



Addressing the Challenges of
Recovery & Rebuilding
from Hurricanes Katrina & Rita

Executive Director Presentation
December 16, 2005



LRA ROLES IN RECOVERY

Secure funding and other resources

**Lead long-term community and
regional planning efforts**

**Establish priorities and strategies
for redevelopment**

**Ensure transparency and
accountability**



LRA EXECUTIVE DIRECTOR'S REPORT

- What is our plan of action for rebuilding Louisiana back better and stronger?
- What was the extent and nature of the damage?
- How long is the 'marathon' to rebuild?
- What is the magnitude of the resources we need?
- Why should the country invest in Louisiana?

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VISION FOR REBUILDING LOUISIANA

"Better, safer, stronger communities"

- Secured against catastrophic loss
- Rebuilt by families and entrepreneurs
- Powered by strong, growing businesses
- Enabled by innovative, high-performing schools
- Governed by accountable, efficient and effective government

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REALISTIC STARTING POINT

- We need to start the rebuilding process now....
- ...we cannot wait for resolution on the future upgrade of the levee system....
- ...as even if we started today, Category 5 hurricane protection will take significant time to build
- we can assume that we will have enhanced Category 3 protection in the near term
- ...rebuild 'smart' in the face of risks that remain...
- ...create a platform for the private sector to begin....
- ...and acknowledge, while we will fight for every dime of assistance we can get, we will have limited resources

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STRATEGY FOR REBUILDING

- Pursue levee and coastal protection initiatives that maximize security in the quickest, most cost-effective manner
- Abide by new state building code and FEMA base flood advisory elevations
- Help communities identify and prioritize areas for investment and reconstruction through long-term community planning
- Prioritize mixed-income, mixed-use communities
- Pursue policies to attract private sector investment
- Rebuild public buildings and infrastructure in secure areas using appropriate mitigation measures
- Prioritize mitigation funding and other state resources to help communities rebuild where and how they can do so safely

Strategy for using resources to build back better, safer, stronger communities

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PRINCIPLES FOR REBUILDING - AIA/APA

- 1) Create infrastructure that supports recovery by restoring confidence, enhancing quality of life, and withstanding future disasters**
 - Levees and coastal protection
 - Improved communications and energy services
 - Sustainable, equitable, and transparent approaches to rebuilding and future development
- 2) Promote economic growth that benefits everyone**
 - Diverse economy encompassing traditional and emerging industries, respecting regional historic character
 - Foundation for growth based upon quality education, job training, housing, transportation, and other key elements
 - Promote jobs with good wages and career tracks
- 3) Provide public services that enhance quality of life for everyone**
 - High quality education at every level as anchor for rebuilding
 - Regional transit, linked to community development options
 - Great parks and public spaces for communities and flood control

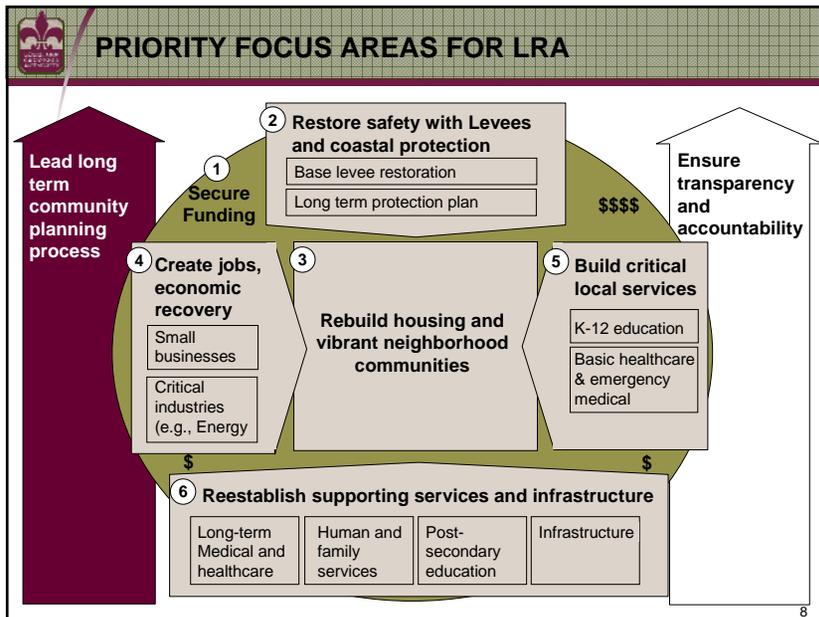
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PRINCIPLES FOR REBUILDING – AIA/APA (CONTINUED)

- 4) Pursue policies that promote a healthy environment and healthy people**
 - Deciding where to rebuild, investing in protecting these areas, and dedicating remaining areas to natural uses
 - Sustainable approaches to rebuilding (energy, transit, land use, building design, and other areas)
 - Walkable communities that promote healthy lifestyles
- 5) Plan and design communities that advance livability**
 - Preserving the best of the past as the core for rebuilding
 - Mixed-income, mixed-use neighborhoods that foster diversity and social equity
 - Smart growth at an urban, suburban, and rural scale that balances recovery and sustainability

