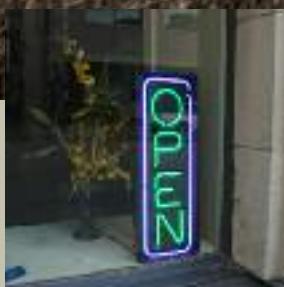


# LOUISIANA RECOVERY AUTHORITY



## Progress Report

August 2007



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**Hurricane Katrina struck Louisiana’s coast on August 29, 2005, claiming the lives of 1,464 Louisiana residents. Hurricane Rita followed three weeks later on September 24, 2005. The storms initially evacuated and displaced 1.3 million Louisianians, destroyed more than 200,000 homes, 40 schools, 10 hospitals and 200 square miles of Louisiana marshland. The storms also damaged 835 schools and flooded more than 16,000 businesses. About 179,000 jobs were lost in the New Orleans area alone. Louisiana’s estimated property losses total more than \$100 billion.**

Photos:  
Page 3 from top: Governor Blanco presents a business recovery grant to Cameron Parish small business owner Kirk Burleigh; and construction workers on the second floor of an elevated home in New Orleans.

Cover: Wetlands photo and shrimp boats courtesy Louisiana Office of Tourism.

## OUR MISSION

The Louisiana Recovery Authority (LRA) was created in October 2005 by Governor Kathleen Babineaux Blanco to serve as the planning and coordinating body for Louisiana’s recovery from Hurricanes Katrina and Rita. Appointed by the Governor and confirmed by the Senate, the organization’s 33- member body is charged with securing funding for community recovery and resurgence, ensuring accountability and effectiveness, coordinating across jurisdictions, and planning for the rebuilding of South Louisiana. The authority’s mission is to ensure that Louisiana rebuilds safer, stronger and smarter than before. There are four areas of focus: securing funding and other resources needed for the recovery, establishing principles and policies for redevelopment, leading long-term community and regional planning efforts, and ensuring transparency and accountability in the investment of recovery funds. Throughout its initiatives, the LRA is committed to a recovery and rebuilding process that is fair and equitable to everyone.

Kathleen Babineaux Blanco  
*Governor, State of Louisiana*

Dr. Norman C. Francis  
*Chairman*

Walter Isaacson  
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# Letter from the Governor

Dear Friend,

Although our state still faces unprecedented challenges, we are starting to see real progress in our efforts to recover from the devastation of Hurricanes Katrina and Rita. We are seeing momentum in small business aid, and in investment in rental properties. We are seeing progress in citizen-driven rebuilding plans and the dollars to help bring them to life. And we are moving forward with education and health care investments, and in the assistance homeowners need to rebuild. This is the toughest test we'll ever face, but we are beginning to see progress — not only in bricks and mortar, but in the revival of our dreams for what Louisiana can become.



Through the coordinated efforts of the Louisiana Recovery Authority, members of the Louisiana Legislature, the Louisiana Congressional Delegation, state departments, my administration and countless citizens throughout the devastated areas, the state is rebuilding a south Louisiana that is safer and stronger than before. We have carried that message with us to Washington.

It was clear after my first meeting with the new leadership of the 110th Congress, that there is a renewed commitment to a Gulf Coast recovery. This commitment is evident in the passage of major hurricane recovery legislation in May that cut federal red tape and eliminated the federal match requirement for critical infrastructure projects. We are grateful to members of Congress and to our neighbors throughout the world who continue to believe in and support a strong future for the people of the Gulf Coast. We are going to need their support as we continue to rebuild our lives and to make the case for Louisiana's future.

As we move into the second anniversaries of Hurricanes Katrina and Rita, I am humbled by the personal sacrifices so many people are making to rebuild. We will rebuild Louisiana and lead the way to a strong Gulf Coast recovery.

Sincerely,

Kathleen Babineaux Blanco

Governor



**Since March 2007 Louisiana's recovery from Hurricanes Katrina and Rita has gained momentum as a number of key recovery initiatives moved from design to implementation.** Small businesses in the impacted areas started collecting much-needed grants and loans, critical infrastructure projects began to receive long-awaited funding, rental owners began tapping assistance to repair vital workforce housing, and an increasing number of homeowners began receiving grants under the Road Home program.

Further, the LRA and its partners released the Louisiana Speaks Regional Vision, the state's roadmap for long-term recovery and growth for the next 50 years.

Among the signs of progress:

- ✔ More than 3,500 small businesses have received grants and more than 300 have received zero-interest loans in the state's Business Recovery Grant and Loan Program.
- ✔ As of July, more than \$4.8 billion had been approved by the Federal Emergency Management Agency (FEMA) for recovery and rebuilding critical infrastructure. Of this, Louisiana has paid more than \$2.4 billion.
- ✔ 27,000 Louisiana residents living in 32 states participated in the development of the Louisiana Speaks Regional Vision.
- ✔ So far, more than 1,500 teachers have been hired for the 2007-08 school year in New Orleans, with intense recruitment underway to hire more than 600 more.
- ✔ Since being fully funded in June 2006, about 40,000 homeowners have closed on their Road Home grants, with thousands more closing every week. The program has paid more \$2.8 billion in grants so far.
- ✔ In the second quarter of 2007, more than \$202 million in grants were awarded to 2,693 rental property owners in Round 1 of the LRA's Small Rental Property Program, with an average award of about \$75,000.
- ✔ The land debris removal from Hurricane Katrina is 85 percent finished, while the mission from Hurricane Rita is essentially complete.
- ✔ Comprehensive recovery and rebuilding plans have been approved for Orleans, St. Bernard and Vermilion parishes, triggering the release of \$117 million, \$26 million and \$2.2 million respectively for local planning projects.
- ✔ Through the NOLA Bound call center, the Louisiana Family Recovery Corps has provided more than 12,000 callers with real-time recovery information and assisted more than 5,000 callers with developing a plan for returning to the Greater New Orleans area.

## SECURING RECOVERY FUNDS

After months of working with Louisiana's Congressional delegation, the state was able to secure a waiver for Louisiana's public infrastructure cost share covering more than 20,000 separate construction projects. Passed by Congress and signed by the President in May 2007, the legislation cut a substantial amount of red tape, freed up state funds and an additional \$775 million in Community Development Block Grant (CDBG) funding for Louisiana's recovery.

During the campaign, major state and national newspapers relied on the LRA's data and research in editorializing in support of the idea and called on President Bush and Congress to waive the federal match requirement.

The emergency appropriations bill passed by Congress in May also included \$1.3 billion for east and west bank levee projects in New Orleans and \$25.3 million for the Southeast Louisiana Urban Flood Control Project to improve

"A year ago President Bush and recovery chairman Donald Powell successfully pressed Congress to give Louisiana \$4.2 billion in housing aid. Combined with \$6.2 billion approved earlier, it seemed at the time as if that would be enough. It won't be.

