	1.3	1.2	1.3	1.5	1.2	1.3	100.0	21.7	
Transportation Equip.	6.3	7.0	7.6	7.7	8.7	9.6	9.8	11.2	160.4	127.3	
Ship & Boatbldg. & Rep.	6.2	7.0	7.5	7.7	8.7	9.6	9.7	11.2	160.4	119.3	
Other Durable Goods	4.1	5.9	10.8	13.3	13.5	11.8	10.2	8.7	870.0	173.2	
Nondurable Goods	29.6	27.9	26.3	23.9	23.4	23.9	23.3	23.0	-19.5	-0.7	
Food & Kindred Prods.	14.0	13.2	12.7	11.5	11.6	11.8	11.7	11.6	-9.8	5.7	
Apparel/Other Text. Prod.	5.2	5.2	4.7	4.4	4.2	4.3	4.1	3.9	-22.8	-2.2	
Paper & Allied Prods.	3.1	2.5	2.3	1.9	1.9	1.9	1.8	1.8	-41.2	-25.9	
Printing/Pub./Allied Ind.	2.5	2.4	2.5	2.4	2.4	2.3	2.3	2.3	-3.7	20.9	
Chemicals & Allied Prod.	1.9	1.9	1.7	1.7	1.6	1.9	1.8	1.7	26.7	11.7	
Petrol. Ref./Related Ind.	1.8	1.8	1.6	1.2	1.1	1.2	1.0	1.1	-20.0	16.1	
Other Nondurable Goods	1.1	0.9	0.8	0.8	0.8	0.6	0.6	0.6	-73.1	-30.0	

MANUFACTURING EMPLOYEES PER 1,000 POPULATION

TABLE 1-4  
MANUFACTURING EMPLOYMENT GROWTH PATTERN  
1950-68

<u>Year</u>	<u>Average Yearly Employment</u>	<u>Numerical Increase/ Decrease Over Previous Year</u>	<u>Growth Index (1950-54=100)</u>	<u>Adjusted* Average Yearly Employment</u>	<u>Adjusted Growth Index (1950-54=100)</u>
1950	46,600				
1951	49,900	+3,300			
1952	53,400	+3,500			
1953	58,200	+4,800			
1954	54,500	-3,700	(Base=52,520)		
1955	52,200	-2,300	99.4		
1956	52,700	+ 500	100.4		
1957	53,000	+ 300	101.0		
1958	47,000	-6,000	89.5		
1959	45,000	-1,100	87.4		
1960	45,900	--	87.4		
1961	44,200	-1,700	84.2		
1962	46,000	+1,800	87.6	44,300	84.4
1963	50,100	+4,100	95.4	45,100	85.9
1964	54,700	+4,600	104.2	44,600	85.0
1965	58,500	+3,800	111.4	48,400	92.2
1966	59,600	+1,100	113.5	49,950	95.1
1967	57,800	-1,800	110.1	49,000	93.3
1968**	58,400	+ 600	111.2	50,800	96.8

\* Less estimated employment at NASA - Michoud operations for post-1961 period

\*\* Preliminary estimate

Additionally, Other Durable Goods also increased dramatically from 1,000 in 1950 to some 11,200 as of 1967. This was a direct reflection of the development of the NASA facilities since 1962, with the increase prior to that time being relatively modest.

The only Nondurable Goods category which reflected an increase was the Chemicals and Allied Products, up from 1,500 as of 1950 to some 2,000 employees as of 1967.

Modest increases were also posted by Stone, Clay and Glass, Fabricated Metals, and Machinery Including Electrical.

Losses were posted in Lumber and Wood Products, as well as in Furniture and Fixtures, among the Durable Goods. Modest losses also occurred in all of the categories of the Nondurable Goods except the Chemicals.

A more direct reflection of the changing pattern in these various industries is reflected in the Manufacturing Employees per 1,000 Population comparison set forth on the bottom half of each table. By this comparison, as pointed out previously, Total Manufacturing Employment has declined in its proportional relationship to Total Population of the Metropolitan Area over this time span. (Declining from 67.0 employees per 1,000 population in 1950 to some 52.7 as of 1967.)

The increase in Durable Goods reflects itself as an almost 50% increase from some 20.6 employees per 1,000 population as of 1950 to some 29.3 as of 1967. The marked decline in Nondurable Goods (a decrease of 50%) showed itself in the decline from 46.4 as of 1950 to some 23.3 as of 1967.

The individual categories (as reflected in this comparison) all showed barely stable levels or declines in relationship to Total Metropolitan Area Population during this time span, with the exception of Transportation Equipment (up from 7.0 to 9.8 per 1,000 population) and Other Durable Goods (up from 1.5 to some 10.2 employees per 1,000 population over this time span). Even Chemicals declined (from 2.2 to some 1.8) as did Fabricated Metals (down from 3.2 to 2.9) with Machinery Including Electrical barely increasing slightly from 1.0 to 1.2 employees per 1,000 population.

From the foregoing it is clear that what stability has existed in Manufacturing has been due solely to the growth in the shipbuilding industry and the NASA facilities (reflected in Other Durable Goods). All other categories reflected barely stable characteristics or posted moderate to significant declines over this time span. From the foregoing the decline of Manufacturing in the New Orleans Metropolitan Area during this time period is clearly evident.

An analysis of the impact of the NASA-Michoud Saturn Program on the total employment level of the Manufacturing Sector is presented in the table opposite this page.

The average annual level of yearly employment for the 1950-1968 period is given in order to draw into perspective the impact occurring as a result of the NASA-Michoud program in the post-1962 period.



A growth index has been computed, using the 1950-1954 average level as the base (52,520 employees as an average) in order to extract the changes occurring as a result of the Michoud program, from the more normal long-term trend occurring in the Manufacturing Sector over this 18-year period. The adjusted average yearly Manufacturing employment for the 1962-1968 period reflects the Manufacturing employment in the Metropolitan Area without the Michoud employment level for each year.

After 1957, the Total Manufacturing level of the Metropolitan Area (including NASA) dropped consistently each year, further below the 1950-1954 base period average of 52,500 jobs, until 1962 when NASA contractors started operations in the Area. From this point until 1966, the total level of Manufacturing employment increased sharply, reaching its peak of 113.5% of the base average in the year 1966.

However, with the NASA figures extracted, employment in the balance of the Manufacturing Sector over the 1962-1968 period has remained consistently below the base period average though it has climbed from the 1961 low of 84.2% to 96.8% of the 1950-1954 base as of the most recent data.

As such, by extracting the Michoud employment figures, it can be seen that the balance of the Manufacturing Sector has not regained its early 1950's level (also reached in 1957) but instead remains approximately 2,200 jobs below that level as of 1968. Further, even with the NASA figures included, Manufacturing employment has merely achieved the levels previously reached in 1953, only now some 12-15 years later, thus pointing up the lack of growth in this potentially key industrial segment.

### Retail and Office Activities

Retail Trade in 1965 was the #2 industry in terms of the standard industrial classification system. It had a total employment of almost 49,000 employees, and generated \$133 million in annual wages which ranked #4 among all such categories. However, its per employee wage level at \$2,714 per employee ranked last or lowest among the standard major industrial classifications.

Although some Retail Trade caters to the visitors to the City, or to the rural hinterland surrounding the New Orleans Area, the bulk of Retail Trade employees are engaged in servicing the retail needs of the local area population base, and therefore contribute little to the economic base of the Region.

As will be discussed subsequently in our review of our CBD findings, New Orleans will continue to play a dominant role in the Retail activities of the Region. However, with increasing population development in the hinterland, competing retail centers will be developing (as has happened in Houma and other communities) thus reducing the necessity for residents of these rural areas to come to New Orleans for their shopping needs.

Additionally, population expansion in the suburban portions of New Orleans will generate the further flight of retail facilities to the suburbs in support of this population expansion. However, it would appear reasonable to expect the Downtown to remain in a reasonable position of parity in support of the sizable Central City population base which cannot be served well from suburban locations, in support of the growing Downtown-oriented apartment population base, and in part in support of the annual shopping needs or other special shopping needs of the population remaining in the rural hinterland. However, it cannot be expected that employment in the Downtown will increase dramatically in the Retail category, although employment throughout the Parish can be expected to continue its upward climb.

With respect to Office employment, this is another category that cuts across the standard industrial classification. Principal support comes from the Mining category and the Finance/Insurance/Real Estate category. Additional lesser support comes from virtually all of the other standard industrial categories normally employed for analysis purposes.

Major office space construction has been added in the Downtown - as will be discussed subsequently in our CBD review. Additional construction occurs in non-Downtown locations, although not at the rate which is being encountered in some of the more dispersed metropolitan areas of the Nation. This is due to the substantial "commercial" character of the New Orleans economic base - as opposed to the "industrial" or "manufacturing" character of many of the more decentralized communities.

Total Office space employment is estimated at about 74,250 employees as of 1965, or almost 30% of the Metropolitan Area's employment base. In our view, this form of employment activity can be susceptible to stimulation in future years as a result of accelerating economic development efforts by the community. Therefore, it would be our expectation that office employment will brook larger in the Metropolitan Area in future years.

## Government

Contrary to the impression given by the statistics set forth in Table 1-1 (which includes only those employees covered by the Unemployment Insurance Act) Governmental employment in the Metropolitan Area comprised some 44,300 persons in 1965, and as such was one of the more important categories in the City.

The growth of Government employment, however, has been relatively stable and has generally reflected the economic and population growth of the Area. The 1950 level was 32,500 employees, and the growth rate since 1950 approximated some 2.4% per year to 1960, and then some 3.02% per year since 1960.

However, the growth in Governmental employment in the Metropolitan Area has been slower than that encountered by the State or at the National level. Similarly, this rate has fallen behind the rate in many of the other more rapidly developing metropolitan areas of the Nation. As such, the past relative stability of Governmental employment growth (running 11.7% of the labor force in 1950 and approximating 11.5% as of 1965) may shift to a larger proportion of the total employees in future years - particularly if the City's budgetary problems can be resolved.

From the foregoing it is evident that our analyses suggest a continuing role for Governmental employment in the Metropolitan Area, a role which may expand in future years in response to the growing complexities of urban life and the increasing demands of American citizens for further governmental services.

## SECTION II

### THE CENTRAL BUSINESS DISTRICT - ITS SCOPE AND FUNCTION

This section sets forth a brief review of our findings and conclusions concerning the role, the health and the outlook for the further development of the New Orleans Central Business District.

#### Role of the CBD

The Central Business District of New Orleans (CBD) is an area in which are found the heaviest concentration of commercial and related activities in New Orleans. It is a location as contrasted to a business-type sector of the New Orleans economy (such as the visitor market, the port, manufacturing, etc.). Its growth is linked in part to the growth of the economic sectors which determine the health of the total New Orleans economy, as well as to its own physical well-being.

The Downtown cannot be considered separately from the Vieux Carre. The French Quarter is not only, to a great extent, physically located within the CBD, but it is a principal magnet that draws the visitor (businessman, convention delegate or tourist) into the Downtown for recreation or shopping, as well as to established transient lodgings.

The strength of the CBD in the various categories of commercial activity has given it an historical dominance within the Metropolitan Area that exceeds that of many other major city CBDs. A high level of hotel, motel and office construction in the Downtown (in relation to other metropolitan areas) during the 1960's reflects in part this dominance. Also, although retail sales in the CBD declined somewhat during the first part of the 1960's, the Downtown shopping area remains the single strongest major retail center in the Metropolitan Area, and should continue to maintain this role in the future.

In the future, the New Orleans Downtown should be able to maintain and enhance its overall position of commercial dominance. Based on the high level of new transient facility construction already completed Downtown during the 1960's (and with more space under construction) it can be expected that the number of visitors to the New Orleans CBD Area will increase in the future. With the prime Downtown attractions of the Vieux Carre, the Rivergate as well as the Domed Stadium, it appears that the CBD should be able to continue to capture a high share of new transient facility demand to house the visitors to New Orleans (the businessmen or convention delegates who desire Downtown locations with proximity to convention facilities, offices and the Vieux Carre).

The Downtown can be expected to maintain a high share of new office construction. However, adequate parking, access to and from the Downtown, as well as a free traffic flow within the CBD, are mandatory to encourage Downtown office locations in competition with suburban locations.

Ease of access and adequate parking are also extremely important to Downtown retail facilities which will in the future have to continue to compete with expanding suburban shopping centers. Again, however, it must be noted that the Downtown with its variety of shopping, unequalled in other local retail centers, its department store representation, and its historical dominance in local commercial activity, should continue to be the dominant retail area in New Orleans.

#### Past Trends

Between 1948 and 1964 retail sales in the CBD increased from \$234.3 million to \$254.4 million, an 8.6% growth over the 15 years. Although total sales reported in 1963 were some \$6 million less than in 1958, the CBD remains the dominant retail center in the New Orleans Metropolitan Area.

As the following table indicates, since 1954 the CBD has been experiencing a continuing decline in sales within the convenience and comparison goods categories as well as in the lower intensity retail category, as many of these sales have been yielded to urban and suburban shopping centers (the major ones of which have been developed subsequent to 1954). On the other hand, CBD sales in Other Shopper Retail outlets (autos, auto service, eating and drinking places, etc.) have continued to rise since 1954 in contrast to the decline in the other categories.

TABLE 2-1  
CBD SALES, AND SHARES OF  
NEW ORLEANS METROPOLITAN AREA AND CITY RETAIL SALES  
1948-1963

<u>Category</u>	<u>1948</u>	<u>1954</u>	<u>1958</u>	<u>1963</u>
<u>Retail Sales - (000's)</u>				
Convenience Goods#	\$ 27,719	\$ 30,252	\$ 30,171	\$ 23,565
Comparison Goods##	157,894	173,343	171,914	167,032
Other Shopper Retail**	46,406	51,285	57,483	62,868
Lower Intensity Retail***	2,295	2,392	694	890
Total	\$234,314	\$257,272	\$260,262	\$254,355
<u>CBD Percentage Share of New Orleans Metropolitan Area*</u>				
Convenience Goods	15.6%	12.2%	8.6%	6.2%
Comparison Goods	76.5	74.6	62.0	54.3
Other Shopper Retail	31.6	21.3	20.4	18.1
Lower Intensity Retail	7.0	5.7	1.8	2.2
Total	41.6%	33.7%	27.5%	23.6%
<u>CBD Share of City of New Orleans Sales</u>				
Convenience Goods	17.8%	15.2%	11.8%	9.8%
Comparison Goods	79.8%	78.9	68.9	67.4
Other Shopper Retail	37.7	26.2	26.5	25.4
Lower Intensity Retail	9.2	7.3	2.5	3.7
Total	46.7%	39.7%	34.7%	33.5%

\* Four Parish SMSA      \*\* Autosales, Service Stations, Eating & Drinking, etc.

# Food, Drug, Variety, Hardware

## Department Store, Apparel, Furniture, Appliances, etc.

\*\*\* Antiques, Second Hand Retail, Building Materials, etc.

Despite these sales trends, CBD retail employment payroll increased from \$40.7 million in 1948 to \$42.0 million in 1963, with 1963 employment at a level of more than 13,000 persons. (Total employment, as surveyed by the Real Estate Research Corporation revealed an employment level of some 40,598 in the CBD in 1958, which has increased modestly to some 41,346 as of 1967 (a 1.8% increase during this time span).

Despite its relative decline, the CBD of New Orleans remains the dominant retail center in the City, as well as in the Metropolitan Area. The more than \$254 million of retail sales in the CBD during 1963 accounted for approximately one-third of all retail sales in the City. The approximately 14% decrease experienced between 1958 and 1963 is small when compared to other major cities. For example, the CBD share in Dallas declined more than 35% during the same period (from a share of 11.5% to 7.4% of the Area). The Denver CBD share decreased nearly 30% (from 15.8% to 11.3%), while Downtown Phoenix, Arizona, declined nearly 60% (from a share of 18.4% to 7.7%).

As such, the strength of retail activities in the New Orleans CBD is evident despite the suburbanization of the Metropolitan Area and the growth of suburban retail facilities to serve this population.

In 1958 the net usable office space in the New Orleans Core was reported by Real Estate Research Corporation at 4.9 million square feet. By 1967, CBD office space increased to some 5.8 million square feet, as indicated in Table 2-2, below:

TABLE 2-2  
CBD OFFICE SPACE

	1958		1967	
	Square Feet	Percent	Square Feet	Percent
Non-Government Office Space	3.9 million	80%	4.4 million	76%
Government Office Space	1.0	20	1.4	24
Total	4.9 million	100%	5.8 million	100%

As indicated above, governmental office space expansion comprised the major proportion of the increase, pushing government office space from 20% to 24% of total CBD office space during this time span. The foregoing include the completion of nine non-government office buildings during this time span, plus three government buildings. Additionally, three major facilities under construction would add an additional 580,000 square feet to the inventory shortly after this time span.

This has resulted in a past rate of absorption of approximately 160,000 square feet of non-governmental office space per year during this time span. This comprises some 75-80% of major new office construction in this City.

Although vacancy rates have risen somewhat in the CBD in recent years, they are yet comparatively low, suggesting the Downtown should be able to absorb new space in the near future without experiencing high vacancy levels. The Central Business District has in the 1960's been further solidifying its position as a major office center in the Gulf Coast Region, and planned new CBD construction suggests this trend should continue into the 1970's.

\* Decrease in Metropolitan share from 27.5% to 23.6% equals a decline of 14%.

Past trends in the development of transient accommodations continue strong (as briefly discussed in Section I). Before 1958, the four major Downtown hotels (Jung, Monteleone, Roosevelt and St. Charles) had an aggregate of some 3,300 rooms. From 1958 to 1967 over 1,800 new rooms were added in the Downtown, bringing the total to some 4,150 rooms as of that time. Since then, additional expansion has been undertaken, which will add over 2,000 additional rooms, bringing the total by the end of 1970 to almost 7,500 rooms in the Downtown.

Nearly 55% of the hotel/motel units completed, under construction or planned in the CBD between 1960 and 1966 were located in the Vieux Carre. Since that time, restrictions on high rise construction in the French Quarter are threatening to limit future motel and hotel construction in this area, although considerable activity remains in the strip between Canal Street and Iberville, just bordering the French Quarter.

The Downtown share of new unit construction throughout the Metropolitan Area has been estimated at approximately 75% of total new transient facility construction in New Orleans during the 1960's. It appears that the Downtown will continue to maintain this dominant position in the future - in view of the intense attractions focusing in the French Quarter, the Rivergate and which are presumed to be focusing in the future in conjunction with the development of the Domed Stadium.

From the foregoing, it can be seen that past trends in the CBD development (as reflected by these three major categories of space usage - Retail, Office and Transient facilities) remain generally strong and healthy, despite a loss of position of Downtown retail sales in the Metropolitan Area. Intensification of preservation efforts in the French Quarter, coupled with private rejuvenation efforts extending into all corners of the CBD promise to maintain a dynamic and healthy Downtown in future years, providing public support in access, parking, and other such services are provided.

#### Future Markets

Table 2-3, following, sets forth a summary estimate of our conclusions concerning future CBD markets by various space use types. These are of course an over-simplification since this represents a forecast of what can be added to the Downtown in future years, rather than what will be added. The realization of these markets will depend in substantial degree upon the course of action followed by the City, by its developers, and by myriads of other people all of whom will have a stake and a role in guiding the construction of the facilities needed to satisfy these markets. As such, the realization of these markets will depend upon future conditions which can only be extrapolated and assumed at the present time.

However, within an understanding of this qualification, these estimates do provide a useful indication of the relative magnitudes of land demands in the Downtown in future years - which could be directed in support of public and private redevelopment activities.

TABLE 2-3  
FUTURE CBD MARKETS

	<u>1970-75</u>	<u>1975-80</u>	<u>1980-85</u>	<u>Assumed Density</u>	<u>Acreage Need 1970-1985</u>
<u>Residential (Units)</u>					<u>70.6</u>
Single Family *	9	4	9	15 per acre	1.5
Duplex *	95	95	95	30 per acre	9.5
Apartments	1,755	2,600	3,105	125 per acre	59.6
<u>Commercial (Sq.Ft. of Building Area - 000's)</u>					<u>37.6</u>
Shopper Retail	108	109	150	@ 1:1	8.4
Non-Allocated Retail	33	50	50	@ 1:1	3.1
Selected Services	7	7	9	@ 1:1	0.6
Office Space	2,145	2,055	1,733	@ 1:8	17.0
Hotel/Motel (Units)	431	483	449	160 per acre	8.5
<u>Public &amp; Semi-Public</u>					<u>11.1</u>
Governmental Office Space	(Based on Planning Determinations)				0.0
Hospital Beds	249	295	212	@ 100 per acre	7.5
Education	(None Forecast)				0.0
Other Non Profit Uses	*	*	*		3.6
<u>Industrial</u>	None Forecast - Land Values too High				<u>0.0</u>
Total (Net Acres)					119.3

\* These demand levels are limited by high CBD land costs and limited land availability.

As indicated above, residential land requirements (apartments) will present the largest single land requirement in the Downtown in future years - approximating a requirement for some 60 acres of land to satisfy this need - if appropriate residential environments are created in the Downtown, and if density levels are achieved which approximate those assumed for the purposes of these reports.

The expansion of commercial facilities (principally office space, hotel/motel space, and shopper retail space) comprise the next largest single category - approximating some 37.6 acres of total space over these 15 years.

An additional absorption of some 11 acres in public and semi-public space (pre-dominantly hospital beds) is also indicated (based on the generalized investigations conducted thus far). Additional government office space requirements and perhaps some education space requirements might be attracted to the Downtown - if political planning determinations were so directed. However, such deliberations are beyond the economic parameters of our studies and therefore no forecast space in these categories is set forth in Table 2-3.

In similar fashion, industrial space could be attracted to the Downtown Area in future years if appropriate urban renewal projects or other such activities are undertaken to attract such space at land values competitive with suburban



locations. However, land values in the general area of the CBD are substantially above the levels which can normally be supported by industrial space users. As such, we have not allocated any industrial space expansion for the Downtown - although again this could be realized if appropriate space is made available at a reasonable cost.

The foregoing were developed for the purpose of providing a marketability input to the CRP considerations. A total of just under 120 acres of new space could be absorbed in the Downtown for the forecast uses. As such, a Downtown urban renewal project could be scheduled to take advantage of these development requirements - if appropriate from the City's standpoint (and if appropriate from the federal guidelines standpoint).

Unquestionably, Downtown land use requirements will continue to increase in future years. The 120 acres represent net acreage - and could be augmented further by the provision of plazas, streets and walkways, promenades, etc. However, they are indicative of the magnitude of growth requirements focusing on the Downtown in future years - which could be available to support urban renewal developments if so directed.



TABLE 3-1  
POPULATION GROWTH

	<u>Population (000's)</u>			<u>Increase (000's)</u>		<u>Percentage Change</u>	
	<u>1940</u>	<u>1950</u>	<u>1960</u>	<u>1940-1950</u>	<u>1950-1960</u>	<u>1940-1950</u>	<u>1950-1960</u>
<u>COMPARATIVE SOUTHERN SMSA's*</u>							
1. Atlanta	558.8	727.0	1017.2	168.2	290.2	30.1%	40.0%
2. Baton Rouge	88.5	158.2	230.1	69.7	71.9	79.0	45.0
3. Birmingham	459.9	558.9	634.9	99.0	76.0	21.5	13.6
4. Dallas	527.1	743.5	1083.6	216.4	340.1	41.1	45.7
5. Houston	529.0	806.7	1243.2	277.7	436.5	52.5	54.1
6. Jackson	107.3	142.2	187.0	34.9	44.8	32.5	31.5
7. Little Rock	156.1	196.7	243.0	40.6	46.3	26.0	23.5
8. Memphis	358.3	482.4	627.0	124.1	144.6	34.6	30.0
9. Mobile	142.0	231.1	314.3	89.1	83.2	62.7	36.0
10. Montgomery	114.4	139.0	169.2	24.6	30.2	21.5	21.7
11. <u>NEW ORLEANS #</u>	<u>552.2</u>	<u>685.4</u>	<u>868.5</u>	<u>133.2</u>	<u>183.1</u>	<u>24.1</u>	<u>26.7</u>
12. Shreveport	183.4	216.7	281.5	33.3	64.8	18.2	29.9
<u>OTHER COMPARATIVE AREAS</u>							
13. Baltimore	1131.5	1405.4	1727.0	273.9	321.6	24.2%	22.9%
14. Buffalo	814.5	1089.2	1307.0	274.7	217.8	33.7	20.0
15. Cincinnati	787.0	904.4	1071.6	117.4	167.2	14.9	18.5
16. Cleveland	1267.3	1465.5	1796.6	198.2	331.1	15.6	22.6
17. Denver	445.2	612.1	929.4	166.9	317.3	37.5	51.8
18. Kansas City	686.6	814.4	1039.5	127.8	225.1	18.6	27.6
19. Minneapolis	967.4	1151.1	1482.0	183.7	330.9	19.0	28.7
20. San Francisco	1461.8	2240.8	2783.4	779.0	542.6	53.3	24.2

TABLE 3-2  
INCOME DISTRIBUTION OF FAMILIES - 1960  
SELECTED AREAS

	Percentage Distribution					Total Size
	Lower	Lower- Middle	Upper- Middle	Upper	Total	
<u>COMPARATIVE SOUTHERN SMSA's</u>						
1. Atlanta	20.7%	32.0%	30.3%	17.0%	100.0%	255,983
2. Baton Rouge	21.8	29.7	31.2	17.2	100.0	53,891
3. Birmingham	25.8	35.3	26.5	12.4	100.0	159,303
4. Dallas	18.6	32.3	31.4	17.7	100.0	282,326
5. Houston	18.1	31.5	32.8	17.6	100.0	316,194
6. Jackson	35.9	30.4	23.2	10.5	100.0	57,640
7. Little Rock	26.0	36.4	26.5	11.1	100.0	61,503
8. Memphis	27.5	35.3	26.1	11.1	100.0	151,064
9. Mobile	25.4	35.5	27.4	11.7	100.0	73,993
10. Montgomery	31.1	30.9	25.2	12.8	100.0	39,830
11. <u>NEW ORLEANS</u>	<u>24.3</u>	<u>35.2</u>	<u>27.1</u>	<u>13.4</u>	<u>100.0</u>	<u>211,161</u>
12. Shreveport	30.3	31.8	25.5	12.4	100.0	69,639
<u>OTHER COMPARATIVE AREAS</u>						
13. Baltimore	14.5%	33.2%	34.8%	17.5%	100.0%	423,480
14. Buffalo	12.2	31.6	38.7	17.4	100.0	332,979
15. Cincinnati	14.9	31.4	35.5	18.2	100.0	272,542
16. Cleveland	11.4	26.5	39.7	22.4	100.0	462,807
17. Denver	13.1	30.1	37.9	18.9	100.0	233,485
18. Kansas City	14.1	32.0	36.6	17.3	100.0	273,495
19. Minneapolis	10.1	28.1	42.0	19.8	100.0	364,127
20. San Francisco	11.9	25.1	38.7	24.3	100.0	706,966

Lower: under \$3,000  
Lower-Middle: \$3,000-5,999  
\* All S.M.S.A.'s

Upper-Middle: \$6,000-9,999  
Upper: \$10,000 and over  
# Three-Parish

### SECTION III

#### ECONOMIC TRENDS

This section presents a brief review of additional trends affecting the local economy.

##### Trends Affecting the Economy - Population, Incomes and Race

Extensive discussions and analyses of population and labor force characteristics and trends have been presented in our basic reports. A full discussion of these materials is beyond the scope of this summarization; however a number of salient characteristics are discussed below.

The New Orleans Metropolitan Area population level exceeded 1 million residents by 1965 representing a substantial market for local products and services. Growth from 1950-1965 averaged over 20,000 residents per year. Additionally, New Orleans is the center of the Gulf Coast Region, a market of some 26 million residents (1960 levels). As such, local and regional population levels represent major markets.

With respect to past population levels, New Orleans, Dallas, Atlanta and Houston all averaged about the same population level in 1940 (some 500,000 residents). New Orleans ranked second among this group, just behind Atlanta, with some 552,000 residents. However, in the 20 years to 1960, Atlanta, Dallas and Houston all grew at substantially greater rates than New Orleans resulting in population levels of 200,000-400,000 more residents in these communities by 1960. Comparisons with these and other communities are permitted by the data reproduced from our detailed reports, opposite. This is a direct reflection of the declining position of New Orleans in the Southern Region of the Nation.

Another characteristic worthy of highlighting at this point is the income distribution of New Orleans residents. These patterns (together with comparative data for other metropolitan areas) are set forth in Table 3-2. As indicated, in 1960 some 24.3% of all families in the New Orleans Area were in the Lower income group, a figure substantially above Dallas, Houston and Atlanta, as well as substantially above the non-Southern comparative cities set forth in the table. The 35.2% represented in the Lower-Middle grouping also ranged above the pattern in the other metropolitan areas listed in the table. Of course, reciprocal patterns pertained to the Upper-Middle and the Upper income groupings which ranked substantially below the patterns evident in these other areas.

Lower per-family income, of course, reflects a lower purchasing power - and a somewhat reduced commercial market in areas where it prevails. With lower per-family incomes, discretionary income (i.e. the income left to be used after purchases of "necessities" have been made) will be much lower, which will hold down purchases for luxury items and services. As a result of this, market areas with relatively lower income structures do not attract as wide a variety of goods and/or specialized services as are to be found in more affluent markets.

TABLE 3-3  
1960 RACIAL CHARACTERISTICS

<u>Comparative Southern SMSA's:</u>	<u>Number</u>	<u>Percentage Distribution</u>			
		<u>Total</u>	<u>White</u>	<u>Negro</u>	<u>Other</u>
1. Atlanta	1,017,188	100.0%	77.2%	22.7%	0.1%
2. Baton Rouge	230,058	100.0	68.2	31.7	0.1
3. Birmingham	634,864	100.0	65.4	34.6	0.1
4. Dallas	1,083,601	100.0	85.5	14.3	0.2
5. Houston	1,243,158	100.0	80.0	19.8	0.2
6. Jackson	187,045	100.0	59.9	40.0	0.1
7. Little Rock	242,980	100.0	78.6	21.4	0.1
8. Memphis	627,019	100.0	63.6	36.2	0.2
9. Mobile	314,301	100.0	67.7	32.1	0.1
10. Montgomery	169,210	100.0	61.8	38.1	0.1
11. <u>New Orleans</u>	<u>868,480</u>	<u>100.0</u>	<u>69.0</u>	<u>30.8</u>	<u>0.2</u>
12. Shreveport	281,481	100.0%	65.9%	34.0%	0.1%
<u>Other Comparative Areas:</u>					
13. Baltimore	1,727,023	100.0%	77.8%	21.9%	0.3%
14. Buffalo	1,306,957	100.0	93.2	06.3	0.5
15. Cincinnati	1,071,267	100.0	87.9	11.9	0.2
16. Cleveland	1,796,595	100.0	85.5	14.3	0.2
17. Denver	929,383	100.0	95.8	3.4	0.8
18. Kansas City	1,040,454	100.0	88.6	11.3	0.1
19. Minneapolis- St. Paul	1,482,030	100.0	98.2	01.4	0.4
20. San Francisco- Oakland	2,783,359	100.0	87.6	8.5	3.9

Analyses of the white and non-white income groupings clearly demonstrate that the disproportionately lower New Orleans patterns are the direct result of the significant proportions of local non-whites among Lower Income groupings. Our analyses suggest that about 60% of the New Orleans Area market can be considered to be representative in income structure of the markets prevailing in other urban centers of the Nation (particularly the industrial centers), with some 40% (the non-white segment) representing a much lower income market (although a significant part of the total local market in terms of numbers of persons).

Under these circumstances, the purchasing power represented by the local Area market is more typical of a market of some 600,000-700,000 residents, than the 1 million residents normally associated with this marketing area.