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- ### CRITICAL ACTIVITIES BY FOCUS AREA
- 1 Secure funding**
- Secure Bush/Clinton Katrina funding (\$54M+) for Louisiana Disaster Recovery Foundation
 - Lobby for Stafford Act (\$41B) funding
 - Monitor insurance: private Insurers, Re-insurers and National Flood Insurance Program (NFIP)
 - Secure additional Federal aid (reconciliation, supplemental, Recovery Corp, tax incentives)
 - Secure Louisiana's share of Federal Outer-Continental Shelf (OCS) Revenues
 - Secure private investment & NGO funding (e.g., Gates Foundation)
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CRITICAL ACTIVITIES BY FOCUS AREA (CONTINUED)

2

Restore safety with Levees and coastal protection

- Encouraged USACE to develop and release a timeline for protection options
- Endorsed creation of Coastal Protection & Restoration Authority (CPRA) to both integrate protection and restoration and oversee local levee boards
- Supported USACE Comprehensive Hurricane Protection Study
- Monitor progress on the restoration of protection to pre-Katrina authorized levels (June 2006)
- Guide Conceptual plan for Comprehensive South Louisiana Coastal Protection System (6 months)
- Guide technical report for comprehensive Levee and coastal protection (24 months)
- Secure Federal funding – potentially funded through giving LA fair share of OCS revenues

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CRITICAL ACTIVITIES BY FOCUS AREA (CONTINUED)

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Restore housing and living communities

- Released \$250M Hazard Mitigation funds for long-term improvements to build safer communities
- Endorsed the adoption of stronger statewide building code (International Residential Code of 2003)
- Hired leading national firms to support community planning effort (Calthorpe, PolicyLink)
- Conducted initial community planning meetings
- Lay-out principles for rebuilding, parameters to guide local planning
- Support creation of Louisiana Recovery Corp., financing and coordination vehicle for community redevelopment
- Secure federal CDBG funding to support rebuilding our communities and infrastructure
- Monitor debris/environmental hazard removal
- Support joint development of long-term community plans based on local input and national planning firms
- Support affordable insurance options for safe areas
- Implement policies and ideas to accelerate private development

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CRITICAL ACTIVITIES BY FOCUS AREA (CONTINUED)

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Create jobs and drive economic recovery

- Pushed SBA to accelerate loan processing
- Match unemployed workers with companies requiring workforce (LA Swift)
- Promoted state bridge loans
- Endorsed state tax incentives
- Lobby for federal bridge loans
- Develop long-term economic redevelopment plan to draw back displaced businesses – and stimulate investment for future growth
- Support Gulf Opportunity (“GO”) zone provisions for tax exempt bonds and accelerated depreciation
- Support broadening scope/resources for NEG emergency funds for worker training
- Encourage the development of training programs to support redevelopment initiatives (e.g., training on alternative construction methods)

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CRITICAL ACTIVITIES BY FOCUS AREA (CONTINUED)

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Critical local services – K-12 education and basic healthcare

- Endorsed legislation to enable takeover of failing schools in New Orleans and provide a fresh start to returning students
- Publicized the reopening of 7 public K-12 schools re-opened in Orleans (1) Plaquemines (3), Cameron (2) and St. Bernard (1)
- Encouraged programs/schedules in above schools (all but Orleans) enhanced to accommodate students from all parish schools
- Rebuild and reopen additional K-12 schools to attract families critical to restoring communities
- Restore emergency medical services to local communities as they’re brought on-line
- Restore basic private and public health care facilities to local communities
- Assure adequate medical personnel are available in the affected areas

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CRITICAL ACTIVITIES BY FOCUS AREA (CONTINUED)

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Reestablish supporting services

- Family Recovery Corps (FRC) established to coordinate and deliver family recovery services (7,000+ families)
- Enhance FRC systems and programs – increase coordination of resources and expand program reach
- Secure new federal relief funding (SSBG) for mental health and child welfare and broader social services

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PROGRESS AGAINST PLAN

OCT	NOV	DEC	JAN '06	FEB '06	MAR '06	APR '06
Federal Agenda (Phase I)			LRA Integrated Strategy • Criteria for allocating resources • Principles & parameters for rebuilding • Ideas & priorities • 2006 actions & milestones		Federal Agenda (Phase 2)	
State Agenda (Special Session)					State Agenda (Special Session)	
Planning and idea generation • Internal (Bring Back NO, LRA Task Forces) • External (AIA/APA, ULI, Witt)					LRA Leadership	
LRA Leadership					LRA Leadership	
FEMA Community Planning Effort					Calthorpe-led Community planning effort	
USACE Comprehensive Coastal Protection and Restoration Plan (24 months)						
Groundwork (date for completion) • Environmental impact (done) • FEMA Advisory Base Flood Elevations → Feb • Debris removal → Apr-Dec • Basic services → Ongoing • Levees (pre-storm levels) → Jul • Inspections → TBD • Demolition → TBD						

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LRA EXECUTIVE DIRECTOR'S REPORT

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COMPARISON OF HURRICANE ANDREW VERSUS KATRINA

Key elements	Hurricane Andrew	Hurricane Katrina
Width of hurricane force winds at major landfall	• 120 miles	• 250 miles
Beach exposure	• Little	• Vast
Storm surge	• Relatively small (17 ft)	• Record breaking (15-29 ft.)
Wind speed at major landfall	• 165 mph sustained	• 145 mph sustained