"...Louisiana isn't asking for too much. To date, Mississippi has received about \$5.5 billion in federal block grants. We don't begrudge our neighbors the aid they've gotten, but Congress should be fair. Louisiana had four times the damage of Mississippi, and if aid were given out proportionately, this state would get \$20 billion in block grants. So far, we've gotten only about half that amount."

—Editorial, *The Times-Picayune*  
June 17, 2007

flood control and drainage systems in Jefferson, Orleans and St. Tammany Parishes. The bill also included provisions for the forgiveness of \$1 billion in Community Disaster Loans, funding for crime prevention, teacher recruitment, economic development, and historic preservation projects and disaster relief for the shrimp and fishing industries that will be distributed by federal departments throughout the Gulf Coast.

## MAKING THE CASE FOR EQUITY

From the beginning, the LRA has relied on hard facts and data to illustrate Louisiana's critical recovery needs and to make the case in Washington for the equitable distribution of funds.

Louisiana suffered four times the amount of housing damages of its neighbors in Mississippi but received less than two times the amount of recovery aid. If CDBG funds had been distributed proportionately, Louisiana would have received \$20 billion, while thus far, the state has only received half that amount.

While Louisiana has received tremendous aid and attention in the aftermath of Katrina and Rita, the state still has enormous unmet needs and will continue to make the case for adequate and equitable recovery funding.

### Addressing the Road Home Shortfall

In May, the state released projections showing a possible shortfall of more than \$4 billion in the Road Home program's budget. According to an analysis by ICF International, the contractor running the program, three main factors have contributed to the deficit:

- **Increase in eligible homeowners:** About 40,000 additional homeowners with major or severe damage are likely to apply to the program, far more than FEMA data initially indicated;
- **Actual damages are higher than FEMA estimated:** The level of damage per house is greater than once thought, plus construction costs are significantly higher than anticipated;
- **Lower than expected insurance payments to homeowners:** On average, insurance payments are covering a smaller than expected percentage of the damages.

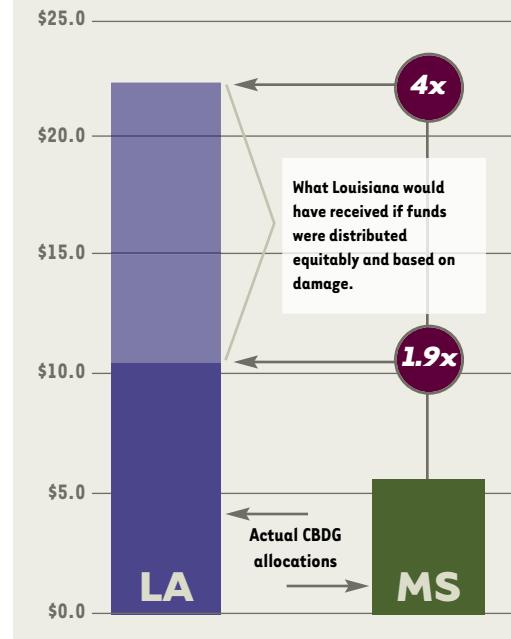
Of the shortfall, \$1.2 billion results from the fact that FEMA has not approved Louisiana's use of hazard mitigation funds already appropriated by Congress that are needed for elevations and buyouts for the Road Home.

Over the past year, the LRA has urged Congress to direct FEMA to free up the \$1.2 billion in Hazard Mitigation Grant Program (HMGP) funds or make the program's regulations less onerous.

Working with Governor Blanco, the Legislature and Louisiana's Congressional delegation, the LRA has proposed a three-step plan to resolve the shortfall:

- **\$1 Billion Commitment of State Funds to help fill the gap in the budget.** This is in addition to the \$4.8 billion in state funds that have been committed to Louisiana's recovery over the last 22 months.
- **Cut the Red Tape in Hazard Mitigation Funding.** Louisiana is asking Congress to pass legislation that will direct FEMA to approve Louisiana's use of \$1.2 billion in HMGP funds for the Road Home program.
- **Commitment of Federal Funds.** Louisiana is asking the federal government for the remaining CDBG dollars to fill the Road Home shortfall.

### Community Development Block Grant Funding by State



The *Times Picayune*, the *Baton Rouge Advocate* and the *Washington Post* have all spoken out in favor of additional federal aid for the Road Home.

### Louisiana's \$1 Billion Commitment to the Road Home

<b>Provide State Funds for 2 Key CDBG Projects</b>	\$577.5 million
<i>Medical Center of Louisiana New Orleans</i>	\$300 million
<i>State Building Match and Ineligible Costs</i>	\$277.5 million
<b>Additional State Funding</b>	\$373 million
<b>Reductions in Existing CDBG Programs</b>	\$49.5 million
<i>Rental Program</i>	\$15.4 million
<i>Infrastructure Programs</i>	\$32.1 million
<i>Economic Development</i>	\$2 million
<b>TOTAL</b>	<b>\$1 billion</b>

## HIGHLIGHTS FROM the REGIONAL POLL

The Louisiana Speaks Regional Plan is derived from the input of nearly **27,000 citizens** that responded to an outreach campaign designed to engage people from all walks of life on a series of key planning questions.

**Key findings** from this campaign include:

### Protection and Restoration:

Ninety-three percent of citizens participating in the Louisiana Speaks Regional Vision Poll support funding and implementation of the state's proposed coastal protection and restoration plan.

**Managing Risk:** There is a common understanding, highlighted by the 2005 hurricanes, that when people build in unprotected areas with high risk of storm damage, we all share the risk they assume, in the form of rising insurance premiums and the shared public cost of disaster recovery. Nearly 90% of citizens favor managing our shared risk through a combination of development incentives and regulations and smart investments in protection, restoration, and transportation infrastructure.

**Growth and Transportation:** 81% of poll respondents also expressed a preference for shifting development patterns to focus future development in existing cities and towns and create more housing choices and new transit options.