It is clear from the foregoing that local income patterns are lower than those in other major Southern metropolitan areas. This is largely due to the pre-dominant lower-income characteristics of the New Orleans Area non-white segment. Non-white labor force participation rates averaged slightly below the Area averages, accounting in large measure for a "below U.S. average" local area position. Non-white employment levels (91.9%) were substantially below Area averages and accounted for a "below U.S. average" local area position. Mature non-white males comprise an even lower proportionate share of the employed local labor force. The education achieved by the local labor force is substantially below the levels achieved in all U.S. Urban Areas or in the other competing/comparative major metropolitan areas. These low levels are largely due to the low educational levels of local non-whites, particularly among non-white males. As such, local patterns will remain distorted without major efforts to improve the education levels of local non-whites.

The racial characteristics of the resident population in the New Orleans Area are set forth in Table 3-3, opposite, with the similar data set forth for the various comparison cities. The local racial balance is not unduly out of line with most other Southern cities. However, of the numerous larger metropolitan areas studied, the New Orleans Area demonstrated the highest proportion of non-white minority groups. Closest in comparison was Atlanta, with some 22.8% Negroe and some 0.1% Other non-whites.

Trends within the New Orleans Area from 1950 to 1960 are highlighted by the inset table below:

TABLE 3-4  
RACIAL CHARACTERISTICS - NEW ORLEANS AREA

SMSA	Total	White	Negro	Non-White	
				Other	Combined
1950 - Number	712,393	504,042	207,249	1,102	208,351
- % of Total	100.0%	70.7%	29.1%	0.2%	29.3%
1960 - Number	907,123	627,231	278,010	1,882	279,892
- % of Total	100.0%	69.1%	30.7%	0.2%	30.9%

As set forth above, the total non-white proportion of the Metropolitan Area population has increased from some 29.3% in 1950 to some 30.9% as of 1960,

TABLE 3-6

EDUCATION ACHIEVED - EFFECTIVE LABOR FORCE\*  
(1960)  
NEW ORLEANS AREA#

	<u>S.M.S.A.#</u>		<u>CITY</u>		
	<u>Number</u>	<u>% of Total</u>	<u>Number</u>	<u>% of Total</u>	<u>% of SMSA</u>
<u>YEARS OF SCHOOL COMPLETED - PERSONS 25 &amp; OVER</u>					
None	13,978	03.0%	10,090	02.9%	72.2%
Elementary 1-3	48,583	10.3	37,999	10.8	78.2
Elementary 5-7	94,218	20.0	74,030	21.0	78.6
Elementary 8	66,788	14.2	53,450	15.2	80.0
High School 1-3	79,195	16.8	59,003	16.8	74.5
High School 4	97,848	20.7	65,255	18.5	66.7
College 1-3	34,506	07.3	24,819	07.1	71.9
College 4	36,219	07.7	27,146	07.7	74.9
Total	471,335	100.0%	351,792	100.0%	74.6%
	<u>US (URBAN) (000's)</u>		<u>LOUISIANA</u>		<u>ATLANTA SMSA</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u> <u>%</u>
None	1,563	02.2%	107,577	06.6%	8,841    01.6%
Elementary 1-4	3,615	05.1	241,218	14.7	45,734    08.4
Elementary 5-7	8,790	12.4	338,769	20.7	95,598    17.6
Elementary 8	11,596	16.3	161,863	09.9	47,576    08.7
High School 1-3	14,087	19.8	259,679	15.8	105,463    19.4
High School 4	18,244	25.7	309,850	18.9	127,950    23.5
College 1-3	6,867	09.7	110,112	06.7	60,115    11.0
College 4	6,290	08.8	110,138	06.7	53,051    09.8
Total	71,052	100.0%	1,639,215	100.0%	544,328    100.0%
	<u>HOUSTON</u>		<u>BALTIMORE</u>		<u>MINNEAPOLIS</u>
None	13,581	02.1%	16,269	01.7%	5,343    00.7%
Elementary 1-4	43,176	06.5	66,841	06.9	17,428    02.2
Elementary 5-7	97,541	14.8	207,432	21.5	61,975    07.7
Elementary 8	66,342	10.1	152,755	15.8	158,009    19.8
High School 1-3	140,136	21.3	196,915	20.4	136,325    17.0
High School 4	152,172	23.1	194,818	20.2	239,800    30.0
College 1-3	77,318	11.7	62,633	06.5	97,599    12.2
College 4	69,014	10.4	67,694	07.0	83,375    10.4
Total	659,280	100.0%	965,387	100.0%	799,845    100.0%

\* Persons - age 25 and over

# Excludes St. Tammany Parish

representing a positive increase of slightly over 70,000 persons. (The bulk of this group is comprised of Negroes, with a small number of other minority non-white elements).

Trends within comparative cities since 1960 suggest the continuation of the trend toward an increasing proportion of Negroes in the major metropolitan areas, including New Orleans.

#### Trends Affecting the Economy - Labor Force

With respect to labor force characteristics, the size of the total labor force in proportion to population or the working population age groupings is not unduly out of line with U.S. averages (Table 3-5, following), with the differences largely due to below-average participation rates for the non-white element of the local population base. Local employment levels were only slightly below U.S. urban averages in 1960, being pulled down by the substantial unemployment levels reported among non-whites (91.9% for non-whites versus 94.7% as an average throughout the Metropolitan Area). Mature non-white males represented the most disproportionately low group in the employed labor force.

TABLE 3-5  
LABOR FORCE - 1960

		Population 14 & Over		Civilian Labor Force		
	Total Population	Number	% of Total Pop.	Number	% of Pop. 14 & Over	% of Total Population
<u>New Orleans SMSA</u>						
1950	685,405	515,111	75.3%	270,977	52.6%	39.5%
1960	868,480	596,938	68.7	319,802	53.6	36.8
Increase 1950-60						
- Number	183,075	81,827	44.7%	48,825	59.7%	26.7%
- Percent	26.7%	11.6%		18.0%		
<u>United States (Urban) (000's)</u>						
1950	96,468	74,250	77.0%	40,569	54.6%	42.1%
1960	125,269	89,326	71.3	49,932	55.9	39.9
Increase 1950-60						
- Number	28,801	15,076	52.3%	9,363	62.1%	32.5%
- Percent	29.9%	20.3%		23.1%		

Educational achievements of the local labor force are substantially below the levels achieved in all U.S. urban areas, as well as in the other competing and comparative major metropolitan areas studied for the purposes of this report. Again, the low local levels are largely due to the low educational achievement levels of local non-whites, particularly among non-white males. It would appear reasonable to conclude that these local patterns will remain distorted unless major efforts are undertaken to improve the educational levels (and reduce the drop-out rates) of local non-whites and particularly males.

Clearly, these levels (particularly the educational achievement levels) should become a matter of major concern to leaders interested in developing the attributes of the Area for the attraction of new industry. As matters stand now, these levels would be viewed as a liability of the Area.



In summary it can be concluded that the major problem areas within the New Orleans economy with respect to its labor force and occupational characteristics stem to a substantial degree to the particular characteristics of the non-white element within the labor force. The educational achievements of this group are such that they apparently lack evidence of the skills necessary to seek more skilled employment, as the need for the lesser levels of skills (laborers, etc.) are phased out with growing technological improvements in the Area's industrial requirements. As such, marked improvement in averages can only be expected as the result of programs aimed at alleviating these adverse conditions among the large number of local non-whites.

### Trends Affecting the Economy - Employment

The upper third of the table on and opposite the following page presents the pattern of historical employment levels in the New Orleans Metropolitan Area from 1950 to 1968. These tables also illustrate the numerical change, and the average annual change during this period. The middle portion of the table shows the percent of total employment by major employment category while the lower third of the table shows the number of employees per 1,000 population by category as well as the overall percentage changes experienced in the total number employed during the 1950 to 1968 period, an overall increase of 43.6%.

The total civilian labor force grew from approximately 296,000 in 1950 to over 425,000 in 1968, for a gain during the period of 129,100. This represents an average annual increase of approximately 6,795 persons.

Unemployment during this period actually declined from 18,700 in 1950 to 18,100 in 1968, while at the same time, the employed portion of the labor force increased from 277,400 in 1950 to 407,000 in 1968, for a gain during the period of some 46.7%

The Mining category showed the largest percentage increase of any of the employment sectors though it is one of the smaller categories. During the period 1950 to 1968, employment in Mining increased by some 370% from 3,000 persons in 1950 to 14,200 in 1968, for an average gain of approximately 590 persons per year.

Contract Construction, a category which generally follows the level of economic activity generated by other sectors of the economy, showed a healthy gain during the period with employment increasing from approximately 15,000 to almost 27,000. The gain of over 11,000 persons represented a 74% increase, with an average increment to this category amounting to 595 persons per year.

On the other hand, Manufacturing gained only a moderate amount (25.4%) since 1950. This represented some 11,700 persons in total, or 615 persons per year being added to the 1950 employment total of 46,600. This 25.4% gain during the period was significantly less than would be expected from the gain in population alone (56.5%).

The Transportation/Communications/Utilities category was the slowest growing during the overall period (recognizing that Agriculture declined) with only a total of 5,200 persons being added to this category during the 18 years covered.

The Wholesale and Retail Trade category was one of the major gainers with nearly 27,000 people or over 1,400 persons per year being added to the employment in this category. This presented a gain of approximately 44% over the 1950 level. A moderate gain was also made by the Finance/Insurance/Real Estate category in which 9,500 persons were added to the employment rolls for an 82% gain during the period.

The Services category made the most significant contribution to total employment by the addition of over 30,000 people since 1950. This averaged out to over 1,600 persons per year and represented a gain of over 92% above the 1950

TABLE 3-7

CIVILIAN WORK FORCE SUMMARY (PART 1)  
NEW ORLEANS STANDARD METROPOLITAN STATISTICAL AREA  
ORLEANS, JEFFERSON, ST. BERNARD AND ST. TAMMANY PARISHES  
1950-1960

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Mining	3,000	3,500	4,100	4,700	5,300	6,100	7,000	8,100	7,500	7,800	7,900
Contract Construction	15,300	20,500	20,100	20,300	20,800	17,700	20,000	19,800	20,000	19,000	17,900
Manufacturing	46,600	49,900	53,400	58,200	54,500	52,200	52,700	53,000	47,000	45,900	45,900
Trans./Comm./Util.	42,000	45,700	44,100	44,400	44,100	44,100	46,300	46,900	43,200	43,400	43,400
Wholesale/Retail Trade	61,200	62,500	64,400	66,500	67,000	68,000	71,500	74,300	73,100	74,000	74,900
Finance/Ins./Real Est.	11,600	12,200	12,400	13,100	14,100	14,700	15,500	16,300	17,000	17,600	18,000
Services	33,100	33,200	33,700	34,200	34,800	36,400	39,300	41,600	41,900	43,200	44,700
Government	32,500	31,900	33,000	33,100	32,800	33,800	34,800	35,200	35,800	37,000	38,500
Other Non-Agric. Empl.	30,100	30,100	30,300	30,600	30,600	31,100	31,400	32,400	32,500	32,500	41,100
Agriculture	2,000	1,900	1,900	1,800	1,600	1,600	1,400	1,300	1,300	1,200	1,100
Total Employed	277,400	291,400	298,400	306,900	305,600	305,700	319,900	328,900	319,300	321,600	333,400
Unemployed	18,700	14,200	11,500	10,200	13,300	13,000	10,100	10,600	17,700	19,000	19,600
Total Civilian Labor Force*	296,100	306,200	310,800	317,700	319,300	319,300	330,300	339,500	337,300	341,400	353,300
Present Unemployed	6.3%	4.6%	3.7%	3.2%	4.2%	4.1%	3.1%	3.1%	5.2%	5.6%	5.5%

	PERCENT OF TOTAL EMPLOYMENT BY CATEGORY										
Mining	1.1%	1.2%	1.4%	1.5%	1.7%	2.0%	2.2%	2.5%	2.4%	2.4%	2.4%
Construction	5.5	7.0	6.7	6.6	6.8	5.8	6.3	6.0	6.3	5.9	5.4
Manufacturing	16.8	17.1	17.9	19.0	17.9	17.1	16.5	16.1	14.7	14.3	13.8
Trans./Comm./Util.	15.1	15.7	15.1	14.5	14.5	14.4	14.5	14.3	13.5	13.5	13.0
Wholesale/Retail Trade	22.1	21.4	21.6	21.6	21.9	22.2	22.3	22.6	22.9	23.0	22.5
Finance/Ins./Real Est.	4.2	4.2	4.1	4.3	4.6	4.8	4.8	5.0	5.3	5.5	5.4
Services	11.9	11.4	11.3	11.1	11.4	11.9	12.3	12.6	13.1	13.4	13.4
Government	11.7	11.0	11.1	10.8	10.7	11.1	10.9	10.7	11.2	11.5	11.5
Other Non-Agric. Empl.	10.9	10.3	10.2	10.0	10.0	10.2	9.8	9.8	10.2	10.1	12.3
Agriculture	.7	.7	.6	.6	.5	.5	.4	.4	.4	.4	.3
Total Employed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

	EMPLOYEES PER 1,000 POPULATION										
Population (000's)	(712.4)	(741.8)	(757.5)	(779.0)	(787.3)	(792.7)	(825.5)	(853.6)	(853.5)	(869.4)	(905.1)
Mining	4.2	4.8	5.4	6.0	6.7	7.7	8.5	9.5	8.8	9.0	8.8
Construction	21.5	27.6	26.5	26.0	26.4	22.3	24.2	23.2	23.4	21.9	19.8
Manufacturing	65.5	67.3	70.5	74.7	69.2	65.9	63.8	62.1	55.1	52.8	50.7
Trans./Comm./Util.	59.0	61.6	59.5	57.0	56.0	55.7	56.1	54.9	50.6	49.9	47.9
Wholesale/Retail Trade	85.8	84.2	85.0	85.3	85.1	85.8	86.6	87.0	85.6	85.1	82.7
Finance/Ins./Real Est.	16.3	16.4	16.4	16.8	17.9	18.5	18.8	19.1	19.9	20.2	19.9
Services	46.5	44.7	44.5	43.9	44.2	45.9	47.6	48.7	49.1	49.7	49.4
Government	45.6	43.0	43.6	42.5	41.7	42.9	42.2	41.3	42.0	42.5	42.5
Other Non-Agric. Empl.	42.2	40.6	40.0	39.3	38.9	39.2	38.0	38.0	38.1	37.4	45.4
Agriculture	2.8	2.6	2.5	2.4	2.0	2.0	1.7	1.5	1.5	1.4	1.2
Total Employed	389.4	392.8	393.9	393.9	388.1	385.6	387.5	385.3	374.1	369.9	368.3
Unemployed	26.2	19.1	15.2	13.1	16.9	16.4	12.2	12.4	20.7	21.9	21.7
Total Labor Force*	415.6	412.8	410.3	407.8	405.5	402.8	400.1	397.7	395.2	392.7	390.3

Source: Louisiana State Department of Employment Security.

\* Labor force total includes workers involved in Work Stop, a category not in above tabulation.

TABLE 3-7

CIVILIAN WORK FORCE SUMMARY (PART II)  
NEW ORLEANS STANDARD METROPOLITAN STATISTICAL AREA  
ORLEANS, JEFFERSON, ST. BERNARD AND ST. TAMMANY PARISHES  
1961-1968

	1961	1962	1963	1964	1965	1966	1967	1968	Numerical Change 1950-68	Average Annual Change 1950-68	Numerical Change 1961-68	Average Annual Change 1961-68
Mining	8,400	9,200	9,500	10,700	12,200	12,900	13,600	14,200	11,200	590	5,800	725
Contract Construction	17,400	18,800	19,800	23,200	27,200	29,200	26,600	26,600	11,300	595	9,200	1,150
Manufacturing	44,200	46,000	50,100	54,700	58,500	59,600	57,800	58,300	11,700	615	14,100	1,765
Trans./Comm./Util.	41,800	39,600	39,700	42,200	43,700	45,700	47,200	47,200	5,200	275	5,400	675
Wholesale/Retail Trade	72,800	72,700	74,500	77,000	80,900	86,400	87,000	88,000	26,800	1,410	15,200	1,900
Finance/Ins./Real Est.	18,100	18,100	18,600	19,200	19,600	20,400	20,800	21,100	9,500	500	3,000	375
Services	45,900	47,700	48,400	52,500	55,400	60,100	62,700	63,600	36,500	1,605	17,700	2,200
Government	38,300	38,800	40,300	43,200	44,300	46,500	49,600	49,500	17,000	895	11,200	1,400
Other Non-Agric. Empl.	41,300	40,000	39,800	41,500	41,800	40,900	39,000	37,500	7,400	390	3,800	475
Agriculture	1,100	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-1,000	55	-100	-15
Total Employed	329,300	331,900	342,700	365,200	384,600	402,700	405,200	407,000	129,600	6,820	77,700	9,715
Unemployed	24,800	23,500	20,600	18,200	16,000	13,500	17,300	18,100	-600	-30	-6,700	840
Total Civilian	354,200	356,000	364,200	383,600	401,300	416,400	422,900	425,200	129,100	6,795	71,000	8,875
Labor Force*	7.0%	6.6%	5.7%	4.7%	4.0%	3.2%	4.1%	4.3%				
Percent Unemployed												

## PERCENT OF TOTAL EMPLOYMENT BY CATEGORY

	1961	1962	1963	1964	1965	1966	1967	1968
Mining	2.6%	2.8%	2.8%	2.9%	3.2%	3.2%	3.3%	3.5%
Construction	5.3	5.7	5.8	6.3	7.1	7.3	6.6	6.5
Manufacturing	13.4	13.8	14.6	15.0	15.2	14.8	14.3	14.3
Trans./Comm./Util.	12.7	11.9	11.6	11.5	11.3	11.3	11.6	11.6
Wholesale/Retail Trade	22.1	21.9	21.7	21.1	21.0	21.5	21.5	21.6
Finance/Ins./Real Est.	5.5	5.5	5.4	5.3	5.1	5.1	5.1	5.2
Services	13.9	14.4	14.4	14.4	14.4	14.9	15.5	15.6
Government	11.6	11.7	11.8	11.8	11.5	11.5	12.2	12.2
Other Non-Agric. Empl.	12.6	12.0	11.6	11.4	10.9	10.2	9.6	9.2
Agriculture	.3	.3	.3	.3	.3	.2	.3	.3
Total Employed	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## EMPLOYEES PER 1,000 POPULATION

	1961	1962	1963	1964	1965	1966	1967	1968	% Change in Employed 1950-68	% Change in Employed 1961-68
Population (000's)	(914.0)	(924.8)	(952.1)	(1,010.1)	(1,062.9)	(1,080.3)	(1,097.7)	(1,115.1)	56.5%	22.0%
Mining	9.2	9.9	10.0	10.6	11.5	11.9	12.5	12.7	373.3	69.0
Construction	19.0	20.3	20.8	23.0	25.6	27.0	24.5	23.9	73.9	52.9
Manufacturing	48.4	49.8	52.6	54.1	55.0	55.2	53.2	52.3	25.4	31.9
Trans./Comm./Util.	45.7	42.9	41.7	41.8	41.1	42.3	43.4	42.3	12.4	12.9
Wholesale/Retail Trade	79.6	78.6	78.2	76.2	76.1	80.0	80.0	78.9	43.8	20.9
Finance/Ins./Real Est.	19.8	19.6	19.5	19.0	18.5	18.9	19.1	18.9	81.9	16.6
Services	50.3	51.6	51.9	52.0	52.1	55.6	57.7	57.0	92.1	38.6
Government	41.9	41.9	42.3	42.7	41.7	43.0	45.6	44.4	52.3	29.2
Other Non-Agric. Empl.	45.2	43.2	41.8	41.1	39.3	37.9	35.9	33.6	24.6	9.2
Agriculture	1.2	1.1	1.1	1.0	.9	.9	.9	.9	-50.0	-9.1
Total Employed	360.3	358.9	359.9	361.5	361.8	372.8	372.8	365.0	46.7	23.6
Unemployed	27.1	25.4	21.6	18.0	15.1	12.5	15.9	16.2	-3.2	-27.0
Total Labor Force*	387.5	384.9	382.5	379.8	377.6	385.4	389.0	381.3	43.6	20.0

level. The increase in this category generally reflects similar increases in other major metropolitan areas throughout the country.

The Government category, on the other hand, gained at slightly less than the rate of increase in the total population base, with nearly 17,000 persons being added to the total employment, or a 52% gain since 1950.

An analysis of employment levels as a percent of total employment by category in the Metropolitan Area during the 1950 to 1968 period provides further insight into the changes which actually took place. As mentioned above, the Services category accounted for the largest single change, increasing its share of total employment from 11.9% in 1950 to 14.4% in 1965 (and subsequently to 15.6% in 1968). Mining and Contract Construction both made significant gains with the former increasing from approximately 1% of total employment to 3.2% in 1965 (and then to 3.5% by 1968), while Contract Construction increased from 5.5% to 7.1% (but subsequently dropped to 6.5%). Since 1965, however, it increased slightly to 11.6%. The other employment categories generally experienced only gradual increases or decreases as a percent of total employment.

The ratio of employees per 1,000 population has also been set out on the table, so as to remove, in part, the bias of a fluctuating work force and, more importantly, to relate in a meaningful way the employment levels of various categories to the changing population levels.

In metropolitan New Orleans, the civilian labor force in terms of number of employees per 1,000 persons declined steadily from a 1950 level of 416 employed per 1,000 to 378 per 1,000 in 1965. Since then, it has held relatively constant. Unemployment, meanwhile, has dropped more than proportionately from a level of 26.2 per 1,000 in 1950 to 16.2 as of 1968. Following both the general trend of decline in the number of persons employed per 1,000 while at the same time declining in relative importance, the Transportation/Communications/Utilities category and the Manufacturing category stand out, with the former having declined from 59 persons per 1,000 to 42, while Manufacturing dropped from 65 to 52 per 1,000 during the period covered. The opposite situation is demonstrated by the Services category which increased from 46 per 1,000 to 50, the Mining category which increased from 4 to almost 12 per 1,000, and the Contract Construction which increased from 21 to 24 per 1,000.

Short-term trends within the overall time period under discussion are equally important considerations when analyzing long-term trends for purposes of projecting future employment levels. For example, unemployment which declined from a level of 26.2 persons per 1,000 in 1950 to 16.2 in 1968 actually reached a high in 1961 of 27.1.

Manufacturing, which declined over-all during the period, reached a high in 1953 of 74.7 persons per 1,000 and a low in 1961 of 48.4 per 1,000. The high achieved by the Manufacturing group took place during the height of the build-up for the Korean conflict while the low in 1961 was just prior to the commencement of the NASA activities in New Orleans Area.

Contract Construction also reached a high during the Korean War period when, in 1951, approximately 276 persons per 1,000 were employed in this category, with a low in this category also being reached in 1961 with a ratio

of 19.0. Another Construction peak occurred in 1966 at 27 persons employed per 1,000 population. The Trade category, however, has generally remained steady at a level of 85 employees per 1,000 until about 1959, and since then has dropped steadily to a 1965 level of 76 persons per 1,000, with a subsequent return to 78-80 levels since 1965. The other categories were generally steady with only minor fluctuations in their trends.

#### Industrial Development Problems

The preceding statistics highlight employment levels and changes, in total and by major industrial segment. Our field interviews and mail surveys revealed numerous major factors which have influenced those trends in the past, or which may do so in future years.

Chief among these are the comments concerning local conditions and attitudes expressed to us by local leaders through our field and mail surveys. Those which appeared most frequently have been summarized in the table, following. Principal asset was the local labor force as described by numerous establishments (particularly manufacturing establishments, and particularly those with relatively higher paying jobs). This was the view that the labor force locally is capable of training and motivation for general industrial occupations. However, a number of instances were noted (particularly among those establishments which tend to pay lower wage scales) that much of the local labor force is poorly motivated, subject to absenteeism and instability. Further, some comment was made indicating the local force (particularly non-white) lacks basic tool-handling skills, even at a level common for persons coming into the labor force from rural areas and occupations. Additionally, some firms in the construction industry accuse the construction industry labor force of tendencies towards featherbedding, to the detriment of their productivity.

Major deficiencies ran to dissatisfaction with the quality, frequency and price of readily-available industrial sites. Transportation (principally street and highway conditions) brooked large in complaints. Additionally, the lack of adequate vocational schools and training represented a problem frequently identified as interfering with the industrial expansion of the Area.

With respect to business leadership, principal criticism was directed at the lack of time and interest on the part of local businessmen in devoting effort to civic betterment and cooperation for civic improvement. Numerous comments were made suggesting that attitudes of existing business leaders tend to be satisfied with conditions as they are. It must be recognized that a more aggressive action on the part of Chamber leadership toward economic development has been hampered by modest budget levels in past years which necessitates reliance on committees for action. Further, it appears to this office that the bulk of successful business leadership is involved in the traditional areas of the Port, tourism and commerce, and is therefore not attuned to the needs of an industrial base in Manufacturing.

With respect to political leadership, the comments encountered during our surveys indicated the general opinion on the part of many of the respondents that much of local political decision-making is based on arbitrary

TABLE 3-8

ADVANTAGES AND DISADVANTAGES FOR  
ECONOMIC DEVELOPMENT

A. ADVANTAGES AND DISADVANTAGES OF PRESENT SITES

- Principal advantages of their New Orleans location include:
  - #1 - Near or within the downtown
  - #2 - Presence of complementary industry or firms
  - #3 - Surrounding street patterns & traffic
  - #4 - Main highway accessibility
  - #5 - Public transportation system
  - #6 - Nearness of site to employees' homes
- Principal disadvantages include:
  - #1 - Land costs
  - #2 - General availability of land
  - #3 - Availability of land for expansion of facilities
  - #4 - Availability of land for parking
  - #5 - Surrounding street patterns & traffic
  - #6 - Main highway accessibility
- Major problems limiting local industrial/commercial development include:
  - #1 - Quality of available labor force
  - #2 - Land costs
  - #3 - Property taxes
  - #4 - Transportation problems
  - #5 - Local educational system
  - #6 - Land availability

B. CONDITIONS OF INDUSTRIAL SITE AVAILABILITY

- Principal problems include:
  - #1 - Fully serviced, drained & readily available sites are in scarce supply
  - #2 - Few "industrial parks" are available in the community
  - #3 - Land costs are high - by comparison with equivalent land in competing Southern cities
  - #4 - Piling (foundation) costs further increase local industrial site costs, particularly for medium & heavy floor loads.
- However - Potentially, urban renewal projects could alleviate the limited availability: high cost condition in the Urban Area.

C. LOCAL ATTITUDES

- With respect to Labor Force - many indicate that -
  - #1 - The labor force is apparently capable of training & motivation for industrial occupations
- However, others claimed that -
  - #2 - Much of lower paid labor force is poorly motivated, subject to absenteeism and instability
  - #3 - Construction industry labor force is accused of tendencies toward featherbedding.
- Other responses to other aspects clearly showed that most business leaders felt that overall -
  - #4 - Attitudes are typically self-seeking in the short term regardless of the implications of such attitudes for long term results.

and personal considerations rather than on objective and professional considerations. In our view, this is in part due to the lack of adequate salary levels for attracting larger numbers of fully qualified professional governmental workers.

Criticism was also directed at union leadership in furthering featherbedding and "inordinately high" wage rate pressures (a criticism which is commonly expressed throughout the Nation in response to the usual and appropriately organized labor self-seeking activities).

However, the general criticism could be summed up in the view that local attitudes are typically self-seeking in the short-term, regardless of the implications of such attitudes for long-term results.





PART B

ECONOMIC AND POPULATION PROJECTIONS

TABLE 4-1

SUMMARY - EMPLOYMENT PROJECTIONS\*  
 NEW ORLEANS S.M.S.A. AND ORLEANS PARISH  
 1965-1985  
 (Rounded)

Employment Group	New Orleans S.M.S.A.						Increase 1970-'85
	Actual 1960	Actual 1965	PROJECTED				
			1970	1975	1980	1985	
Mining	7,900	12,200	13,800	15,300	16,700	18,000	130.5%
Contract Construction	17,900	27,200	27,600	29,400	32,700	35,000	126.8
Manufacturing							
Durable Goods	18,430	33,610	37,000	40,250	45,200	49,900	134.9
Non-Durable Goods	27,100	24,900	25,090	26,300	27,400	29,100	116.0
Transp., Comm., Util.	43,400	43,700	43,000	43,000	43,000	43,000	100.0
Trade							
Retail Trade	49,400	54,100	58,600	62,900	68,000	73,000	124.6
Wholesale Trade	25,500	26,800	30,000	34,500	39,000	42,000	140.0
Fin., Ins., Real Est.	18,000	19,600	23,500	27,500	31,500	35,000	148.9
Services & Misc.	44,700	55,700	60,000	66,000	71,500	75,000	125.0
Government	38,500	44,300	49,000	54,000	59,500	65,000	132.7
Agriculture	1,000	1,000	1,000	1,000	1,000	1,000	100.0
Other Non-Agric. Empl.	41,100	41,800	42,500	43,600	44,800	46,000	105.7
Total	332,930	384,910	411,090	443,750	480,300	512,000	124.5%
	Orleans Parish						
Mining	6,060	7,200	8,000	8,800	9,600	10,000	125.0%
Contract Construction	11,300	15,500	17,200	18,200	19,200	20,000	116.3
Manufacturing							
Durable Goods	9,710	20,740	21,670	22,990	24,550	26,000	120.0
Non-Durable Goods	20,320	18,220	18,530	18,785	19,350	20,000	108.0
Transp., Comm., Util.	40,450	38,700	36,500	36,000	35,500	35,000	95.9
Trade							
Retail Trade	37,200	37,800	38,100	38,500	38,800	39,000	102.4
Wholesale Trade	22,900	23,000	24,450	26,200	27,100	28,000	114.5
Fin., Ins., Real Est.	17,150	18,150	20,500	23,200	25,800	27,000	131.7
Services & Misc.	39,800	49,000	51,500	54,500	58,000	60,000	116.5
Government	27,800	31,400	34,000	36,500	39,250	42,000	123.5
Agriculture	--	--	--	--	--	--	
Other Non-Agric. Empl.	34,900	35,600	36,100	37,100	38,100	39,000	108.0
Total	267,590	259,310	306,550	320,775	335,250	346,000	112.9%

\* Alternative Level - Assumes growth in Services and Government counterbalanced by increased growth in Manufacturing, Wholesale, and F.I.R.E.

## SECTION IV

### EMPLOYMENT GROWTH PROSPECTS

The foregoing sections provide a summary of the background considerations and some of the economic problems facing the Area as a focus for the efforts of Part B of the report series. These were discussed in some detail, in view of the need to put them into proper focus. The balance of this and the next sections are more abbreviated, in keeping with these more technical aspects.

A detailed economic base analysis has been conducted by this office in support of these studies.

In the interest of brevity, we have not attempted to reproduce in this document the detailed industry-by-industry comments set forth in that report. Rather, we have reproduced (opposite) a summary table setting forth the 1960 and 1965 employment levels, together with our projections of employment by category as developed from the economic base analyses.

As indicated, Mining is expected to continue to increase in response to the further expansion of this activity in the Area. Contract Construction is also expected to grow, in line with forecast population growth, but with a modest decline as a percent of total employment as it seeks a more normal level.

Manufacturing has been forecast at rather stable levels, based on the outlook for each of the individual components comprising the total manufacturing industry. Thus, although some of these categories are projected to increase in employment in response to foreseeable growth requirements, others can be expected to decline (again in response to foreseeable circumstances) with the net result being a continuation of the past trend towards stabilized employment levels in the total category.

The Transportation, Communications and Utilities category is also forecast at a stable level, in response to national and local expectations that increased requirements will be offset by labor saving devices in this industry. On the other hand, both Wholesale and Retail Trade are forecast to increase in keeping with expected population growth in the Area and the Region.

Major expansion is forecast for the Finance, Insurance and Real Estate, the Services, and the Government categories, in response to growing expectations for further commercial development of the Area.

However despite significant increases expected in some of the categories, sluggish growth in others (particularly Manufacturing) can be expected to retard the total development of the Area - unless steps are taken to alter these past trends. These views are summarized in terms of their favorable and unfavorable aspects in the summary table set forth, following.