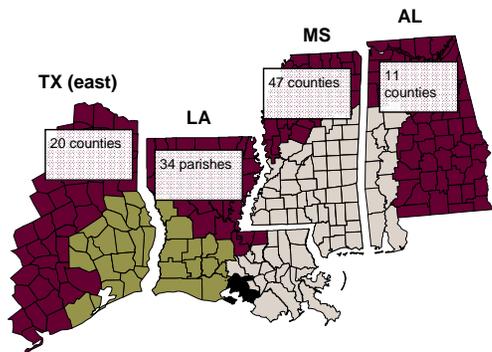


OVERVIEW OF FEMA DESIGNATIONS

Significantly affected parishes/counties (FEMA)

Parishes/counties receiving all categories of public and individual assistance

Katrina
 Rita
 Both



FEMA designations mask the concentration of damage in Louisiana as designations don't distinguish between parishes with severe (Orleans) and limited damage (East Baton Rouge)

Source: FEMA

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OVERVIEW OF IMPACT OF STORMS ON LOUISIANA AND MISSISSIPPI

KATRINA AND RITA

Metric	LA	MS	Ratio of Louisiana to Mississippi
Lives lost	1,071	207	5.2
Displaced people	786,372	110,160	7.1
Housing destroyed	217,245	68,729	3.2
K-12 schools damaged	835	263	3.2
K-12 schools destroyed	40	16	2.5
Hospitals destroyed	10	2	5.0
Businesses destroyed	18,752	1,912	9.8
Decrease in employment	240,000	46,000	5.2

Louisiana was impacted at least 3 times more than Mississippi (next highest state) against all metrics

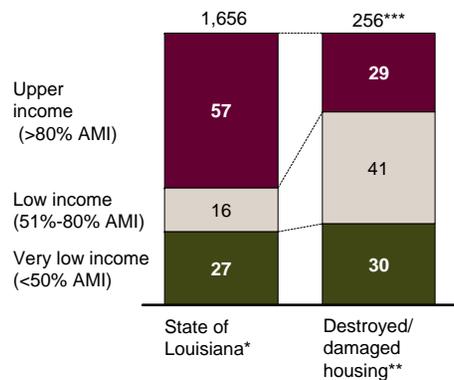
Source: LRA

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OVERVIEW OF HOUSING DESTRUCTION BY INCOME BAND

Housing by HUD designated income band
Thousands of homes, Percent of Area Median Income (\$38,193)



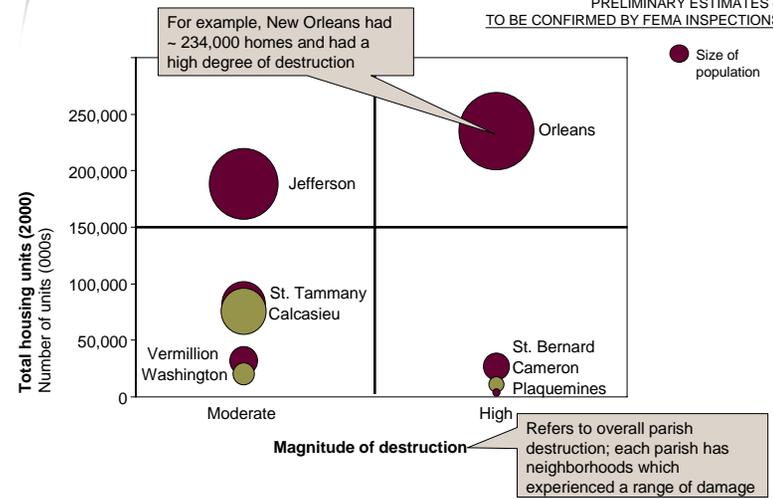
- Disproportionate percentage of low income housing damaged
- 71% of damaged housing was low income compared to 43% for Louisiana as a state overall

* HUD Data, Total households 1,655,676 as of 2000
 ** HUD - National Low Income Housing Coalition; "Hurricane Katrina's Impact on Low Income Housing Units - 71% Low Income; Preliminary assessment, as of 9-22-05)
 *** Katrina damaged and destroyed total housing numbers from American Red Cross (as of 9/15/05); Rita damaged and destroyed total housing numbers based upon FEMA inspections
 Source: HUD, Red Cross, FEMA