### Economic Development

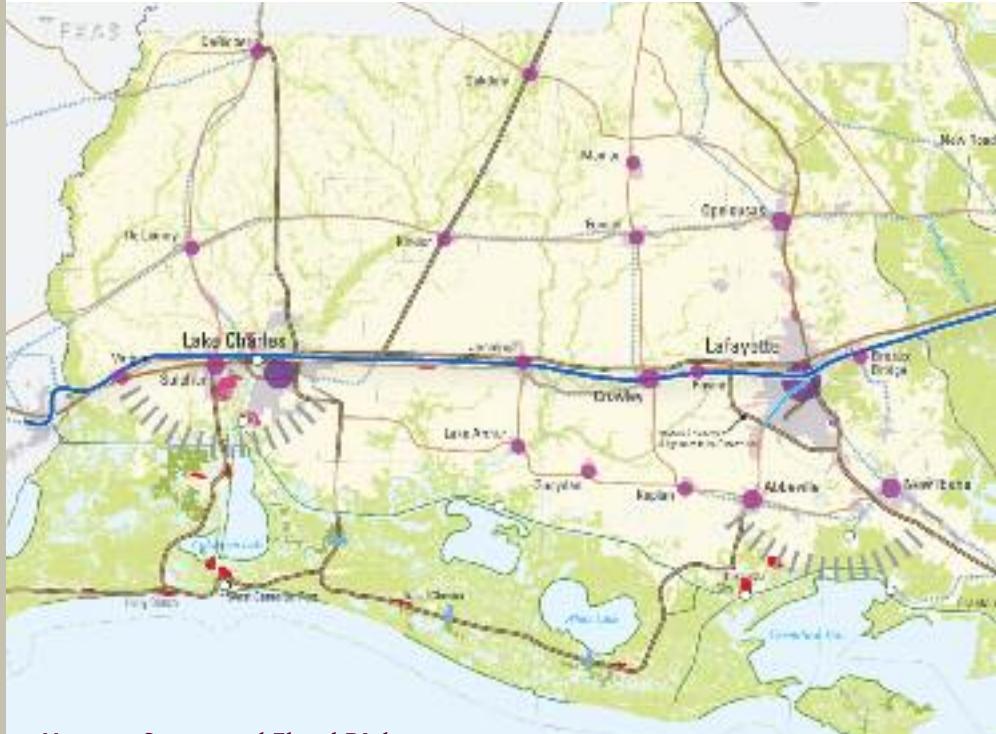
**Priorities:** Poll respondents indicated Louisianians' top economic priorities should include a focus on keeping and recruiting companies, greater investment in higher education and job training, and support for small business.

## LEADING LONG TERM COMMUNITY & REGIONAL PLANNING

After 18 months of working with world-renowned planners, local experts and tens of thousands of Louisiana citizens, the LRA unveiled the Louisiana Speaks Regional Plan in May.

The plan, which will serve as a roadmap for Louisiana's long-term recovery and growth over the next 50 years, contains broad strategies and specific actions aimed at accomplishing three goals: a sustainable recovery, smarter growth and regional thinking.

# LA SPEAKS REGIONAL PLAN



### Manage Storm and Flood Risk

The Louisiana Speaks Regional Plan proposes a multi-pronged risk management strategy: continue restoring our wetlands, build strategic levees, invest in systems of secondary defense, enforce building codes, implement coastal zoning ordinances, focus new development in low-risk locations, educate homeowners living in high-risk areas, manage our watersheds, and purchase high-risk and environmentally sensitive land.

### Build the Transportation Network of the Future

The Louisiana Speaks Regional Plan focuses on cutting-edge passenger transportation to support our communities and robust goods movement to support our economy. The plan aims to create a seamless network of regional and local transportation service. Land development and public investments will be focused along these corridors.

## LA SPEAKS in the News

“This is not a ‘do-gooder’ planning exercise that’s going to sit on a shelf gathering dust in the Louisiana State Archives. This is a plan for action—a roadmap for Louisiana’s future that will lead us out of the darkest days of Katrina and Rita into a new chapter of our state’s history.”

—LRA Board Member Donna Fraiche  
as quoted in the  
*Baton Rouge Advocate*  
May 3, 2007

“Louisiana’s goals for the future must go beyond simply rebuilding those areas devastated by Hurricanes Katrina and Rita. They must encompass the building of a better coastal area—and consequently, a better state—than existed before the onslaught of the storms.”

—Editorial  
*Lafayette Daily Advertiser*  
January 28, 2007

### Reinvest in Our Communities

Many of our communities have seen decades of declining populations and employment, and now face an urgent need for reinvestment. The Louisiana Speaks Regional Plan proposes to immediately focus infrastructure and development in existing communities, reduce financial and regulatory barriers to infill development, and create local capacity for spurring reinvestment.



### Invest and Develop Smarter

Many long-term priorities—such as sustained reinvestment in our communities, efficient use of public investments, preservation of sensitive land, and effective risk management—are closely linked to the location of public and private investments. The Louisiana Speaks Regional Plan proposes steps that will enable us to use public investments to drive private development in ways that are consistent with our overall vision of strengthening communities and making us all safer from storms.

All coastal parishes have now adopted the Advisory Base Flood Elevations:



## ESTABLISHING POLICIES & PRINCIPLES

### REBUILDING SAFER AND STRONGER

#### All Coastal Parishes Adopt Flood Advisories

St. Bernard and Lafourche joined Louisiana’s other coastal parishes in requiring compliance with FEMA’s Advisory Base Flood Elevations. Local officials worked closely with LRA staff in their consideration and approval of the guidelines, which triggered the award of \$250 million in mitigation funding.

Parishes can use the funding to move flood-prone homes out of harm’s way and to make critical infrastructure—such as hospitals, police stations and emergency operations centers—more resistant to future storms by installing shutters, elevating generators and fuel tanks and using other storm-proofing techniques.

“The Louisiana Recovery Authority is appropriately requiring communities to adopt the advisories to be eligible for state money to rebuild public infrastructure.”

— Editorial  
The Times-Picayune  
March 22, 2007

## ECONOMY AND WORKFORCE

Louisiana’s economic recovery has made notable progress since March, due in part to the implementation of programs designed and recommended for funding by the LRA.

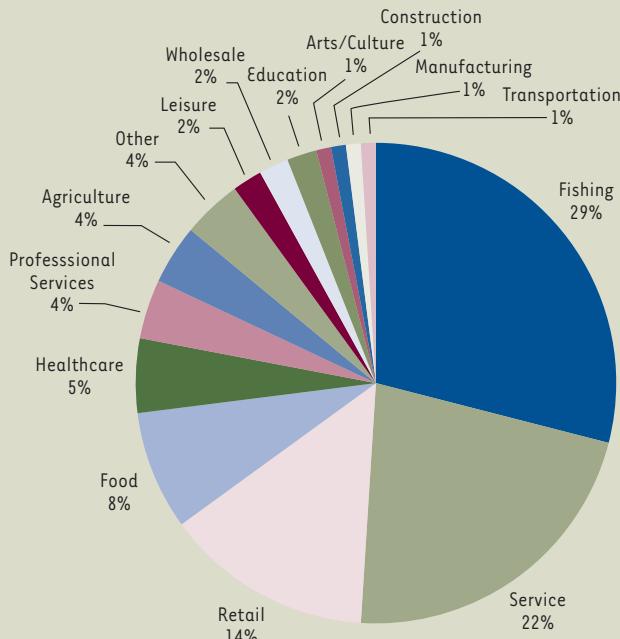
#### Louisiana Business Recovery Grant and Loan Program

Through this program, more than \$100 million in grants and about \$38 million in zero-interest loans are being awarded to small business owners impacted by the hurricanes. The program, managed by Louisiana Economic Development (LED), is intended to give small businesses a fighting chance in a post-hurricane marketplace. LED awarded the first round of grants this spring, and the second round is set to begin this fall.