# OUTLOOK FOR ECONOMIC GROWTH - A SUMMARY

Item	Favorable	Unfavorable
Port	<ul style="list-style-type: none"> <li>- Industry offers a stable employment outlook if modernization is undertaken, and if union demands in future years are reasonable.</li> </ul>	<ul style="list-style-type: none"> <li>- Industry does not offer much opportunity for a major increase in employment in future years</li> </ul>
NASA-Michoud	<ul style="list-style-type: none"> <li>- Industry did bring in substantial numbers of skilled workers and increased incomes in middle 1960's. Long term outlook is uncertain-but probably moderately healthy once Vietnam War is over and Space Program deemphasized.</li> </ul>	<ul style="list-style-type: none"> <li>- Industry is now phasing down to minimum levels - adds a "boom and bust" element to the economy. Industry is highly dependent on Federal financing for its support - a fickle source of funds.</li> </ul>
Shipbuilding	<ul style="list-style-type: none"> <li>- Industry is expanding rapidly, picking up the slack left by the slump in the space industry. Local firms are innovative leaders. Industry should remain relatively healthy in the national shipbuilding scene.</li> </ul>	<ul style="list-style-type: none"> <li>- Industry is also a "boom and bust" industry, depending heavily on Federal financing for a major part of its support. Present world-wide innovation needs (container ships, LASH, supertankers, etc.) may phase out in 5 years or so and reduce international support levels and needs.</li> </ul>
Mining	<ul style="list-style-type: none"> <li>- Industry is a mainstay of the CBD office market and provides high per employee earnings</li> </ul>	<ul style="list-style-type: none"> <li>- Industry appears to offer stable employment over near-term, but potential decline as Southern Louisiana reserves are proved out and exploration activities decline.</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>- Industry is the major growth element in the economy - based on present expectations</li> </ul>	<ul style="list-style-type: none"> <li>- Industry tends to pay low per employee wages. Growth prospects will be dulled with continued extension of the minimum wage law, and accompanying needs to cut labor costs.</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>- Industry offers the most significant opportunity for major job expansion - if appropriate steps are taken. Positive Area advantages and ready markets suggest a reasonable basis for assuming that concerted expansion efforts can be successful.</li> </ul>	<ul style="list-style-type: none"> <li>- Past Trends, however, suggest relative stability in manufacturing employment levels without a concerted program for growth stimulation.</li> </ul>
Wholesale Trade	<ul style="list-style-type: none"> <li>- Industry expansion is likely to keep pace with population growth.</li> </ul>	<ul style="list-style-type: none"> <li>- Further accelerating expansion is unlikely due to high cost and limited availability of land, in comparison with other regional centers.</li> </ul>
Retail Trade	<ul style="list-style-type: none"> <li>- Industry expansion is likely to be keyed to population growth - largely at suburban locations</li> </ul>	<ul style="list-style-type: none"> <li>- CBD needs a revitalized retail plant to enhance its competitiveness</li> </ul>
Business Services	<ul style="list-style-type: none"> <li>- Industry offers continued growth opportunities per national trends toward more of a "service economy."</li> </ul>	<ul style="list-style-type: none"> <li>- Industry size is relatively small so growth prospects are not significant when measured against total need.</li> </ul>
Finance/Ins/Real Est.	<ul style="list-style-type: none"> <li>- Industry expansion is expected to keep pace with population growth. Industry could enjoy expansion through improved State Insurance legislation.</li> </ul>	<ul style="list-style-type: none"> <li>- (None Apparent)</li> </ul>
Transient/Entertainment Services	<ul style="list-style-type: none"> <li>- Continued expansion of industry is expected in response to Rivergate and Domes Stadium inspired increased facilities.</li> </ul>	<ul style="list-style-type: none"> <li>- Domes Stadium financing is threatened. Extension of minimum wage law will dampen extension opportunities (labor cutting).</li> </ul>
Personal Services Construction	<ul style="list-style-type: none"> <li>- Industry can be expected to expand with population</li> </ul>	<ul style="list-style-type: none"> <li>- Industry traditionally tends to pay low per employee wages.</li> </ul>
Government	<ul style="list-style-type: none"> <li>- Industry also can be expected to expand with population</li> </ul>	<ul style="list-style-type: none"> <li>- Industry was at an artificially high level in 1966, growth will be retarded as industry levels normalize.</li> </ul>
Fishing	<ul style="list-style-type: none"> <li>- Industry is a potential growth industry, as the Area expands its governmental services to levels of other metropolitan areas.</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum local finances will retard expansion of services and employment until revision in local funding patterns &amp; levels.</li> </ul>
Over-all Employment	<ul style="list-style-type: none"> <li>- Industry is well established in the Region, and would appear to offer opportunity for expansion through commercial "farming" of oysters, shrimp and other coastal shellfish products.</li> <li>- Forecast growth opportunities are largely population - keyed. Regional stimulation of Manufacturing and of "office-type industries" offers substantial promise for further expansion beyond forecast levels.</li> </ul>	<ul style="list-style-type: none"> <li>- Industry is somewhat seasonal, and is subject to inroads by fleets from other Gulf Coast states. Much of local production is by relatively smaller operations lacking financial resources to undertake larger scale commercial operations.</li> <li>- Apparent growth opportunities of "basic" industries are limited to Tourism and Mining on the basis of present expectations.</li> </ul>

## SECTION V

### POPULATION GROWTH PROSPECTS

Population projections established by our analyses (with State forecasts based on the analyses of the Census Bureau) are set forth below:

TABLE 5-1  
POPULATION PROJECTIONS - SELECTED AREAS

<u>Population Level (000's)</u>	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>
United States#	178,465	192,854	207,210	223,990	243,325	264,216
Gulf Coast Region*	23,234	25,700	28,100	30,700	33,700	36,900
Three-State Region**	7,221	7,800	8,300	8,900	9,600	10,300
Louisiana	3,257	3,500	3,850	4,200	4,600	5,000
New Orleans SMSA***	907	1,040	1,150	1,275	1,425	1,575

# Ex. Alaska, Hawaii and Armed Forces overseas

\* Florida through Texas

\*\* Arkansas, Louisiana, Mississippi

\*\*\* Orleans, Jefferson, St. Bernard and St. Tammany Parishes

The marketing areas represented by these selected areas provide substantial markets for products which could potentially be produced and/or which could be distributed from New Orleans locations. Similarly the population projection for the Metropolitan Area provides one of the key indications of future space needs since many of such needs have a direct relationship with the population base of the Area.

Projections within the Metropolitan Area have also been developed, based on our analyses, as summarized below:

TABLE 5-2  
POPULATION PROJECTIONS  
PARISHES - NEW ORLEANS METROPOLITAN AREA

<u>Area</u>	<u>Population Projections (000's)</u>					<u>Increase</u>	
	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>%</u>	<u>No.</u>
SMSA Total	1041.0	1150.0	1275.0	1425.0	1575.0	137.0%	425.0
Orleans Parish	669.6	713.5	763.0	822.0	880.0	123.3	166.5
Jefferson Parish	275.8	319.0	369.0	431.0	495.0	155.2	176.0
St. Bernard Parish	42.3	52.5	64.0	77.0	90.0	171.4	37.5
St. Tammany Parish	53.3	65.0	79.0	95.0	110.0	169.2	45.0

Of course the realization of these projections will depend in large part on the outcome of events as yet unforeseeable. However, based upon our analyses, and our experience in other areas, these projections appear reasonable for the purposes of these reports.

TABLE 5-3

POPULATION AGE GROUPINGS - PAST LEVELS AND PROJECTIONS  
NEW ORLEANS SMSA\*

<u>Period</u>	<u>Total Population</u>	<u>Age Group</u>						
		<u>0 - 9</u>	<u>10 - 19</u>	<u>20 - 29</u>	<u>30 - 39</u>	<u>40 - 49</u>	<u>50 - 64</u>	<u>65 &amp; Over</u>
1940	575,868	82,886	104,419	101,495	101,386	81,162	71,539	32,981
1950	712,393	140,370	92,727	123,884	111,540	100,397	95,543	47,932
1960	907,123	213,768	148,175	110,159	130,677	110,500	127,014	66,830
1965	1,040,000	230,000	190,000	140,000	130,000	120,000	145,000	85,000
1970	1,150,000	250,000	220,000	170,000	130,000	130,000	155,000	95,000
1975	1,275,000	260,000	245,000	220,000	145,000	130,000	170,000	105,000
1980	1,425,000	270,000	270,000	275,000	190,000	125,000	185,000	110,000
1985	1,575,000	280,000	280,000	290,000	240,000	185,000	175,000	130,000

\* Includes St. Tammany Parish.

Note: 1970, 1980 and 1985 estimates are projected, 1965 and 1975 estimates are derived by interpolation.  
 Note: These projections have been developed as logical extensions of past trends. They should be reviewed with the recognition that actual future levels will be a reflection of the manner in which the local housing market, local industry, and local political bodies move to meet future demand levels and industry trends, and the course of action that the City adopts to meet the housing needs of its population base.

Projections of population age groupings have also been developed as set forth in Table 5-3. Most significant for future trends are the relatively smaller groups of persons represented as of 1960 in the age groupings between 20 and 64, and the relatively large grouping represented in the age groups from 0-19.

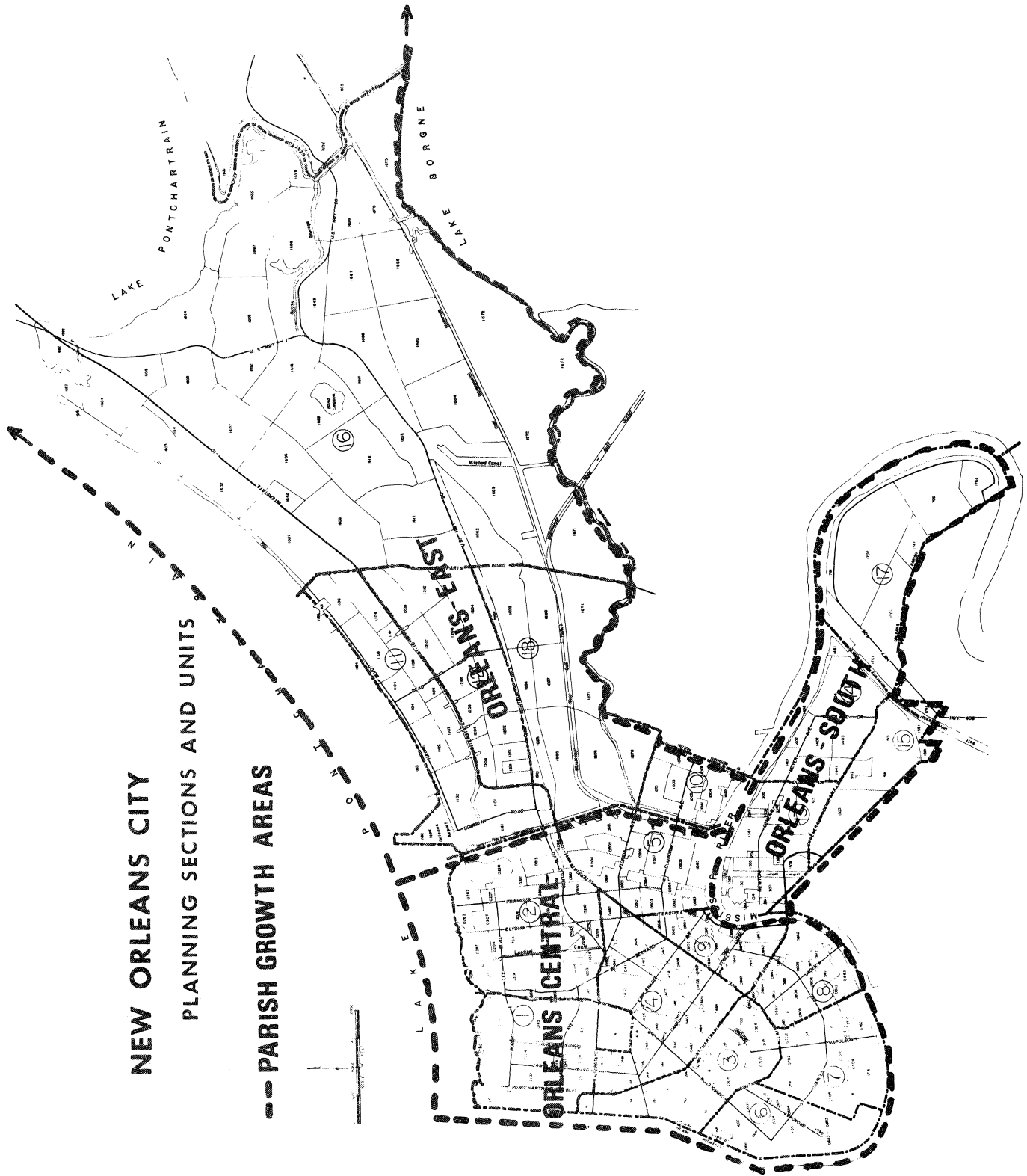
The lower proportion of residents in the middle ages will continue to be felt until about 1980, by which time the larger proportion of 1960 younger residents should be fully evident throughout the middle age groupings. As such, it should be noted that the 20-65 age groups are expected to increase some 67% during the post-1965 time span, versus an overall population growth of some 50%. This represents a serious imbalance when viewed against the 35% increase anticipated under presently foreseeable circumstances for the local job market.



# NEW ORLEANS CITY

PLANNING SECTIONS AND UNITS

-- PARISH GROWTH AREAS



## SECTION VI

### SPACE USE REQUIREMENTS

Analyses of possible future requirements for space usage of various types were also undertaken, in part to serve as a marketability base for the CRP Program, and in part to provide the Planning Commission with indications of likely future space needs in total for general planning purposes. The results of these detailed analyses are presented in this section.

#### Residential

A summary of the housing market dynamics, including the various components evaluated in developing our projection of housing market requirements for future years are presented in the table following.

As indicated, we have set forth not only the anticipated inventory in each of the five years under analysis, but also set forth our estimates of the potential components of change in the housing inventory due to (1) market growth, (2) obsolescence demolitions, (3) public demolitions, together with consideration of the limiting effect of (4) land capacity, which results in (5) an estimate of "excess growth" for each portion of the City, as well as a resulting (6) probable redirection of the excess growth thus resulting in a (7) net market requirement which represents the likely outcome of marketability pressures when measured against land availability. Finally (8) the net change is indicated as the expected net result of market pressures, space limitations, and the obsolescence as well as public demolitions anticipated for the Area, and provides the adjusting factor to the beginning year inventory which forms the basis for the estimate of the ending year inventory as set forth for each time frame in the table.

Thus, these estimates provide the basis for the estimates of residential unit marketability (net market) and land planning requirements (periodic inventory) for the basic purposes of our reports.

As indicated in the table, within the City it is expected that the 1965 inventory of some 209,492 dwelling units will increase to a 1985 inventory of some 282,412 dwelling units. This will include a growth of single family units from some 60,453 to some 89,857, as well as a duplex growth from some 75,578 to some 87,280 and an apartment growth from some 73,461 as of 1965 to a 1985 inventory of some 105,275.

The anticipated distribution in the three major segments of Orleans Parish, the Central, the East and the South Sections, are set forth in the table. (These portions of the City are outlined on the map, opposite.)

TABLE 6-1 (Part 1 of 2)

**HOUSING MARKET DYNAMICS (1965-70)**  
**ORLEANS PARISH AND GROWTH AREAS**  
 All Housing Unit Types

P l u s : H o u s i n g M a r k e t E l e m e n t s										
	1965	Market	Obsolescence	Public	Subtotal	Land	Excess	Probable	Net Market	Net
	Inventory	Growth	Demolitions	Demolitions	Inventory	Capacity*	Growth	Redirection	Requirement	Change #
City Total, All	209,492	12,635	2,520	2,791	17,946				17,946	12,635
Single-Family	60,453	5,470	1,090	829	7,389	279,350	--	- 399	6,990	5,071
Duplex	75,578	2,615	579	960	4,154	--	--	+ 200	4,354	2,815
Apartments	73,461	4,550	851	1,002	6,403	--	--	+ 199	6,602	4,749
Orleans--Central, All	176,915	4,430	2,343	2,213	8,986			-1,001	7,985	3,429
Single-Family	43,252	1,095	947	556	2,598	2,900	1,400	-1,400	1,198	-305
Duplex	67,146	835	558	731	2,124	--	--	+ 200	2,324	1,035
Apartments	66,517	2,500	838	926	4,264	--	--	+ 199	4,463	2,699
Orleans--East, All	19,420	4,940	76	548	5,564			+ 601	6,165	5,541
Single-Family	10,746	2,460	63	265	2,788	247,200	--	+ 601	3,389	3,061
Duplex	4,790	1,570	8	217	1,795	--	--	+ 601	1,795	1,570
Apartments	3,884	910	5	66	981	--	--		981	910
Orleans--South, All	13,157	3,265	101	30	3,396			+ 400	2,796	2,665
Single-Family	6,455	1,915	80	8	2,003	29,250	--	+ 400	2,403	2,315
Duplex	3,642	210	13	12	235	--	--		235	210
Apartments	3,060	1,140	8	10	1,158	--	--		1,158	1,140
H O U S I N G M A R K E T D Y N A M I C S ( 1 9 7 0 - 7 5 )										
	1970									1975
	Inventory									Inventory
City Total, All	222,127	16,395	2,520	2,300	21,215				21,215	238,522
Single-Family	65,524	7,170	1,090	836	9,096	272,360	--	- 300	8,796	72,394
Duplex	78,393	2,655	579	872	4,106		--	+ 200	4,306	81,248
Apartments	78,210	6,570	851	592	8,013		--	+ 100	8,113	84,880
Orleans--Central, All	180,344	5,645	2,343	1,368	9,356			-1,056	+ 8,300	184,933
Single-Family	42,947	715	947	394	2,056	1,702	1,356	-1,356	+ 700	42,306
Duplex	68,181	825	558	491	1,874		--	+ 200	+ 2,074	69,206
Apartments	69,216	4,105	838	483	5,426		--	+ 100	+ 5,526	73,421
Orleans--East, All	24,961	6,480	76	880	7,436			+ 656	8,092	32,097
Single-Family	13,807	3,765	63	427	4,255	243,811	--	+ 656	+ 4,911	18,228
Duplex	6,360	1,565	8	361	1,934		--		1,934	7,925
Apartments	4,794	1,150	5	92	1,247		--		1,247	5,944
Orleans--South, All	16,822	4,270	101	52	4,423			+ 400	4,823	21,492
Single-Family	8,770	2,690	80	15	2,785	26,847	--	+ 400	+ 3,185	11,860
Duplex	3,852	265	13	20	298		--		298	4,117
Apartments	4,200	1,315	8	17	1,340		--		1,340	5,515

**HOUSING MARKET DYNAMICS (1970-75)**

\*Single-family capacity.  
 #Excludes obsolescence and public demolitions.

TABLE 6-1 (Part 2 of 2)

HOUSING MARKET DYNAMICS (1975-80)  
ORLEANS PARISH AND GROWTH AREAS

Plus: Housing Market Elements											
	1975 Inventory	Market Growth	Obsolescence Demolitions	Public Demolitions	Subtotal	Land Capacity	Excess Growth	Probable Redirection	Net Market Requirement	Net Change	1980 Inventory
City Total, All	238,522	20,985	2,520	1,500	25,005				25,005	20,985	259,507
Single-Family	72,394	9,040	1,090	432	10,562	263,564	--	- 581	9,981	8,459	80,853
Duplex	81,248	2,770	579	542	3,891	--	--	+ 281	4,172	3,051	84,299
Apartments	84,880	9,175	851	526	10,552	--	--	+ 300	10,852	9,475	94,355
Orleans--Central, All	184,933	7,535	2,343	1,368	11,246			-1,100	10,146	6,435	191,368
Single-Family	42,306	540	947	394	1,881	1,002	1,381	-1,381	500	-841	41,465
Duplex	69,206	805	558	491	1,854	--	--	+ 81	1,935	886	70,092
Apartments	73,421	6,190	838	483	7,511	--	--	+ 200	7,711	6,390	79,811
Orleans--East, All	32,097	8,545	76	80	8,701			+ 650	9,351	2,195	41,292
Single-Family	18,228	5,425	63	23	5,511	238,900	--	+ 500	6,011	5,925	24,153
Duplex	7,925	1,605	8	31	1,644	--	--	+ 100	1,744	1,705	9,630
Apartments	5,944	1,515	5	26	1,546	--	--	+ 50	1,596	1,565	7,509
Orleans--South, All	21,492	4,905	101	52	5,058			+ 450	5,508	5,355	26,847
Single-Family	11,860	3,075	80	15	3,170	23,662	--	+ 300	3,470	3,375	15,235
Duplex	4,117	360	13	20	393	--	--	+ 100	493	460	4,577
Apartments	5,515	1,470	8	17	1,495	--	--	+ 50	1,545	1,520	7,035

## HOUSING MARKET DYNAMICS (1980-85)

	1980 Inventory	Market Growth	Obsolescence Demolitions	Public Demolitions	Subtotal	Land Capacity	Excess Growth	Probable Redirection	Net Market Requirement	Net Change	1985 Inventory
City Total, All	259,507	22,905	2,520	1,500	26,925				26,925	22,905	282,412
Single-Family	80,853	9,525	1,090	432	11,047	253,583	--	- 521	10,526	9,004	89,857
Duplex	84,299	2,760	579	542	3,881	--	--	+ 221	4,102	2,981	87,280
Apartments	94,355	10,620	851	526	11,997	--	--	+ 300	12,297	10,920	105,275
Orleans--Central, All	191,368	8,555	2,343	1,368	12,266			-1,100	11,166	7,455	198,823
Single-Family	41,465	380	947	394	1,721	502	1,321	-1,321	400	-941	40,524
Duplex	70,092	745	558	491	1,794	--	--	+ 21	1,815	766	70,858
Apartments	79,811	7,430	838	483	8,751	--	--	+ 200	8,951	7,630	87,441
Orleans--East, All	41,292	9,840	76	80	9,996			+ 650	10,646	10,490	51,782
Single-Family	24,153	6,670	63	23	6,756	232,889	--	+ 500	7,256	7,170	31,323
Duplex	9,630	1,575	8	31	1,614	--	--	+ 100	1,714	1,675	11,305
Apartments	7,509	1,595	5	26	1,626	--	--	+ 50	1,676	1,645	9,154
Orleans--South, All	26,847	4,510	101	52	4,663			+ 450	5,113	4,960	31,807
Single-Family	15,235	2,475	80	15	2,570	20,192	--	+ 300	2,870	2,775	18,010
Duplex	4,577	440	13	20	473	--	--	+ 100	573	540	5,117
Apartments	7,035	1,595	8	17	1,620	--	--	+ 50	1,670	1,645	8,680

TABLE 6-2  
INDUSTRIAL MARKET DYNAMICS  
ORLEANS PARISH GROWTH AREAS

	City	Orleans--Central		Orleans--East		Orleans--South	
	Total	Amount	% of City	Amount	% of City	Amount	% of City
<u>1965 INVENTORY</u>	<u>3,145.7</u>	<u>1,278.9</u>	<u>40.7%</u>	<u>1,854.1</u>	<u>58.9%</u>	<u>12.7</u>	<u>0.4%</u>
Plus Market Elements:							
1. Market Growth	400.0	180.0	45.0	220.0	55.0	--	--
2. Publ. Program Dem.	3.1	3.0	96.8	0.1	3.2	--	--
3. Subtotal	403.1	183.0	45.4	220.1	54.6	--	--
4. Vacant Land Capacity	14,889.0	137.0	0.9	14,373.0	96.5	379.0	2.6
5. Excess Growth	--	164.0	--	--	--	--	--
6. Probable Redirection	--	-111.0	--	+111.0	--	--	--
7. <u>Net Market Requirements</u>	<u>403.1</u>	<u>72.0</u>	<u>17.9</u>	<u>331.1</u>	<u>82.1</u>	<u>--</u>	<u>--</u>
<u>Net Inventory Change</u>	<u>400.0</u>	<u>69.0</u>	<u>17.2%</u>	<u>331.0</u>	<u>82.8%</u>	<u>--</u>	<u>--</u>
 <u>1970 INVENTORY</u>	 <u>3,545.7</u>	 <u>1,347.9</u>	 <u>38.0%</u>	 <u>2,185.1</u>	 <u>61.6%</u>	 <u>12.7</u>	 <u>0.4%</u>
Plus Market Elements:							
1. Market Growth	487.0	195.0	40.1	268.0	55.0	24.0	4.9
2. Publ. Program Dem.	--	--	--	--	--	--	--
3. Subtotal	487.0	195.0	40.1	268.0	55.0	24.0	4.9
4. Vacant Land Capacity	14,485.9	65.0	0.5	14,041.9	96.9	379.0	2.6
5. Excess Growth	--	185.0	--	--	--	--	--
6. Probable Redirection	--	-165.0	--	+165.0	--	--	--
7. <u>Net Market Requirements</u>	<u>487.0</u>	<u>30.0</u>	<u>6.2</u>	<u>433.0</u>	<u>88.9</u>	<u>24.0</u>	<u>4.9</u>
<u>Net Inventory Change</u>	<u>487.0</u>	<u>30.0</u>	<u>6.2%</u>	<u>433.0</u>	<u>88.9%</u>	<u>24.0</u>	<u>4.9</u>
 <u>1975 INVENTORY</u>	 <u>4,032.7</u>	 <u>1,377.9</u>	 <u>34.2%</u>	 <u>2,618.1</u>	 <u>64.9%</u>	 <u>36.7</u>	 <u>0.9%</u>
Plus Market Elements:							
1. Market Growth	478.0	167.0	34.9	287.0	60.1	24.0	5.0
2. Publ. Program Dem.	--	--	--	--	--	--	--
3. Subtotal	478.0	167.0	34.9	287.0	60.1	24.0	5.0
4. Vacant Land Capacity	13,998.9	35.0	0.3	13,608.9	97.2	355.0	2.5
5. Excess Growth	--	155.0	--	--	--	--	--
6. Probable Redirection	--	-151.0	--	+151.0	--	--	--
7. <u>Net Market Requirements</u>	<u>+478.0</u>	<u>16.0</u>	<u>3.4</u>	<u>438.0</u>	<u>91.6</u>	<u>24.0</u>	<u>5.0</u>
<u>Net Inventory Change</u>	<u>478.0</u>	<u>16.0</u>	<u>3.4%</u>	<u>438.0</u>	<u>91.6</u>	<u>24.0</u>	<u>5.0</u>
 <u>1980 INVENTORY</u>	 <u>4,510.7</u>	 <u>1,393.9</u>	 <u>30.9%</u>	 <u>3,056.1</u>	 <u>67.8%</u>	 <u>60.7</u>	 <u>1.3%</u>
Plus Market Elements:							
1. Market Growth	484.0	145.0	29.9	315.0	65.1	24.0	5.0
2. Publ. Program Dem.	--	--	--	--	--	--	--
3. Subtotal	484.0	145.0	29.9	315.0	65.1	24.0	5.0
4. Vacant Land Capacity	13,520.9	19.0	0.2	13,170.9	97.4	313.0	2.4
5. Excess Growth	--	145.0	--	--	--	--	--
6. Probable Redirection	--	-145.0	--	+145.0	--	--	--
7. <u>Net Market Requirements</u>	<u>484.0</u>	<u>--</u>	<u>--</u>	<u>460.0</u>	<u>95.0</u>	<u>24.0</u>	<u>5.0</u>
<u>Net Inventory Change</u>	<u>484.0</u>	<u>--</u>	<u>--</u>	<u>460.0</u>	<u>95.0%</u>	<u>24.0</u>	<u>5.0%</u>
 <u>1985 INVENTORY</u>	 <u>4,994.7</u>	 <u>1,393.9</u>	 <u>27.9%</u>	 <u>3,516.1</u>	 <u>70.4%</u>	 <u>84.7</u>	 <u>1.7%</u>

### Industrial

Our evaluation of future industrial marketability possibilities as well as industrial land requirements are summarized in Table 6-2, opposite. The dynamics of the industrial market have been set forth in the same fashion as those established for the residential market, including consideration not only of the beginning period inventory, plus the market elements consisting of (1) market growth, (2) public program demolitions, (3) (a subtotal), (4) vacant land capacity, (5) excess growth, (6) probable redirection due to excess growth, and then (7) the net market requirements which represent the marketability level. Net inventory change then reflects the alteration in the net inventory which is expected based upon the net result of the preceding market elements.

As set forth in Table 6-2, the City total inventory of some 3,145.7 acres of industrial land are expected to increase to some 4,994.7 acres by 1985.

Allocations to the three principal growth areas of the City as defined for the purposes of our report (see prior map) are also set forth for comparative purposes.

TABLE 6-3

COMMERCIAL MARKET DYNAMICS  
ORLEANS PARISH GROWTH AREAS

	1965 Inventory	Marketability Levels				1985 Inventory
		1965-'70	1970-'75	1975-'80	1980-'85	
<u>City Total</u>						
Retail	391.4	53.3	55.3	60.6	60.6	621.2
Services	415.8	11.7	13.0	15.6	15.4	469.7
Offices	146.9	93.1	115.8	135.1	139.9	630.8
Hotel-Motel	324.1	11.2	12.2	18.1	18.1	383.7
Total Commercial	1,278.2	169.3	196.3	229.4	234.0	2,105.4
 <u>Orleans Central</u>						
Retail	309.5	27.5	27.7	29.9	30.4	425.0
Services	317.6	2.0	2.3	2.8	2.5	327.2
Offices	131.7	22.4	29.1	33.1	31.9	248.2
Hotel-Motel	196.4	5.6	5.5	6.3	5.6	219.4
Total Commercial	955.2	57.5	64.6	72.1	70.4	1,219.8
 <u>Orleans East</u>						
Retail	48.3	17.4	19.2	22.7	23.1	130.7
Services	26.2	6.4	7.4	9.2	9.1	56.5
Offices	6.3	48.6	62.5	77.0	80.9	275.3
Hotel-Motel	108.8	4.5	5.4	9.4	10.9	139.0
Total Commercial	189.6	76.9	94.5	118.3	124.0	601.5
 <u>Orleans South</u>						
Retail	33.6	8.4	8.4	8.0	7.1	65.5
Services	72.0	3.3	3.3	3.6	3.8	86.0
Offices	8.9	22.1	24.2	25.0	27.1	107.3
Hotel-Motel	18.9	1.1	1.3	2.4	1.6	25.3
Total Commercial	133.4	34.9	37.2	39.0	39.6	284.1

The levels are set forth for governmental services, educational services (elementary/secondary as well as college and university), hospital demand, convalescent/nursing home demand, and the other semi-public or institutional needs.

Allocations of the Governmental Services levels to the various growth areas are largely dependent upon political determinations, rather than economic determinations. As such no allocation has been made in the table for these categories.

Similarly, the allocation of the college/university requirements largely to Orleans East and Orleans South is based on the assumption that new campuses would be established for these types of facilities in these growth areas. We have no way of knowing whether these conditions will in fact come to pass. As such, these are assumptions and must be subject to further testing as the result of the passing course of events in future years.

Requirements for elementary/secondary schooling, for hospitals, for convalescent and nursing homes, and for the other semi-public or institutional uses are more largely keyed to the distribution of population throughout the Parish, as well as to the growing density/cost/scarcity of land in the Central Area. As such, these represent projections expected on the basis of presently foreseeable circumstances, but again must be tested since the decisions affecting these considerations will depend to a large degree upon decisions made by political and semi-public institutions in future years.

No 1965 inventory is set forth in Table 6-4 for these uses. The 1965 land use inventory uses a classification system that does not permit these estimates to be extracted from the established categories. (Recommendations are separately made to permit future land and space use inventories to be made in categories which permit these types of market analyses - see Section XV.) As such no 1985 planning standards could be developed. However these incremental market figures are adequate for the marketability purposes of this report, and can be effectively used for most planning purposes by the Planning Commission Staff.