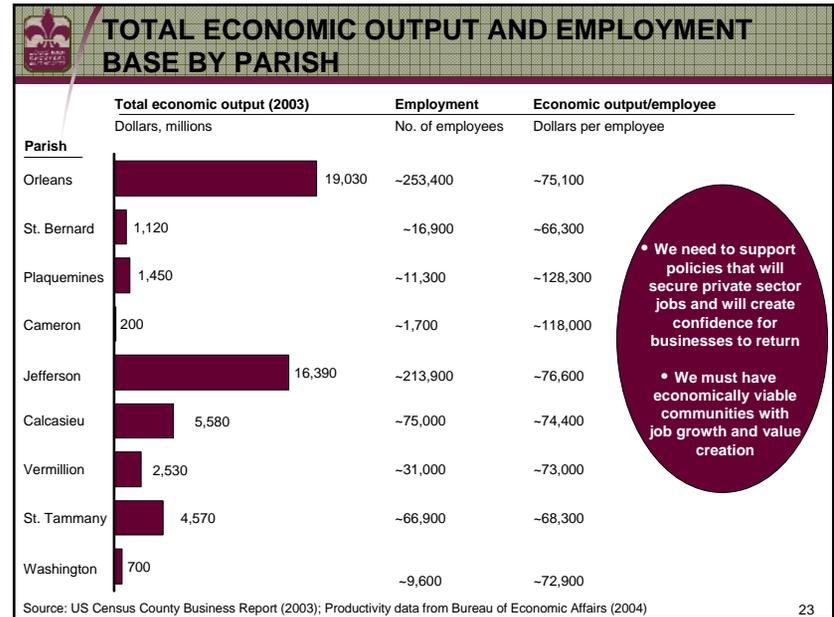
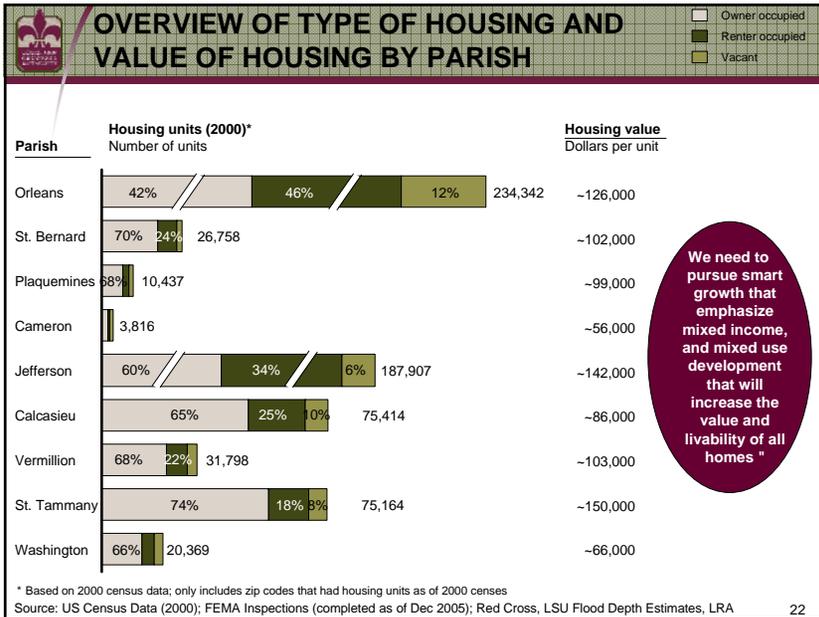


OVERVIEW OF IMPACT OF STORMS ON PARISHES

PRELIMINARY ESTIMATES - TO BE CONFIRMED BY FEMA INSPECTIONS



Source: US Census Data (2000); FEMA Inspections (completed as of Dec 2005); Red Cross, LSU Flood Depth Estimates, LRA



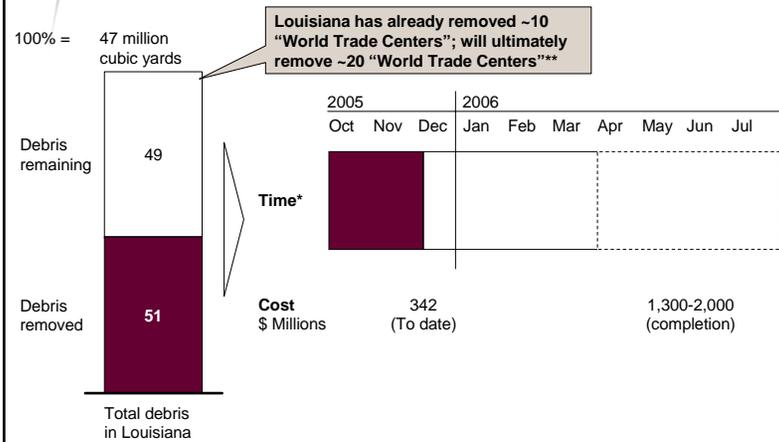


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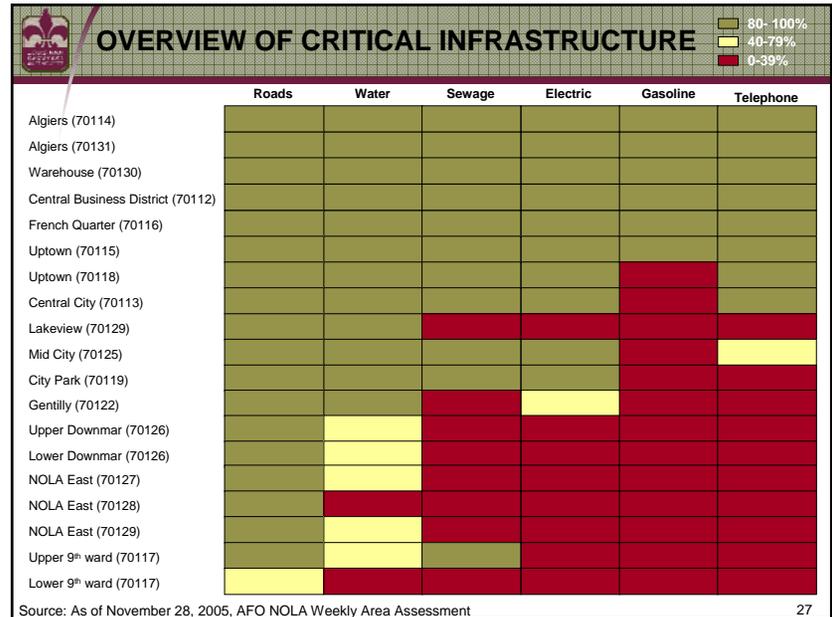
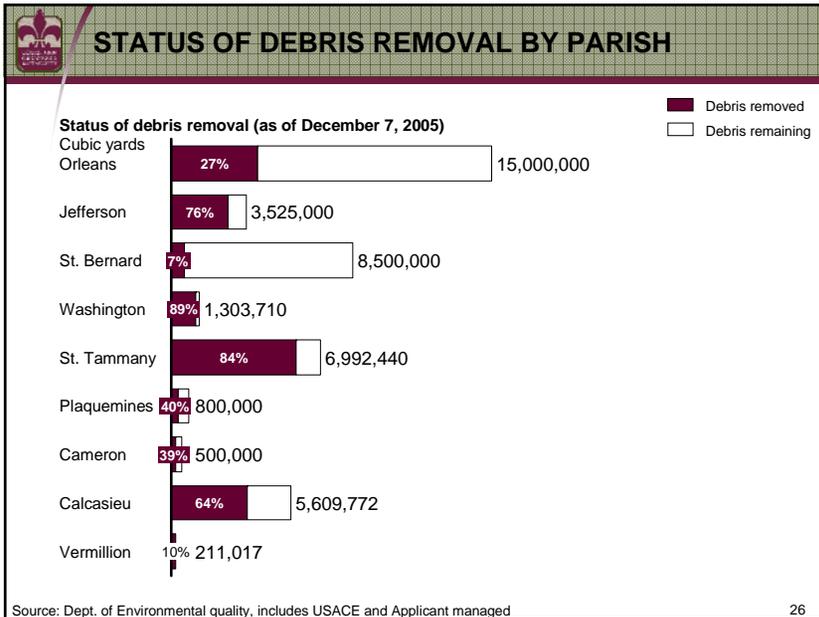
OVERALL STATUS AND TIMELINE OF DEBRIS REMOVAL