Of the more than 3,500 businesses receiving grants in the first round:

- The average award was \$18,100
- More than 85 percent have 10 or fewer employees
- 85 percent were located in the most devastated parishes of Cameron, Orleans, Plaquemines and St. Bernard, and
- 53 percent were woman- or minority-owned firms

#### Distribution of Business Recovery Grant and Loan Awards



More than **300 businesses** have received zero-interest loans of up to \$250,000.

**Twenty-nine percent** of the *small business grants* were awarded to **Louisiana fishermen** who suffered business losses in the storms.

Lake Charles washateria owner Ernest Willis is participating in the Business Recovery Grant and Loan Program. Willis has been in business since 1967.



### Technical Assistance for Small Firms Program

Helping businesses adjust to their new realities, post-hurricane, is the goal of the \$9.5 million Technical Assistance Program, designed by the LRA and implemented by LED. The program supports 19 economic development organizations that provide technical assistance in areas such as financing, incentives, contracting/procurement, business planning, marketing, technology, legal, accounting, regulatory, workforce and industry specific issues. Grantees include:

- ▶ *Louisiana Small Business Development Center*
- ▶ *South Louisiana Economic Council & Partners*
- ▶ *Louisiana Association of Nonprofits*
- ▶ *Operation Hope*
- ▶ *Urban Entrepreneurs Partnership Gulf Coast*
- ▶ *Idea Village*
- ▶ *Acadiana Regional Development*
- ▶ *NewCorp*
- ▶ *Good Work Network*
- ▶ *Women's Business Resource Center*
- ▶ *Louisiana Technology Council*
- ▶ *Louisiana Business and Technology Center*
- ▶ *Mary Queen of Vietnam Community Development Corporation*
- ▶ *Microbiz Enterprise Corporation of Ascension*
- ▶ *Southern University New Orleans*
- ▶ *Fast Forward Restart*
- ▶ *New Orleans Regional Business Park*
- ▶ *Seedco Financial Services*
- ▶ *Terrebonne Economic Development Authority*

The **Essence Music Festival**, which returned for the first time since Hurricane Katrina, attracted more than **200,000 people** and had an economic **impact of more than \$100 million.**

— New Orleans Metropolitan Convention & Visitors Bureau, Inc.

**Louis Armstrong International Airport** celebrated a **significant return of business** when **Southwest Airlines** added eight non-stop, roundtrip flights, servicing five major cities, and **Express Jet** began service with 12 daily nonstop flights.

— NOCVB



## University Research Recovery Moves Forward

Universities in Southeast and Southwest Louisiana received grants this summer as part of a \$28.5 million LRA and Board of Regents program to invest in the research capacity and related educational programs of universities directly impacted by the hurricanes. A second phase to develop a statewide assessment of university research commercialization opportunities and recommend systems for commercialization throughout Louisiana will culminate in the fall. The statewide initiative is based on a model pioneered by the Georgia Research Alliance (GRA), a highly-successful collaboration of research universities, business, and state government to increase the economic impact of university-led science and technology research.

Projects receiving funding are from the following institutions:

- ▶ *Tulane Health Sciences Center/LSU Health Sciences Center*
- ▶ *LSU Agricultural Center*
- ▶ *Tulane University Health Sciences Center*
- ▶ *LSU Health Sciences Center - New Orleans*
- ▶ *Tulane University*
- ▶ *McNeese State University*
- ▶ *Dillard University*
- ▶ *Loyola University*
- ▶ *Xavier University*

## Recovery Workforce Training Program

This summer, the \$38 million Recovery Workforce Training Program began efforts to recruit, train and place about 7,000 workers in key recovery sectors over the next two to three years. The program, designed by the LRA and implemented by the Louisiana Workforce Commission, is aimed at workers in the recovery areas of Construction, Health care, Advanced Manufacturing, Cultural Economy, Transportation and Oil & Gas.

Lead partner organizations awarded training grants in the program include:

- ▶ *Greater New Orleans Inc.*
- ▶ *Louisiana Technical College Region IV/LEDA*
- ▶ *New Orleans Worker Resource Center*
- ▶ *Gulf Coast Construction Career Center*
- ▶ *Pelican Chapter, Associated Builders & Contractors*
- ▶ *Louisiana Department of Public Safety and Corrections*
- ▶ *Louisiana Technical College Region 9*
- ▶ *Louisiana Technical College - Region IV*
- ▶ *New Orleans Video Access Center, Inc.*
- ▶ *Jefferson Parish Chamber of Commerce*
- ▶ *Southwest Louisiana Area Health Education Center*
- ▶ *Louisiana Health Institute*
- ▶ *Evangeline Economic & Planning District*
- ▶ *Career Builders of Louisiana*
- ▶ *South Louisiana Economic Council*
- ▶ *Delgado Community College*

“Since the Georgia Research Alliance was formed in 1990, the research collaborations among Georgia’s universities and industry have generated over \$2 billion in new federal funding and investment, created thousands of new high-wage jobs, and spawned hundreds of new high-value companies and new opportunities for established Georgia companies. With the right investments, we can bring the same sort of potential to Louisiana.”

— LRA Board Member  
Matt Stuller

## Report Examines Impact of Hurricanes on Business

The Louisiana Business Recovery Report, released for the first time in March, confirms the tremendous devastation businesses suffered as a result of the storms and the continued declines in the most impacted areas of St. Bernard, where 59 percent of businesses had closed their doors by the first quarter of 2006, Orleans, where more than 35 percent of businesses closed in the year after the storms, and Cameron, which suffered a more than 20 percent decline in the number of employers as of the second quarter of 2006. Conducted by Louisiana State University researchers on behalf of the LRA, LED and Louisiana Department of Labor, this groundbreaking study is released on a quarterly basis. To download the report, visit [www.lra.louisiana.gov](http://www.lra.louisiana.gov).

