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Weekly Research Update

An examination of rebuilding efforts along the Gulf Coast in the aftermath of Hurricanes Katrina and Rita with an emphasis on displaced populations, inadequacy of government responses, and inequitable development strategies.

Weekly Update ~ 09.29.06

One Year Later:

- The one year marker for the landfall of Hurricane Rita has passed with little recognition. Redevelopment efforts have largely been overshadowed by the coverage and controversy of Hurricane Katrina. Some in Louisiana parishes devastated by Rita are calling the situation "Rita amnesia." The coastal erosion described in relation to Katrina had a greater impact along Louisiana's coast when Rita came ashore. In Cameron Parish, where 98% of homes were completely demolished by the storm, repopulation is at 30%-40%. There are no grocery stores open and only two schools have begun enrollment. Additionally, higher building standards implemented after the storm have created barriers for many to return to the Parish because they cannot afford the increased building costs. One year later, there is much more to be done. *Source: Bonisteel, Sara. "In the shadow of Hurricane Katrina, victims of Rita feel largely forgotten." Fox News.com. September 25, 2006.*
<http://www.foxnews.com/story/0,2933,215442,00.html>
- Nearly all insurance claims for rebuilding homes after Hurricane Rita have been filed by residents of Calcasieu Parish, LA. Of the 70,000 claims from the Parish those paid out have gone predominantly to homeowners. Even with the large number of claims already filed the LA Supreme Court has allowed for an extension to file date for insurance claims in the state. Residents now have until 2007 to file their claims. For some, the rebuilding process is just beginning. *Source: Kuykendall, Lavonne. "La.: \$2.4B in Hurricane Rita Claims Paid Out so Far." Insurance Journal. September 25, 2006.*
<http://www.insurancejournal.com/news/southcentral/2006/09/25/72772.htm>
- FEMA issued statistics on Louisiana recovery post-Rita. Noteworthy statistics include: over \$82 million in disaster loans have gone to Louisiana businesses and private, non-profit organizations; over \$371 million has been paid in insurance claims under the National Flood Insurance Program; and over \$431 million in disaster loans have gone to Louisiana homeowners and renters.

Source: FEMA. "Hurricane Rita One Year Later – From Disaster To Recovery – By The Numbers." FEMA. September 18, 2006. <http://www.fema.gov/news/newsrelease.fema?id=29987>

- The Southeast Texas Regional Planning Commission estimates residential damage caused by Rita at \$2 billion which is well below the cost of damage caused by Katrina. The Rita damage has required a lot of repair and for those engaged as construction and maintenance workers rebuilding in southeast Texas has come at the expense of their own homes. Many of these workers are among the few still living in FEMA trailers. However in Orange County the repaired homes outnumber the damaged ones. As low-rent apartment complexes remain uninhabitable, Orange County lacks hourly wage workers.

Source: Weber, Paul J. "One year later, Texans still cleaning up from Rita." *Associated Press*. September 24, 2006. <http://www.washingtonpost.com/wp-dyn/content/article/2006/09/23/AR2006092300439.html>

Reports Released:

- On Saturday, final planning reports were issued for 46 flood-damaged neighborhoods in New Orleans. This effort was the culmination of a planning project paid for by the City Council. Unfortunately, the price for seeing through the plans is intended to exceed \$2 billion which is greater than the amount allocated from the Louisiana Recovery Authority. The plans are intended to become part of the city's unified planning effort, but beforehand will be studied by city, state and foundation officials.

Source: Filosa, Gwen. "N.O. neighborhood plans unveiled; but total price tag exceeds \$2 billion." *Times-Picayune*. September 24, 2006. <http://www.nola.com/news/t-p/metro/index.ssf?/base/news-17/1159085934317680.xml&coll=1>

Recovery:

- Currently, neither Gentilly, the Lower Ninth Ward or eastern New Orleans, where most of the Katrina devastation occurred, has benefited from the \$10 billion "Road Home" funds. Recovery of these areas is moving slowly. Local community leaders have looked to the post-2004 Tsunami recovery in Thailand to study how the rebuilding process has been undertaken with a grassroots, people-driven focus. In fact a delegation of New Orleans locals traveled to Thailand for a first-hand look bringing back with them some lessons learned. An activist for the St. Bernard Housing Development, a part of the delegation, noted that in Thailand people are "a lot more self-sufficient...they're not relying on anything or anybody but themselves". Additionally, he stated that self-sufficiency is going to be needed in N.O. in that individuals struggling to rebuild will need to "forget about the government and try to make things happen ourselves". Another member of the N.O. delegation to Thailand was Rev. Hungdung Van Lukenguyen representing the Vietnamese community who stated that "we have to move on without the government's help. We do as best as we can to reestablish and reclaim our place."