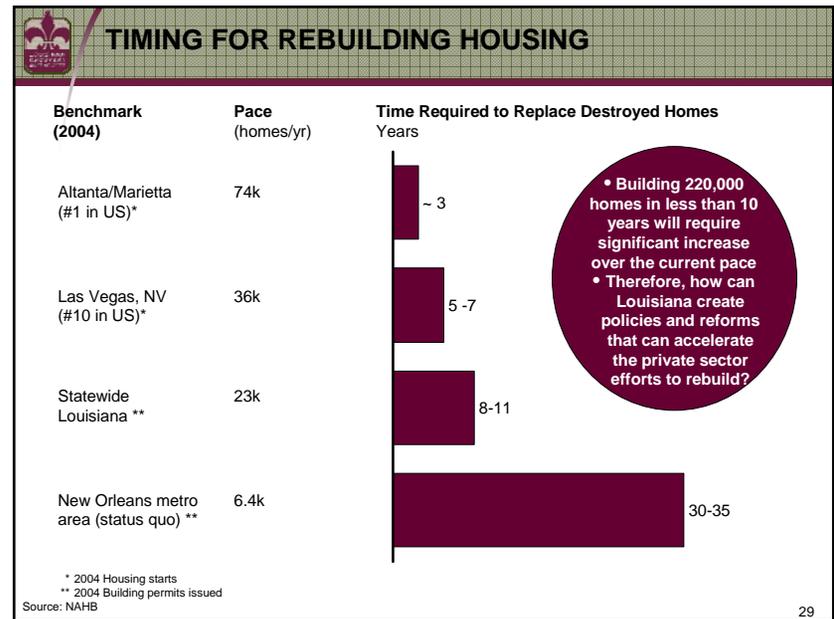
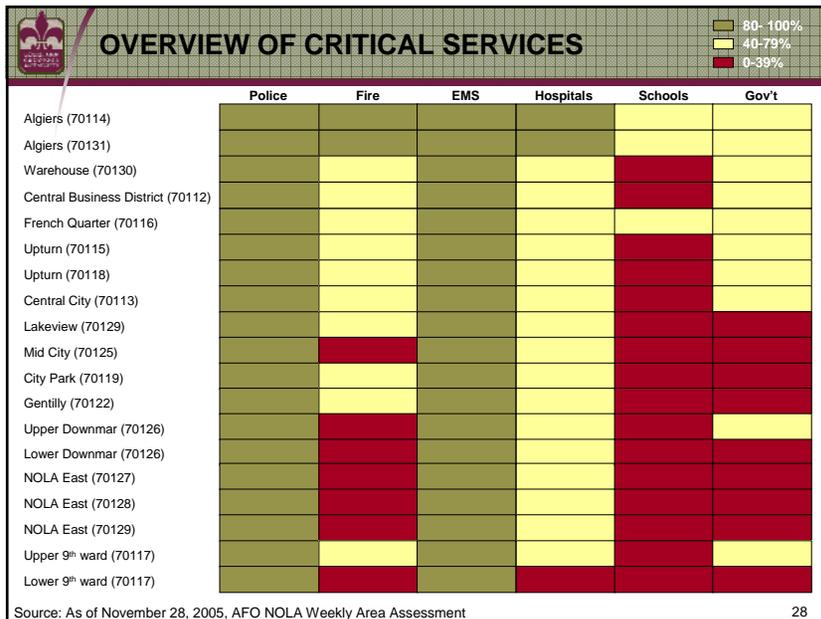