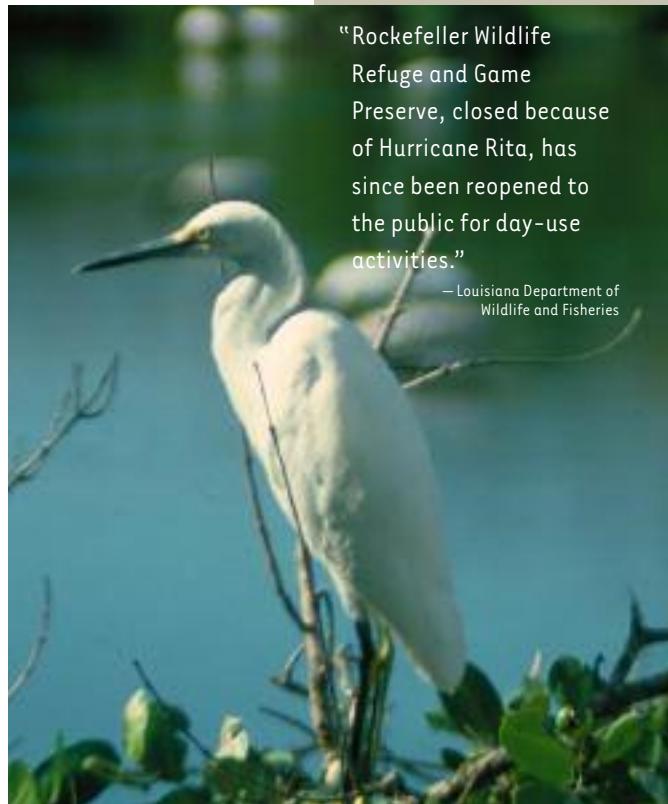
## ENVIRONMENT

The LRA continues to be a proactive and resounding voice in the environmental recovery of the land and waterways devastated by the hurricanes. Here are some recent accomplishments:

- The LRA Environmental Task Force worked in conjunction with the Louisiana Department of Natural Resources to provide a Quick Notes on Achieving Energy Efficiency: A Five Part Series to each of the Road Home Housing Assistance Centers across the state for homeowners devastated by Hurricanes Katrina and Rita.
- In July, the board approved the Louisiana Marine Debris Removal Funding Approval resolution, which requests that FEMA and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) continue to work in an expedited manner to completely fund Louisiana's Marine Debris Removal program. On August 2, the board received the full support of the Louisiana Wildlife and Fisheries Commission and is continuing to work with FEMA and GOHSEP on this issue. Fishing boats, 18-wheeler tractor trailers, refrigerators and even displaced homes remain in Louisiana's waterways nearly two years after the storms, making them hazardous both to commercial and recreational fisherman. Land-based debris remains littered on shores and throughout marshlands and waterways.
- During the 2007 Regular Legislative Session, the Legislature passed laws updating the commercial and residential energy codes, supplemented the new Standard Uniform Building Code by providing incentives to comply with the code and also required that all state buildings meet energy efficiency standards.
- In April, the task force issued a letter to Governor Blanco conveying its support of the Illegal Dumping Initiative to deter and enforce against illegal dumping and to request that the appropriate resources be provided to Louisiana Department of Environmental Quality and other agencies participating in the initiative.

Debris removal from Hurricane Rita is essentially complete. The debris removal mission from Hurricane Katrina is 85 percent complete, with about 62,002,328 cubic yards of debris removed, including more than 23.36 million pounds of hazardous and industrial waste, more than 15.5 million pounds of household waste, about 1,304,255 units of electronic goods and more than 1,150,000 white goods (i.e. refrigerators) recycled.

— Louisiana Department of Environmental Quality



"Rockefeller Wildlife Refuge and Game Preserve, closed because of Hurricane Rita, has since been reopened to the public for day-use activities."

— Louisiana Department of Wildlife and Fisheries

## HOUSING

The past few months saw welcome progress in the awarding of Road Home program grants, as is evident in the chart below. As of August 1, about 40,000 homeowners had closed on their Road Home grants.

As the LRA worked with OCD and the state's contractor, ICF International, to accelerate the process of awarding aid to homeowners, it also began working more directly with citizen organizations and others to review the program's efficiency and responsiveness to homeowners' needs.

Among the results, the LRA Board:

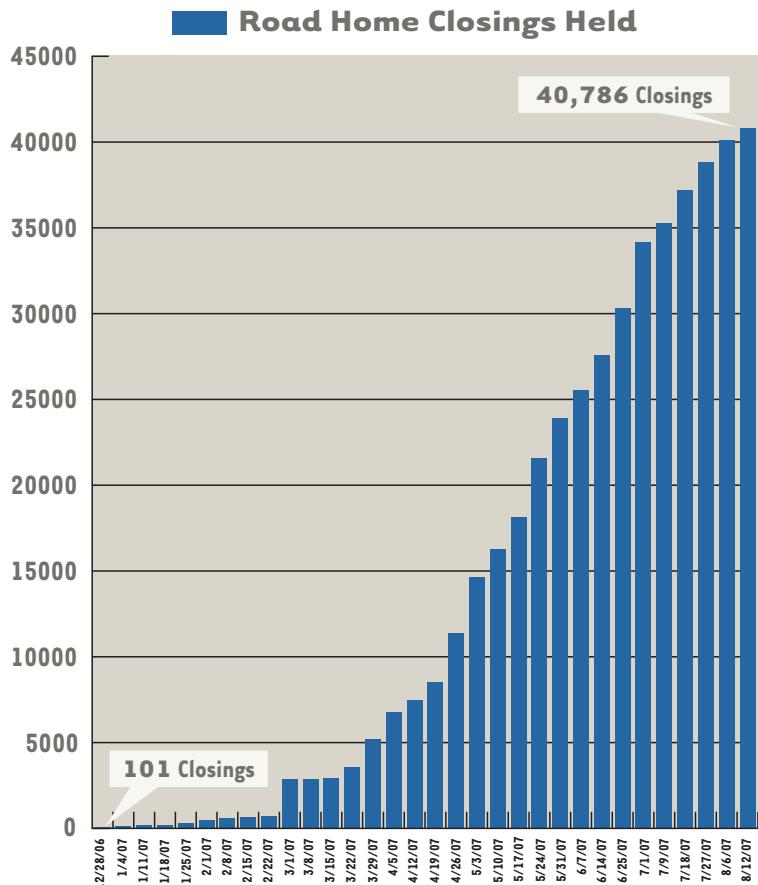
- Expanded the LRA's Housing and Community Task Force
- Adopted a "Road Home Statement of Principles," which affirms among other principles that all program participants should have access to a fair and swift resolution of errors, disputes, and appeals and the calculation of Road Home program benefits should be consistent, fair, and accurate.

In addition, Road Home administrators:

- Launched Road Home Advisory Services to provide assistance to homeowners in a number of areas including: Road Home application, benefits, rebuilding, special needs assistance and information on the Louisiana recovery process.
- Launched mobile centers in Dallas/Ft. Worth, Atlanta, Memphis, San Antonio, Shreveport and Alexandria.
- Opened the 13th Housing Assistance Center on the West Bank in Harvey.

More than **85% of homeowners** returning Road Home option letters **are planning to rebuild** rather than relocate out of state.

As of early August 2007, **\$2.89 billion** has been **paid to Louisiana homeowners** through the **Road Home** program.



This center serves as a Housing Assistance Center and a Small Rental Program Center as well as a location for closing appointments.

The LRA has focused on broad housing recovery, including the importance of rebuilding high quality rental units that will allow displaced families and Louisiana’s workforce to return. The board devoted \$1.6 billion of CDBG dollars to repair or rebuild rental units in the affected areas.