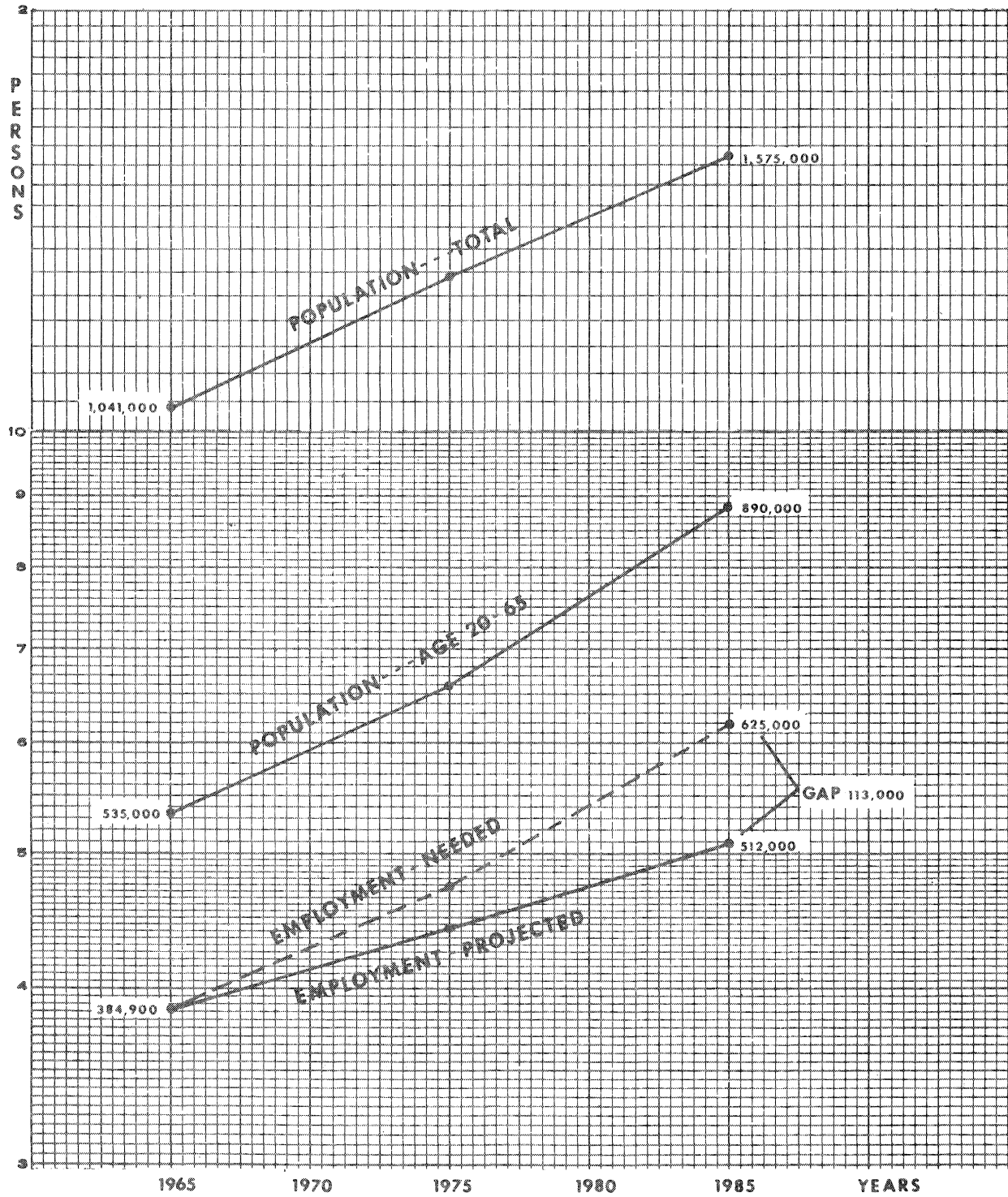




PART C

ECONOMIC NEEDS AND POLICIES

POPULATION vs. EMPLOYMENT GROWTH - NEW ORLEANS S.M.S.A.



## SECTION VII

### PROBLEMS AND OPPORTUNITIES FOR LOCAL DEVELOPMENT

The analyses conducted by this office indicate that the major problems associated with Area and City trends in economic development and diversification can be summarized, as follows:\*

First, and foremost, the Area lacks adequate employment growth opportunities. Population forecasts result in an increase of some 50% over 1965 population levels by the year 1985 (chart, opposite). Examination of age group survival patterns strongly indicate that a significant proportion of this group must be in the age groups of 20-65, which are expected to increase some 67% during this time span, if the Area is to maintain its share of normal growth patterns. However, employment projections show employment increasing only 35%, despite optimistic projections for sizable increases in the Services and in Government industrial categories.

As such, it appears that there will not be enough jobs to meet the employment needs of the Area's future labor force under presently foreseeable circumstances.

Rather, there may be a gap of 113,000 employees by 1985 (chart opposite) and a substantial proportion of the forecast employment will have to be created in the Services and the Government categories, typically lower paying categories when viewed against Mining, Manufacturing, Construction and the more aggressive commercial activities.

At stake are over 100,000 jobs, and at stake is a payroll that could exceed one-half billion dollars (\$500,000,000) at an annual rate by 1985.

In the second place, Area business leadership has in past years been strongly oriented toward commerce and port activities. As such, the community is not attuned toward fostering those factors which can expand the development of Manufacturing and other such industries in the local economy.

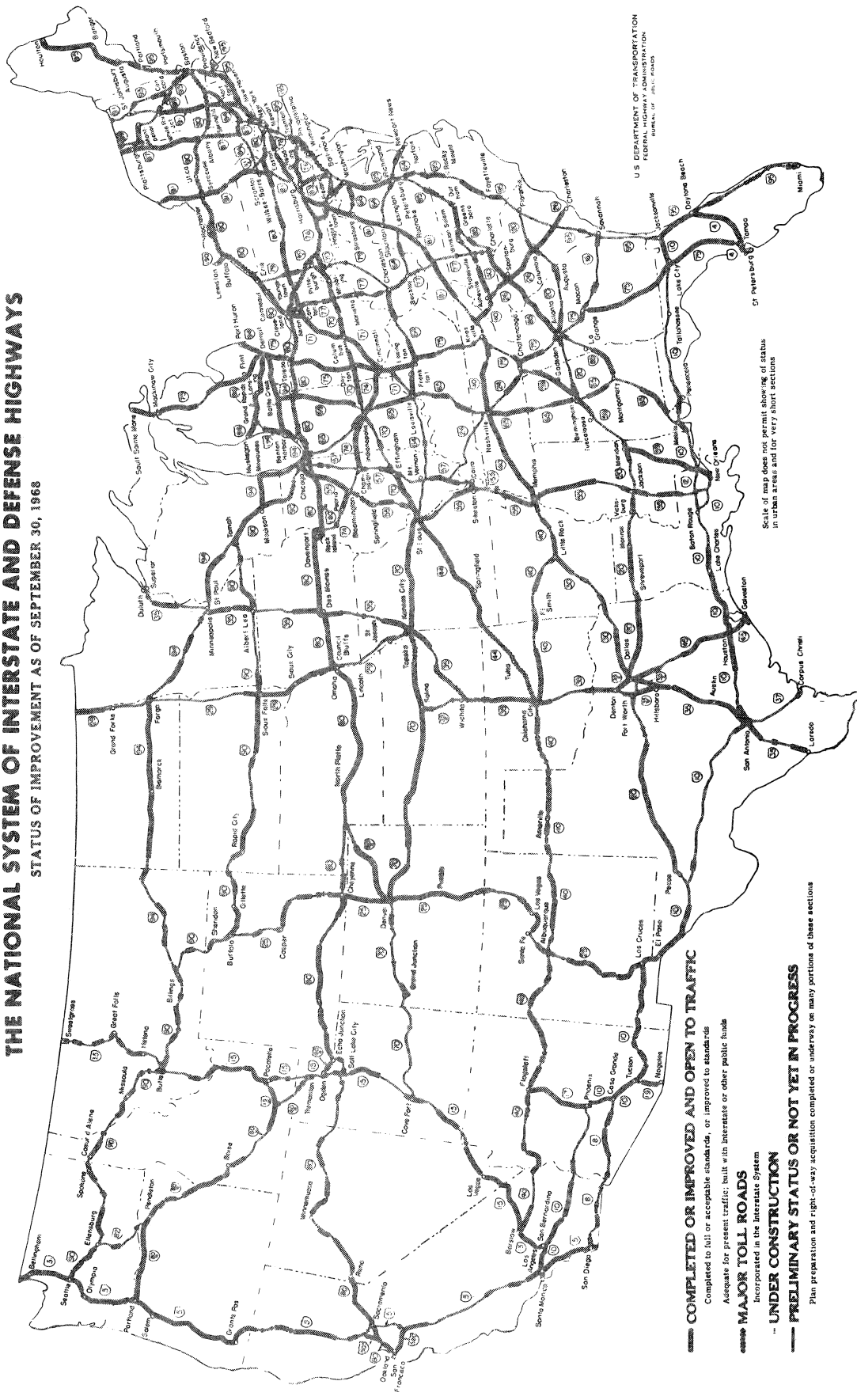
Third, although New Orleans has the second largest port in the United States, the Port is suffering from the obsolescence of its facilities as well as from the long association of organized labor with port activities that has tended to create an "umbrella" of job and income protection when viewed against labor conditions in other potential competing ports in the Gulf Coast. While steps have been taken to secure State support for port facility modernization# and bold plans have been announced for port modernization and relocation. the threat

\* Note: These conclusions and recommendations vary from our original 1967-'68 text in representing modifications based on subsequent analyses and the passing course of events since early 1968.

# Partially (50%) successful as of the date of this report.

# THE NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

## STATUS OF IMPROVEMENT AS OF SEPTEMBER 30, 1968



**COMPLETED OR IMPROVED AND OPEN TO TRAFFIC**

Completed to full or acceptable standards, or improved to standards

Adequate for present traffic; built with Interstate or other public funds

**MAJOR TOLL ROADS**

Incorporated in the Interstate System

**UNDER CONSTRUCTION**

**PRELIMINARY STATUS OR NOT YET IN PROGRESS**

Plan preparation and right-of-way acquisition completed or underway on many portions of these sections

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
BUREAU OF PUBLIC ROADS

continues that local organized labor attitudes could price the Port into a disadvantageous competitive condition, much as the textile workers did to the textile mills of New England in the early 1900's.

Fourth, settlement on the location and plans for a new regional airport has not been accomplished, a factor which can put New Orleans at a competitive disadvantage with respect to Houston, Dallas and Miami\* (all of which have their programs of construction well advanced) in continuing to compete for the regional tourism spurred by effective local airport facilities.

Fifth, although tourism is now healthy and gives every evidence of continuing to expand, there is a need for a more "rounded" appeal - through the development of daytime use facilities for "family-oriented" activities, to counterbalance the heavy emphasis on adult-oriented facilities and nighttime activities. Whether a "Disneyland" could be developed for summer vacation time emphasis as an off-season use of the proposed Domed Stadium is a factor yet to be proved out, yet one that could substantially overcome this lack.

Additionally, the funding of the Domed Stadium is now under question, a factor which again needs to be resolved so that the program of construction of the stadium can proceed.

Furthermore, highway service (key in part to tourism as well as commerce and industry), on a regional basis will be excellent with the completion of the Interstate System, in every direction from New Orleans except northwestward - to Shreveport and the northwestern corner of the State (map, opposite). Although freeway service will be provided to Baton Rouge, present plans do not program a freeway link to Alexandria and Shreveport, a critical need to facilitate both the motor transport servicing from New Orleans, and to facilitate present traffic to the City from Interstate Route 1-20, a major east-west traffic arterial under the proposed Interstate Program.

Sixth, with respect to Manufacturing, NASA has recently declined in its employment base, and gives evidence of further decline - at least until a reduction in international commitments will allow further national emphasis on the space program. On the other hand, shipbuilding has expanded in the last several years in response to the growing world need for more ships. However, other manufacturing has not expanded in recent years, nor has the community exerted the effort necessary to attempt to attract other manufacturing firms to the community. Labor skills of the unemployed tend to be low, yet on-the-job and job-related training programs have not been geared up to a high level in support of potential manufacturing establishments. The State has a program aimed at industry inducement, yet much of this program results in the development of low-labor-requirement chemical and petrochemical industries, rather than the labor-intensive types of industries necessary to solve the unemployment problems in the New Orleans Area.

Seventh, local governmental efficiency is hampered by a lack of adequate budgets, and by the pressure on job wage levels which makes difficult the attraction and/or retention of highly competent key personnel to spur local governmental programs.

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\* The program in Miami has recently (1970) been set back by site rejection for ecological reasons (Everglades).

Eighth, with respect to manpower skills and occupations, despite sizable pools of workers for a wide variety of industrial activities, a large segment of the local employable base is not suited by present skills for ready absorption into an industrial economy. Nor are they skilled in the brain power and "white-collar" skills necessary for a major commercial economy, in the modern sense of the word. As such, a further acceleration of local schooling programs geared to actual job needs remains a critical requirement of the Area

Ninth, local per capita incomes tend to be low when measured against patterns in other urban areas throughout the Nation, largely as a result of the large number of local non-whites who have not been trained and adequately absorbed into the local employment base. At stake is the issue of whether New Orleans wishes to be considered a Metropolitan City (in purchasing power) of only 700,000 residents\*, or if it wishes to achieve its full stature of over 1 million residents - as measured against other metropolitan areas of the Nation.

Tenth, the physical condition of the urban area is not highly attractive, when measured against other newer, more modern communities elsewhere in the Nation and the South. In part this is a reflection of the age of the community, and in part it is a reflection of environmental problems (foundations, heat and humidity, termites, other weather factors, etc.). Additionally, low municipal budgets prevent an aggressive attitude toward street improvement and cleanliness, as well as drainage.

However, more immediate is the condition of the "gateways" to the City for the principal sources of visitors - the airport, the incoming highways, etc. Improvement of the appearance of these "front doors" can have an impact on a new visitor far out of proportion to the impact of the visual amenities of the balance of the community. Substantial need remains for New Orleans to improve the visual characteristics of its "front doors".

Additionally, industrial sites and industrial districts in the Area do not have the physical amenities associated with the better industrial districts and parks elsewhere in the Nation. Very few true industrial parks exist in the New Orleans Area. As such, outside industrialists are limited in the conditions of existing available industrial areas by this lack of a wide variety of industrial circumstances tailored to different industrial needs.

Eleventh, with respect to land availability and cost, New Orleans is unique in that a substantial investment must be made in reclaiming land prior to its urban use. This has focused urban usage more intensively on the existing Urban Area than is the case in other metropolitan areas, with a resultant reduction in the ready availability of large tracts of vacant land for industrial purposes, and in a somewhat higher price for such land locally when compared with alternative areas. Of course, higher site costs might be more than offset by lower local utility or labor costs. But, there is no organization and research means available to highlight these potential advantages, in comparison with the all too obvious possibly increased cost of local industrial land in the promotion of the Area to potential industrial site seekers.

\* The actual purchasing power of the local population income mix, in comparison with the greater income/purchasing power of the mix in other U.S. metropolitan areas.

Additionally, the New Orleans Region is composed of a wide variety of municipal, parish and independent governmental bodies, boards, agencies, etc., a fragmented condition which is further highlighted by the substantial rivalries which exist between the various parishes and communities. Regional cooperation to "make the pie bigger" rather than "get a bigger piece of the pie" is mandatory for an effective economic development program. Similarly, it is mandatory for the solution of those problems which go beyond municipal or parish boundaries for their adequate solution. Increasing cooperation and mutual concern for problems remains a continuing problem yet to be resolved.

Also, it appears that the average resident of the Area has not in the past been made conscious of the problems and opportunities affecting the Area from the standpoint of economic development, and has not been given the chance to focus his resources and energies in support of the Area's development (with the exception of the very recent series focusing on the local Area problems being undertaken by the local newspapers, radio and television media).

Lastly, there is a need for a single, strong function (person, agency, foundation or non-profit corporation) charged with the responsibility of investing and staying abreast of trends in Area development activities, translating its findings into policy and action recommendations for submission to the applicable agencies that should be concerned with carrying out these programs, and then applying pressure through persuasion and/or publicity to accomplish the adoption and then the execution of any such programs necessary for the furtherance of the Area's economic development. Other cities, by having a "spur" of this type, insure that this key goal of local economic development will not be submerged and lost in the many activities of the area due to oversight, confusion or inadvertent misdirection. Again, the New Orleans Area appears to be lacking in its need for such an entity (although in the past months these conclusions and other recommendations of this office to the Chamber of Commerce of the New Orleans Area are spurring efforts to organize and fund a program of accelerating economic promotion by this organization).

These problems also represent an opportunity -- an opportunity to overcome these conditions and improve local economic health. The following section presents a summary of the needs and policies which we would recommend, for alleviation of these problems.





## SECTION VIII

### ECONOMIC RENEWAL NEEDS AND POLICIES

#### Program Needs

A community is the hallmark of man's evolution toward increasingly sophisticated life form, increasing specialization of activity, increasingly higher forms of cultural pursuits and knowledge, and ever more complex urban life. As such, concern for the condition and direction of a community's evolution, is properly the concern of its citizens.

People can be the masters or the victims of their circumstances in life. Similarly, the residents of a community can be determining factors in whether their community evolves and develops in step with changing times, or whether it stagnates and declines as a major factor in the lifestream of the world, the Nation, and the Region.

New Orleans is at a pivotal point in its historical evolution. The citizens of this Area can choose to let the circumstances of modern life dictate the future of the Area, in which case the Area will surely lose its vigor and remain in the bywaters of the growing economic life of the Southern Region. Alternatively, they can choose to guide their own destiny, and muster the will to adopt and support an economic development program and a physical renewal program for the Area (not unlike their ability to muster the will and support for local cultural development programs).

Our evaluations of economic conditions, problems, the advantages and disadvantages of the Area and the many factors discussed in our reports to the City as well as to the Chamber of Commerce of the New Orleans Area have resulted in a firm conviction that New Orleans can be spurred to a much higher level of economic development, and that industrial as well as office development within the Area offer the principal opportunities for accelerating economic development in terms of jobs. In our view, natural resources, coupled with locational and transportation advantages can far outweigh any local industrial disadvantages, particularly if programs are geared up to alleviate or mitigate those disadvantages which can most interfere with the successful spurring of local economic development.

Cooperation in sponsoring and supporting a concerted economic development program by the Area's leaders (business, political, professional and labor) will in itself bring about a change in one of the Area's major liabilities, its inability thus far to provide the necessary cooperation and effort in creating the conditions for supporting accelerated economic development. Leadership, exerted through effective cooperation, and focused on a program of priorities and goals, is mandatory if the many, diverse elements of the community are to be effectively coordinated in a total program.

The results of this effort can spell the difference between continued prominence vs. stagnation for the Area. The destiny of the community at this

pivotal point is clearly in the hands of its citizens.

New Orleans has many positive aspects. It has many advantages in comparison with other Southern economic centers of activity. It has gone through a period of self-analysis and introspection in the last two years which has focused on its problems, on its liabilities, on its disadvantages. From this must come a positive program which stresses the assets of the Area, while it works to quietly correct the liabilities.

Other areas have demonstrated conclusively the feasibility of securing the marked economic benefits which far outweigh the costs involved in an economic development program. However, people are the key to a successful program. As such, no effort can be spared in securing and retaining the most devoted and highly qualified people possible for this job. Additionally, funds are mandatory. The source of funding must be assured in order to attract good people, and in order to allow them to undertake long-range programs rather than "spinning their wheels" on short-term panaceas that will not be able to accomplish the changes necessary for long-term success.

Above all else, the program must have civic support - support from business leadership, support from political leadership, support from organized labor, support from the educational institutions, and support from the citizens at large - for its ultimate success. Its final success will be directly proportional to the degree to which this support can be mobilized and brought to bear on its problems.

Our basic reports and summarized materials following have focused on the many elements which must be considered, incorporated, and coordinated, in undertaking a successful economic development program. The stakes are great, but the rewards can be substantial, and offer an enhancement of life for all of the citizens of New Orleans. In our view, the present generation owes it to succeeding generations to exert the effort necessary to insure a healthy economic future for the Area.

It is in this light that these program elements have been conceived and are offered to the leadership of the City and its citizens.

It is in this light that the following pages set forth our recommendations for these program elements.

#### Areas of Primary Concern

The areas, which in our view require primary concern (particularly in the early year activities of the total organization for economic development) include the following:

First, it would be our recommendation that the total program be geared to the phrase "Jobs and Training". In our view, these are the two key elements around which the entire program can evolve.

With these in mind, key areas of primary concern for early activity should include (1) company promotion and attraction, (2) manpower development - job training, (3) manpower development - basic schooling, (4) industrial property

availability, (5) basic research on new industries, and (6) municipal improvement.

With respect to company promotion and attraction, this function must rest primarily with the professional staff of the Chamber, although every trade junket, every incoming conventioneer, every other similar opportunity should be used to "Build New Orleans". A program of Area "image building" should be undertaken as soon as funds can be budgeted, for the purpose of building an appropriate business image for New Orleans in the eyes of key executives across the Nation.

With this undertaken, principal subsequent efforts should be directed on a "rifle shot approach" to those industries and companies with proven markets in the New Orleans Area and its environs, and/or where unique cost advantages can act to the benefit of the firm in a New Orleans location. Industries should be researched and those that are "natural" to this Area should be catalogued. Then companies should be selected which have a branching pattern which is sympathetic with a New Orleans location. Appropriate promotional program materials should be developed for these companies and an aggressive promotional program should be evolved to attract the business leaders of these companies and sell them on the advantages of the New Orleans location.

However, it would be our view that much spadework remains to be done in building local staff, building local methods and expertise, and in correcting some of the more glaring deficiencies of the local economy prior to the mounting of a highly successful program. As such, early years should focus on building methods and procedures rather than on results, so as to lay a proper foundation for a concerted, successful, long-term development program.

With respect to manpower development as oriented to job training, early activity must be directed toward generating the necessary implementation procedures for providing whatever job-related training may become necessary as a result of industry attraction. The full gamut of on-the-job training and job-related training programs should be investigated, catalogued and identified, and steps taken for their implementation (on a "stand-by" basis) so as to facilitate job attraction efforts.

With respect to manpower development in basic schooling, recognition must be given to the fact that industrial vocational training has not played a major role in the high school educational system of the Area. Rather, our interviews suggested the local view that New Orleans Area schools are predominantly oriented to turning our employees for the service industries rather than industrially-oriented employees. Some local businessmen even claim that local employees lack the basic skills in use of tools which one can normally expect to result from farm life and rural economies (with such employers indicating a higher level of manual dexterity on the part of their employees coming from the smaller towns in upstate locations than exists among New Orleans reared employees).

In our view the implementation of a high school vocational training program is mandatory if a successful program of anything other than a minimum scale is to be mounted in the community for the attraction of industrial activities. As such, we would recommend further study of the availability of

Federal assistance in fostering the development of such schooling, and would recommend the further implementation of whatever methods would appear appropriate to insure the successful development of a pre-apprentice, all-trades, vocational school or schools to serve the total New Orleans Area.

With respect to industrial property availability, services and price, it has been our experience that businessmen outside of the New Orleans Area generally believe that high land costs face them in the development of a New Orleans plant. This concern runs to (1) limited site availability and related high land costs, and (2) high foundation costs necessitated by piling.

However, appropriate financial analyses can point out that typically a relatively small portion of total cost is represented by land. Admittedly higher local land costs may be overcome through labor savings, utilities, or other factors that could negate their impact.

Investigation into foundation costs turned up a study of some years of age indicating that piling costs in New Orleans for normal light assembly and warehouse operations are not excessive when compared against normal site preparation costs in areas where rocks, hills, or other moderate site impediments may be encountered. It is necessary that some budget be assembled and expended in updating this study, particularly with comparisons drawn between New Orleans and Baton Rouge, Kansas City or St. Louis, Dallas/Fort Worth, and Atlanta.

Additionally, we would recommend that some budget be expended in surveying and preparing research materials on comparable industrial prices in competing cities. The availability of this data in the local market place could prove of substantial benefit in local education, as well as perform valuable service in providing appropriate cost data for inter-area analyses in support of company presentations.

With respect to municipal improvement, streets and highways represent the number one problem. This element has been discussed previously in this summary. We would recommend not only local municipal acceleration of street improvement efforts, but would also suggest investigation by an appropriate, qualified, interdisciplinary authority, of totally new foundations for street construction methods and materials, with the hope of finding a more satisfactory solution to the problem of foundation and surface degeneration in local streets. New products and techniques have been spurred by modern science in many other directions. Perhaps a more satisfactory solution can be found for the New Orleans Area in this one major critical area of need.

With respect to community finance, changes through the adoption of appropriate revenue measures to alleviate the present budget bind should be consistent with and competitive with those revenue measures (and their impact) prevalent in New Orleans' natural competitive cities elsewhere in the South. We would recommend further study of the methods of taxation, the level of revenues paid and raised, and the level of services provided in these cities, as the basis for the development of positive business leadership in New Orleans on this key issue. Clearly, a highly imbalanced revenue:service structure will add to the detriment of New Orleans in comparison with other areas until rectified. Thus, we would not recommend the adoption of revenue generating measures that are widely at variance with those practiced in other competing cities.

Further, consideration must be given not only to the tax implications on the manufacturing establishment itself, but also to the taxing implications for the key supervisory personnel who would be locating in New Orleans in support of a branch location. These people can have a substantial say in the ultimate plant location decision, particularly if their personal lives are going to be seriously disrupted by revenue raising measures (i.e. progressive income taxes). Additionally, in our view, New Orleans will be in a much healthier position if it raises about the same proportion of revenues from about the same sources and provides about the same services as does its competing areas. Again, serious imbalances will tend to be viewed in a detrimental fashion by national industrialists, despite the short-term benefit that reduced revenue levels might seem to provide.

The City has undertaken a program of urban renewal which now is attempting to get off the ground. We would recommend a continued "watchdog" attitude toward this program. If the urban renewal program is not implemented in an aggressive fashion we would urge whatever political action is necessary to accomplish this purpose, particularly in view of the major rejuvenation problems existing within this Area in comparison with its natural rivals. Although it will not be possible for New Orleans to implement urban renewal programs that can make a major change in the City's environmental conditions within the next three-five years, the presence of an aggressive and active program for urban renewal with results showing in some areas, can materially enhance area promotional efforts. As such, inadvertant delays cannot be allowed to interfere with the progress of this key program, particularly since much of its early emphasis is already keyed to the Ninth Ward Project, to the exclusion of needed commercial and industrial projects elsewhere in the community.

#### Program Recommendations - Economic Development Goals

It is the assumption of this office that the citizens of the New Orleans Area will choose to marshall the will and the resources necessary to undertake programs designed to rectify its problems, and to spur the economic development of this Region. To give focus to this effort, we would recommend the following economic "Goals" for consideration and adoption in the execution of a local economic development program.

First, we would recommend a program striving for the balanced economic growth of the Region.

This effort should emphasize those industries and activities that can complement existing businesses and add to the Area's economic diversification.

Long-term emphasis should be on manufacturing (fabrication and light assembly) and office-oriented commercial pursuits. Shorter-term emphasis should be on those elements that offer maximum immediate prospects (Tourism, Shipbuilding, the Airport, Mining regional headquarters operations, manufacturers who "walk in the door", etc.)

Second, we would recommend that the economic development program be geared up to a level that generates adequate jobs to meet the normal growth of the community.

Satisfaction of the needs of existing citizens and their offspring should be the primary concern in a community with limited resources and a wide diversity of alternative monetary needs. Funds are urgently needed in many other directions, in part to improve total community conditions in many directions. As such, resources devoted to this program will have practical limits that can be satisfied by this goal.

Third, we would recommend that the specific goals of the program be focused on Jobs and Training.

Early year activities should be organized more strongly toward the quantitative elements of more jobs and better training, in view of the sizable problems facing the Area which stem from these factors.

Subsequent activities (some 7-12 years hence) can be expected to focus more completely on the qualitative aspects of higher personal incomes, better jobs, fuller use of abilities, etc.

Ideally, these twin areas of emphasis can be highlighted by the following:

1. "A job for every person who can and wants to work."
2. "A full education for every person who can and wants to learn."

Fourth, with respect to tangible goals, we would recommend the following:

- A. A Metropolitan Area population of 1,575,000 by 1985
- B. A Metropolitan Area employment level of 625,000 by 1985
- C. A manufacturing employment increase of some 30,000 employees by 1985, pushing 1985 manufacturing employment levels to some 90,000
- D. A commercial employment increase of some 20,000 employees above forecast levels, pushing Finance/Insurance/Real Estate and Services levels to a 1985 level of some 130,000 employees.
- E. Balanced growth in the other categories which tend to support the basic population of the Area, the natural outgrowth of the realization of the foregoing elements.

Fifth, a broad range of specific goals must be forged and accepted by the Area's leadership in support of these major goals, particularly with respect to the following elements:

- A. The development of an effective vocational high school system, for industrial and commercial skills development, as well as for pre-apprentice vocational training (for unionized crafts and trades).
- B. The achievement of schooling levels (and the reduction of drop-out rates) commensurate with experience in other urban areas, particularly competing Southern centers.
- C. The development, expansion and effective promotion of educational and vocational training opportunities for persons who must maintain full-time jobs (i.e. night school programs).
- D. The development of effective business:government cooperation in areas of:  
Welfare versus employment                      Urban rejuvenation or renewal  
Regional airport development                      Tax reform  
Street improvement and river bridge construction  
Effecting state cooperation in support of local area promotion efforts.

Sixth, we would recommend that the total program focus on the following priorities:

A. Build up what already exists -

The Port - modernization

Tourism - manpower training

Shipbuilding - manpower training assistance and provision of expansion room

NASA - assistance through political activity

Central Business District - dramatic multipurpose developments including the Riverfront Air-Rights development

The Airport - select location, complete plans and undertake construction

Local Manufacturers - investigate and satisfy myriad needs.

B. Next, promote the most obvious chances for growth -

Tourism - the Domed Stadium construction, perhaps with the development of family entertainment. Expressway accessibility to the north-west corner of the State

"Office" Industries - investigate types and prepare a promotional program

Education Industry - foster its development, and provide expansion room as needed

Manufacturing Development - promote to the "low usage:high productivity" types, and to those that "walk in the door", while gearing up the organization, finances and capabilities to undertake a more aggressive program.

C. Then undertake the long term opportunities, including -

Chemicals - particularly using the products of existing businesses, as well as plastics fabrication

Fabricated Metals, Machinery and Instruments - the cornerstone of a truly industrialized economy

Research and Development - oriented to localized raw materials, environmental circumstances, and fisheries resources of the Area

Tourism - expansion of utilization of regional hunting and fishing resources

Commerce - skills development through improved public schooling as well as vocational training.

The foregoing provide an outline of the goals which appear appropriate for itemization at this point in time. Of course many more supporting goals must be identified and adopted for the implementation of these programs.

Program Recommendations - Area Action Elements

To alleviate the problem areas discussed in Section VII and accomplish the preceding goals, it would be our recommendation that the citizens of New Orleans undertake a concerted program of City economic improvement, based on eight key elements of major attention:



1. Leave no stone unturned to keep the New Orleans Port activities fully competitive with emerging port development opportunities in Mississippi and Texas. The Port of New Orleans, directly or indirectly, accounts for over 50% of the jobs in the Metropolitan Area. These jobs are being threatened by competing trends and developments. All steps must be taken to keep the Port functions fully competitive and healthy, in comparison with alternative opportunities in the Gulf Coast Region.

In addition, a similar thrust must be aimed at expanding tourism to its maximum degree (perhaps by turning New Orleans fully into "Fun City U.S.A." with the development of complementary "family-oriented" or "children-oriented" recreational facilities and services).

2. Establish a Community Development function, with regional responsibilities to undertake the development and implementation of a program for community improvement. This function should be charged with the responsibility of providing the maximum spur to other local organizations in achieving the highest possible rate of local economic development, in a balanced program of civic upgrading. Its area of concern should cover all of the diverse elements pertinent to maximizing local development.