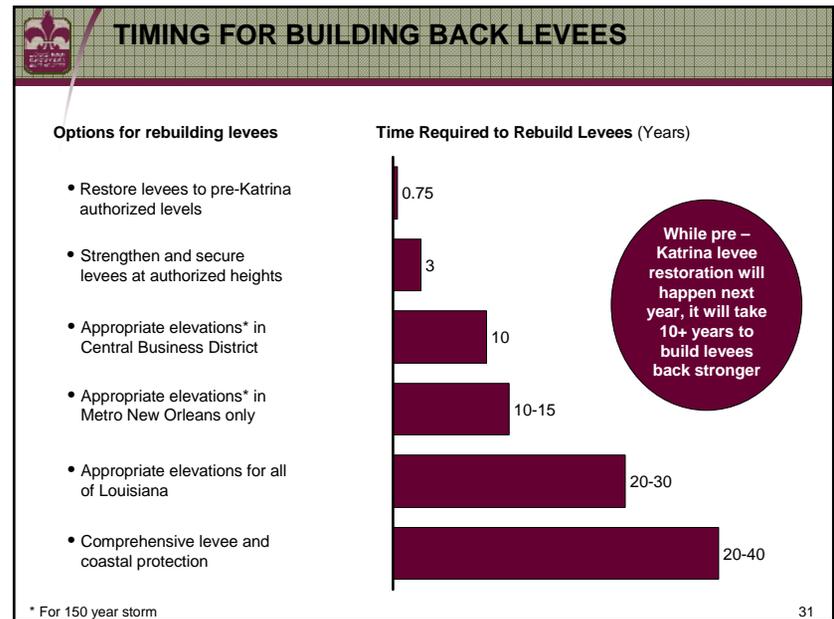
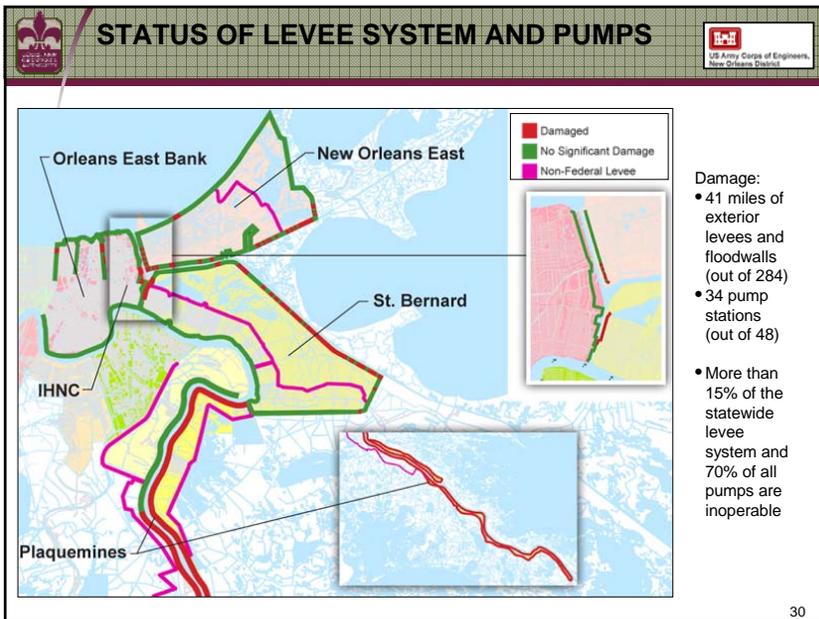
* Timing assumes Louisiana can remove debris at same pace as today; it is likely that this will not be the case; therefore, additional months have been added to the timeline

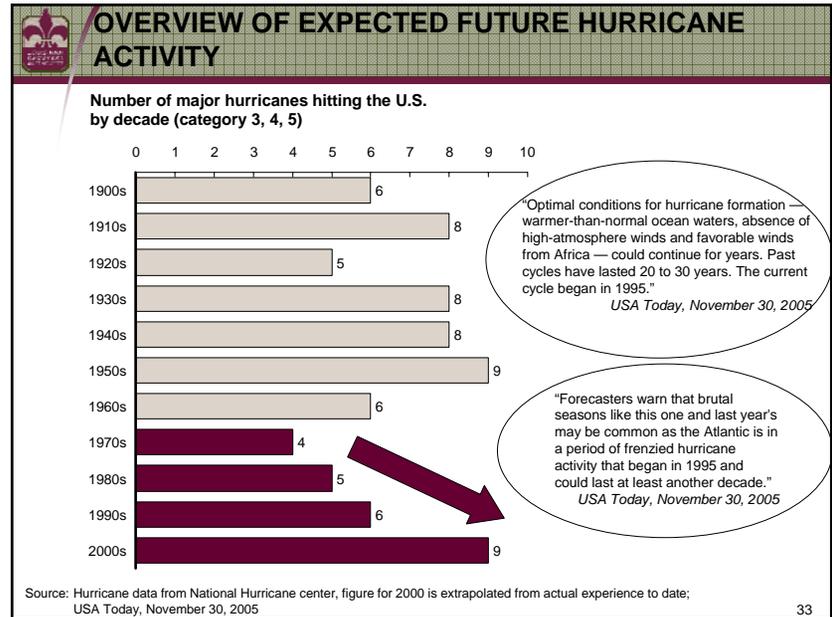
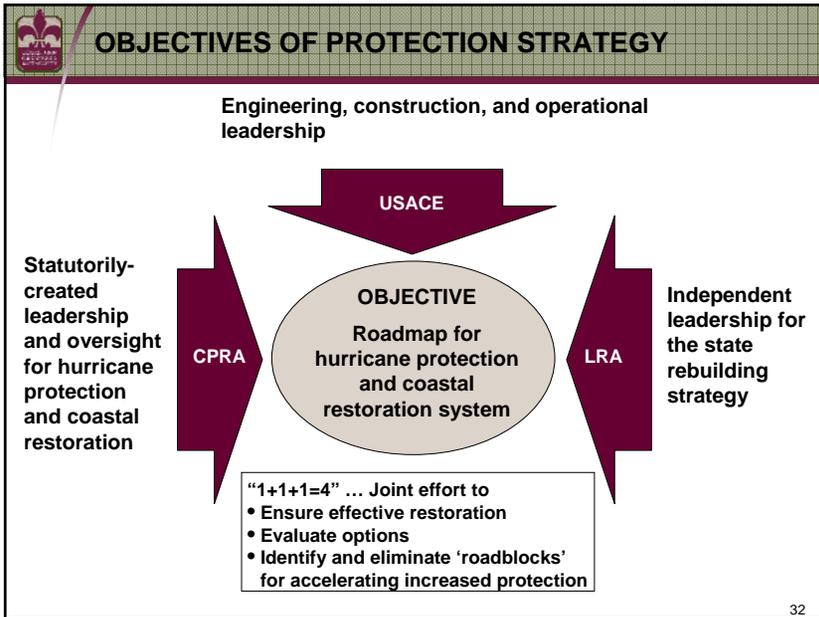
** World Trade Center debris estimated at 2.0 million cubic yards (9/20/01)