### Small Rental Funds Awarded

Road Home administrators awarded more than \$202 million in federal funds to 2,693 rental property owners seeking to repair or rebuild rental properties. The average award in Round 1 of the Small Rental Property Program was about \$75,000.

Round 2 of the Small Rental Property program began on June 5 and places the highest priority on owner occupants of three and four unit properties followed by other small owners of pre-storm rental property, though middle-size rental owners and new owners are eligible. Five percent of Round 2 funds have been set aside for nonprofit agencies dedicated to providing longer-term affordable housing and housing for residents with special needs.

The Small Rental Property Program awarded **\$202 million to 2,693 rental property owners** in Round 1. Applications for Round 2 of the program were due on July 31, 2007.

### Statewide Breakdown of Rental Units Created by Small Rental Program

The state is returning 5,124 units to the market, with 3,939 affordable for low or moderate income households. The following chart shows the number of rental units created by parish and the amount of dollars spent per parish on small rental in the first round.



Parish	Participating Units	Dollars Awarded
Acadia	9	\$ 364,200
Calcasieu	93	\$ 3,071,350
Cameron	32	\$ 1,155,100
Iberia	15	\$ 382,900
Jefferson	631	\$ 25,367,175
Orleans	3,707	\$ 145,606,225
Plaquemines	66	\$ 3,161,550
St. Bernard	359	\$ 14,654,150
St. Tammany	153	\$ 6,617,450
Tangipahoa	9	\$ 282,000
Terrebonne	16	\$ 419,000
Vermilion	19	\$ 538,000
Washington	15	\$ 410,000
<b>TOTAL</b>	<b>5,124</b>	<b>\$ 202,029,100</b>



Known as "200 Carondelet," this 24-story historic building is being renovated through the Low Income Housing Tax Credit Piggyback Program. The mixed-use development will contain 40 percent affordable housing units and 60 percent market-rate units.

Louisiana has placed a strong focus on creating mixed-income communities as it rebuilds. Since the storms, 33 such projects have been funded using a mixture of CDBG funds and Low Income Housing Tax Credits, compared to only two mixed income projects funded statewide prior to the storms.

## Historic Landmark to Provide Mixed-Income Housing in Downtown New Orleans

The LRA, the Louisiana Housing Finance Agency and OCD announced an investment of \$26.5 million in CDBG funds to restore and renovate the former National American Bank building in New Orleans as a mixed-income, high quality rental property. The \$67 million project, funded with disaster CDBG funds, is part of the LRA's \$667 million Low Income Housing Tax Credit Piggyback Program which leverages tax credits to spur mixed-income rental properties and provide high quality market rate housing, workforce housing and housing for extremely low income households. The 24-story historic building, originally built in 1929 will also benefit from historic tax credits, will be renamed "200 Carondelet" and will be preserved and adapted as a mixed income residential development with a combination of 40 percent affordable housing units and 60 percent market-rate units.

## Insurance Hikes Covered for Rental Development

Insurance premiums for multifamily rental housing in storm impacted areas have increased as much as 400 percent since the hurricanes. In response, the LRA, OCD and LHFA, allocated \$22.5 million in "Piggyback" CDBG funds to cover the increased cost of insurance premiums for 84 GO Zone tax credit awardees to obtain financing, begin construction and quickly make their units available to renters. This will make it more feasible for developers of multi-family housing units to invest in much needed rental housing.

## Louisiana Loan Fund Launched

Through a \$47 million program launched in April, nonprofit and for-profit developers may borrow up to \$3.2 million for project acquisition, loan-carrying costs, and predevelopment work that will result in the development of quality affordable and mixed income housing. As a result of this program, known as the Louisiana Loan Fund, as many as 4,500 new and refurbished affordable homes are expected to be built in Louisiana's most devastated parishes in the coming months and years. The state made the initial investment of \$17 million in CDBG funds. The program is a joint initiative of the LRA, OCD, Living Cities: a consortium of banks and foundations long active in neighborhood revitalization; other banks and foundations; and two national nonprofit community development support organizations, Enterprise Community Partners and Local Initiatives Support Corporation. To learn more or to apply, visit [www.louisianaloanfund.org](http://www.louisianaloanfund.org).

## HEALTHCARE & INSURANCE

### The New Medical Center of Louisiana— New Orleans

Recognizing the importance of the joint venture proposed by LSU-VA medical centers, the LRA, Governor Blanco and the Louisiana Legislature approved an action plan in March, committing \$300 million in CDBG funds to establish the new Medical Center of Louisiana — New Orleans (MCLNO). The proposed teaching hospital and trauma center will act as an anchor for the emerging biosciences and medical corridor in downtown New Orleans and serve as a driving force in the region's recovery. In June, HUD partially approved the first phase of this proposal, which designated funds for the land purchase and design of this new facility.

In response to the projected shortfall in the Road Home budget, Governor Blanco and the Legislature took steps to cover the \$300 million of construction costs with state funds, which allowed the LRA to reallocate these CDBG funds to the Road Home. At the same time, the Board also passed a resolution to express its unwavering support for the new facility and urge Department of Veterans Affairs (VA) Secretary James Nicholson to clearly recommit that the VA Medical Center will be built in downtown New Orleans in partnership with the new MCLNO. The partnership between MCLNO and the VA is expected to yield cost savings to the state of an estimated \$400 million over 25 years.

### Construction Underway at South Cameron Memorial Hospital

Construction on a \$25 million new state-of-the-art facility to replace South Cameron Memorial Hospital began in December 2006 and is now essentially complete. The hospital, the only one in Cameron Parish, was devastated by Hurricane Rita.

Construction of the new facility is funded through a combination of federal, state and private funds, including nearly \$4 million in CDBG funds committed by the LRA that will cover all of Cameron's non-federal matching costs and all repair costs that are deemed to be ineligible for FEMA public assistance.

The hospital is scheduled to officially open in October.

### Behavioral Health Services Returning to New Orleans

In June, LSU Interim Hospital reopened an acute medical inpatient detox unit with 20 beds, signaling the first step in the process of restoring behavioral health services to Greater New Orleans. The detox unit will provide acute medical and nursing care to the adult male and female patients that are suffering from the withdrawal of drugs and alcohol. Later this summer, the LSU Interim Hospital also plans to open a Mental Health Emergency Room Extension and expand the number of mental health beds available throughout the city.

### LRA Issues Study of Catastrophic Insurance Fund

Through its Support Foundation, the LRA commissioned a comprehensive, independent study to evaluate the structural options, cost and impact of a hurricane catastrophe fund in the post-2005 Louisiana insurance market. The report, released in March 2007, was designed to serve as a tool for policymakers debating whether or not a catastrophe fund makes sense for Louisiana. To download the report, visit [www.lra.louisiana.gov](http://www.lra.louisiana.gov).