3. Support the Chamber's efforts to form and implement a concerted program of business diversification. This effort is long overdue in New Orleans, since aggressive action in this field has long been adopted by small towns and large cities throughout the Nation, to induce local business growth. We would foresee this program undertaking an aggressive program of business diversification. (We have recommended such a program to the Chamber under separate contract with them. A summary of the major program elements is presented in Exhibit 8-1, following at the end of this section.)

4. With respect to the condition of the City's physical plant, it would be our recommendation that in addition to the formal urban renewal programs being undertaken by the City, local programs of voluntary rehabilitation should be stimulated intensively in one or two sample neighborhoods. City maintenance of sanitary conditions and the cleanliness of public areas should be stepped up at the same time. Total public relations programs should be stimulated to accomplish a maximum effort in these areas, and to create a general awareness throughout the City of the appropriateness of these actions. This program, if successful, can then be extended to other neighborhoods and perhaps accelerated if funds are available for this purpose.

We would also recommend that in view of the tight financial position of the City, State legislation be adopted to enable funding of the renewal activity (for selected commercial or industrial projects) from the increase in taxes usually realized from the clearance and redevelopment for such high-valued uses. Such legislation has been adopted by many states and it permits the costs of commercial or industrial clearance projects to be borne by the beneficiaries of the project, its subsequent occupants.

5. Additionally, we would recommend that the City implement a study program geared at identifying the magnitude of the local deficiencies in human resources (when measured against the skills needs of prospective future area jobs), with a view to identifying and implementing a program geared to providing

ways for such skills training on both a short-term and a long-term basis. Again, the magnitude of the local need for effort to overcome the major handicaps of the bulk of the available local labor force (unemployed and sub-employed) will necessitate concerted civic action to formulate programs for overcoming these handicaps with related efforts at industry stimulation.

6. Additionally, one of the final cornerstones in a total community development effort for New Orleans must be the alleviation of its fiscal problems.

Again, perhaps the identification of appropriate internal budgetary evaluation techniques would represent the first logical step. Perhaps economies that may be effected in this fashion can, over time, be put to use in fostering more effective fiscal management, with surpluses available to fund these added programs. In this line, full use of Federal programs of community help should be made since the availability of added funds earmarked on a participating basis for the mandatory capital improvements, will spur the finding of the local share to permit the needed improvements.

7. Steps must be taken to improve the competitive character of suburban New Orleans areas, in competition with housing developments in Jefferson and the other Parishes of the Area. Steps taken through the State Legislature for tax equalization (ad valorem taxes or assessment equalization), the adoption of metropolitan area-wide development requirements, the improvement of the financing capability of developers through improvement in state-wide local improvement district (LID) legislation, or other such activities, would tend to equalize the burden of expense on the developer in the suburban areas.

8. Lastly, we would recommend that the City undertake citizen awareness programs in leading the local electorate to a recognition of the problems being faced by the City, and the possibilities for their solution. An informed electorate, wisely led, can accomplish significant programs of self-help, as evidenced by the mobilization of such action in past years in many American cities in support of critical local issues. In our opinion, stimulation of civic pride coupled with the stimulation of an awareness of the need for (and pride in the maintenance of) well maintained local premises can do much to overcome local apathy toward these questions. However, the road will not be easy in view of the generations of acceptance of these conditions which is the heritage of much of the City's present population base. Yet, the effort must be made if improvement in these conditions is to be accomplished.

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Economic Development Opportunities in the Area

The discussion of economic development opportunities set forth in our reports to the Chamber of Commerce of the New Orleans Area are summarized in the listings presented with their permission on the following pages. These have been organized with respect to the priorities recommended on Page 8-7 of this report. As such, they reflect the priorities which in our view ought to be adopted by the community (based on present expectations) to provide the optimum early program for further development. However, a restructuring of priorities may be needed in keeping with the finally adopted priorities of the community.

EXHIBIT 8-1 (Part 1 of 2)  
ECONOMIC DEVELOPMENT OPPORTUNITIES OF THE AREA

Item	Action
<u>FIRST - BUILD UP WHAT ALREADY EXISTS:</u>	
The Port.....	- State provide the needed funds for modernization. - Administrative review of the appropriateness/legitimacy of using Port funds (on a lesser priority basis) to provide needed low-cost industrial land. - Local Area adopt a goal calling for eventual enhancement of the role of manufacturing locally, with attendant decrease in the dominance of the Port. - Provide assistance through further vocational training of support staffs. - LSUNO develop a Department of Restaurant & Hotel Management (perhaps like Cornell) to enhance the prestige of this vital local industry, and provide needed management and professional personnel. - Nurture the industry with further training assistance, through the provision of expansion room (as needed), etc. - Washington representatives push for continued support of space programs and other use of Michoud. - Reshape the CBD environment with new office/hotel/retail complexes, apartment complexes in a suitable environment, upgrading of the riverfront, promotion of the Dome Stadium and its environs, etc. - Settle on a location and move ahead with all speed to realize the construction of this facility. - Develop a close liaison through a Chamber program of regular interviews, identification of problems and needs, and the provision of assistance (as possible) in meeting these needs.
Tourism.....	- Promote the Dome Stadium construction as a multi-purpose facility at the maximum size that can be financed. - Develop a daytime area of family entertainment (perhaps a "Disneyland" perhaps for vacation period use of the Dome Stadium) to "round out" the full range of local tourism appeals. - Promote the early construction of a freeway to continue the New Orleans-Baton Rouge Interstate Freeway to Alexandria, and to connect with Interstate 20 at Shreveport, to facilitate the flow of tourists to New Orleans from the Northwest. - Promote an unlimited hydrofoil, mid-summer national cup race in New Orleans as a mid-summer tourism feature. - Can be a major opportunity for the growth of local commercial activities. A detailed study of the types (and specific companies) suited to this Area, and the preparation of promotional material and programs to these companies, is strongly recommended. - Exert full efforts to facilitate the maximum health and expansion of local educational institutions. - Forge channels to develop closer working relationships between the brain power of local universities and the local business community.
"Office Industries".....	- Build procedures, data, staff capabilities and materials (Briefing Room) for the promotion of the Area to potential industrial prospects. Concentrate in early years on procedures and techniques with less emphasis on results - so as to build a solid foundation for later work. - Promote to walk-in-the-door prospects. - Foster "home-grown" (local) industrial development. - Promote to industries with an obviously advantageous local position - particularly the groups of (1) Food & Kindred, (2) Apparel & Related, (3) Fabricated Metal Products, and (4) Instruments. Also emphasize containers (corrugated boxes, plastic film and sheets, paperbound cartons, glass bottles and containers, paper bags, metal drums/tanks/containers, bottle caps, plastic/cellophane bags, and metal cans - representing an \$84.5 million market throughout Louisiana now being satisfied by out-of-state purchases, and a \$65.5 million market in the New Orleans Area alone). Additionally, Paint & Protective Coatings represents a state-wide market of some \$7.6 million coming from out-of-state sources, \$3.5 million in the New Orleans Area alone.
"Education Industry".....	- State-sponsor a detailed study of the Chemical industry (with local participation) with emphasis on the subsequent uses of local chemicals and petrochemicals, and the progressive opportunities for further processing that might be spurred in Louisiana and New Orleans using their local resources.
Manufacturing.....	

SECONDLY - PROMOTE THE MOST OBVIOUS CHANCES FOR GROWTH:

Tourism.....	- Promote the Dome Stadium construction as a multi-purpose facility at the maximum size that can be financed. - Develop a daytime area of family entertainment (perhaps a "Disneyland" perhaps for vacation period use of the Dome Stadium) to "round out" the full range of local tourism appeals. - Promote the early construction of a freeway to continue the New Orleans-Baton Rouge Interstate Freeway to Alexandria, and to connect with Interstate 20 at Shreveport, to facilitate the flow of tourists to New Orleans from the Northwest. - Promote an unlimited hydrofoil, mid-summer national cup race in New Orleans as a mid-summer tourism feature. - Can be a major opportunity for the growth of local commercial activities. A detailed study of the types (and specific companies) suited to this Area, and the preparation of promotional material and programs to these companies, is strongly recommended. - Exert full efforts to facilitate the maximum health and expansion of local educational institutions. - Forge channels to develop closer working relationships between the brain power of local universities and the local business community.
"Office Industries".....	- Build procedures, data, staff capabilities and materials (Briefing Room) for the promotion of the Area to potential industrial prospects. Concentrate in early years on procedures and techniques with less emphasis on results - so as to build a solid foundation for later work. - Promote to walk-in-the-door prospects. - Foster "home-grown" (local) industrial development. - Promote to industries with an obviously advantageous local position - particularly the groups of (1) Food & Kindred, (2) Apparel & Related, (3) Fabricated Metal Products, and (4) Instruments. Also emphasize containers (corrugated boxes, plastic film and sheets, paperbound cartons, glass bottles and containers, paper bags, metal drums/tanks/containers, bottle caps, plastic/cellophane bags, and metal cans - representing an \$84.5 million market throughout Louisiana now being satisfied by out-of-state purchases, and a \$65.5 million market in the New Orleans Area alone). Additionally, Paint & Protective Coatings represents a state-wide market of some \$7.6 million coming from out-of-state sources, \$3.5 million in the New Orleans Area alone.
"Education Industry".....	- State-sponsor a detailed study of the Chemical industry (with local participation) with emphasis on the subsequent uses of local chemicals and petrochemicals, and the progressive opportunities for further processing that might be spurred in Louisiana and New Orleans using their local resources.
Manufacturing.....	

EXHIBIT 8-1 (Part 2 of 2)  
ECONOMIC DEVELOPMENT OPPORTUNITIES OF THE AREA (Con't.)

Item	Action
<b>THIRD - LONG-TERM DEVELOPMENT OPPORTUNITIES:</b>	
Manufacturing... ..	<ul style="list-style-type: none"> <li>- Chemicals offer the largest, single area for major expansion of manufacturing in the use of local resources. Key support services must be fully identified and fostered to facilitate this industry's expansion.</li> <li>- Plastics fabrication appears to offer added significant expansion opportunities particularly in consumer goods oriented to Southern living (fiberglass &amp; plastic boats, siding and other construction materials, trailers, sport goods, household appliances &amp; equipment, etc., as well as plastic films &amp; bags).</li> <li>- The New Orleans Area offers a "natural laboratory" for the development &amp; testing of products suited to use in tropical climate conditions (heat/humidity/corrosion/rotting/insects and termites/etc.).</li> <li>- Fabricated metals (the cornerstones of truly industrialized societies) must be encouraged to evolve locally. Initial efforts can be directed at the local aluminum output, plus the local (out-of-state purchases) for electrical wiring, conduits and fittings and non-electrical wiring (\$11.3 million), screw machine products in fasteners - bolts, screws, nails (\$4.6 million) and welding rods &amp; wire (\$4.0 million). Emphasis must be on spurring the "building blocks" (screw machine products, simple metal forming such as bottle caps, simple extrusions such as wire &amp; cable, and basic forming capabilities such as pipe fittings &amp; flanges) on which can then be developed the more complex fabrications, sub-assemblies and assemblies of a fully industrialized local economy.</li> <li>- Technical Instruments are a "footloose" industry that can be generated locally - if supported in its early stages.</li> <li>- Toys/Amusements/Sporting and Athletic Goods is also somewhat "footloose" and can be stimulated in a creative and artistic environment if given appropriate support.</li> <li>- Costume Jewelry/Costume Novelties and Miscellaneous Jewelry is also "footloose" and responsive to a creative and supporting environment - if encouraged.</li> <li>- Requires both the attraction and the stimulation of exceptional brainpower for its motivation and staffing.</li> <li>- Local resources can support acceleration in local fisheries research and use particularly aimed at the ecology of the Mississippi Delta marine environment. Further commercial exploitation of delta oysters as well as shrimp and crawfish appears appropriate, particularly if the local oyster can be fostered as have Maine lobsters, West Coast salmon, Alaskan King crab, etc. Fresh water catfish farming offers an equal opportunity. If "fish meal" is accepted internationally as a world food staple, substantial local fisheries expansion can be fostered.</li> <li>- Promote R &amp; D efforts toward new products suitable for daily living in tropical climate conditions. This can lead to product development for local production and world export.</li> </ul>
Tourism .....	- Develop & promote the Area's rich hunting and fishing resources as a local "industry".
Commerce.....	<ul style="list-style-type: none"> <li>- Gear up the school system to turn out better graduates, geared for careers in commercial activities.</li> <li>- Further promote commerce with South &amp; Central America, particularly in further marshalling the resources of local universities in this direction.</li> </ul>

### Economic Renewal Program - City Action Recommendations

As indicated in the preceding portions of this section, it would be our view that the heaviest burden of job stimulation normally rests with an active Chamber of Commerce. The Chamber of Commerce of the New Orleans Area is giving evidence of undertaking a vigorous action program designed to expand the industrial and commercial job opportunities in the Metropolitan Area. We would recommend major City support of this effort, with complementary activities in the following areas:

1. We would recommend the development of a department of community development (i.e. an economic development department). This department need not be large, comprising a staff of some 3-5 persons. Its principal function will be to stimulate and direct community development in all of the inter-related areas previously discussed. This must include the following major elements, among others:
  - a. Schooling - early manual training
    - tailoring of high school programs to occupational requirements
    - vocational schooling at high school level
    - night school vocational training opportunities for adults and teen-agers.
  - b. Vocational training - expansion of on-the-job programs
    - expansion of formalized training programs for major new industry employees
    - expansion of formalized programs for basic occupations
    - expansion of craft-oriented training in support of union training efforts.
  - c. Street improvements in industrial districts - research on improved methods for foundations
    - expansion of street rehabilitation efforts in industrial and commercial districts.
  - d. Commercial/industrial district rehabilitation - stimulation of efforts at voluntary rehabilitation
    - stimulation of the development of industrial/commercial redevelopment projects.
  - e. Municipal finance - investigation and development of a balanced revenue: expenditure program with reference to other competing cities.
2. As indicated above, it would be our view that the City must undertake non-residential renewal projects to improve the calibre of its commercial and industrial districts. The Central Business District and the Vieux Carre are

giving full evidence of adequate vitality for their own renewal. However, fringe areas of the CBD, as well as older in-town and riverfront industrial districts appear to require major improvement in City services (streets, utilities, etc.) as well as major attention to existing building conditions.

3. Industry:occupation:skills direction must be provided for the municipality through the undertaking of detailed studies of future industry employment requirements, by occupation, which then must be correlated to skills requirements - all as a basis for gearing up the community (and principally the schooling/vocational training resources) to satisfying the future need for occupational training and counseling. Similar studies have been undertaken in other metropolitan areas.

Several years ago application was made by the City to the E.D.A. (Economic Development Administration - Department of Commerce) for assistance in funding such a study. The local share was pledged by the Chamber of Commerce, which served to fund the Chamber's further studies when the initial proposal was rejected due to lack of funds. We would recommend that renewed efforts be made to fund this study, and that it be undertaken for the purpose of providing a blueprint for community action in industrial/occupational/skills development and counseling for the next 10-15 years. In our view, this is one of the key evaluatory elements yet remaining to be completed before the City has an adequate package of tools available to it for directing its future economic development.

The community development department need not be large, however it must be staffed by highly competent and experienced personnel. The quality of the activity will be directly reflected in the calibre of the personnel so employed. As such, its budget must be adequate to attract a well trained, highly competent director, and additional professional staff of two persons. Two additional secretarial/clerical personnel of high calibre will be required in a further supporting function. The department's budget must be adequate to allow for contract study services, public relations materials and program, etc. It should be assumed that the department will place some requirements on the staff of the City Planning Commission for supporting analytical/graphics/text preparation assistance.

Gearing up for the challenge facing the City will more than occupy the first 3-5 years of program activities, toward the end of which time a new "reading" should be taken on the function and direction of the department - reflecting the successes being accomplished by the Chamber of Commerce, and other municipal functions as well as private organizations active in the field. However, liaison with the Chamber of Commerce, with the Tourist and Convention Bureau, with the Port Authority, with the Sewerage and Water Board, the Public Belt Railroad, and the many other elements which comprise the economic organizations of the Area is imperative, so that the City can lend its full weight in support of the efforts of all these groups to accelerate the economic development of the City in future years.



## SECTION IX

### THE CAUSES OF ECONOMIC BLIGHT

This section presents a summary of our analyses and conclusions concerning the causes of economic blight.

Economic blight can be identified as a condition which affects the economic usefulness of a property or structure, its ability to pay reasonable taxes, to maintain itself in good repair and appearance, and its economic liability to its owner and/or to the community at large. Economic blight is further defined as an influence that impairs investments, depreciates value, retards normal growth, stimulates progressive deterioration in a neighborhood or adjacent neighborhoods, and discourages individual owners from upgrading their properties.

It is quite difficult to distinguish between the causes and the results of urban blight. This is true because the earliest results immediately become causes of further decay.

The causes of economic blight are highly complex factors stemming in part from conditions within a given neighborhood (be it residential, commercial or industrial), in part from circumstances surrounding the neighborhood, and in part from governmental attitudes and policies toward the owners and occupants of the premises within the neighborhood. As such, programs scheduled to alleviate blight must take into consideration the widest variety of causative circumstances as well as remedial alternatives in drawing a final course of action for the community to adopt in its blight elimination program.

Generally speaking the single most important cause of blight must be laid to the factor called motivation.

In the case of residential neighborhoods, the motivational level of the occupants of the neighborhood can substantially dictate for the level of blight within the neighborhood. In these instances, income capabilities, knowledge and personal skills all can play a major role in shaping the possible courses of action in rectifying existing blight or in terminating the progressive spread of blight. However, the root cause - motivation - must be tackled if successful programs are to be adopted for the long-term health of the community.

With respect to commercial and industrial neighborhoods, the motivational aspect is profit. Unquestionably this singular factor is substantially influenced by such factors as existing land uses, major changes in land usage, governmental services, governmental inspections, age and condition of premises, etc. However, profits are the chief determinant of the economic patterns pertinent to most commercial and industrial properties. As such, programs tailored to alleviate these conditions must also recognize and be strongly conditioned by their impact on the profit structure of the affected people in the area (both the landlord and the tenant.) Again, motivation - rendered through profits - provides the clue to the proper shaping of effective remedial programs.



Additional remedies undertaken by most American cities during the past 10-15 years in alleviating blight (economic or otherwise) have created numerous instances of political turmoil, social unrest, personal hardship, and middling results. Critics of these programs have good justification for their criticisms.

By the same token, many communities across the Nation have adopted effective programs of blight elimination and reduction. Our firm has been actively engaged in programs in many communities where major strides have been taken, both in programs of clearance and replacement, as well as programs of rehabilitation and conservation. It has been our experience that motivation has played the key role in achieving appropriate program results in the successful programs with which we are familiar.

It is our observation (in large part based upon conversations with locally informed architects, officials, and others) that much of the blighting problem in New Orleans stems from motivational factors rather than from structural condition factors to a large degree. This same factor - motivation - is providing the basis for the continued reclamation of dwellings in the Garden District as well as in the French Quarter on a private basis, with the passage of time.

As such, it would be our recommendation that substantial effort be given toward the development of a program which will enhance the motivational response of residents of New Orleans' present blighted areas, and that substantial services be provided in training and skills development if a successful program is to be achieved over the long run.

Hard core slums do exist in the City, as the physical inspections indicate. However, the bulk of the areas which can be classified as "blighted", are identical to unblighted districts - identical in every respect with the exception of the motivational level of the residents. The unblighted areas have residents who care for their properties, and who exert personal effort in their maintenance and condition. As such, appropriate motivationally-oriented programs must be set up before large scale residential relocation can be undertaken as a result of major clearance or rehabilitation programs.

City services, on the other hand, tend to be neglected to some degree in blighted areas. Our own extensive field investigations of neighborhood property values throughout the City have led us into many of these districts which are in a "transitional" condition at the present time. It is obvious that with the reduction in occupant care for his premises and his property, there comes an attendant reduction in City maintenance efforts for streets, sidewalks, curbs, etc. As such, code enforcement and rehabilitation programs must have a complementary measure of effort aimed at improving the level of City services.

Additionally, it would be our observation that those areas in the Garden District which are enjoying a substantial measure of rejuvenation are those wherein substantial trees have been permitted to develop and remain over time. This gives rise to the consideration of the possibility of a City tree planting program in adjacent areas subject to blight, which now do not enjoy this

visual amenity. Attention to a program element of this nature would appear to be warranted.

Although not a purely economic problem, the major structural problem typical of blighted and unblighted areas alike is the lack of firm soil conditions for foundations. Technological research is needed to devise a way of reinforcing sagging foundations, of stabilizing soil conditions, or of replacing existing foundations with a new foundation system. Attention to this singular major problem which has existed in many areas of the City could go a long way toward alleviating one of the principal contributors to physical blight, which would have its impact in the environmental influences and ramifications from the standpoint of economic blight.



Lastly, of course, is the necessity for providing appropriate motivation to the profit-oriented needs of landlords and property owners in these districts. State legislation may be necessary to permit the adoption of a program of incentives for property improvement on a voluntary basis in urban renewal project areas. However, it would appear to us that appropriate financial incentives can be structured through tax benefits - if the cooperation of the assessors of the community can be extended (along the lines adopted in past programs - but amplified to meet the total need).

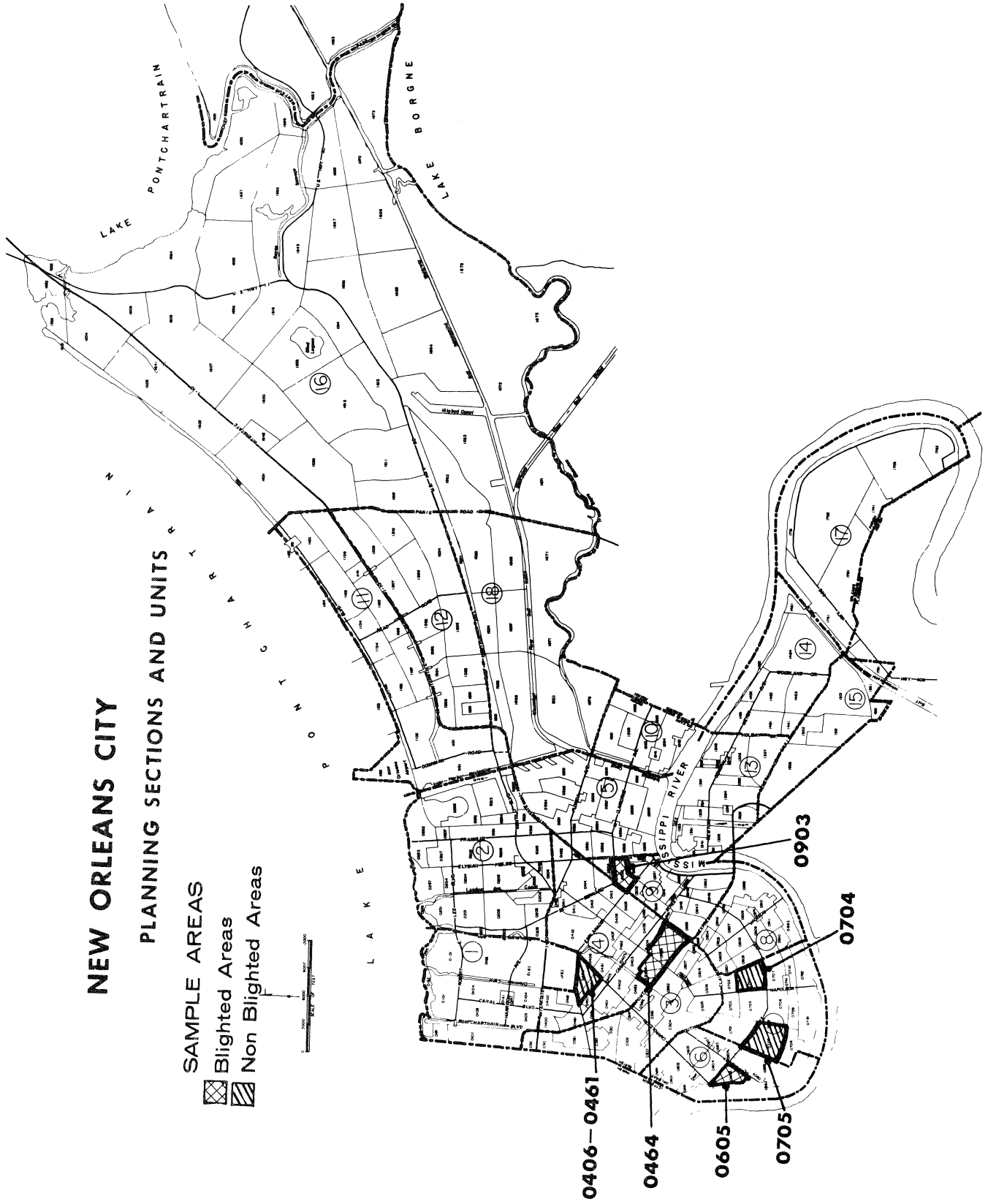
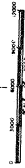
There are no panaceas for these conditions. The resulting programs of the City must be tailored to their alleviation.

# NEW ORLEANS CITY

## PLANNING SECTIONS AND UNITS

### SAMPLE AREAS

-  Blighted Areas
-  Non Blighted Areas



## SECTION X

### THE ECONOMIC COSTS OF BLIGHT

This section presents the results of our analyses of the economic costs of blight. These analyses were based on a comparative analysis of local government costs and revenues in a sample of three blighted areas and a sample of three nonblighted, or standard, areas of the City.\* Sample areas were selected by the staff of the City Planning Commission. The analysis of City revenues and expenditures was limited to the available financial data on City operations as of the year 1966, as set forth in the annual financial reports of the City and the Orleans Parish School Board.

Considerations of municipal revenues and expenditures focused on General Fund items, including revenues and surplus appropriations from taxes, licenses and permits, fines, forfeits and penalties, revenue from state and other governmental agencies, charges for current services, etc. General Fund expenditures were distributed by City Departments and other local units of government.

(However, an analysis of debt service charges on previously issued bonds, and of sundry special funds on a sample area level of the City was omitted, since these items are relatively minor at this level.)

A series of assumptions were employed to allocate revenue and costs to the sample blighted and nonblighted areas such as population, tax collections, reported police and fire complaints and other similar indicators appropriate to the type of revenue or service cost item to be allocated to the respective subareas of the City. Although the factors used in some instances assumed an "even" distribution of revenues and service costs to local neighborhoods (because of a lack of more refined data), these are a small part of the total levels due to the large number of other items distributed by actually reported service demands or revenue receipts.

As such, the comparative analysis of City costs and revenues for the selected blighted and nonblighted portions of the City provides a basis for understanding the difference in revenues versus expenses from blighted areas, and therefore an appreciation of the actual economic costs of blight.

The table, next page, summarizes our comparative analyses of City expenditures and revenue patterns in the selected blighted and nonblighted districts of the City. This table expresses the net results in terms of operating surpluses or deficits, and in the ratio of the level of operating expenditures versus the level of revenue derived from each.

The table indicates that blighted areas absorbed a higher level of expenditures than the level of revenues produced by them. On the other hand, the revenue/expenditure pattern for the nonblighted planning units as a whole resulted in a higher level of revenues than the level of expenditures absorbed.

\* See map, opposite.

TABLE 10-1  
COMPARISON OF LOCAL GOVERNMENT COSTS AND REVENUES  
SAMPLE OF BLIGHTED AND NONBLIGHTED CITY PLANNING UNITS  
1966

	TOTAL CITY	SAMPLE CITY PLAN. UNITS BLIGHTED*	NONBLIGHTED*
<u>City of New Orleans General Fund</u>			
General Fund Revenues	\$48,005.5	\$1,604.9	\$1,251.3
General Fund Expenditures	<u>49,994.6</u>	<u>1,677.8</u>	<u>1,257.5</u>
Surplus or Deficit	\$-1,989.1	\$ -72.9	\$ -6.2
Expense:Revenue Ratio - City General Fund	1.0:0.96	1.0:0.96	1.0:0.99
 <u>Orleans Parish School Board</u>			
Revenues	\$50,766.3	\$1,506.6	\$1,263.4
Expenditures	<u>49,737.9</u>	<u>1,457.3</u>	<u>1,208.6</u>
Surplus or Deficit	\$ 1,028.4	\$ 49.3	\$ 54.8
Expense:Revenue Ratio - School Board	1.00:1.02	1.00:1.03	1.00:1.05
 <u>Combined City General Fund and Orleans Parish School Board:</u>			
Revenues	\$98,771	\$3,112	\$2,514
Expenditures	<u>99,733</u>	<u>3,135</u>	<u>2,467</u>
Surplus or Deficit	\$ -962	\$ -23	\$ +47
Expense:Revenue Ratio - Combined	1.00:0.99	1.00:0.99	1.00:1.02

\* Blighted Planning Units - Planning Units 0464, 0605, 0903  
Nonblighted Planning Units - Planning Units 0406, 0461, 0705, 0704

The cost:benefit comparisons expressed as ratios, support the conclusion that the sample blighted neighborhoods and districts of the City do not provide revenues in proportion to the level of expenditures required for services from the City.

The nonblighted areas selected, however, provide more revenue support for services than the actual levels of expenditures made by local governmental and educational units for such services. Thus, the net revenue surpluses from the nonblighted neighborhoods and commercial/industrial districts are subsidizing the net revenue deficits experienced by the City in providing services to the blighted areas.

However, it should be noted that the relatively small difference between the cost:benefit ratio indicated in blighted areas and that indicated in the non-blighted areas, is substantially less than was expected, based upon our experience elsewhere in the Nation. Normally, it would be expected that economically healthy residential, commercial and industrial districts would generate much higher levels of revenue than the levels of expenditures consumed by such districts, by comparison to blighted districts (which would normally be expected to absorb much higher levels of expenditures for City services than the levels of revenue generated). However, since the cost:benefit ratio disparity between the two samples of blighted and nonblighted subareas of the City was found to be minimal, it tends to point out that in New Orleans all neighborhoods are receiving a relatively equal proportion of the services provided by the limited tax dollar. (This is in marked contrast with other communities where nonblighted areas typically contribute more heavily to the total coffers than the services they receive.) This would appear to reflect the extremely limited resources being made available to the City.

In view of these analyses, however, it must be concluded that blighted areas typically cost more in services than the revenues they provide. As such, it would appear prudent for the City to adopt policies and programs for alleviating blight and for providing all neighborhoods with the capacity to be self-sustaining, to the benefit of the total City.



## SECTION XI

### FINANCIAL RESOURCES TO COMBAT BLIGHT

Our analyses of the various financial resources which can be available to the City of New Orleans to aid in the undertaking of an urban rejuvenation program has been keyed to the four basic sources of financial resources for renewal programs:

1. The City's capital and operating fund availability;
2. The State and its agencies;
3. The Federal Government and its agencies;
4. The private sector of the economy.

The following paragraphs briefly describe the major results of our investigations into each of these four major sources of financial resources for the City's future renewal efforts.

#### City Capital and Operating Funds

The results of our examination of the sources of City capital funds, i.e. general obligation bonds, revenue bonds, miscellaneous capital funds, etc., clearly indicate that the capital funds derived from all such local sources are being utilized and programmed to the maximum in support of the City's projected capital improvement needs. As such, it is our conclusion as substantiated by the Matteson Report\*, that the programmed capital improvements can not be trimmed below the level as projected. These levels, as projected to the year 1988 by the City Planning Commission in its long-range Capital Improvement Study\*\*, approximates the levels indicated below in terms of the major categories of local governmental service functions for the 20-year period of 1968-1988:

Major Streets and Highways	\$373,985,000
Street Elimination	6,172,000
Airport, Rail, and Transit	119,000,000
Public Buildings	19,500,000
Cultural Facilities	15,790,000
Central Business District	28,350,000
Recreation	<u>97,222,500</u>
Total	\$631,669,500

Although the above categories of expenditure requirements include only those which are the primary responsibility of the City of New Orleans, the projections of the City's bonding capacity at the levels of the City's present indebtedness approximates a capacity of some \$60 million# which, when compared to the City's

\* "Dimensions and Solutions of New Orleans Financial Dilemma", Matteson Associates, November 15, 1966

# Based on 1966 projections and the new 18% legal bonding limit

\*\* "New Orleans in Action - 1955-1988" New Orleans City Planning Commission, 1963.