Source: U.S. Department of Environmental Quality, Christian Science Monitor (9/20/01)





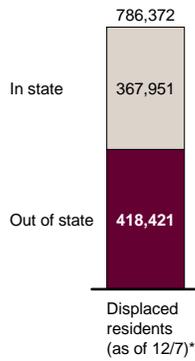




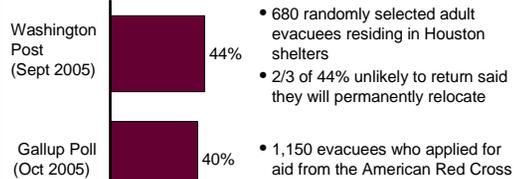


LIKELIHOOD OF DISPLACED RESIDENTS TO RETURN TO LOUISIANA

Residents displaced by Katrina and Rita



Likelihood of displaced residents to relocate elsewhere



What actions can we take to encourage more displaced residents to return to Louisiana?

Source: FEMA Current Location Report by State, as of December 7, 2005; Washington Post/Henry J. Kaiser Family Foundation/Harvard School of Public Health Survey of Hurricane Katrina Evacuees

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FINANCIAL IMPACT TO LOUISIANA'S COMMUNITIES AND ECONOMY

	Estimates \$ Billions	Description
Temporary relief services	27 - 29	<ul style="list-style-type: none"> • Temporary housing (18 months) • Social services including disaster unemployment, crisis counseling and legal services • Emergency services, e.g., healthcare products, and Medicaid
Property and infrastructure	70 - 85	<ul style="list-style-type: none"> • Levee restoration to pre-Katrina authorized levels (not inclusive of improvements that require an additional \$20 – 30 B) • Residential homes and personal property (e.g., cars, boats) • Businesses and commercial property • Infrastructure, e.g., roads, bridges, rail, ports, utilities, and debris removal • State facilities, e.g., buildings, schools, and hospitals
Economic (GSP)	50-75	<ul style="list-style-type: none"> • Gross State Product (GSP) losses discounted over 5 years • Over 18K businesses destroyed, 81K impacted • 240K unemployed
Government fiscal stability	6+	<ul style="list-style-type: none"> • Budget shortfall in fiscal year 2006 \$1B, cut \$600 Million+ and tapped emergency funding • \$3 - 4 billion in FEMA funding match • Local and parish municipal government insolvency

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POTENTIAL SOURCES OF REDEVELOPMENT FUNDING

	Estimate \$ Billions	Explanation
Approved funding		
Stafford Act funds	\$41	<ul style="list-style-type: none"> • FEMA estimate for Louisiana's share of eligible damages including Hazard Mitigation (\$2-4 B) • Requires \$4B match from Louisiana
Private Insurance & NFIP	\$31-37	<ul style="list-style-type: none"> • Estimates for insured commercial and residential damage from both private insurance and the National Flood Insurance Program
Potential funding sources		
Federal Aid requests	\$25-35	<ul style="list-style-type: none"> • Gulf Opportunity ("GO zone") legislation • Community Development Block Grants (CDBG - \$12 B), LA Recovery Corporation (\$2-3B), and re-appropriation for Federal relief funds (\$4-6 B excl. funds earmarked for federal facilities)*
Outer Continental Shelf (OCS) revenues	\$13-14	<ul style="list-style-type: none"> • Louisiana's fair share of OCS revenues (Assumes \$3B for 5 years) • Funds would allow state to fund a strong levee and coastal protection plan
Private investment and NGO funding	tbd	<ul style="list-style-type: none"> • Bush-Clinton Fund (\$.02B allocated), Red Cross, others