“Let me be very clear — the joint venture between the state and the VA represents a recovery project that has no peer. Building the VA hospital in downtown New Orleans is the best option for the people of our city and surrounding region.”

— LRA Housing Committee Chairman  
Kim Boyle, testifying before  
the U. S. House of Representatives  
Committee on Energy and Commerce,  
August 1, 2007

## EDUCATION

### Building Better School Facilities

In late 2006, the LRA allocated \$200 million to be used by hurricane-impacted school districts to cover rebuilding costs for FEMA ineligible repairs and expenses such as deferred maintenance, insurance deductibles, and costs associated with the National Flood Insurance Program.

After months of working with the Education Committees of the House and Senate, the Louisiana Board of Elementary and Secondary Education, and numerous local school district superintendents to determine how to allocate these funds equitably throughout storm-impacted parishes, the LRA Board voted in June 2007 to support an allocation formula. School districts are now applying for these funds.

### New Leadership

The Louisiana Department of Education welcomed Paul Pastorek as the state's new Superintendent of Education in March and Paul Vallas as the new Superintendent for the New Orleans Recovery School District (RSD) in June. Together, Pastorek and Vallas have committed to fulfilling a vision of educational excellence that provides opportunities for all of Louisiana's school children.

### Close-Up on the Recovery School District

The Recovery School District repaired and re-opened 39 schools, serving 17,600 students in the 2006-07 school year. Seventy public schools are expected to be open this fall. About 36,000 students are expected to attend New Orleans public schools, putting enrollment at 54 percent of pre-Katrina levels.

### Teacher Recruitment

The LRA played a key role in designing legislation signed by President Bush in late May 2007 that allocated \$30 million to serve as financial incentives to recruit additional teachers and other certified staff to hurricane-impacted school districts throughout the Gulf Coast. So far 1,500 teachers have been hired for the 2007-08 school year in New Orleans, with heavy recruitment efforts underway to hire 600 more.

## INFRASTRUCTURE

### \$2 Billion in Infrastructure Repair Projects Underway Across South Louisiana

As of July 2007, more than \$4.8 billion had been approved for recovery and rebuilding projects in Louisiana through the FEMA Public Assistance Program. This represents an increase of more than 60 percent since September 2006, when the LRA began working with Federal Coordinator of Gulf Coast Rebuilding Donald Powell and FEMA to streamline the process for approving eligibility for Public Assistance projects.



State Superintendent of Education Paul Pastorek and Recovery School District Superintendent Paul Vallas discuss the status of school recovery at the June 2007 LRA Board meeting.

Over the next school year “you can expect scores to go up; you can expect graduation rates to go up. The scores (now) are so low that if they don’t go up, I should leave town in shame.”

— Recovery School District Superintendent Paul Vallas to the LRA Board, the *Times-Picayune* June 26, 2007

The **Recovery School District repaired and re-opened 39 schools** in the **2006-07 school year**.

Construction will begin in September on a new terminal building at **Lake Charles Regional Airport**, which suffered substantial damage from Hurricane Rita. The new terminal will house offices, a lobby, restrooms, concession spaces, baggage claim and storage facilities. The airport serves as a transportation hub for the nearby oil and gas industries.

Of this, Louisiana has paid out more than \$2.4 billion to local governments for 20,341 projects that are currently underway or complete. These recovery and rebuilding projects include: debris removal, emergency protective services, and repairs to schools, roads, ports, sewer and water systems across South Louisiana.

#### Highlights of Key Projects

- More than \$220 million has been paid to public school districts across the state to repair more than 870 K-12 public schools that were damaged or destroyed by the storms in 2005. There is now more than \$1 billion available for K-12 institutions to rebuild and recover from the storms.
- More than \$23 million has been paid to rebuild and restore public utilities in St. Bernard parish, which was home to nearly 67,000 people pre-storms.
- More than \$232 million has been approved for public assistance projects in Calcasieu, Cameron and Vermilion, which received the most damage from Hurricane Rita. Of this, more than \$134 million has been paid for debris removal and rebuilding projects that are underway or complete. Cameron Parish, while small in population, is the seventh largest recipient of Public Assistance funds due to the amount of damages sustained during the storm.
- Port Fourchon, one of the nation's most important ports for oil and gas production, has been reimbursed more than \$6 million to complete nearly 70% of the work necessary to repair critical land and water facilities that were damaged by Hurricanes Katrina and Rita.

#### Parishes Begin Accessing Funds for Long-Term Recovery Projects

In June 2007, the LRA Board officially received the Unified New Orleans Plan (UNOP) and approved the New Orleans Strategic Recovery and Redevelopment Plan which cleared the way for the City of New Orleans to access \$117 million in CDBG funds. The Board also approved proposals from St. Bernard and Vermilion, providing \$26.33 million and 2.2 million respectively to the parishes for their long-term community recovery planning efforts. These funds were made possible through the LRA's Long Term Community Recovery Program, which distributes funds for long-term rebuilding to parishes based on the amount of their damages from Katrina and Rita.

### ENSURING TRANSPARENCY & ACCOUNTABILITY

Ensuring that recovery dollars are spent responsibly is a major focus of the LRA. Over the past few months, the LRA Audit Committee has played a primary role in discussions around the prevention of contractor fraud and fraud relative to recovery dollars.

According to the Fraud Prevention and Investigations Task Force, which the Audit Committee created last May, there has been a dramatic increase in reports of complaints against contractors. The Task Force continues to work closely with the state's Attorney General to investigate contractor fraud as more Road Home funds begin to flow.

The Audit committee receives regular reports on the Road Home Program, both from the Office of the Legislative Auditor and from KPMG, LLP, a subcontractor of ICF International, which runs the Road Home program. The Legislative Auditor's office has performed several performance audits on different processes of the Road Home and has announced plans to conduct more. The Audit Committee also reviews the state's other federal recovery programs and makes recommendations on best practices.

ICF is analyzing data from both the Road Home homeowner and rental programs and has found no organized fraud schemes. However, the firm is continuing its efforts to assure that these federally funded programs are not abused.

Residents in lower **Plaquemines Parish** now have a shorter drive to get their mail. In June, the U.S. Postal Service opened an office just three miles from the building in Buras that was destroyed in Hurricane Katrina and began re-delivering mail to the homes or more than 2,200 people in **Empire, Buras, Boothville, Venice** and **Pilottown**.

As of July 2007, more than **\$4.8 billion** had been approved for recovery and rebuilding projects in Louisiana, an **increase of more than 60 percent** since September 2006.

# Rebuilding Dollars at Work

Estimates of federal rebuilding funds spent on the group in the eight parishes most affected by Hurricanes Katrina and Rita.\*



\*Totals include estimate of federal rebuilding funds only. These totals do not include disaster relief or National Flood Insurance Program spending.

