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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 ~ October 6, 2006

Research and Reports:

- A recent scholarly article published in The Journal of American Medical Association received media attention this week. The article outlines the response of the US federal government to the health care system in the aftermath of Hurricane Katrina. Although some elements of the response are praised, the focus of the article centers on three major faults discussed by the authors. The faults detailed are 1) assistance was inadequate for needs, 2) the responses were too late and 3) the responses may have slowed recovery. The article also emphasizes that although Hurricane Katrina directly impacted the Gulf Coast such catastrophic repercussions are possible in many other locations. The infrastructural disinvestment was not specific to New Orleans and other regions must be prepared to respond if necessary.
Source: Lambrew, Jeanne and Shalala, Donna. "Federal Health Policy Response to Hurricane Katrina." *The Journal of American Medical Association*. Vol.296 n.11 p. 1394-1397.
- Louisiana Recovery Authority statistics released October 3rd indicate that nearly three-fourths of New Orleans homeowners applying for Road Home grants intend to rebuild rather than take a buyout or relocate. However, of the 33,883 applicants, only 255 homeowners have been awarded grants and only 13 families have received them. In New Orleans, although 53,000 homeowners qualify for the grants, only 11,685 applications have been received.
Source: "Grant applications coming home." *Times-Picayune*. October 4, 2006.
<http://www.nola.com/news/t-p/frontpage/index.ssf?base/news-6/1159941399135320.xml&coll=1&thispage=1>
- According to a U.S. Geological Survey report, hurricanes Katrina and Rita transformed 217 square miles of coastal wetlands in Louisiana into open water. Scientists equate the amount of land lost in a month to the losses predicted to occur by 2050.
Source: *The Associated Press*. "Report says hurricanes turned 217 square miles of marsh into open water." *Times Picayune*. October 4, 2006.
<http://www.nola.com/newsflash/louisiana/index.ssf?base/news-28/115994754222150.xml&storylist=louisiana>

Recovery:

- FEMA has agreed to pay for the removal of dead trees when the cause of death can be attributed to salt water intrusion, but has not decided whether or not to fund the removal of trees blighted by the ips beetle. The beetle is an opportunistic organism preying on weakened pine trees. The ips beetle gains entry to the tree through damaged bark. The damage to most trees recently infested may be due to hurricane impacts. Estimates of tree loss due to the beetle infestations conservatively hover around 18,000 trees. Until FEMA decided on the funding strategy for these trees city officials remain concerned with the safety risk the trees pose.
Source: Associate Press Wire. "Many trees killed by hurricanes have yet to be removed." *AP Wire*. October 2, 2006. <http://www.nola.com/newsflash/louisiana/index.ssf?/base/news-28/115979215280400.xml&storylist=louisiana>
- YouthRebuild Louisiana has been established to train young adults in construction crafts as they help Habitat for Humanity build affordable homes for low-income residents. This is made possible by federal grants and the local faith-based organization Hope Center Inc. The three-year program for low-income 16-to-24 year olds will educate participants on construction and help build 180 homes in Jefferson and Orleans Parishes. The first class of 20 students starts on November 1, 2006.
Source: Facione, Valerie. "Students to rebuild as they learn trades." *Times-Picayune*. October 3, 2006. <http://www.nola.com/news/t-p/metro/index.ssf?/base/news-17/1159854985210530.xml&coll=1>

Living Conditions:

- The inception of the Katrina Cottage was to give Katrina's displaced an alternative to trailer living however this living quarter has appeal beyond the floodplain with residents across the country seeking affordable housing. Interest has been expressed by Californians that would like the cottages in their backyards to offer as a rental unit which will supplement their mortgage payments. Elsewhere, people envision having a cottage so that their parents can live near by. These living quarters the size of a "McMansion bathroom" or a "Lilliputian" home goes against the national "big house" trend. Lowe's is currently offering a Katrina Cottage and other companies may start their own design if the product is a success.
Source: Scherer, Ron. "A stylish cottage for Katrina country is a hit all over." *The Christian Science Monitor*. October 2, 2006. <http://www.csmonitor.com/2006/1002/p01s01-ussc.html>
- FEMA provided \$52.4 million in federal funds to post-Katrina mental health programs in Louisiana. The money is earmarked for traditional social service work and not to be spent on doctors. Project Louisiana Spirit created by the Louisiana Department of Health and Hospitals was funded with these federal dollars. Simon Wessely, a professor of psychiatry and expert on post-traumatic stress and crisis counseling noted that such programs that search for victims and place them in counseling "not only does not work, but probably increases distress and reduces resilience." The website of Louisiana Spirit clearly states that the program does not "support long-terms, formal mental health services such as medications, office-based therapy, diagnostic services, psychiatric treatment, substance abuse treatment or case management."
Source: Varney, James. "Post-storm mental health plan comes with a catch; Critic says program is not likely to help." *Times-Picayune*. October 2, 2006. <http://www.nola.com/news/t-p/frontpage/index.ssf?/base/news-6/115976875190040.xml&coll=1>

- Wayne Woods, board chairman of the Louisiana Housing Finance Agency stated at the Housing Solutions Summit at the Ernest N. Morial Convention Center that the housing agency would like to avoid creating “pockets of poverty throughout the city.” “I don’t want to see people who occupied these (lower-income) units not being able to get back” to the storm-damaged areas. According to Woods “the mixed-income idea is new for us” and so the agency must adapt fast and use the allocated \$56 million per year in housing tax credits until and including 2008 or the money will be lost. In December, the Louisiana Housing Finance Agency will announce recipients of the federal tax credits, thereafter housing developers must have rental units ready by December 31, 2008.

Source: Filosa, Gwen. “Agency leader: Don’t shut out poor; Developers seeking tax credits watched.” *Times-Picayune*. October 1, 2006. <http://www.nola.com/news/t-p/metro/index.ssf?base/news-17/1159687341161120.xml&coll=1>

Governments’ responses and actions:

- Louisiana constitutional Amendment 3, detailed in last weeks research update, passed Saturday with a strong 81% of voters favoring its implementation. The amendment seeks to reorganize the state’s levee authority into a two body entity with transparent decision making processes. There was also overwhelming support for two additional amendments on the ballot Saturday which address coastal erosion. The revised levee authority will be instated on January 1, 2007. There will be change, but the question is whether or not anything will change.

Source: Sentell, Will. “Levee change OK’d. Amendment consolidates La. Boards.” *The Advocate*. October 1, 2006.

- State and federal officials have yet to agree on a revised medical coverage plan offering to be utilized by nearly half of all Louisiana residents. However, both sides are quick to note that a compromise or even consensus is still possible once the dollar amount of funds available is made explicit to the group. This budget should be finalized for the redesign on Wednesday. The redesign of health care coverage must then be presented to US Health and Human Services by October 20, 2006. The issue most pressing to resolve currently is whether or not a new HMO like structure would better serve low income residents, or reproduce the same two tier health care system that currently exists. All parties are hopeful that once the budget is set it will be clear which options will be most cost effective.

Source: Moller, Jan. “Deal to revamp health care in N.O. stalls. But panel chief looks for a breakthrough.” *The Times-Picayune*. October 3, 2006. <http://www.nola.com/news/t-p/capital/index.ssf?base/news-4/1159856427210530.xml&coll=1>

- Mayor Nagin has signed three executive orders designed to ensure greater opportunities for minority- and women-owned businesses and environmental justice for all groups. The executive order on local business provides large businesses with Katrina recovery incentives if they use 50% local businesses and 35% women- or minority-owned businesses. Nagin stated that “we just want to make sure we don’t go back to a city of haves and have-nots” and this order is believed to assist local businesses in taking a lead in the rebuilding process.

Source:

Eggler, Bruce. “Minority, female firms bolstered; Nagin issues orders to ensure opportunities.” *Times-Picayune*. September 30, 2006. <http://www.nola.com/news/t-p/frontpage/index.ssf?base/news-17/115959730437130.xml&coll=1>

Roberts, Michelle. “New Orleans mayor orders preference to minority businesses.” *The Associated Press State & Local Wire*. October 2, 2006.