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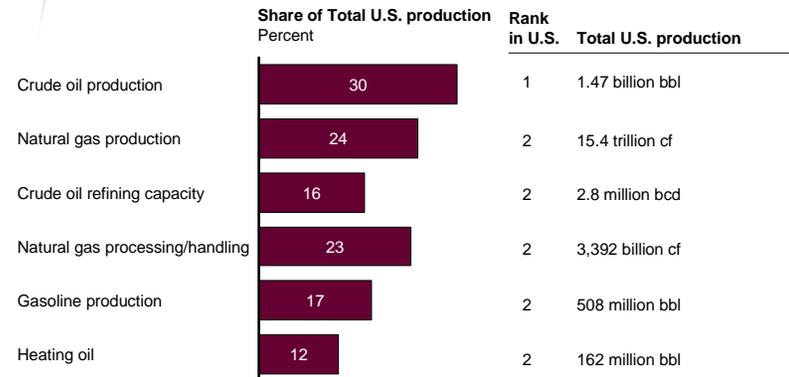


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ROLE OF LOUISIANA IN NATION'S ENERGY PRODUCTION



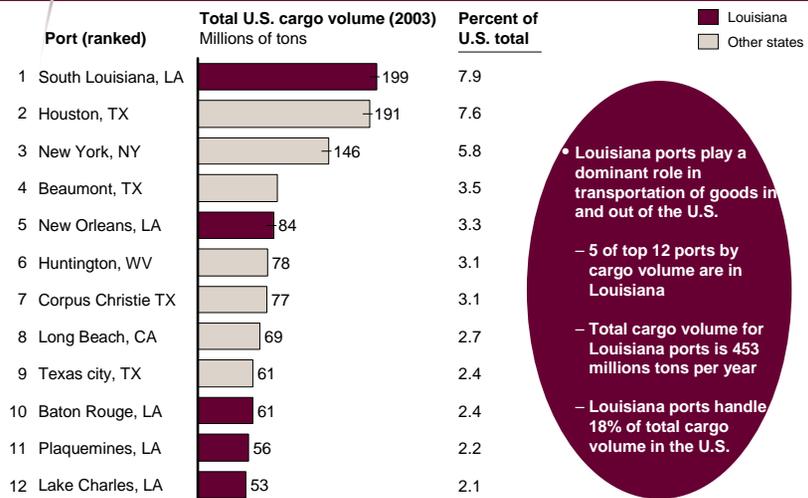
Southern Louisiana ranks as one of the most vital coastal regions to the health, security, and productivity of the U.S. economy

* Federal offshore production included

Source: EIA, Louisiana Government, Department of Natural Resources



ROLE OF LOUISIANA IN TRANSPORTATION OF GOODS IN AND OUT OF THE U.S.



• Louisiana ports play a dominant role in transportation of goods in and out of the U.S.
 – 5 of top 12 ports by cargo volume are in Louisiana
 – Total cargo volume for Louisiana ports is 453 millions tons per year
 – Louisiana ports handle 18% of total cargo volume in the U.S.

Source: AAPA 2003 rankings



LOUISIANA STATUS ON KEY METRICS

Metrics	Rank
Per capita personal income	48th out of 51
Citizens below the poverty line	50th out of 51
Unemployment rate	43rd out of 51
Change in Unemployment Rate*	49th out of 51
Revenues/student for K-12 public education** (2002-2003)	\$7,449 per student (U.S. average \$8,891)
Average Math and Reading Test Scores – 4 th Grade**	44th out of 51
Average Math and Reading Test Scores – 8 th Grade	45th out of 51

Despite its significant contribution to the U.S. Economy, Louisiana remains a "poor" state

* From August 2004 to August 2005
 ** National Assessment of Educational Progress National Tests
 Source: Claritas, BLS, NCES



LOUISIANA'S REPORT CARD

Above average

Metric	Description	LA grade	National average	Highlights
Overall	<ul style="list-style-type: none"> Combined score for all four key metrics 	B	B-	<ul style="list-style-type: none"> Although poor states, has good revenues, thanks to oil and natural gas Performance-based budgeting enables LA to "keep its house in order"
Money	<ul style="list-style-type: none"> Long-term outlook, budget process, structural balance, contracting/purchasing, financial controls/reporting 	B+	B-	<ul style="list-style-type: none"> Management in many areas has been innovative Maintains a website for contracting and purchasing
People	<ul style="list-style-type: none"> Strategic workforce planning, hiring, retaining employees, training and development, managing employee performance 	B	B-	<ul style="list-style-type: none"> Strong at training developing people
Infra-structure	<ul style="list-style-type: none"> Capital planning, project monitoring, maintenance, internal inter-governmental coordination 	C+	B-	<ul style="list-style-type: none"> Struggles with maintaining infrastructure
Information	<ul style="list-style-type: none"> Strategic direction, budgeting for performance, managing for performance, program evaluation, electronic government 	A-	B-	<ul style="list-style-type: none"> Has one of the strongest and best institutionalized systems of performance-based budgeting and program evaluation

Louisiana actually "keeps its house in order"

Source: Governing, "Grading the States '05"

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OVERVIEW OF DEBT AND SPENDING

State (ranked by GSP)	Gross state product (GSP) Dollars, millions	Debt/GSP Percent	Rank	2006 shortfall Percent of budget
1. California	1,363,577	15	23	8-11
2. New York	802,866	23	48	10
3. Texas	775,459	15	22	17
4. Florida	522,340	17	38	n/a
5. Illinois	486,182	17	37	6
22. Arizona	173,052	15	26	7
23. Connecticut	167,235	16	35	5-9
24. Louisiana	134,360	16	28	4-6
25. Alabama	123,763	15	25	5-7
26. South Carolina	122,274	18	41	n/a
35. Mississippi	68,550	14	19	16-27

Source: Annual survey of Governments; Economy.com

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Strategy for using resources to build back better, safer, stronger communities