GENERAL FUND REVENUES AND EXPENDITURES  
(\$000's)  
CITY OF NEW ORLEANS

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>Increase/Decrease</u> <u>1960-65</u>	<u>Average Annual Change</u> <u>1960-65</u>	<u>1965-68</u>
<u>Revenues</u>								
<u>Property Taxes</u>	\$7,315	\$10,366	\$10,628	\$10,904	\$11,341	\$3,051	\$610	\$325
Real Estate Taxes	3,404	4,951	5,041	5,115	5,285	1,547	309	111
Personal Property Taxes	1,866	2,550	2,670	2,687	2,860	684	137	103
Dedicated Millage	2,045	2,865	2,917	3,103	3,196	820	164	110
Sales Taxes	8,818	11,958	13,314	15,733	23,135	3,140	628	3,726
Other Local Tax Revenues	693	870	1,013	1,014	1,005	177	35	45
Licenses and Permits	6,465	6,420	6,582	9,049	6,914	-45	-9	165
<u>Revenues From Use of Money</u> <u>and Property</u>	400	972	808	1,712	2,443	572	114	490
Fines Forfeits & Penalties	1,456	2,195	2,342	2,533	2,473	739	148	93
Charge For Services	473	778	724	783	922	305	61	48
State Government Funds	7,535	7,738	7,943	7,664	7,605	203	41	-44
Federal Government Funds	8	45	97	101	102	37	7	19
Interlocal Government Funds	250	712	398	654	608	462	92	-35
Total Revenues	\$33,413	\$42,054	\$43,849	\$50,147	\$56,549	\$8,641	\$1,728	\$4,832
<u>Expenditures</u>								
<u>Municipal Services</u>	\$20,727	\$24,966	\$28,564	\$34,035	\$35,516	\$4,239	\$848	\$3,023
Police and Fire	10,273	14,471	16,815	20,330	21,841	4,198	840	2,457
Sanitation	3,389	3,695	4,106	4,709	5,076	306	61	460
Streets	3,153	3,237	3,734	3,939	3,236	84	17	-
Health and Welfare	1,008	1,302	1,551	1,675	1,608	294	59	102
Other	2,904	2,261	2,358	3,382	3,755	-643	-129	374
<u>Management and Support</u>	\$6,527	\$8,234	\$8,891	\$10,231	\$13,237	\$1,707	\$341	\$1,668
Central Control	751	896	1,033	1,188	1,335	145	29	146
Finance Department	1,282	1,483	1,606	1,760	2,176	201	40	231
Property Management	1,808	1,907	2,091	2,395	2,960	99	20	351
General Expense & Services	2,686	3,948	4,161	4,888	6,766	1,262	252	939
<u>Special Services</u>	\$5,744	\$6,941	\$9,141	\$7,207	\$7,593	\$1,197	\$239	\$217
Unattached Agencies	3,252	3,892	4,327	3,206	3,270	640	128	-207
Judicial & Parochial	2,223	2,801	3,061	3,590	3,786	578	116	328
Miscellaneous Activities	269	248	1,753	411	537	-21	-4	96
Total Expenditures	\$32,998	\$40,141	\$46,596	\$51,473	\$56,345	\$7,143	\$1,429	\$5,401
Surplus (Deficit)	\$415	\$1,913	(\$2,747)	(\$1,326)	\$204			

projected capital needs as reflected above, indicate that this source of funds will have to be utilized to the maximum in support of the City's foreseeable program.

Therefore, it appears that the source of additional funds to finance the C.R.P. will have to be forthcoming from other sources, rather than curtailed expenditures under the Capital Improvement Program. However, the City should adopt a policy of utilizing a maximum of its programmed capital funds as matching funds (through the local grant-in-aid matching system) to secure federal funds for urban renewal areas, thereby allowing the City to benefit from additional federal funds without making additional expenditures of its own (page 11-10).

The table, opposite, presents tabulations of the City's General Fund expenditures and revenues for 1960 and 1965-1968, reflecting also the surpluses/deficits experienced in the operating budgets for these years. City operating revenues have increased from a 1960 level of some \$33 million to a 1968 level of almost \$57 million.

The principal source of revenue contributing to the increase over this time span has been the sales tax, which has increased from a 1960 level of some \$9 million, to a level of approximately \$23 million by 1968, accounting for approximately two-thirds of the total revenue increase during this period. Property taxes (real estate and personal), increased from a 1960 level of some \$5 million to a 1968 level of approximately \$8 million, representing about 28% of the total increase in General Fund revenues.

The bulk of additional monies which have become available to the City government to support increased operating costs have been derived from money/property revenues. Other revenues have provided minimal increases in support of higher expenditure levels. Although property taxes have generated some \$3 million additional revenue over 1960-1968, since 1965 revenue from this source has not maintained the rate of growth of earlier years, and has generally increased at a lower rate than other City revenue sources (particularly the revenue derived from Use of Money and Property, Fines, Forfeits and Penalties, and Charges for Services).

It is notable, as indicated by the table, that during 1965-1968, the average annual increase in revenue from property taxes was approximately \$325,000 compared to an average annual increase during 1960-1965 of \$610,000. The most significant decline in the average annual rate of increase in property tax revenue occurred in real estate taxes, which produced some \$111,000 of additional revenue yearly during 1965-1968, compared to some \$309,000 during 1960-1965. By contrast, the average annual increase in revenue from sales taxes during 1960-1965 approximated a level of \$628,000, while during 1965-1968, due to adoption of an additional 2¢ sales tax, the annual increase of revenue from this source moved markedly to a level of some \$3,726,000.

Other local ordinances increasing fees for licenses and permits, franchise agreements, fines, forfeits and penalties, as well as charges for services, have significantly boosted the annual increase in revenue from these sources during 1965-1968.

TABLE 11-2

PERCENTAGE DISTRIBUTION OF GENERAL FUND  
REVENUES AND EXPENDITURES  
CITY OF NEW ORLEANS

	<u>1960</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
<u>Revenues - Total</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>Property Taxes</u>	<u>21.9%</u>	<u>24.6%</u>	<u>24.2%</u>	<u>21.7%</u>	<u>20.1%</u>
Real Estate Taxes	10.2	11.8	11.5	10.2	9.3
Personal Property Taxes	5.6	6.1	6.1	5.3	5.1
Dedicated Millage	6.1	6.8	6.6	6.2	5.7
Sales Taxes	26.4	28.4	30.4	31.4	40.9
Other Local Tax Revenues	2.1	2.1	2.3	2.0	1.8
Licenses and Permits	19.3	15.3	15.0	18.0	12.2
Revenues from Use of Money and Property	1.2	2.3	1.8	3.4	4.3
Fines, Forfeits, Penalties	4.4	5.2	5.3	5.1	4.4
Charges for Services	1.4	1.9	1.7	1.6	1.6
State Government Funds	22.6	18.4	18.1	15.3	13.4
Federal Government Funds	-	0.1	0.2	0.2	0.2
Interlocal Government Funds	0.7	1.7	0.9	1.3	1.1
 <u>Expenditures - Total</u>	 <u>100.0%</u>	 <u>100.0%</u>	 <u>100.0%</u>	 <u>100.0%</u>	 <u>100.0%</u>
<u>Municipal Services</u>	<u>62.8%</u>	<u>62.2%</u>	<u>61.3%</u>	<u>66.1%</u>	<u>63.0%</u>
Police and Fire	31.1	36.1	36.1	39.5	38.8
Sanitation	10.3	9.2	8.8	9.1	9.0
Streets	9.6	8.1	8.0	7.7	5.7
Health and Welfare	3.1	3.2	3.3	3.3	2.9
Other	8.8	5.6	5.1	6.6	6.7
 <u>Management and Support</u>	 <u>19.8</u>	 <u>20.5</u>	 <u>19.1</u>	 <u>19.9</u>	 <u>23.5</u>
Central Control	2.3	2.2	2.2	2.3	2.4
Finance Department	3.9	3.7	3.4	3.4	3.9
Property Management	5.5	4.8	4.5	4.7	5.3
General Expense and Serv.	8.1	9.8	8.9	9.5	12.0
 <u>Special Services</u>	 <u>17.4%</u>	 <u>17.3%</u>	 <u>19.6%</u>	 <u>14.0%</u>	 <u>13.5%</u>
Unattached Agencies	9.9	9.7	9.3	6.2	5.8
Judicial and Parochial	6.7	7.0	6.6	7.0	6.7
Miscellaneous Activities	0.8	0.6	3.8	0.8	0.9

Revenue from State sources, while increasing during 1960-1965 at an average annual rate of some \$41,000, however, reflected a decline during 1965-1968, resulting in a total 1968 level of revenues from the State only slightly above the 1960 level. Revenue from Federal Government sources (representing largely Federal capital fund advances for Federally-approved public construction projects) maintained a consistently increasing level over the 1960-1968 time period. Inter-Local Government Funds (representing largely reimbursements to the City for performance of management activities and specific services for other local governmental units) while rising generally from a 1960 level of some \$250,000 to a 1965 level of \$700,000 has dropped to a slightly lower level since 1965, and has not demonstrated a consistent pattern of growth during this time span.

A review of the pattern of change in General Fund Expenditures over this same time period indicates that the level of expenditures for Municipal Services has increased sharply during 1965-1968, approximately tripling the average annual increase in expenditures occurring during 1960-1965.

Expenditures for Police and Fire Protection Services account for the bulk of the increase in the total General Fund expenditure pattern during the 1965-1968 period, with a noticeable decrease in expenditures in Streets. Management and Support Services demonstrated a similar pattern of a marked upward turn in the average annual increase in expenditures during the 1965-1968 span compared to the 1960-1965 time period. Property Management, and General Expense and Services accounted for the bulk of the increase in the expenditures during the 1965-1968 period against the earlier pattern. Special Services, however, did not parallel the other two major categories in acceleration of the 1960-1965 average annual increase in expenditures during the 1965-1968 time period, with the exception of the Judicial and Parochial Activities.

Table 11-2 summarizes the pattern of change in General Fund Revenues and Expenditures over the 1960-1965, and 1965-1968 intervals by reflecting the percent distribution pattern for Revenues and Expenditures each year. The pattern of increasing reliance of the sales tax as the source of City revenue is fairly evident by the data in this table. Conversely, property taxes which had maintained a pattern of growth resulting in an increasing proportion of total City revenue during 1960-1965, declined during 1965-1968 from 24.6% of City revenue to approximately 20% in 1968, as a result largely of the stable level of real estate taxes. Thus these data confirm the previous discussion of these recent changes.

City expenditures have maintained a pattern of concentration in Municipal Services, largely represented by heavy increases in expenditures for Police and Fire Protection Services. Management and Support Activities, while increasing as a proportion of the total City budget over 1960-1968, have been focused on the General Expense and Services Category, which consists of a number of comparatively minor municipal services and the funding of retirement and pension programs, etc. In the Special Services Category expenditures dropped sharply as a proportion of the total City budget during 1967 and 1968, the result primarily of the decline in the level of funding of the services and activities of the Unattached Agencies compared to the 1960-1965 pattern, combined with a sharp rise in the level of funding of Miscellaneous Activities in the year 1966 (a result of special expenditures for repair and replacement of City facilities damaged by Hurricane "Betsy").

The foregoing has demonstrated some of the more significant details of the City's financial crisis. In the face of continuing demands for additional municipal services by an increasing City population, municipal government has not experienced a parallel growth in revenues against expenditure requirements, a dilemma which has produced budget deficits in two of the four years during 1965-1968. As a result, it would be our conclusion that the City's operating revenue sources cannot provide any substantial funds for operating the City's future urban renewal effort unless significant new sources are found, and/or existing sources undergo major reforming.

Since the completion of the Matteson Report\* the City has initiated action in many of the nonproperty tax revenue categories, in an effort to increase the level generated by these sources, i.e. Utility Franchise Tax, Licenses and Permits, Fines, Forfeits and Penalties, Charges for Services, etc. In addition, the City is exerting major efforts to substantially improve its position with respect to its share of those nonproperty tax revenues derived from State levies on liquor, tobacco, amusements, etc., combined with substantially larger shares of the other State tax revenue sources which are apportioned among all of the parishes. However, the results of these efforts cannot be expected to measurably enhance the overall level of operating revenues needed against present and foreseeable future normal demands for operating funds.

More importantly, needed reforms in the local real estate assessment and taxing practices must receive a high priority of attention and action, if the City is to receive the appropriate proportion of its total revenue from this vital source. In this regard, the Matteson Report set forth guidelines that can be followed in local efforts to reform the real estate tax situation.

During the interim, the adoption of appropriate revenue measures to alleviate present operating deficits should be consistent with and competitive with those revenue measures (and their impact) which are prevalent in those cities competitive with New Orleans in the South. Therefore, we would recommend a further study of the methods of taxation, the levels of revenue paid and raised, and the levels of services provided in these cities, as the basis for the development of positive business leadership in New Orleans on this key issue. Clearly, a highly imbalanced revenue:service structure will reflect to the detriment of New Orleans in comparison with other areas, until rectified.

We would not recommend the adoption of revenue-generating measures that are widely at variance with those practiced in competing cities. In our view, New Orleans will be in a much healthier position if it raises approximately the same proportion of revenue from about the same sources, and provides approximately the same services as does its competing metropolitan areas. Serious imbalances will tend to be viewed in a detrimental fashion by national industrialists who might be evaluating the local area for purposes of plant location decisions, despite the short-term benefit that reduced revenue levels might seem to provide (as discussed in a previous Section).

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\* Op. Cit.

With respect to the combined outlook (the available levels of general funds against expenditure demands, and of capital funds against capital improvement needs) it would be our conclusion that the sources of additional funds to finance the City's Community Renewal Program will have to be forthcoming more from additional revenues rather than from curtailed expenditures in the future.\*

Therefore, it is necessary that the City carefully scrutinize its capital and operating budgets, and that it tailor future renewal programs to take advantage of every possible local noncash grant-in-aid that might be available to fund the renewal program, since this is the only apparent, assured source of revenue that the City can rely on for such funding.

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\* Subject to the credits available from coordinated capital improvements - see page 11-10.

### State Financial Aid for Local Urban Renewal Programs

At this point, there are no authorized State Financial Assistance Programs dealing directly with urban renewal. But, through the State's various tax programs, the City does receive direct financial assistance from the State, through shared taxes (motor fuel, tobacco, beverage, racing), highway department payments, and transfer of funds, from independent and semi-independent agencies of the State, the impact of which on the City's general fund, as noted in the foregoing paragraphs, has declined proportionately over recent years.

Increases in these funds would, of course, relieve some of the pressure on the City General Fund and therefore, perhaps, free funds for future urban renewal programs. Moreover, programs involving State expenditures for facilities located in the City, not only aid in the improvement of the community (such as highways, schools, parks, drainage facilities) by their actual commitment, but also may be eligible to be designated as local grant-in-aid projects to draw matching federal funds for urban renewal purposes.

Another area in which the State may provide assistance to the City's future urban renewal efforts consists of the Industrial Inducement Program through which various tax relief measures and other inducements are provided to new or expanding industries, with particular emphasis on those industries engaged in the mining and/or processing of the State's natural resources, i.e. petroleum, natural gas, sulphur and agricultural products. In our view this program should be re-evaluated and not applied to those resources extraction and processing industries that need to locate close to the raw material, since they will locate in Louisiana without the necessity of tax inducements. As such, they can then be expected to contribute their fair share to local service costs, since their role is the removal of Louisiana raw material resources, and they are locally useful only as long as the resource lasts. (This policy has been effectively adopted by "emerging nations" as a means of securing revenues from the use of their limited resource reserves to fund manpower education and the development of the necessary industries to replace the present ones when the resources are exhausted or no longer needed on the world markets.)

The State has recently added manpower training and development programs geared to the needs of specific manufacturing industries starting new facilities or expanding an existing plant in the State. Other elements of the State's Industrial Inducement Program include the 10-year Tax Exemption Law, Tax Credit for Industrial Gas Users, a constitutional amendment permitting the creation of Industrial areas, the Import-Export Tax Exemption Law, the Inducement Plan for Agricultural Industry, and inducements to other types of manufacturing plants.

For the most part, these State Inducement Programs, and particularly the manpower training programs, afford valuable aids for the stimulation and development of further local City financial resources for renewal programs by the impact which they can create in raising local income levels, one of the primary factors limiting the local tax revenue pattern.

In conclusion it would appear that the level of direct and indirect State financial assistance in support of the City's urban renewal programs in future years may not be substantially increased to levels higher than those which can be expected as a result of the past and current efforts to improve the City's position with respect to tax revenue sharing programs. Rather, it would be our recommendation that the principal objective with respect to marshalling State financial resources for future urban renewal program efforts should consist in the maximization of opportunities for the use of State funded improvement projects (highways, schools, etc.) as part of the local expense of grant-in-aid projects calling for Federal matching funds for urban renewal. The other State role which we would assign would be in the field of improving the local industrial development outlook by marshalling State resources in support of the local Chamber of Commerce industrial development effort, in industry inducement programs and in the application of manpower training programs in support of these efforts.

#### Federal Aid

Our examination of the applicable federal programs to assist the City in undertaking a long-range Community Renewal Program has reflected that the City to date has been restricted greatly in its efforts to expand its share of federal program funds for renewal projects, as well as for the federal funds in support of a variety of other programs aimed at supplementing local public (as well as private and quasi-public) funding of local community services and facilities.

Since most available federal programs require that certain local funds be invested, with the federal government then providing the balance, the City's opportunity to increase the level of federal matching funds which it can receive has been necessarily limited by the level of funds available from its capital and operating budgets and bonding capacity. As such, the City's ability to claim a greater share of federal funds for renewal projects is limited by the availability of City revenue sources which, as previously noted, have not generated levels of revenue adequate to meet expenditure requirements in support of normal public improvements and operations.

Alternatively, the City has begun to look to the grant-in-aid system of applying appropriate percentages of the cost of its public improvements against the required local share to secure federal matching funds for urban renewal (primarily public re-use) projects in past years. It would be our expectation that by maximizing all opportunities for the development of the local grants-in-aid, in projects which could attract matching federal funds for future renewal programs, the City may be able to materially reduce pressures on present operating and capital funds in near future years, until patterns of the local economy can be significantly altered through an economic development program.

In this regard, the City must carefully scrutinize its capital budget program, and set up on a permanent basis a systematic and structured approach to evaluating presently planned and authorized projects, against the possible application of a portion or all of the required funds to meet the local share requirements for federal urban renewal funds.



### Private and Semi-Private Sources of Aid

Our investigations and evaluations indicate that there will be no likely sustained support of a general nature from these sources. There are specific local non-profit organizations (religious, foundations, etc.) that can be expected to play a role in support of single, unique projects, as well as in support of Federal aid programs to such organizations for low or moderate housing development. Additionally, where competent market studies conducted by the local Agency in support of specific renewal projects demonstrate economically sound private investment opportunities, the local real estate and development industries can be expected to accept the necessary role of supporting such developments.

However, again, these elements can be expected to respond only if a basic effective program can be fostered by public funds.

### City Financial Resources - Noncash Credit Sources

From the foregoing, it is apparent that the City's capital fund resources to finance future renewal projects are extremely limited. In looking for such funds, this office also examined the potential availability of noncash grants-in-aid (using the City's five-year Capital Improvement Program) as the primary vehicle for generating "credits" for the renewal program. Local noncash grants-in-aid are comprised of certain expenditures by City government (as well as certain State government and other expenditures) that serve and benefit urban renewal areas.

Although such City expenditures may be designated as potential qualifying sources of the City's share of the urban renewal budget, their availability and qualification rests with consideration of the Project's location, their degree of impact on the project, as well as on the findings of a complex review process of Federal authorities which is designed to establish priorities between projects among the many cities seeking the available funds, by reference to the degree of local support and the applicability of the project with reference to the national goals of the program.

The City's budgets contain many elements that may qualify as one or another of these elements. As such, the City's financial program for renewal activities can be built in part upon a "noncash grant-in-aid" system. An inventory of programmed City capital expenditures as well as those of the Orleans Parish School Board for the 1970-1974 time period indicates that a substantial proportion of these expenditures may be eligible as local noncash grants-in-aid to finance the "Local Share" of net costs for future renewal programs.

Our analysis of the City's five-year capital program, together with the adopted building program of the Orleans Parish School Board reflects that a maximum of some \$32 million may become available during 1970-1974 from programmed City capital expenditures, some \$5.0 million from City/State expenditures (H.E.A.L.-medical research and treatment facilities), and some \$34.1 million from public school construction, for a total potential level of noncash credits of some \$71 million by the end of the 1970-1974 period.

Further, this does not include all near-future State expenditures in the City which could represent eligible noncash credits against renewal activities in the future. One such State project which could generate a credit of some \$3.5 million (maximum permissible for a single project) would be a new Mississippi River bridge crossing; depending, of course, on the adoption of a suitable access system for such a bridge, and the determination that all or a portion of such a facility could be declared as an eligible noncash local grant-in-aid expenditure by HUD due to project-related impact.

In order to draw into focus the outlook for the City with respect to the accrual of noncash credits, the table below presents a summarization of the results of our analyses of the five-year noncash credit program which the City might have available (if appropriate project areas are selected) as a maximum from these sources to finance its urban renewal program activities during 1970-1974:

1. <u>City Capital Improvement Projects: 1970-1974</u>	
A. General Benefit Type . . . . .	\$4,100,000
Plus, State/City expenditures for medical facilities and related parking/street facilities (@ maximum credit allowable). . . . .	<u>5,000,000</u>
Total General Benefit Type Credits . . . . .	\$9,100,000
B. Local Supporting Facilities. . . . .	<u>\$27,900,000</u>
Total Noncash Renewal Credits, General Benefit and Local Supporting Type Capital Projects . . . . .	\$37,000,000
2. <u>Orleans Parish Public School Construction</u>	
Noncash Credits. . . . .	<u>\$34,100,000</u>
Total Noncash Credits Potentially Available. . . . .	<u>\$71,100,000</u>
Likely City Credits @ 20%	14,200,000
@ 40%	28,400,000

The City, however, cannot expect to have all of these elements qualify. Yet, consideration of their magnitude suggests that an expectation for early period capture of 20-40% of these credits may be a reasonable expectation for the C.R.P. planning purposes of this program and analysis.

Since the "local share" in urban renewal project area improvements normally represents one-third of the net project costs, the City could potentially absorb some \$42.6 million to \$85.2 million of urban renewal funds, assuming that its program is structured and geared so as to capitalize on the necessary number of available opportunities to capture these noncash credits for renewal programs, and assuming Federal funding levels and goals permit their qualification for such treatment.

It would be our judgment that the City will have to achieve a rapid buildup of management/administrative/technical capabilities over near future years in order to use its available noncash credits appropriately and secure HUD approvals of renewal projects involving the magnitude of funds that might be available. A large-scale program such as that which the City must undertake to halt the spread of blight, and to upgrade its inventory of older housing facilities, requires that it develop or attract sufficient numbers of the managerial and technically-skilled personnel necessary to conduct these programs in a competent and efficient fashion.

As such, the financial burden for the City would appear to also fall on its General Fund Operating Budget resources, to support the broadening and deepening of technical staff and administrative personnel appropriate to the level of operations that a large-scale renewal program demands.

Clearly, the administrative capabilities of city government may present an equal or greater limiting factor on the rate of progress of the renewal program than the availability of capital resources (through the noncash local grant-in-aid system of financing) to finance major renovations or additions to its physical plant.

In addition, it must be recognized that although these elements may be eligible for consideration as the City's local share of project costs, the final determination of eligibility rests with the Federal review authorities. Their criteria for acceptability in review must reflect consideration of their program funds availability, and the merits of the many projects submitted by the many cities in the Nation participating in these programs. As such, the qualification of any single element remains in question until approvals are secured.

Therefore, the C.R.P. Action Program must be tailored to clearly demonstrable needs, and be reasonable in scope, if it is to meet not only local needs and reviews, but also Federal concurrence in funding.

PART D

MINORITY HOUSING PATTERNS, NEEDS AND POLICIES

# HOUSING ANALYSIS AREAS



## SECTION XII

### RESIDENTIAL VALUE PATTERNS OF MINORITY GROUPS

This office also undertook an in-depth analysis of the value structure of housing occupied by blacks in the community as compared to the value structure of white-occupied housing. The purpose of this analysis was to determine the degree to which price discrimination exists in New Orleans in non-white housing. This section presents a brief review of the findings and conclusions developed by this office as a result of this research.

The general conclusion that can be drawn from the data available to this office by the interviews conducted with households in each of the six areas\* and the real estate sales records maintained by the City Department of Real Property Records, is that no apparent pattern of concerted price discrimination exists in the sale and rental of housing in these sections of the City. Since the subareas, as delineated by the map opposite, were selected on the basis of a widely-ranged consideration of the various kinds of residential market conditions in the City, it is possible to extend this conclusion somewhat as generally true of the circumstances prevailing throughout the City under normal market conditions.

The tables following, summarize the results of our studies and clearly demonstrates the "clustering" effort in each bracket. This clustering tends to be comparable between black and white areas, thus leading to our conclusions.

Of course, there were individual instances of individual blacks paying prices substantially above the level which would appear appropriate based on the "comparable sales" in the area or in the white areas. Similarly, there are instances of "good buys" by blacks (perhaps "distressed sales" as individual blacks are integrated). Similarly, there are individual instances of white owners and occupants paying more (or less) than our experience in the market would suggest as a "fair market value".

The only exception appears among the rental patterns applicable to the lower income blacks. In these areas, prices are held at levels typical of lower income white areas, but the quality of house and environment offered for the equal dollar is substantially less for the blacks than for his white counterpart.

Additionally, prices in the areas (and particularly the blocks) that are a mixture of whites and blacks tend to have lower values - perhaps reflecting a tendency for the market to drop (or remain static while the rest is growing) as individual blocks are integrated. This is not evident solely from the prices for the survey structures, but becomes clear from a field review of these, plus the "comparable sales" values developed by our office for added background information.

\* Conducted by the Social Consultant - Tulane University.

TABLE 12-1  
AVERAGE RENTAL PRICES PER UNIT  
BY NUMBER OF ROOMS AND QUALITY LEVEL OF PREMISES

		QUALITY LEVELS					
		NEW	RECENT	SO-SO	OLDER	POOR	DELAPIDATED
Area 1 - Lower Income Black							
Number of Rooms in Unit							
5					\$90		
4						\$82	\$95
3	.70				63	.75	.60
2					50	57	60
1						63	70
Area 2 - Lower Income White							
Number of Rooms in Unit							
6						90	
5					90	70	
4					70	70	
3						63	50
2						63	
Area 3 - Lower Income Mixed (Black)							
Number of Rooms in Unit							
6					90		
5				107			
4				103	.89	.70	.60
3				83	80	57	
2				70	50	50	
1					50		
Area 4 - Middle Income Mixed (White)							
Number of Rooms in Unit							
7			175				
6					120		50
5				132	104		
4					154		
3	175				90		
2	220			90	90		
1					132		
Area 4 - Middle Income Mixed (Black)							
Number of Rooms in Unit							
6					80		
5					107		
4				.70		70	
3				90			
2				50	70		
Area 5 - Middle Income Black							
Number of Rooms in Unit							
5				132			
3				70			
2			70				
Area 6 - Middle Income White							
Number of Rooms in Unit							
7					50		
6			20		90		
5				107			
4				90			
3		90		89			
2	-	-		-	-	-	-
1				50			

TABLE 12-2  
RANGES OF SALES VALUES FOR SINGLE-FAMILY  
AND TWO-FAMILY HOUSING - BY GENERAL QUALITY LEVELS  
1964-1969

	QUALITY LEVELS					
	<u>NEW</u>	<u>RECENT</u>	<u>SO-SO</u>	<u>OLDER</u>	<u>POOR</u>	<u>DILAPIDATED</u>
<u>RANGES OF SALES PRICES FOR TWO-FAMILY DWELLINGS</u>						
AREA 1 - Lower Income Black	-	-	-	\$16-17,000	-	-
AREA 2 - Lower Income White	-	-	-	\$8-15,000	\$5-16,000	-
AREA 3 - Lower Income Mixed (Black)	-	-	-		\$8-19,000	-
AREA 4 - Middle Income Mixed (White)	-	\$24-33,000	\$15-25,000	-	-	-
AREA 4- Middle Income Mixed (Black)	-	-	\$20-28,000	\$16-30,000	-	-
AREA 5 - Middle Income Black	-	\$19-22,000	-	-	-	-
AREA 6 - Middle Income White	-	\$19-25,000	\$16-29,000	-	-	-
<u>RANGE OF SALES PRICES FOR SINGLE-FAMILY DWELLINGS</u>						
AREA 5 - Middle Income - Black	\$18-35,000	\$15-30,000	\$15-20,000	\$7-15,000	-	-
AREA 6 - Middle Income - White	-	\$19-22,000	\$15-24,000	-	-	-



Thus, the major parameters of the issue lie in the factors and conditions which affect normal market transactions in housing, more so than an overt pattern of discrimination against the nonwhite minority group as a whole. This conclusion tends to be supported somewhat by the pattern of sales and rentals existing in the two suburban residential areas compared, i.e. Areas 5 and 6. Area 5, which is adjacent to a major black university in the community, has experienced a pattern of sales of single and two-family housing which is generally comparable to the sale pattern for housing of equivalent quality/condition level and size in Area 4. (For example, the average price paid for single-family dwellings of average quality in Area 5 over this time period was almost identical to the average price paid for the same quality housing by whites in Area 4 over this period).

Indeed, it is a noteworthy indication of the influence of the university complex in the vicinity of Area 4 on the value structure of single and two-family housing in the area that only slightly higher prices are paid by black families for single-family houses of generally superior quality.

This condition tends to further support our conclusions, as set forth previously, that the predominant influence affecting the establishment of price levels for single and two-family housing in areas experiencing strong pressures from the growth in the lower-income black segment of the market are the normal considerations of location, amenities, and convenience, as well as the quality of the original construction of the housing stock in each area.

It would appear that there is an impact on prices as an area integrates - namely in a static or downward fashion. But as the area stabilizes with its new black population in predominance, prices climb back to approximate the levels in comparable white areas. However, in the interim the level of maintenance of structures, yards, and street conditions tends to slip so that for these reasons one could conclude that the values are somewhat "over-priced" in a superficial comparison with the comparable white districts.

In summary, therefore, it would be our conclusion that major price discrimination does not exist in New Orleans in the sale or rental of housing to blacks. This is perhaps due to the fact that blacks are near to becoming the majority group in the community, and comprise such a large market that major evidences of price discrimination are unlikely. The "affirmative program" therefore will not in our view need to focus on steps to alleviate forms of overt discrimination for most blacks, with the principal exception of the lower income black areas.

The lower income black areas do have evidences of discrimination in the very poor quality of services and conditions prevalent in these oldest sections of the City (oldest, without the support of reclamation effort - as exists in the French Quarter, which is truly the oldest section of the City). In our view, only a major effort in improving City services plus code enforcement and landlord stimulation, plus a program of tenant motivation, can expect to eradicate the blight conditions in these areas.

It would appear that these conditions are best rectified through a well-designed urban renewal project, where full focus of City attention and city/state/federal aids and services can be brought to bear on the conditions in these areas. How-

ever in the interim, a major step forward could be accomplished by concentrating City services in these areas in a block-by-block cleanup program which, in the least, would stabilize present conditions and perhaps achieve a measure of tenant indoctrination and stimulation.

Separation of the races is occurring at all levels in New Orleans. This "polarization" has been described aptly by the Tulane reports on minority trends in the community. This is particularly true in the middle income areas.

However, the admixture of races continues in some of these areas, and will continue to act to stabilize values between the races. But it appears that the practice of "blockbusting" does go on, and that with its advent comes depression of values in the area until the area stabilizes; then, prices rise to reflect prices elsewhere in the community. As such, we must conclude that racially-oriented price discrimination is not a major problem in New Orleans.

