



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

Executive Directors Report
LRA Board of Directors Meeting
January 13, 2006

LRA ROLES IN RECOVERY

Focus of this discussion

- Secure funding and other resources
- Establish priorities and strategies for redevelopment
- Lead long-term community and regional planning efforts
- Ensure transparency and accountability

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VISION FOR REBUILDING LOUISIANA

“Safer, stronger, smarter 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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SAFER

- Adopt statewide building codes
- Tie mitigation dollars to adoption of FEMA flood elevation requirements
- Prioritize funding for projects that reduce risk from future disasters
- Locate state buildings where they can be safe – with mitigation plans for added protection

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STRONGER

- Aim investments at economic growth, job creation and wealth creation
- Leverage private and public dollars to generate a positive return on investment
- Enable homeowners to protect equity investments in their homes as they rebuild
- Invest in programs that raise level of home ownership
- Prioritize mixed income neighborhoods and other strategies aimed at breaking cycle of poverty

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SMARTER

- Rebuild community assets (housing, hospitals, schools) in manner that reflects best thinking in community design and service delivery models
- Ensure infrastructure is built to support future, not past, community needs – based on latest demographic trends and projections
- Use new technologies to enable most effective and efficient service delivery (e.g., remote, mobile, etc.)

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TRUE TO THE ASPIRATIONS OF LOCAL COMMUNITIES

- Support a deliberate and democratic process that relies on active participation
- Empower local communities to develop plans that meet individual needs
- Establish priorities at local level to guide decisions
- Support communities with best national planning experts – working in partnership with local architects, planners, and engineers
- Provide user-friendly interface to enable development of individual plans

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IMPACT OF STORMS ON LOUISIANA

	Estimate \$ Billions	Description
Temporary relief services	15-20	<ul style="list-style-type: none"> • Temporary housing – hotels, mobile homes (\$7.5 B) • Social services including disaster unemployment, crisis counseling and legal services (\$4.5-6 B) • Emergency and other services—road clearance, food, etc. (\$3-5.5 B)
Property and infrastructure	75-95	<ul style="list-style-type: none"> • Levee restoration to pre-Katrina authorized levels (\$3 B)* • Residential homes and personal property (\$27-35 B) • Businesses and commercial property (\$25-29 B) • Infrastructure—roads, bridges, utilities, and debris removal (\$15-18 B) • State facilities and public/private schools and hospitals (\$6-8 B)
Economic (GSP)	50-70	<ul style="list-style-type: none"> • Gross State Product (Nominal GSP) losses discounted over 5 years • Over 18k businesses destroyed, 81k impacted • 240k unemployed
Government fiscal stability	8-10	<ul style="list-style-type: none"> • \$1B budget shortfall in fiscal year 2006, before any requirements for FEMA funding match (\$4-5 B)** • Local and parish municipal government insolvency (\$4-5 B)**

* Excludes \$20-30 billion required for Category 5 hurricane protection and coastal restoration

** NPV estimated over 5 years

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COMPARISON OF IMPACT OF STORMS ON LOUISIANA TO 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
Households without electricity	129,349	19,443	6.7
K-12 schools damaged	835	263	3.2
K-12 schools destroyed	40	16	2.5
University students lost	83,000	12,000	6.9
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 many times more than Mississippi against all metrics

Source: LRA

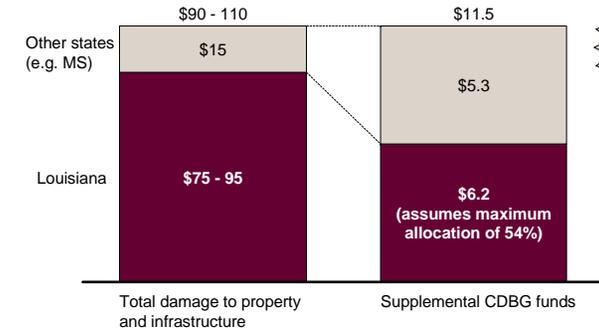
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THE MOST LOUISIANA COULD RECEIVE IN SUPPLEMENTAL CDBG AID IS 54% OR \$6.2 B...

Assessment of damage versus available funding

\$ Billions



Significant work still remains to advocate need with HUD

* Louisiana had \$75 - 95B in property and infrastructure damage, which is estimated to be ~85% of total property and infrastructure of damage

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WHILE CDBG HELPS US GET STARTED, IT IS INADEQUATE; RECOVERY STILL DEPENDS ON PASSAGE OF BAKER BILL

Without the Baker Bill, state will be forced to choose between ...

- ... critical housing needs **versus** investing in job growth/infrastructure
- ... just compensating people for their losses **versus** helping them rebuild for the future
- ... helping some homeowners restore equity in their homes **versus** not restoring equity



Baker bill will provide funds and innovative programs (e.g. LRC) to support recovery in a number of critical ways ...

- Dramatically increase funds available to support redevelopment programs through the sale of federally-backed public bonds
- Provide mechanisms necessary for implementation
 - Purchase property from willing sellers
 - Provide sellers with loans, other assistance needed to return
 - Pay for reconditioning of land, infrastructure improvements
 - Manage competitive bidding processes to facilitate rebuilding

Rep. Baker has requested January 31st deadline for endorsement of bill



PRINCIPLES FOR UTILIZING THE CDBG MONEY

Develop programs that amplify impact of funding leveraging public and private sector investments

- **Focus** on three priority aspects of community redevelopment
 - Rebuilding public **infrastructure** to support redevelopment
 - Accelerating redevelopment of **permanent housing**
 - Accelerating **job & economic growth**
- **Rebuild economically and socially viable communities** that will allow them to **both** recover in the short term **and** grow over the long term
 - **Act now** to ensure that our businesses, homeowners and communities at large get back on their feet in a coordinated fashion
 - But also have the **courage** and **foresight** to make long-term commitments that will be able to dramatically improve state's fortunes long term
- **Create ideas and programs** that are both **simple** enough to speed the delivery of money **and robust** enough that they meet their objectives
 - Don't make our citizens fight another government bureaucracy to get support
 - Don't make the perfect the enemy of the good



OBJECTIVES OF CDBG FUNDING

	Objectives	Philosophy/principles/criteria
Infrastructure	Rebuild infrastructure required for rebuilding that can significantly improve the state's long-term productivity	<ul style="list-style-type: none">• New, highly efficient infrastructure with reliability benchmarks• Drive long-term productivity improvements• Improve connectedness among communities
Economic Development	Provide short-term capital assistance and invest for long-term recovery and growth	<ul style="list-style-type: none">• Support the development of business that create jobs, opportunity, wealth and attract people to return• Support restoration of destroyed and damaged commercial properties
Housing	Accelerate the repair and rebuilding of state's permanent housing stock and multifamily rental units	<ul style="list-style-type: none">• Affordable and mixed affordable/market rate developments and neighborhoods• Permanent homes and restoration of multifamily rental units• Preserve and advance ownership• Recognition of need and of compliance with safety• Leverage homeowner's willingness to reinvest

Develop programs that amplify impact of funding leveraging public and private sector investments