## Estimates of federal funds spent on the ground across South Louisiana

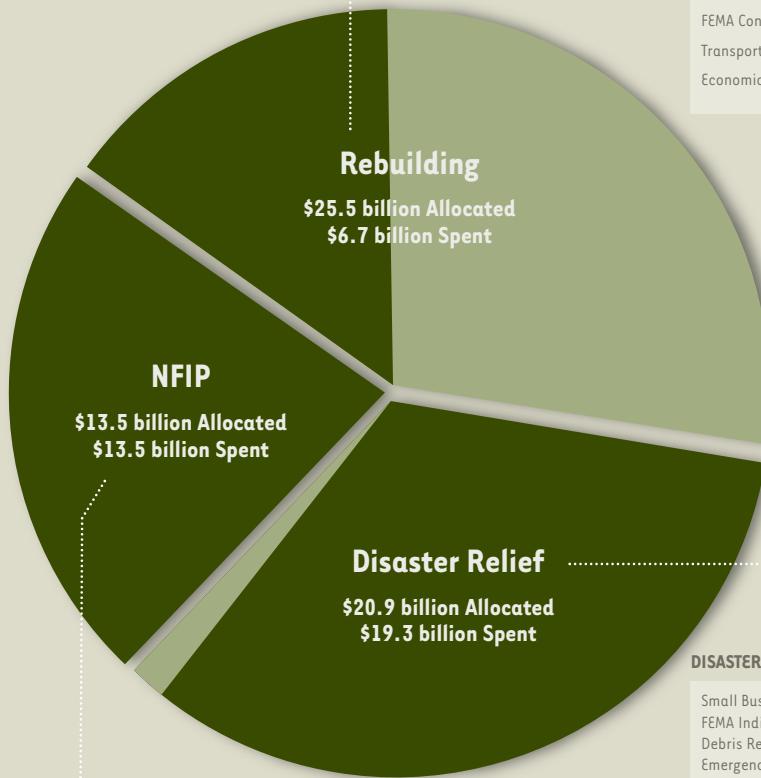
Parish	Total	Parish	Total
Acadia	\$26,327,733	Pointe Coupee	\$3,425,926
Allen	\$16,875,070	Sabine	\$4,056,709
Ascension	\$24,530,427	St. Bernard	\$4,469,310,032
Assumption	\$7,752,951	St. Charles	\$98,885,194
Beauregard	\$45,191,211	St. Helena	\$7,649,611
Calcasieu	\$624,556,666	St. James	\$13,874,048
Cameron	\$295,300,117	St. John the Baptist	\$51,367,562
East Baton Rouge	\$89,845,419	St. Landry	\$16,087,428
East Feliciana	\$4,817,820	St. Martin	\$8,115,979
Evangeline	\$5,580,813	St. Mary	\$38,872,188
Iberia	\$109,717,718	St. Tammany	\$2,932,483,244
Iberville	\$9,514,970	Tangipahoa	\$109,537,405
Jefferson	\$5,385,585,918	Terrebonne	\$230,901,930
Jefferson Davis	\$41,584,293	Vermilion	\$207,904,774
Lafayette	\$32,221,086	Vernon	\$18,551,974
Lafourche	\$82,097,065	Washington	\$165,600,768
Livingston	\$36,647,455	West Baton Rouge	\$5,687,747
Orleans	\$14,309,606,083	West Feliciana	\$1,057,210
Plaquemines	\$745,302,159		

# A Snapshot of Federal Commitments to Louisiana's Recovery

	Allocated	Spent
Rebuilding:	\$25.5 billion	\$6.7 billion
Disaster Relief:	\$20.9 billion	\$19.3 billion
NFIP:	\$13.5 billion	\$13.5 billion
<b>TOTAL:</b>	<b>Approximately \$59.9 billion</b>	<b>\$39.5 billion</b>

## REBUILDING Funds Spent: \$6.7 billion

Housing	\$2.9 billion
• Road Home	\$2.6 billion
• Rental Housing	\$81 million
• Other Housing Related	\$5 million
• LIHTC Tax Credits	\$148 million
Levees	\$1.5 billion
Community Disaster Loans	\$999 million
FEMA Construction and Rebuilding	\$672 million
Transportation/Infrastructure/Other	\$517 million
Economic Development	\$77.7 million



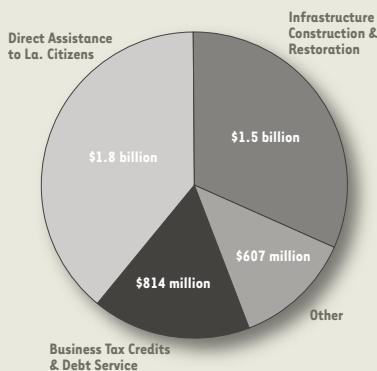
- Federal Funds Spent
- Remaining Federal Allocations

## DISASTER RELIEF Funds Spent: \$19.3 billion

Small Business Administration Loans	\$6.8 billion
FEMA Individual Assistance	\$5.6 billion
Debris Removal/Emergency Protective Measures	\$1.7 billion
Emergency Funding for Healthcare Services	\$915 million
Social Services	\$914 million
Education	\$807 million
Other Emergency Response Services	\$2.4 billion
• Dept. of Defense	\$586 million
• Dept. of Homeland Security/other	\$516 million
• Dept. of Housing & Urban Development	\$71 million
• US Army Corps of Engineers	\$989 million
• All other	\$324 million

## National Flood Insurance Program

As of August 2007, approximately \$13.5 billion had been paid out to policy holders in Louisiana.



## State Commitments to Louisiana's Recovery

Direct Assistance to Louisiana Citizens	\$1.8 billion
Business Tax Credits and Debt Service	\$814 million
Infrastructure Construction & Restoration	\$1.5 billion
Other	\$607 million
• Public Assistance, Hazard Mitigation	\$10 million
• First Responders & Emer. Preparedness	\$190 million
• Education Emergency Funding	\$116 million
• Other Assistance	\$291 million

\* Consistent with our mission to ensure transparency and accountability throughout recovery and rebuilding efforts, the Louisiana Recovery Authority compiled this snapshot of state and federal commitments to Louisiana's recovery. This chart represents estimates of recovery funds that have been allocated and spent in Louisiana as of August 1, 2007. Estimates are based on data provided to the LRA by multiple local, state and federal agencies. As noted by the U.S. Government Accountability Office, "Tracking total funds provided for federal Gulf Coast rebuilding efforts requires knowledge of a host of programs administered by multiple federal agencies... the federal government does not have a governmentwide framework or mechanism in place to collect and consolidate information from the individual federal agencies that received appropriations in emergency supplementals for hurricane relief and recovery efforts or to report on this information." Therefore the information contained within this chart represents the best estimates currently available. They will continually be updated over time.



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