- Gov. Haley Barbour would like to speed up the process of getting housing grants to homeowners in Hurricane Katrina damaged areas. In order to speed up the process, homeowners will be asked to sign affidavits with the Mississippi Development Authority stating that they had insurance coverage prior to Katrina. As of October 2nd, 242 checks totaling \$11.7 million had been distributed to homeowners however 17,118 homeowners have applied for grants leaving many waiting.
Source: "Mississippi trying to speed up Katrina housing checks." *The Associated Press State & Local Wire*. October 3, 2006. <http://www.sunherald.com/mld/sunherald/news/state/15667736.htm>
- The Louisiana Recovery Authority has proposed changes be made to the rental housing repair program. Reps. Steve Scalise, R-Jefferson and Peppi Bruneau, R-New Orleans have urged fellow lawmakers to reject the changes to the plan as they believe it would serve renters with lower incomes. The program would offer no-interest loans to owners of small-scale rental properties only if the landlords rent to people with incomes at or below 80% of local median income and charge rents at "affordable" levels. According to Scalise, the policy would "destroy the middle-class rebirth of this region...I don't want to approve a bad program." Scalise believes that the LRA's program would discriminate against many middle-class families in the affected areas and so he is calling for modifications to the program.
Source: Scott, Robert Travis. "Rental housing proposal is opposed; Renter income level criticized by legislators." *Times-Picayune*. September 30, 2006.
<http://www.nola.com/search/index.ssf?/base/news-4/115959744637130.xml?NSBR&coll=1>

Advocacy:

- The activist organization 'Levees.org' is trying to make levee protection into a leading political issue and garner support from political leaders beyond Katrina-ravaged states. Levees.org's slogan is "Hold the Corps Accountable" and this does not just apply to the Gulf Coast. The organization is taking its message of government accountability to Florida and California where the Army Corps of Engineers has been involved in levee protection.
Source: Bohrer, Becky. "Activist group takes levee message to California, Florida." *The Associated Press*. October 3, 2006. <http://www.nola.com/newsflash/louisiana/index.ssf?/base/news-28/1159908908214760.xml&storylist=louisiana>
- Latino laborers that migrated to the Gulf Coast to aid in the reconstruction are not alone in facing hardships. African-Americans are also experiencing the same struggles as they attempt to return. While the New Orleans Worker Justice Coalition would like to give all workers a voice in the city's reconstruction it is a difficult task given that local perception is that people of color are competing for jobs. However, the reality is that contractors are competing for the cheapest labor. The divisions between workers of color were exemplified by two large protest marches last spring one which featured a large African-American faction and the other Latino. Members of the coalition would like to bridge the gulf between the two communities. In addition to grassroots activists, unions are trying organize workers in the Gulf by offering workers training and investing in worker housing.
Source: Slaughter, Janet. "After a Year, Hurricane Katrina Still Pummels Workers." *Axis of Logic*. October 45, 2006. http://www.axisoflogic.com/artman/publish/article_23147.shtml
- The Greater New Orleans Fair Housing Action Center filed a federal lawsuit on October 3rd to overturn a St. Bernard Parish ordinance adopted two weeks ago that prohibits many homes from

being rented to non-blood relatives of the owner which is seen as an effort to “perpetuate segregation.” Given that 93% of St. Bernard homeowners are white, the ordinance excludes non-white renters, which is a violation of the federal Fair Housing Act. Parish Councilman Craig Taffaro, who wrote the ordinance, stated “what a tremendous burden it must be to believe that everything is motivated by race...Our motivation is simply to do what’s best for our recovery and to restore and maintain our pre-Katrina quality of life.”

Source: Rioux, Paul. “St. Bernard sued over rent limit; Group says new law upholds segregation.” *Times-Picayune*. October 4, 2006. <http://www.nola.com/news/t-p/frontpage/index.ssf?/base/news-6/1159943051135320.xml&coll=1>