Source: Webster, Richard A. "No funds for the residents of Gentilly, Lower Ninth Ward or eastern N.O." *New Orleans CityBusiness*. September 25, 2006.

- New Orleans has been experiencing a shortage of city planners which has delayed projects from moving forward and led to money lost for developers. The City Planning Commission (CPC) announced that it will be hiring at least 3 new city planners. Part of the shortage was the result of Mayor Nagin's downsizing of 3,000 positions immediately post-Katrina resulting in the CPC losing 21 positions and operating with a staff of only 9 people.

Source: N.O. CityBusiness Staff. "New Orleans to hire 3 needed planners." *New Orleans CityBusiness*. September 25, 2006.

<http://www.neworleanscitybusiness.com/uptotheminute.cfm?recid=6308>

- On September 21, the Gulf Coast Business Council announced the formation of the Gulf Coast Renaissance Corporation (GCRC) to address the housing crisis along the Mississippi Coast with an emphasis on work-force housing. Over 65,000 homes were destroyed by Hurricane Katrina in southern Mississippi and restoring this housing capacity has been slow given that developers and non-profits have faced numerous barriers including: "a shortage of building lots and land for development, lack of water and sewer infrastructure, the high cost of labor and materials, zoning ordinances, insurance and wetlands issues". GCRC's plan is to have 100,000 units available in the next 5 years.

Source: Frulla, Priscilla. "Housing and Homes. New nonprofit's goal is 100,000 units in 5 years." *The Sun Herald*. September 22, 2006. <http://www.sunherald.com/mld/sunherald/15579713.htm>

- According to the international development group Oxfam, the Louisiana "Road Home" program, which was contracted out to ICF International, will not benefit the communities with the greatest need unless non-profits and faith-based groups are given a role in the distribution of the benefits. Oxfam calls upon Louisiana officials to ensure that locally based-groups, believed to be the "only major drivers of the recovery to date," continue to play a key role in the rebuilding effort. If these groups do not, then as stated by Charlette Minor of the Louisiana Housing Economic and Community Development Collaboration, the Louisiana plan will not have "a chance of providing poor families a real Road Home. Without our involvement, the most vulnerable families will remain lost and shut out of the recovery."

Rusu, Laura. "Oxfam Urges Louisiana to Give Community Groups Key Role in Road Home Plan." *Oxfam America*. September 25, 2006.

http://www.oxfamamerica.org/newsandpublications/press_releases/press_release.2006-09-25.2980010988

- Gov. Barbour established the Mississippi Hurricane Recovery Fund soon after Hurricane Katrina struck the Gulf Coast. To date the fund has received over \$18 million from more than 8,500 contributors worldwide of which a large contribution of \$12.4 million came from the Bush-Clinton Katrina fund. The board of the fund announced that \$18 million in grants would be allocated to organizations in George, Hancock, Harrison, Jackson, Pearl River and Stone counties.

Source: "Grants totaling \$18M announced by Katrina recovery fund." *Associated Press*. September 27, 2006. <http://www.sunherald.com/mld/sunherald/news/politics/15622620.htm>

- On Monday night new images of New Orleans were televised. In fact the images of the ESPN telecast from the Superdome, the Saints' victory and images of "resurrection" contrasted starkly with those featured over a year ago. This new imagery fostered excitement among New Orleans tourism officials that have been trying to see tourists and their dollars make their way back to the area. They hope that the positive images diffused from the region will alter post-Katrina perceptions as an official noted "over the past year New Orleans' image as a brand has suffered greatly, with so many images of despair and devastation of the city."

Source: Nolan, Bruce. "Saints weren't the only winners Monday." *Times-Picayune*. September 26, 2006.

http://www.nola.com/newslogs/topnews/index.ssf?mtlogs/nola_topnews/archives/2006_09_26.html

Infrastructure:

- Over one year after Hurricane Katrina an additional section of the Memorial Med Center is planned to reopen. The reopening of the Surgical Institute will add 10 beds, seven operating rooms and two cardiac laboratories to New Orleans' struggling infrastructure. The main hospital of the medical center remains closed without a planned opening date.
Source: Associated Press. "Part of Memorial Med Center re-opening." *The Times-Picayune*. September 27, 2006. <http://www.nola.com/newsflash/louisiana/index.ssf?/base/news-27/1159360145221090.xml&storylist=louisiana>
- In a very short editorial at least one New Orleans resident references the deplorable state of the roads in New Orleans before Hurricane Katrina and the worsened conditions since the storm. The resident asked specifically for resurfacing and reconstruction "especially in the areas where homeowners are restoring their residences." Infrastructure in New Orleans needed attention before Katrina and to miss the opportunity to rectify the situation now would be more than unfortunate. However, new infrastructure investment is needed not just where people are living now. An intact road system could be an incentive for others to move back to New Orleans assisting the thousands still displaced by the storm to return to the city.
Source: Editorial, "Fix the streets." *The Times-Picayune*. September 27, 2006.
- In an initial step to redevelop its damaged housing stock, the Housing Authority of New Orleans has committed to pay developers over \$2.1 million to create a mixed-income community on the site of its closed public housing complexes. One of the complexes HANO will demolish to make room for redevelopment is the Lafitte complex that has been contracted out to the Providence Community Housing and Enterprise Community Partners Inc., which promises to build 1,500 housing units with varying rents. The developers would like to secure low-income housing tax credits to partially pay for the redevelopment. HANO has also approved a contract with the New Orleans Police Department to provide overtime services in the currently reopened complexes.
Source: Filosa, Gwen. "Lafitte housing complex gets new lease on life." *Times-Picayune*. September 28, 2006.
http://www.nola.com/newslogs/topnews/index.ssf?/mtlogs/nola_topnews/archives/2006_09_28.html#189053

Governments' Responses:

- For some 30 years the most controversial issue for the Orleans Levee board has been its seemingly abundant cash flow. This is not a problem cited for most public agencies. However, the days of deep pockets have come and gone. The agency's coffers have diminished from \$100s of millions to \$23 million, not quite enough to cover annual expenditures. The budget shift has been caused because the authority's revenue is tied to property taxes and other state revenue bases equally devastated by last year's storms. The hurricanes have resulted in a state initiated reform of the authority, part of Amendment 3 to be voted on Saturday. The amendment will combine the disjointed sections of the agency into two regional and "transparent" entities.
Source: Donze, Frank. "Hurricane hits Levee Board where it hurts; Damage to key revenue sources dries up controversial cash flow." *The Times-Picayune*. September 27, 2006.
<http://www.nola.com/news/t-p/frontpage/index.ssf?/base/news-6/1159336485130960.xml&coll=1>
- St. Bernard Parish enacted a new housing ordinance last week stipulating to who owners can rent their properties. The ordinance prohibits renting to anyone other than "blood relatives" of the

owner. Supporters say the ordinance ensures owner occupied dwellings which have historically been the majority throughout the parish. Dissenters argue that the ordinance inequitably impacts the city's majority black renting residents. 93% of the parish residents are white. By stipulating the renters be blood relatives, regardless of intent, the effect of the ordinance will be to keep the parish as a majority white community. Local housing organizations assert that the ordinance is in direct violation of the Fair Housing Act.

Source: Warren, Bob. "Rental policy called discriminatory; Black people ruled out, group charges." *The Times-Picayune*. September 27, 2006.

<http://www.nola.com/search/index.ssf?/base/news-17/1159336434130960.xml?NZNPMT&coll=1>

- FEMA intends to extend the deadline for New Orleans travel trailers beyond the 18-month marker. The decision is based upon FEMA's doubt that "there will be enough private investment in housing to supplant the need for trailer by next February." Housing availability is expected to increase as homeowners receive the Road Home checks and as the Housing Authority of New Orleans opens 1,000 units in the next three months.

Source: "FEMA: February trailer deadline won't be kept." *The Associated Press State & Local Wire*. September 23, 2006. <http://www.katc.com/Global/story.asp?S=5448191>

- At "The Gulf Coast Congressional Summit: Recovery and Reconstruction of America's Energy Coast" Gov. Blanco and other officials discussed ways in which Gulf Coast states that bear "the burden of fueling the nation" can better protect themselves from future storms. The agenda for state officials included making sure that revenues generated by the oil and gas industries flow into the Coast. In addition, officials highlighted the essential role that Gulf Coast states play in the U.S. as Sen. Landrieu noted "this coast has been undervalued by America, underappreciated, in some ways almost a forgotten coast."

Source: Courreges, Patrick. "La. summit addresses oil, gas royalties. Blanco plans 'take no prisoners' fight." *The Advocate*. September 25, 2006.

<http://www.theadvocate.com/news/4222061.html>

Coastal Restoration:

- Over 130 women of the Louisiana-based group Women of the Storm brought their fight to save the state's wetlands to Washington D.C. The group attempted to get Senate and House members to support two bills in Congress that will do just that. Part of the message the group wanted to advance is that "Louisiana fuels and feeds the nation, and we are washing away." In fact the need for a wetlands barrier is crucial as another hurricane may jeopardize oil and gas production, shipping ports, and the seafood industry.

Source: DeBose, Brian. "Women lobby to save wetlands." *The Washington Times*. September 21, 2006. <http://washingtontimes.com/national/20060921-121022-3228r.htm>