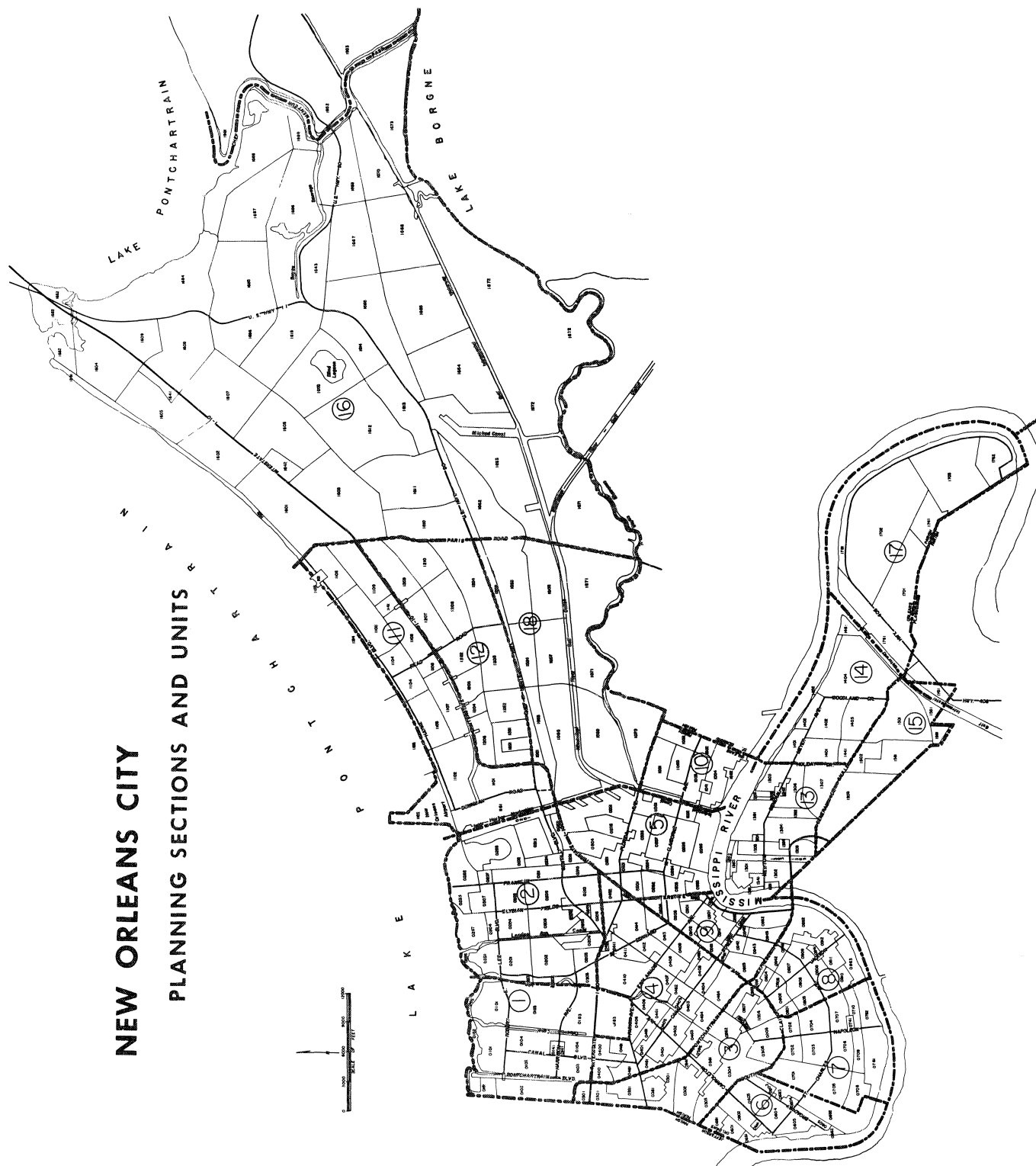
However, the additional conclusion must be drawn that some discrimination does exist between the value/quality of housing for lower income persons (black and white) when compared with the value/quality structure of housing occupied by middle income persons (black and white).

As such, it would be our further conclusion that the major differences pertain to discrimination between income levels rather than discrimination between the races. (Of course, as documented elsewhere in our report, blacks comprise the largest proportion of lower income persons, and therefore these differences give the appearance of racial discrimination).

As such, this study was directed to an apparent problem between races that the data belies, and that apparently is occasioned by the higher proportions of blacks in the lower income groups. Rather, the issue stems from the larger proportion of lower income blacks versus the larger proportion of middle income whites.

Effort, therefore, would appear best directed at alleviating the economic status of blacks, rather than aiming programs at apparent racial price discrimination. Additionally, effort must be directed at education and motivation of lower income blacks to self help, as well as training in the basic manual skills necessary for home and neighborhood maintenance.

## PLANNING SECTIONS AND UNITS



## SECTION XIII

### HOUSING NEEDS OF MINORITY GROUPS

This section presents a brief review of the major findings and conclusions drawn from our review of potential housing needs of future blacks in New Orleans, and our evaluation of the housing market supply that can be expected to be available to meet their need.

This analysis stemmed:

First, from a review of past minority housing trends in the community.

Second, from consideration of the outlook for the future growth of area blacks based on our own considerations of 1950-1960 trends as extended statistically by our usual methods, as well as the projections established by Tulane recently as a result of their analyses. We adopted the lowest of the Tulane projections as a base for establishing minimum requirements that must be met by the City and Area in future years to meet at least the minimum likely need.

Third, we next considered past trends in rental and ownership occupancy characteristics of blacks, value levels of black housing, type of structure trends, age of occupied housing inventory, and housing conditions.

These minority characteristics then formed the basis for our projection of future housing needs, by type, size, and value level, to meet the forecast need of black population growth.

These analyses resulted in a projection from a 1960 level of some 62,000 market units (including a 2.2% vacancy allowance) to a 1985 need almost double this level - i.e. to some 123,000 units. This was to accomodate a growth of non-whites from a level of some 235,000 as of 1960 to over 420,000 by 1985.

By the time we added foreseeable requirements due to public program demolitions and due to demolitions for obsolescence, (some 2,500 units for each reason from 1970 thru 1985) we concluded that the following increases in units were needed to satisfy this population growth; plus replace expected demolitions:

1970-1975 : 12,800 Units    1975-1980 : 15,200 Units    1980-1985 : 20,000 Units

Our analyses of income patterns (assuming constant dollar value levels) suggest that the bulk of future minority housing will become increasingly needed in the lower-middle income and value level groups. If we hold the lower income group constant at \$3,000 and under, then the group from \$3,000-5,999 will realize the largest increase, with a requirement growing from a 1970 estimated level of some 30,000 units to a 1985 level of some 50,000 units, or some 20,000 added units during this 15-year period. The increase in the other groups forecast by this office results in an increasing need for 13,000 "upper-middle" and 8,000 "upper-priced" structures from 1970-1985.

TABLE 13-1

**PROJECTED MINORITY HOUSING UNIT REQUIREMENTS  
ORLEANS PARISH GROWTH AREAS & SECTIONS  
1975-1979**

	1970 Inventory	Market Growth	Plus Housing Market Elements: Demolitions		Net Market Requirement	Net Inventory Change	1975 Inventory
			Obsolescence	Public Programs			
<b>A. ORLEANS - CENTRAL</b>	<b>66,300</b>	<b>8,401</b>	<b>711</b>	<b>680</b>	<b>9,792</b>	<b>8,401</b>	<b>74,700</b>
1. Lakeview	--	--	--	--	--	--	--
2. Gentilly	5,893	1,199	7	73	1,279	1,199	7,092
3. Broadmoor	9,469	958	95	37	1,090	958	10,427
4. Mid-City	13,079	1,646	156	167	1,969	1,646	14,725
5. Bywater	8,767	1,709	23	58	1,790	1,709	10,496
6. Carrollton	3,109	520	43	16	579	520	3,629
7. University	6,164	853	92	30	975	853	7,017
8. Lafayette	13,767	1,044	198	214	1,456	1,044	14,811
9. CBD	6,013	472	96	85	653	472	6,485
<b>B. ORLEANS - EAST</b>	<b>9,800</b>	<b>2,119</b>	<b>25</b>	<b>21</b>	<b>2,165</b>	<b>2,119</b>	<b>12,000</b>
10. Downtown	7,145	1,049	22	16	1,087	1,049	8,464
11. Edgelake	987	681	1	--	682	681	1,668
12. East Gentilly	1,392	378	1	3	382	378	1,770
16. New Orleans East	5	--	0	0	--	--	5
18. Viavant	154	--	1	2	3	--	154
19. Chef-Rigolets	74	11	1	0	12	11	85
<b>C. ORLEANS - SOUTH</b>	<b>4,000</b>	<b>778</b>	<b>32</b>	<b>34</b>	<b>844</b>	<b>778</b>	<b>4,700</b>
13. Algiers	3,278	633	30	34	697	633	3,911
14. Aurora	270	33	1	0	34	33	303
15. Elmwood	344	11	1	0	12	11	355
17. Lower Algiers	73	101	0	0	101	101	174
<b>TOTAL ORLEANS PARISH</b>	<b>80,100</b>	<b>11,300</b>	<b>768</b>	<b>735</b>	<b>12,801</b>	<b>11,300</b>	<b>91,400</b>

1975-1980

	1975 Inventory	Market Growth	Plus Housing Market Elements: Demolitions		Net Market Requirement	Inventory Change	1980 Inventory
			Obsolescence	Public Programs			
<b>(A) ORLEANS -CENTRAL</b>	<b>74,700</b>	<b>9,870</b>	<b>711</b>	<b>686</b>	<b>11,267</b>	<b>9,870</b>	<b>84,600</b>
1. Lakeview	--	--	--	--	--	--	--
2. Gentilly	7,092	1,378	7	73	1,445	1,378	8,470
3. Broadmoor	10,427	1,211	95	112	1,407	1,211	11,638
4. Mid-City	14,725	2,054	156	109	2,300	2,054	16,779
5. Bywater	10,496	1,998	24	68	2,072	1,998	12,494
6. Carrollton	3,629	530	43	18	586	530	4,159
7. University	7,017	1,125	92	33	1,240	1,125	8,142
8. Lafayette	14,811	1,055	197	219	1,461	1,055	15,866
9. CBD	6,485	520	96	54	655	520	7,005
<b>(B) ORLEANS - EAST</b>	<b>12,000</b>	<b>2,615</b>	<b>25</b>	<b>203</b>	<b>2,854*</b>	<b>2,615*</b>	<b>14,600</b>
10. Downtown	8,464	1,355	22	48	1,548	1,478	9,942
11. Edgelake	1,668	775	1	0	780	779	2,447
12. East Gentilly	1,770	472	1	1	500	498	2,268
16. New Orleans East	5	--	0	0	--	--	5
18. Viavant	154	--	0	154	--*	-154*	0
19. Chef-Rigolets	85	14	0	0	--	26	111
<b>(C) ORLEANS - SOUTH</b>	<b>4,700</b>	<b>815</b>	<b>31</b>	<b>271</b>	<b>1,117</b>	<b>815</b>	<b>5,500</b>
13. Algiers	3,911	750	29	271	1,050	750	4,661
14. Aurora	303	25	2	--	27	25	328
15. Elmwood	355	26	0	0	26	26	381
17. Lower Algiers	174	14	1	0	15	14	188
<b>TOTAL ORLEANS PARISH</b>	<b>91,400</b>	<b>13,300</b>	<b>767</b>	<b>1,168</b>	<b>15,235</b>	<b>13,300</b>	<b>104,700</b>

1980-1985

	1980 Inventory	Market Growth	Plus Housing Market Elements: Demolition		Net Market Requirement	Net Inventory Change	1985 Inventory
			Obsolescence	Public Programs			
<b>(A) ORLEANS - CENTRAL</b>	<b>84,600</b>	<b>13,870</b>	<b>711</b>	<b>762</b>	<b>15,343</b>	<b>13,870</b>	<b>98,500</b>
1. Lakeview	--	--	--	--	--	--	--
2. Gentilly	8,470	1,896	6	73	1,975	1,896	10,366
3. Broadmoor	11,638	1,693	95	127	1,915	1,693	13,331
4. Mid-City	16,779	2,858	156	125	3,139	2,858	19,537
5. Bywater	12,494	2,756	23	80	2,859	2,756	15,250
6. Carrollton	4,159	737	44	21	802	737	4,896
7. University	8,142	1,435	93	38	1,566	1,435	9,577
8. Lafayette	15,866	1,507	198	239	1,944	1,507	17,373
9. CBD	7,005	988	97	59	1,144	988	7,993
<b>(B) ORLEANS - EAST</b>	<b>14,600</b>	<b>3,491</b>	<b>24</b>	<b>57</b>	<b>3,572</b>	<b>3,491</b>	<b>18,100</b>
10. Downtown	9,942	1,767	22	53	1,842	1,767	11,709
11. Edgelake	2,447	1,056	0	1	1,057	1,056	3,503
12. East Gentilly	2,268	650	2	0	655	650	2,918
16. New Orleans East	5	--	0	0	--	--	5
18. Viavant	0	--	0	0	--	--	0
19. Chef-Rigolets	111	18	0	0	18	18	129
<b>(C) ORLEANS - SOUTH</b>	<b>5,500</b>	<b>1,044</b>	<b>31</b>	<b>18</b>	<b>1,093</b>	<b>1,044</b>	<b>6,500</b>
13. Algiers	4,661	952	29	18	999	952	5,613
14. Aurora	328	37	1	0	38	37	365
15. Elmwood	381	18	0	0	18	18	399
17. Lower Algiers	188	37	0	0	37	37	225
<b>TOTAL ORLEANS PARISH</b>	<b>104,700</b>	<b>18,400</b>	<b>766</b>	<b>837</b>	<b>20,003</b>	<b>18,400</b>	<b>123,100</b>

Note: Columns may not add to Area subtotals and Parish totals due to independent rounding.

\* Units displaced due to the development of this Section to other land uses have been redistributed to other Planning Sections in this Sector.

Owner-occupancy will represent a larger proportion of future demands than has existed thus far. Owner-occupied units are forecast to grow from an estimated 26,000 as of 1970 to some 54,000 as of 1985. Renter-occupied units should grow from an estimated 54,000 as of 1970 to some 70,000 as of 1985.

The projections of total numbers of units have been set forth in Table 13-1, for each of the Planning Sections of the City.

However, there will be a number of major factors influencing the market supply in future years - any one or all of which could materially affect the future market. The factors affecting the market supply of housing available to the minority population can be identified principally as four:

1. The rate of construction of new housing, presumably in suburban growth areas;
2. The increase of the market supply of new units through public and private redevelopment efforts;
3. The rate of increase in the available market supply of older standard housing; versus
4. The demolition of older housing units due to obsolescence or due to public construction programs.

The demolition factor which is expected to generate a requirement for some 5,000 units, as previously noted, will affect some 6% of the estimated 1970 minority housing inventory. Though obviously a small proportion of the total market supply, this factor must be carefully weighed in all future public and private programs to assure that replacement housing units are provided through new construction, or through increased availability of the existing supply of housing.

The growth rate in the available supply of older, standard housing is a factor largely dependent on the rate of movement of white population groups to other areas of the community. It is influenced largely by new family and household formation rates, the availability of new housing opportunities in other sections of the community (as reflected primarily by other such factors as the availability of new residential land, the "money market" for new construction, increases in family and personal income, etc.) This factor is expected to satisfy most of the minority housing requirements over near-future years.

Public and private renewal programs (including public housing) have not substantially increased the market supply of minority housing units in most other major American cities, and recently emphasis has been placed in federally-assisted local renewal programs on satisfying the relocation requirement for minority groups by the construction of new units within such areas affected by these programs. However, it would not be our expectation that such efforts could substantially increase the market supply of minority housing, but rather, would more likely be expected to satisfy the relocation requirements generated by the clearance of existing minority units involved in public projects.

New housing construction for the minority population, both in central portions of the City as well as in suburban growth areas, is the factor which we would expect could substantially increase the market supply of minority housing for upper-middle and upper income minority households. The growth in income levels represents

the major factor generating a substantial level of construction in new suburban City sections oriented to the middle and upper income minority housing markets. However, the supply of housing for this group is directly dependent on the availability of reasonably-priced mortgage money, an uncertain element, as discussed in the following paragraphs.

Forecasts of market supply at the time of the writing of this report are severely clouded by events that are shaking the housing construction industry in current months.

As recently as 18-24 months ago (i.e. into 1968) the house construction industry had evidenced a period of unparalleled growth stemming from its rapid post-World War II buildup (to meet the high demand generated by the lack of construction during the War, and the post-War surge in family development). This growth and activity was fostered by:

1. Continuing steady growth in demand.
2. Rising personal and family incomes.
3. Steady personal savings habits that fueled relatively stable interest rates and an ample flow of mortgage funds bolstered by favorable Federal FHA and VA funds levels and interest rates.
4. Relatively stable lumber prices and only slowly spiraling wage levels for housing workers.

Projections of housing supply, based on these patterns could formerly be assumed to be assured and reliable for public policy programs.

However, in the last 18-24 months this picture has changed dramatically.

1. Demand growth for new housing continues unabated.
2. Family and personal incomes are continuing to rise. But -
3. Governmental funding of low-interest housing has waned.
4. The "Prime Rate" has been pushed to levels virtually double those of 1965-'67
5. Resulting Stock and Bond market gyrations as well as commercial bank rates for long-term funds have drained the savings and loan industry, one of the bulwarks of mortgage financing.
6. Insurance companies, banks and private lending institutions have funneled their resources for support of the house construction industry to support of apartment developments, commercial loans, and the myriad other types of national needs for money (in the face of reduced supply) - where high interest rates can be sought and achieved, and where "participation" by these institutions in the ownership of the rental real estate or other investments is common practice (thus "sweetening" the return from these new forms of investment to these traditional sources of funds for house construction).

7. Additionally, inflation and wage pressures are driving up the prices of building supplies and equipment as well as building trades wage levels at unprecedented rates.
8. Also, the result of the foregoing (plus increasing land values) has driven most builders out of the lower-middle income home market due to rising prices and the drying up of low-cost, government backed single-family mortgage funds. This has resulted in major governmental efforts to "breakthrough" the technological problems and the myriad limitations of fractionalized zoning and building codes, in an effort to turn out livable, lower-cost residential units that can be put in place and sold at moderate levels.

As such, the outlook for the future of the industry at this moment in time, is perhaps more uncertain than it has ever been in its history. Industry leaders are focusing on a number of major problem areas which can be summarized as follows:

1. The need for major technological advances to minimize traditional on-site construction techniques, and achieve major labor/material cost savings to preserve supply levels to middle income owners and renters.
2. The need to either revitalize the traditional sources of mortgage funds, or establish new methods of long-term debt funding, at levels which consumers can afford or legally accept below usury law limitations.
3. The need to make major breakthroughs in new housing merchandising methods and costs.
4. The need to find totally new methods of low-cost dwelling construction acceptable to meet the continuing need for low-cost habitable dwellings.

There is considerable doubt in most industry circles that we will ever return to the 5% mortgage as a standard for industry activity in the single-family home market. Some claim that single-family construction is doomed to extinction, as costs make it ever more unavailable to all but the wealthy. Others look to the "mobile home" industry to provide the leadership to low-cost housing in the future, but recognize that reduced lot sizes and reduced individual amenities are the price that must be paid to keep total occupancy costs (dwellings plus lot) within reasonable levels.

As such, it would appear that the only thoughtful conclusion that can be drawn today\* is that without a strong governmental subsidy program (of interest rates, loan guarantees, etc.) the future "single-family" demand will not be met by single-family supply at virtually all levels of the market, and particularly at the lower and the lower-middle price portions of the market. Rather, public policies must be geared (in the absence of major alterations in the present industry outlook) to ever-increasing levels of multi-family construction in future years (although perhaps tempered by "ownership status" through the use of cooperative or condominium methods).

As such, constant attention must be paid to these evolving trends in the next few years, if public authorities are to hope to tailor programs to meet these growing demand levels within the changing technology and financing methods of future years.

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\* Spring, 1970.



In view of these circumstances, we can only conclude that unless major breakthroughs are achieved (and few industry leaders expect any such major change) or unless major federal funding efforts are adopted (also unlikely due to continuing international and other domestic program needs), the housing industry pattern of the past few years - with its inability to meet growing demands - will continue and likely worsen.

As such, every effort must be made to employ every method or program to the fullest in assisting the local house construction industry to meet the need for good quality moderate and low-priced housing in future years.

Similarly, every effort must be made to husband and conserve the existing housing resources of the community, as the most immediately available resource to meet the growing need for low and moderate-priced housing.

Without such programs, it can be assumed that the supply of new single-family, lower-cost housing will dry up and the only supply will be the gradual downgrading of the existing housing inventory - a very inadequate source of supply as past years will attest.

From the foregoing, it can be readily seen that the next few years offer a period of major change in the housing industry as we have known it. This will be particularly frustrating for the rising numbers of blacks in the community who will be enjoying increasing income levels, yet who will probably find traditional new housing being priced out of their pocketbooks. Operation BREAKTHROUGH may indeed provide a breakthrough in low cost housing. However, the more prevalent view at this time is that the more likely immediate solution will come from the mobile home industry as it has grown in the west and southwest.

As such, it would appear appropriate to commence to think of ways to foster acceptable mobile home parks in New Orleans, as the only assured way now known of meeting the growing demand for moderately priced single-family ownership structures. This effort may have a great bearing on the ways in which the City must move to satisfy the growing future need for minority housing.

.....  
This forecast of minority housing needs has provided the City with a realistic appraisal of its future needs in this marketplace, that must be met through acceptable future public and private housing policies to satisfy these growing needs for black (and white) lower-cost housing.

These findings have been applied in the development of the recommendations for the "Affirmative Program" which are set forth subsequently.

## SECTION XIV

### AFFIRMATIVE PROGRAM OF ACTION TO EXPAND HOUSING OPPORTUNITIES OF MINORITY GROUPS

#### Requirements and Resources of the Affirmative Program

A key element in any coordinated program to upgrade the quality of housing in the New Orleans Area must be consideration of the status, the future requirements, and the peculiar problems (if any) of the minority (black) population base of the Area. As such, particular attention has also been placed on these elements in the formulation of the C.R.P. Program.

As pointed out in Section XII of this Summary Report, the portions of the minority housing market which can afford middle and upper income, open-market housing are generally receiving equal price treatment in the community. As such, no programs would appear to be necessary on a major basis for alleviating any housing availability problems with respect to this group (as long as normal mortgage insurance is available to the owners of new and used housing occupied by these markets).

However, we did find evidences of a relatively high "minimum level" of price for the poorer quality of open-market housing generally available to the lower income and lower-middle income blacks (and to a lesser extent whites) in the community. As such, the Affirmative Program must be tailored to eliminating this housing, or upgrading its condition. In our view, our recommendations for the Affirmative Program as set forth subsequently accomplish this purpose.

One additional element appears worthy of major note from an economic standpoint. The Sociological Consultant to the C.R.P. (Tulane University - Urban Studies Center) has pointed out a substantial desire for home ownership on the part of the minority population. Our studies suggest that this group will be enjoying an ever increasing income level in future years, so that increasing opportunity will be available for this group to fund such home ownership. Further, much of the problem with respect to adverse physical conditions in the neighborhoods supporting present minority groups reflect a low level of tenant motivation for maintenance of premises and neighborhood conditions.

In our view there is no greater motivational force for the maintenance of housing conditions than its ownership.

As such, the Affirmative Program must be geared in substantial measure (from the point of view of satisfying the desire for ownership, eliminating the frustration of increasing incomes if faced with a decreasing ownership possibility, and improving black neighborhood conditions) to the provision of substantial additional opportunities for home ownership in future years. Again, the recommendations set forth below, in our opinion, would tend to accomplish this purpose.

The results of our projections of the status of minority housing needs are set forth in the table, opposite the next page.

TABLE 14-1  
PROJECTED STATUS - MINORITY HOUSING NEEDS  
NEW ORLEANS, LOUISIANA

								Total Affirmative Program Need
A. DILAPIDATED UNITS (1960*)								9,156
B. FUTURE NEEDS								
Period	Market Growth				Public Program Demolitions#	Normal Obsolescence	Total All	Total - Excluding Upper Middle and Upper Price Groups
	Total	Low/Lower- Middle	Upper- Middle	Upper				
1970	2,260	1,180	720	360	43	154	2,457	1,377
1971	2,260	1,180	720	360	380	154	2,794	1,714
1972	2,260	1,180	720	360	109	154	2,523	1,443
1973	2,260	1,180	720	360	108	154	2,522	1,442
1974	2,260	1,180	720	360	100	154	2,514	1,434
Subtotal 1970-'74	11,300	5,900	3,600	1,800	740	770	12,810	7,410
1975	2,640	1,200	900	560	81	153	2,874	1,414
1976	2,640	1,200	900	560	269	153	3,062	1,602
1977	2,640	1,200	900	560	313	153	3,106	1,646
1978	2,640	1,200	900	560	216	153	3,009	1,549
1979	2,640	1,200	900	560	222	153	3,015	1,555
Subtotal 1975-'79	13,200	6,000	4,500	2,800	1,101	765	15,066	7,766
1980-'84	18,400	10,300	4,800	3,300	893	766	20,059	11,959
Total 1970-'84	42,900	22,200	12,900	7,900	2,734	2,301	47,935	27,135
C. TOTAL UNITS REQUIRED FOR "AFFIRMATIVE PROGRAM" CONCERN								36,291

# Based on known public facilities programs and current estimates of timing. Includes a minimal allowance for urban renewal clearance.

\* This estimate should be verified with the results of the 1970 Census and/or development of data by race for the Code Compliance Program estimates. It is assumed to be indicative of 1970 conditions.

The number of existing dilapidated units occupied by blacks has been assumed at the last reported level (1960 Census) at some 9,156 units. This level must be verified with the results of the 1970 Census, as well as the results of subsequent inspections of housing conditions by race in the community.

Market growth needs are set forth in the table, including both the upper-middle and upper income market growth factors (which we would expect could normally find appropriate housing in the open marketplace without assistance) as well as the lower and lower-middle market growth, presently expected public program demolitions, and an allowance for normal obsolescence. The Affirmative Program must concentrate on satisfying the quantity of units set forth in the final column of the table (excluding the upper-middle and upper price groups) inasmuch as these are the units which we would expect would require assistance in finding satisfaction in the open housing market of the community.

As indicated, the quantity of these units comprises some 7,410 market units in the period from 1970 through 1974, an additional 7,766 units in the period from 1975 through 1979, and an additional 11,959 units in the period from 1980 through 1984. The resulting 27,135 units required over this time span, coupled with the present inventory of dilapidated units (9,156)\* results in a total number of units required for Affirmative Program concern in an amount of 36,291 units, representing some 63.6% of the total present and projected minority housing needs forecast for the Area.

In satisfaction of this need, the Housing Authority of New Orleans (H.A.N.O.) now has some 3,064 units scheduled for expansion of the existing 12,270 units in the public housing program. A request has been made of the City Council for authorization to seek 5,000 additional units of authorization for Federal assistance, a request which is now under active consideration. Thus a total of some 8,064 public housing units are either programmed or projected by H.A.N.O. for addition to the inventory at the present time.

Analyses of 1950-1960 Census data suggest that a minimal\* support level of housing for blacks can be expected to be available from conversions from the existing housing stock. This level would match the normal obsolescence anticipated in the marketplace, as previously set forth.

The housing code compliance program of the City has upgraded some 8,690 units from January, 1965 through December, 1969 (all units including black and white) and has some 44,007 additional units scheduled for rehabilitation by December 31, 1977, as well as some 5,269 units scheduled for demolition, with an additional 6,332 units in an uncertain status due to their inclusion in the vicinity of Interstate activity or in the Vieux Carre Demonstration Study Area at this time. Thus a total of some 55,608 units are expected to be treated by this program from January, 1965 through December, 1977, both black and white.

Other available programs were investigated by this office. We found no other local programs available beyond the public housing programs and the code enforcement programs previously discussed. Also, there are no State programs available to assist in this effort, beyond the basic urban renewal enabling legislation recently passed by the State legislature. Private resources are limited, although the Christopher Homes effort and other non-profit sponsored

\* This conclusion must be reexamined with the results of the 1970 Census.

TABLE 14-2

## AVAILABLE PROGRAMS FOR HOUSING ASSISTANCE - A SUMMARY\*

TITLE	PURPOSE	CONDITIONS
A. OPEN MARKET PROGRAMS		
1. Home Improvement Loans Title I	Alter, repair, improve residential & non-residential properties.	FHA insurance to cooperating lenders of loans for residential or non-residential properties, or \$2,500 per unit to \$15,000 maximum for apartments
2. Home Mortgage Insurance - Section 203	Construction, purchase, repair or rehabilitate 1-4 family homes, plus disaster loans.	FHA insurance to cooperating lenders of loans to \$30,000 maximum for single-family owner-occupied, or 85% of value for non-owner occupied, or home improvement loans to \$10,000, or 100% loan for buyers homeless due to natural disaster.
3. Major Home Improvement	Refinance and permit major home improvements, plus special veterans benefits.	FHA insurance to cooperating lenders of loans to refinance mortgages plus added improvements of 1-4 unit structures. Loans up to \$14,500 per unit (20 year terms) available for 1-4 unit structures inside and outside urban renewal areas. (Sec. 220h covers 1-11 unit structures with similar loans in urban renewal areas.)
4. Mortgage Insurance for Moderate Income Homes - Sec. 221(d) (2)	Assist moderate income housing construction, purchase or rehabilitation	FHA insurance to cooperating lenders of mortgages of single-family and 1-4 unit rental structures at market interest rates for low and moderate income families. Special assistance to renewal or other government program displacees.
5. Mortgage Insurance for Low & Moderate Income Housing - Market Rate - Sec. 221 MR	Assist private builders/investors in construction of low rent housing.	FHA insurance to cooperating lenders of mortgages for 5 unit or more rental housing for low & moderate income families, persons 62 or over, or handicapped, with priority to government displaced persons.
6. Low & Moderate Income Housing - Financial Assistance to Non Profit Sponsors	Provide pre-construction loans for planning purposes to non profit sponsors.	Direct loans of pre-construction planning costs to assist non profit sponsors in planning identifiable, strong projects (80% interest free loans repaid when mortgaged.)
7. Interest Supplements on Mortgages For Home Ownership Lower Retail Housing - Section 235	Assist lower income families to home ownership or membership in a cooperative project.	Direct monthly payments to home owners or cooperative members in housing financed under applicable FHA, loan programs if interest costs exceed 20% of homeowner's income. Interest supplement can be made to as low as 1%.
8. Interest Supplements on Mortgages for Lower Income Rental Housing - Section 236	Assist lower income families to lower cost housing by payment of mortgage interest costs on FHA insured mortgages.	Direct monthly payments to mortgagees on behalf of owners of qualified rental housing mortgaged at market rates, or which is financed under a state or local program of cost assistance through loans, loan insurance or tax abatement.
9. Mortgage Insurance to Assist Special Credit Risk Families Section 237	Assist low or moderate income "credit risk" families to get mortgages.	FHA insurance to cooperating lenders to assist families to home ownership who have ineligible credit histories but where family income/debt/budget conditions indicate feasible ownership and where budget counseling services are available.

efforts are available, if appropriate Federal funds are available to assist in their efforts. As such, this office found it necessary to resort exclusively to Federal programs as the source of potential assistance in satisfying this total need.

Table 14-2, opposite and following, provides a summary of programs established by the Federal government for housing assistance. (These have been covered in more detail in the Appendix to our Minority Housing report, Report Series No. 4.) These programs provide for a wide variety of assistance in mortgage insurance and improvement loans (both direct and in cooperation with local lenders), grants for housing improvements, rent supplement programs, and other such activities designed to assist in a coordinated program of assistance to lower and lower-middle income persons and their landlords, in housing ownership and maintenance.

The availability of any of these programs is a direct reflection of the attractiveness of the interest terms of the programs vis-a-vis the interest rates available to mortgage money in the open market. It is also a reflection of the availability of Federal funds to augment these programs.

These conditions vary from year-to-year, and individual programs will be funded at varying levels from year-to-year, based upon the priorities and activities of the Federal Administration and its policies.

As such, it is most difficult to forecast at any given time the availability of these programs throughout a 10-15 year period. Rather, the local administration must be geared up toward staying abreast of the trends in the availability of these funds, and the availability of private funds to augment the guarantee programs or other local bank cooperation programs. Only in this way can the maximum of Federal funds be brought to bear in assisting in the local programs.

A summary "talley sheet" of the forecast growth requirements in units by basic element, and our recommended allocation of the planned or proposed units for the satisfaction of these needs, are set forth in Table 14-3, Page 14-8. Also indicated is the gap in units above the satisfied need, where forecast, or an indication of uncertainty where this exists, as well as an indication of the potential source of assistance for these units, where possible.

Our purpose has not been to attempt to indicate in every instance the total number of units which would be generated by the forecast element, or to forecast with assurance the source of satisfaction for gaps where they exist. Rather, the purpose of our report has been to highlight the need, and to highlight the gaps, so that appropriate municipal action can be taken in the satisfaction of these gaps in future years. Additionally, we have had the responsibility of pointing to programs that are available - where they are available - in the satisfaction of these gaps.

In view of the foregoing, Table 14-3 presents a summary of the results of our analyses and forecasts as best as they can be developed as of this date. However, much of this data is out-of-date and will be current with the release of the 1970 Census results in a matter of months. Therefore, these analyses and conclusions must be reviewed in the light of the 1970 Census, as soon as available, for the purpose of confirming or modifying the recommendations for the Affirmative Program.

TABLE 14-2 (Cont'd.)

## AVAILABLE PROGRAMS FOR HOUSING ASSISTANCE - A SUMMARY

TITLE	PURPOSE	CONDITIONS
10. Mortgage Insurance in Older Declining Neighborhoods	Assist homeowners or project owners to low or moderate income housing in older neighborhoods.	FHA can insure financing of mortgages for applicable mortgagors in such areas by waiving normal economic soundness or economic life requirements.
<b>B. URBAN RENEWAL PROJECT ORIENTED</b>		
11. Housing Rehabilitation Grants Section 115	Assist owner-occupants of 1-4 unit structures in rental areas to rehabilitate.	Direct grants to owners of costs of repairs, not to exceed \$3,000 for applicants with incomes of \$3,000 or less, or limited to the portion of repairs which cannot be met by loans available to applicants with incomes over \$3,000 that can be amortized within a housing cost limit of 25% of total monthly income.
12. Housing Rehabilitation Loans Section 312	Assist rehabilitation in present or future project areas.	Direct loans to finance rehabilitation for rehab. plus mortgage re-financing for owner-occupied property) in existing and future (certified) renewal or code enforcement areas.
13. Code Enforcement Grants	Stabilize declining neighborhoods by code enforcement actions.	Direct financial grants of 2/3 of eligible costs to municipalities in support of 3-year code enforcement projects. Direct 3% loans and grants of up to \$3,000 for eligible project residents to finance improvements to code standards. Full payment of eligible relocation costs for displacees.
See also - Major Home Improvement Loans (#3 preceding), Mortgage Insurance for Moderate Income Homes (#4 preceding), and Displaced Small Business Loans (#20 following) for provisions applicable to Renewal Projects.		
<b>C. PUBLIC HOUSING AND OTHER DIRECT ASSISTANCE PROGRAMS</b>		
14. Low Rent Public Housing	Assist public agencies to provide decent, safe and sanitary housing to low income persons at affordable rents.	Direct loans and annual operating cost contributions to local housing authorities to assist in the construction, rehabilitation, purchase ("turnkey"), or lease of facilities for rental to low income families.
15. Low Rent Public Housing - Modernization of Projects	Assist public agencies to bring older projects up to modern standards.	Direct loans and annual contributions to bring projects up to modern standards and to involve tenants in all aspects of management.
16. Senior Citizen Housing Section 202	Foster the development of low-cost housing and facilities for the elderly and the handicapped.	Direct low-interest, long-term (3% - 50 years) 100% of cost loans to private non-profit and limited dividend corporations, consumer cooperatives, and certain public agencies in instances where comparable loans are not available in the local financial marketplace. Temporary financing during development also available if needed.
17. Rent Supplements	Assist in the provision of appropriate housing for low income persons and families.	Direct payments to non-profit, cooperatives, or limited dividends organizations, of eligible rents at eligible projects for the difference between 25% of the tenants income and the fair market rent of the unit, to a maximum of 70% of such rent. Tenants must have incomes within the Area's maximum allowable for initial admission to low-rent public housing, plus be elderly or handicapped, be displaced by governmental action, be occupants of substandard housing, or occupy housing destroyed by a natural disaster.

TABLE 14-2 (Cont'd.)

## AVAILABLE PROGRAMS FOR HOUSING ASSISTANCE - A SUMMARY

TITLE	PURPOSE	CONDITIONS
18. Low Rent Public Housing - Leasing	Assist Public Agencies to expand the market supply of low-cost housing.	Direct annual contributions to public agencies to lease housing from private owners for rental to low income families at rents they can afford. Also to purchase a structure with leased units and resell to tenants on affordable terms.
<b>D. BUSINESS ASSISTANCE PROGRAMS</b>		
19. Small Business Loans	Assist small businesses to obtain financing for needed operation/expansion.	Small Business Administration (SBA) can (1) guarantee up to 90% (maximum \$350,000) of a bank loan if not otherwise available, or if not then (2) advance funds on a participating basis with a bank (maximum 75% or \$150,000), or if not then (3) make a direct loan to a maximum of \$100,000. Ten year loans maximum (except 15 years maximum for construction financing) at 5.5% interest.
20. Displaced Small Business Loans	Assist businesses suffering substantial economic injury as a result of displacement by or location in or near a federally aided project.	SBA loan guaranty, participation or direct loans (30 year maximum at 4.75% interest for direct loans, or up to 8% simple interest for bank loans) to assist in relocation, in continuing in, purchasing, or establishing, a new business.
21. Lease Guarantees for Small Businesses	Assist small businesses to secure leases in choice business locations.	SBA lease guaranty to a landlord covering a small business lease that his credit rating might not otherwise permit, or insuring his participation in new structures which he would otherwise be denied due to inadequate credit.
22. Economic Opportunity Loans for Small Business	Assist low income and disadvantaged persons to operate a small business.	SBA loan guaranty or direct loans of up to \$25,000/15 years to low income persons or persons who due to social or economic disadvantage cannot secure adequate financing through normal lending channels on reasonable terms.
23. State and Local Development Company Loans Sections 501/502	Assist Development Companies to expand their financial capability.	SBA direct loans to state and local development companies engaged in promoting area economic development, to expand their operations in making loans to local small businesses. State chartered companies can borrow up to the amount secured from other sources. Local companies can borrow up to \$350,000 to assist any identifiable eligible small business for up to 25 years. Proceeds can be used for land purchase, construction/expansion/modernization of buildings, or purchase of machinery or equipment.



TABLE 14-3

## MINORITY HOUSING UNITS - NEED, SATISFACTION AND GAPS

Gross Requirement - Units	Satisfaction By Planned or Proposed Units - - - - - Units	Gap
1. <u>Present Need:</u> 9,156**	Public Housing - Program/Proposed 6,556	-
	Gap. . . . .	<u>2,600</u>
2. <u>Public Program Demolitions:</u>		
1970-'74 740	Public Housing - Programmed - 740	
1975-'79 1,101	Gap. . . . .	<u>1,101</u>
1980-'84 893	Gap. . . . .	<u>893</u>
3. <u>Normal Obsolescence:</u>		
1970-'74 768	Public Housing - Programmed - 768	
1975-'79 767	Gap##. . . . .	<u>767</u>
1980-'84 766	Gap##. . . . .	<u>766</u>
4. <u>Added Urban Renewal Demolitions:</u>		
1970-'74 - ? -	Gap. . . . .	- ? -
1975-'79 - ? -	Gap. . . . .	- ? -
1980-'84 - ? -	Gap. . . . .	- ? -
5. <u>Market Growth - Low/Lower-Middle:</u>		
1970-'74 5,900	The full range of programs, including:	- ? -
1975-'79 6,000	Senior Citizens Housing, Rent Supports	- ? -
1980-'84 10,300	Leasing, Limited Conversions of White Housing Stock, Financial Assistance to Non-Profit Sponsors, Interest Supplements for Ownership & Rental, & the various Mortgage Insurance Programs*	- ? -
6. <u>Market Growth - Upper-Middle:</u>		
1970-'74 3,600	Conversions from White Housing Stock 3,600	- ? -
1975-'79 4,500	and limited New Construction <u>4,500</u>	- ? -
1980-'84 4,800	(same) <u>4,800</u>	- ? -
7. <u>Market Growth - Upper Value:</u>		
1970-'74 1,800	Open Market New Construction 1,800	-
1975-'79 2,800	(same) <u>2,800</u>	-
1980-'84 3,300	(same) <u>3,300</u>	-
8. <u>Modernization of Older Public Housing Projects:</u>		
1970-'74 - ? -	Public Housing Modernization Program	- ? -
1975-'79 - ? -	(same)	- ? -
1980-'84 - ? -	(same)	- ? -
9. <u>Preservation of Existing Stock - Code Enforcement</u>		
1970-'74 18,398#	Housing Rehabilitation Grants, Code Enforcement Grants and Housing Rehabilitation Loans <u>18,398</u>	-
1975-'79 6,244#		-
1980-'84 - ? -		- ? -
10. <u>Preservation of Existing Stock - Urban Renewal:</u>		
1970-'74 5,000#@	Housing Rehabilitation Grants Housing Rehabilitation Loans and Major Home Improvement Loans	- ? -
1975-'79 5,632#@		- ? -
1980-'84 - ? -		- ? -

\* If interest rates drop to acceptable levels

\*\* Dilapidated Units - Page 7-6

# White and nonwhite units

@ Assumed

## Possible satisfaction by conversions and code enforcement efforts.

?- Indicates an element of uncertain quantity at this time due to lack of data and/or need for further definition of program impact - see text.

As set forth in Table 14-3, we have allocated the programmed public housing units primarily to the satisfaction of the public program demolitions and the normal obsolescence which will occur in the first half of the 1970's. The balance is allocated to the present need in dilapidated units which are assumed to exist in the community at this time.

Of course the allocation of all of this public housing to the minority housing requirements, leaves not only a gap in the dilapidated units as indicated, but also a gap in the white lower and lower-middle income requirements which are similarly growing in the community.

Despite this allocation, a gap of some 2,600 units above the presently programmed and proposed elements of the public housing program remains to be satisfied in the community (item #1 on the Table).

An additional gap remains, to be generated by public program demolitions in the post-1974 period, as indicated by Item #2 on the table (1,994 units).

Although we have indicated a gap due to normal obsolescence (#3) in the post-1974 period, it is possible that the satisfaction of this gap may be accomplished by conversions of white housing, and by code enforcement efforts, both of which factors remain as unconfirmed elements in the minority housing market (due to the lack of available data).

Item #4 sets forth a number of elements of uncertain quantity to account for added urban renewal demolitions beyond the levels already taken into consideration (which were based on early estimates of unit demolitions likely to result from these programs).

Market growth in the lower and lower-middle price ranges (#5) can be expected to be satisfied in some degree by the full range of programs available through Federal sources - to the extent they can be funded in the New Orleans Area. These include the elements set forth in Table 14-3, which cover virtually all of the programs previously cited. The gap remaining after the satisfaction of this need is as yet uncertain. However, it would be hoped that the bulk of this demand could be satisfied through the generation of funds in support of the application of these various programs.

Market growth of the upper-middle group (#6) can be expected to be predominantly satisfied by conversions of the white housing stock, and by limited new construction. The rate of conversions stemming from our analyses of 1950-1960 trends would not satisfy this total requirement. As such, it is imperative that this rate be reassessed on the basis of the 1970 Census so that an appropriate "gap" element can be assessed for this factor. The market growth in the upper value levels can be expected to be satisfied by open market new construction to its full extent (#7). As such, no gap is indicated for this element.

We have also set forth (#8) an uncertain requirement for modernization of older public housing projects within the City. Some of the older projects are rapidly reaching a point where modernization will be required. Until programs are established for this modernization, this requirement will not be defined, nor timed. As such, the gap resulting from the possible withdrawal of units from the open

market for modernization purposes cannot be assessed until a further definition of this program by H.A.N.O. (In this regard it should be noted that past efforts by the Housing Authority to secure modernization funds have not been successful in attracting such funds from Federal sources to date.)

The preservation of existing stock (#9) will be predominantly in the hands of the code enforcement program. Programs of financial support set forth on the table can be expected to augment the financial resources available locally to permit these activities by the private market. As such, we have indicated no gap although it can be expected that some will exist and some dislocations may result from the efforts of this program. As such this element must be watched for further trends.

The preservation of existing stock by urban renewal programs (#10) has been arbitrarily assigned between the first and second periods of the decade, due to the lack of certainty at this time as to the timetable for urban renewal projects, and the numbers of units that will be involved. We have adopted the 10,632 unit figure estimated to cover all housing units (white and nonwhite) in the housing inspection and compliance program reports, due to the lack of definition as to nonwhite housing impact. As such, gaps in this satisfaction may remain, but cannot be assessed at this time.

An evaluation of the foregoing clearly indicates that although New Orleans is moving ahead with an aggressive program to meet the needs of the lower income minority group in near-future years, longer range planning must be undertaken to satisfy the requirements expected to be generated in the second half of the 1970's and the first half of the 1980's.

Major uncertainties remain with respect to (1) the size of the present need, particularly when viewed against the need for similar lower income white housing; (2) the size of the likely need generated by urban renewal demolitions; (3) and the degree to which the existing or prior programs can be expected to be funded in support of the satisfaction of market growth requirements in future years. Also (4) Public housing modernization remains as an uncertain element, as do (5) the as yet uncertain results of the urban renewal programs forecast for the Area with respect to the preservation of the existing stock.

These evaluations underlie our recommendations for the Affirmative Program of Action, as set forth in the following pages.

#### Recommended Affirmative Program of Action - Need Satisfaction

In view of the results of the analyses undertaken by this office, and the results of our assessment of the needs and gaps remaining in the satisfaction of the minority housing requirements forecast for the Area as previously discussed, it would be the recommendation of this office that the Affirmative Program of Action adopted by the City of New Orleans include the following elements:

1. We recommend the adoption and implementation by the City Council of the request of the Housing Authority for 5,000 additional low rent public housing units as an application to HUD for early consideration. Further, we would recommend the addition of some 2,600 more units under a variety of public housing programs to satisfy the remaining present need indicated by the dilapidated unit count of the 1960 Census (perhaps modified by the results of the 1970 Census - or by other future estimates of the existing local nonwhite minority housing need).
2. We would recommend the formation of a public-private housing task force (presumably an expansion of the Mayor's Housing Advisory Committee) under the auspices of the City government, with leaders assigned representing the public agencies involved in these programs, as well as the private sector (principally the banking and insurance industries, the home building industry, the local realtors, the non-profit housing sponsors and church organizations, and key representatives of the local black community) with technical staff assigned by the Housing Authority, the Community Improvement Agency, the Model Cities Program, the Planning Commission and the Mayor's Administrative Office, to review the findings of the minority studies and to develop a consensus of total support for an affirmative program of action to meet these growing needs.
3. We would recommend that this group foster an appropriate action authority (presumably in the Housing Authority) to act as a public information source of knowledge and action to bring an awareness of these programs to the citizens affected by these requirements, and to the housing industry and others who have a stake and role in the satisfaction of these needs. This group should be charged not only with (1) the responsibility for public information and the dissemination of knowledge, but also with (2) the stimulation of the availability of funds in support of the many programs which can be made to be available in support of the market growth of lower and lower-middle income housing in the community.
4. We would recommend that major consideration be given to a modernization program for the existing public housing structures in the community. We would suggest that some effort be given by environmental specialists to the necessity for installation of air conditioning in these structures as a motivational assist to the persons living therein. Other elements of environmental control should be similarly investigated, in accordance with modern principals, techniques and requirements for such structures.
5. We would recommend that much of the program emphasis be placed on preserving the existing housing inventory, in view of the growing limitations for stimulating new additions to the housing supply due to rising interest rates and rising costs in the house construction market. Attendant on this must be

vigorous enforcement of code enforcement efforts. This should include an expansion and an amplification of budgets for inspectors so as to permit the attraction and retention of competent inspectors over long periods of time, rather than the turnover being experienced by the Agency in recent years. Additionally, it is imperative that the legal administration of the City, as well as the judicial review authority, be geared up to a vigorous, efficient, and effective, code enforcement program to assist the City in its war on inadequate housing.

6. We would also recommend that a strong element of the program be directed at motivation of nonwhites in the community, both renters and home owners.

As cited previously in our reports, in our view this is one of the major factors tending to create and preserve the unsatisfactory housing conditions in New Orleans. Elements that must be investigated and amplified as appropriate should include consideration of essential manual training in early years of schooling, evening and week end courses (perhaps sponsored by appropriate unions) in basic home maintenance techniques, motivational efforts conducted by garden clubs/neighborhood groups/others to stimulate an awareness of the impact of personal activity on environmental conditions and to stimulate pride in possessions including housing. Despite the extreme magnitude of this problem, effort must be directed in this area if a satisfactory program is to be forged by the City.

7. It would be our recommendation that a vigorous urban renewal program be undertaken in those portions of the City that are beyond an effective code enforcement activity. This is particularly true in fringe areas where early attention may prevent the further outward spread of blight from the hard core areas of blight in the City. This program must be staffed and funded with competent personnel to accomplish its purposes - a factor which we have come to appreciate in working with many different agencies in many different cities across the country. Ways must be found to make salaries sufficiently attractive to attract some experienced personnel from other areas to the City for the purposes of staffing some key positions, in view of the major lessons to be gained from such experience - to the benefit of the total program, as opposed to the early program stumbling which will inevitably result if local personnel must be trained and be used exclusively for the effort.

8. It would be our recommendation that substantial effort be put behind current City efforts and Chamber of Commerce efforts at attempting to upgrade the economic climate of the City. In the final analyses, much of the problem can be alleviated through available assistance sources if local nonwhites have adequate incomes to afford home ownership status or rental status of units available in the open market. This is not the case as long as income levels are maintained at poverty levels, with a resultant reliance on public housing and rent supplement efforts to satisfy the housing need. As such, it would be our recommendation that major efforts be directed by the City at improving the skills capability and the job capabilities of its black citizens in the next decade, if this problem is to be satisfactorily resolved within the foreseeable future.

9. In satisfying the need for lower-cost housing, the mobile home industry has moved in recent years in turning out reasonably acceptable lower cost dwellings. These have found wide acceptance throughout the southern and

western regions of the Nation, We would urge that steps be taken to foster this industry (on acceptable planning and economic terms) to assist in meeting the expected need for lower cost dwellings in the City and elsewhere in the Metropolitan Area.

10. We would also recommend that the City public authorities as well as its business community stay abreast of the "Operation Breakthrough" efforts to find ways of achieving lower cost new housing. This program will be coming to a head in the next 1-2 years and may prove out feasible techniques of low cost construction which may be acceptable in New Orleans as a further way of accomplishing the satisfaction of this need.

11. Additionally, we would recommend that the City need for lower cost ownership housing (documented in the attitude surveys of the Social Consultant to the C.R.P.) be satisfied by vigorous implementation of the programs aimed at this need, principally Sections 221(d)(2), 235 and 237, plus the extension of FHA mortgage insurance into all project areas (Table 14-2, #10). This need should also be satisfied through the exploration of ways to bring cooperative and condominium multi-family structures to lower and lower-middle black families in larger numbers.

The foregoing highlights the major program elements which we see as needed in providing focus to an Affirmative Program of Action To Expand Housing Opportunities of Minority Groups.

However, any such program must have continuing administration if it is to be expected to achieve any results. As such, we have set forth our administrative recommendations for the Affirmative Program on the following pages.

### Recommended Affirmative Program of Action - Organization and Administration

In our view there are three components necessary for the effective organization and administration of the Affirmative Program of Action. It would be our recommendation that these include the following elements.

#### I - PUBLIC/PRIVATE HOUSING COMMITTEE

As previously mentioned, this committee could be an expansion of the Mayor's Housing Advisory Committee, and should include representatives of the public agencies as well as the private sector of the New Orleans economy, with technical staff assigned from the applicable municipal departments and related commissions/authorities.

This group should comprise a task force of continuing activity concentrating on the following components:

- a. Expansion and implementation of the FHA as well as other Federal programs of insurance/grants/loans available to assist in these housing programs. Concentrate on obtaining favorable support in Washington as well as in the regional H.U.D. offices for local programs, as well as on implementing local sources of banking and insurance company funds from local firms for the cooperative insurance programs. Stimulate the adoption of a program of public information concerning these funds, their sources, channel of application, qualifications, etc. (Presumably this could be accomplished by the stimulation of the formation of a counseling service to tenants and home owners, located to serve each project area, as well as comparable central facilities serving the rest of the City.
- b. Stimulate the formation and staffing of "home maintenance clinics" and/or courses in support of resident education in home maintenance needs and techniques for each project area, as well as a central facility for the City as a whole. Include the union crafts, garden clubs, landscaping services, builders, financial technicians, and others, as educational resources.
- c. Stay abreast and be prepared to stimulate the adoption of low cost housing techniques that may become available as a result of "Operation Breakthrough".
- d. Stimulate and foster the expansion of acceptable (both planning and economic) trailer park opportunities in the City and Metropolitan Area.
- e. Stimulate and insure public awareness as well as support for further expansion of the public housing programs to meet the need as forecast.
- f. Stimulate and insure public awareness as well as support (particularly in the business community) for an aggressive, effective urban renewal program for the City.
- g. Stimulate Metropolitan Area-wide recognition of the problems and needs for urban renewal and minority housing opportunity expansion, as well as support for solutions on a Metropolitan Area basis.

- h. Provide advice and assistance to the responsible public authorities in the development, implementation, and the continuous revision of the housing programs of the City.
- i. Provide an element of city-wide citizen participation in this and other aspects of the total renewal problem (workable program, etc.).

## II - CITY PLANNING COMMISSION AND CITY ADMINISTRATION

It is imperative that special emphasis be placed by the City Planning Commission and the City Administration on the review, the adoption, and on the insurance of public awareness as well as support, for a total City-wide renewal effort.

In addition to the foregoing, we recommend the following:

- a. Insure that the C.R.P. is maintained in a current status by annual review and periodic restudy of components, as recommended in our report entitled C.R.P. Procedures, Report Series No. 5.
- b. Program the capital financing of the C.R.P. coordinated attack on blight in cooperation with the Mayor's Federal program coordinator (C.A.O.) and the Model Cities staff.
- c. Cooperate and coordinate with the Regional Planning Commission, Community Improvement Agency, Housing Authority of New Orleans, Central Relocation Authority (being formulated), etc., to insure all of these aspects of the Program are effectively filling their roles and satisfying the identified needs for renewal actions and related activities.

For this purpose, we would recommend a staff expansion in the City Planning Commission of three persons, one senior planner, one junior planner, and one secretary/clerk assistant, to be assigned full-time to this function, with added budgets for restudy, data tabulations and processing, etc., as needed from year-to-year. In addition:

- d. Insure that an appropriately staffed and budgeted relocation function is implemented in the City administration. Relocation will be a major problem limiting the speed with which the total renewal program can move ahead. As such, its effective implementation is mandatory for an effective total program.
- e. Expand the housing inspection capabilities of the City Division of Housing Improvement by the addition of budgets and staffing to an adequate level of housing inspectors, to satisfy the need as forecast by that Division. Housing inspection capabilities directly dictate the speed and effectiveness of the code enforcement programs, the only weapon which will be available for blight control over most portions of the City for the next decade.
- f. Expand the effectiveness of the court-oriented procedures of the program by either expansion of existing court facilities, or (preferred) the creation of a "Housing Court" with exclusive jurisdiction in this area, and where attention to this program can be given appropriate priority and effective implementation.



- g. Establish an "appeal" system from the decisions of the housing inspectors. This should be an independent authority or "Board of Appeals", to which a citizen could turn for an objective review of the findings of the Division of Housing Improvement (or, perhaps, the determinations of the Community Improvement Agency) if he feels unjustly treated by the inspection determinations. This could be a sub-committee of the Housing Committee, or an independently constituted authority. Its implementation could reduce the load of cases in the Housing Court.

### III - CENTRAL INFORMATION SERVICE - FORMULATION

A central information service must be formulated to coordinate effectively as well as store and make available the myriad bits of information needed to effectively plan, execute, and monitor this program as well as related and complementary functions of City government. Procedures and administrative recommendations for this activity are set forth in our report entitled C.R.P. Procedures (Report Series No. 5) for the guidance of the administration in implementing the satisfaction of this need.

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In our view, the foregoing elements (in summary fashion) outline the characteristics of the program which we would recommend for City consideration in adopting and implementing an Affirmative Program of Action to Expand Housing Opportunities of New Orleans Minority Groups.

However, the foregoing elements need immediate attention. Their satisfaction will, in our opinion, tax the monetary and staff resources of the City to the maximum degree. As such, we would direct attention to their needs in early program years, rather than direct attention to the more nebulous possible concerns ("Project Breakthrough", etc.) that are being tackled by other Cities who already have effectively implemented on-going programs. Rather be prepared to adopt the feasible programs that are proven out in other parts of the Nation, as desirable, but concentrate on the accomplishment of these essential early steps in the early years.

As such, the foregoing represents our recommendations for "first-step" actions to get the program underway, leaving to future definition the more detailed elements of subsequent program direction and implementation.

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Part E of this report which sets forth a brief discussion of the needs and methods for a continuing program of information collection, evaluation and program redirection, is set forth next.

PART E

NEEDS AND METHODS FOR A CONTINUING INFORMATION PROGRAM



## SECTION XV

### THE CONTINUING PROGRAM

This section briefly reviews our recommendations concerning the continuation of the "CRP" Program as an effective tool for City adoption in its war on blight.

The primary purpose of the CRP is to provide long-range policies and a middle-range (5-6 year) program to help the City meet its goals and objectives. Of course, to maintain their effectiveness, the policies and program must be responsive to current changes in conditions and opportunities. This will necessitate the establishment of an on-going information system.

Public programs are designed to encourage private development along lines which will attain City-wide goals and objectives, and to supplement private development where necessary. City governments are not always fully aware of the significance of the changes that are continually taking place within their own boundaries. Even if they are, some find it difficult to capitalize on opportunities because they possess no system for relating indicators of changing conditions to modifications of public programs. The CRP, however, provides New Orleans with the beginnings of such a system. It is a framework which permits new information to be viewed in proper perspective and thus can lead to prompt and effective action.

The CRP can have a continuing impact in the improvement of the living and working conditions in New Orleans by maintaining up-to-date information on the City's economy, and housing. This will permit a continuous review of the City's goals and policies, for the purpose of appropriately revising public actions and public programs.

The CRP has developed a wealth of valuable information on all aspects of the City's physical, economic, and social conditions. But the future data base for the CRP must be strengthened through development of data-processing systems which permit quick and easy computations of the current condition of properties in the City - whether or not occupied, by whom, and the various market pressures affecting them. The CRP analyses based on the 1960 Census should be up-dated with the results of the 1970 Census. Continual up-dating should be accomplished thereafter.

A central records office would be desirable. This office would collect, collate, and disseminate relevant local data from City, State, and Federal sources, and serve as a source of comprehensive and continually updated information upon which the other offices of the City, the Community Improvement Agency, and others, could base their future programs and policies and test the results of past programs and policies.

The CRP information base should also be broadened to include studies of the City's economic and employment bases, and ways to encourage new businesses, industries, and new investment best suited to the special and unique advantages that New Orleans offers.

Rapid response to changes is often required. Therefore, up-to-date, reliable knowledge of local and City-wide conditions and trends is indispensable to effective renewal action.

Information on certain selected data items, or key indicators of change, should be maintained continually to make the City aware of the rate and direction of the changes affecting it. These "warning signals" would alert the appropriate public agencies to year-to-year variations in the City's population, economic resources, uses of land and buildings, etc., which might become trouble spots.

The following recommendations are designed to provide a framework for development of such a system of key symptomatic indicators. Thereafter statistical indicators can be added or deleted as experience dictates.

Meaningful structure data of several types should be collected on a continuing basis and subaggregated quarterly and annually into the neighborhoods (Planning Units) delineated by the Community Renewal Program:

1. Permits\* for new houses or other structures.
2. Permits\* for improvements to existing structures.
3. Permits\* for demolitions of existing structures.
4. Vacancy surveys
5. Land and space use surveys.

New housing permits not only provide information concerning the City's housing health, but also indicate the degree to which the City might be reversing any trend toward housing obsolescence. Again, the inter-area comparison would provide an early insight into changing relationships; some neighborhoods would be razing old structures to build new ones, while others would show little or no new construction activity.

Permit data concerning improvements should include all forms of remodeling that add to the value and/or size of an existing structure. A lack of sufficient improvement activity in an area can indicate that the Area is not maintaining the health of its housing stock. Most significantly, a comparison of the improvement activities within the Planning Units would reveal the potential problem areas and suggest projects worthy of public encouragement.

Demolition permits provide another indicator of neighborhood renewal, and also provide data to update the inventory of existing land and space use.

Vacancy surveys provide important clues to the state of the housing market and can be valuable indicators of forthcoming private market activity. Increasing vacancies in themselves are not always danger signs. Hopefully as the City's low-quality housing experiences increasing vacancy, modern housing due to heavy demand for such structures would be constructed through private action. However vacancy surveys provide a factual basis indicating the feasibility of private renewal in these areas.

Lastly, land and space use data can be readily developed in a systematic "updating" fashion by modest changes in existing survey procedures. Basic data developed for the CRP was developed at a level of detail adequate for general

\* Confirmed in execution.

planning purposes but inadequate for detailed marketability studies or space use planning. As such, forms and procedures for combining the data needs of the various inspection departments (sanitation, fire, housing, etc.) into a systematic method for coordinated data development have been developed in part, but need to be expanded through further practice. A common data bank can serve these combined needs. Inspectors from all departments can be instructed in joint techniques (at least for limited joint data). On this basis, the City can develop a detailed data bank suited to these joint needs over time.

Although not recommended as part of this immediate program, we would recommend that ultimately, a continuously maintained housing price index be added, to provide perhaps the single most direct measure of changing housing market conditions in the City as a whole and in each of the Planning Units. A price decline within an individual neighborhood would not necessarily be a disturbing sign, but high-quality housing should consistently command relatively higher prices than low-quality housing. Meaningful market price information can be gathered from the real estate section of the local newspaper and extended as far back into the past as is practical.

Another valuable indicator of trends is a change in the size and mix of the City's population. Should there be indications that the population composition targets outlined in the CRP are not being fulfilled, owing to an influx of low-income migrants in excess of that predicted by the target population forecast, etc. additional inputs of Federal economic opportunity activity might be required to help assimilate them into the community. The CRP's objective to maintain the existing proportion of middle-income families should also be monitored, if adopted.

To explain and predict the likely attitudes and reactions of residents toward possible renewal actions, it is recommended that eventually the City maintain updated socio-economic information for all neighborhoods of the City. The most significant of these characteristics is the residents' socio-economic status; (i.e. income groups, education, industry, occupation, racial and ethnic composition, tenure (ownership versus rental), age, length of residence in the area; sex; urban versus rural birth, and U.S. versus foreign birth). With this background information at hand, residents' opinions concerning the importance, nature and reality of their local neighborhood, their housing, their willingness to undertake rehabilitation, clearance and relocation, and their attitude toward public housing and housing desegregation, etc., can be readily forecast.

The detailed reports submitted separately by this office contain our recommendations concerning forms, procedures, staff and organizational location for the development of this data. The reader is referred to these reports for such added detail.

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The foregoing completes this summary presentation of the findings, conclusions and recommendations of this office, stemming from these C.R.P. analyses, conducted under contract with the City of New Orleans, Louisiana.

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LARRY SMITH & COMPANY, INC.

June, 1970

