



Executive Director's Report
May 10, 2007



LRA's Roles in Recovery

The LRA focuses on four aspects of Louisiana's recovery from hurricanes Katrina and Rita.

Establish priorities and strategies for redevelopment

Secure funding and other resources

Lead long-term community and regional planning efforts

Ensure transparency and accountability



CDBG Funding for MCLNO

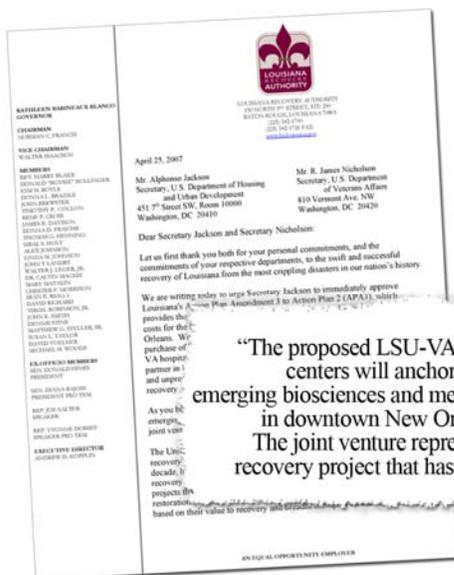
The Legislature has approved an action plan amendment to allocate \$300M to the project. The action plan amendment awaits approval from HUD.

Pursuant to the LRA's original recommendation, the first \$74M will be available upon HUD approval, for land acquisition and design work. The remaining \$226 million, for completion of design work and construction start-up, will be withheld by the state until the Office of Facility Planning and Control (OFPC) has:

1. Completed the business plan and feasibility study for the new medical center;
2. Submitted the business plan to the LRA board for review; and
3. Received approval of the business plan by the Joint Legislative Committee on the Budget and the full legislature.



Continued Support



LRA board members recently wrote to the secretaries of HUD and the VA urging speedy approval of Louisiana's plan to spend \$300 million to repair the health care system in New Orleans.

"The proposed LSU-VA medical centers will anchor the emerging biosciences and medical corridor in downtown New Orleans. The joint venture represents a recovery project that has no peer."



Louisiana Loan Fund

Partnership among state, banks, foundations and community development organizations to provide low-interest loans to developers of affordable housing



Program anticipates funding 4,500 new and rehabbed homes.



LRA's Roles in Recovery

The LRA focuses on four aspects of Louisiana's recovery from hurricanes Katrina and Rita.

Establish priorities and strategies for redevelopment

Secure funding and other resources

Lead long-term community and regional planning efforts

Ensure transparency and accountability



Louisiana's Hurricane Property Losses

Estimated Property Losses:

Homes, Vehicles, Personal Property	\$35 billion
Commercial Structures, Property, Inventory	\$34 billion
Public Infrastructure (<i>utilities, roads, ports, rail, water</i>)	\$17 billion
Public Facilities: State, Educational, Health	\$8 billion
Levees	\$6 billion

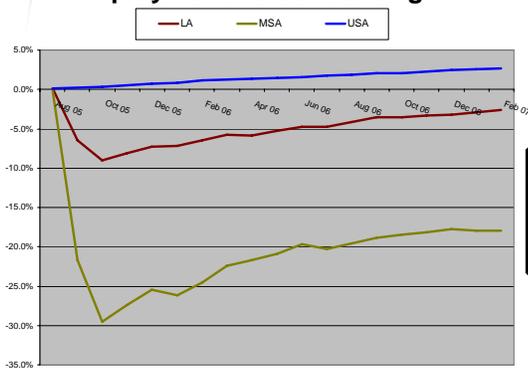
TOTAL EST. PROPERTY LOSSES: \$100 billion

6



Statewide Economic Losses

Unemployment Percent Changes



	LA	MSA*	US
September 05	-6.50%	-22%	0.20%
October 05	-9.00%	-30%	0.30%
February 07	-2.60%	-18%	2.60%

*MSA = Metro New Orleans

Gross State Product

LA GSP 4 quarters prior to Katrina (July 2004 thru Jun 2005)	\$138.2B
LA GSP 4 quarters post Katrina (July 2005 thru June 2006)	\$126.7B
Reduction in GSP	\$ 11.5B

7



Federal Funding

\$110 billion for Hurricane Recovery

Split between Louisiana, Mississippi, Alabama, Florida and Texas for Hurricanes Katrina, Rita and Wilma

\$59 billion for Hurricane Recovery in LA

\$18 billion used for disaster response – health care, individual assistance to victims, SBA

\$41 billion for Hurricane Recovery in LA

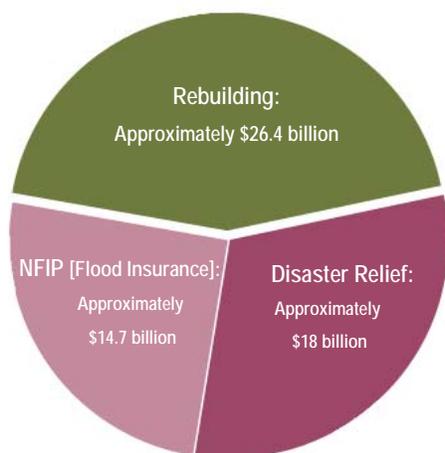
\$14.7 billion to homeowners in the form of flood insurance payouts (NFIP)

Leaves LA with \$26.4 billion for construction projects

8



Federal Funding



A Snapshot of Federal Commitment to Louisiana's Recovery

Rebuilding	\$26.4 billion
Disaster Relief	\$18 billion
NFIP	\$14.7 billion
TOTAL:	Approx. \$59 billion

9



Louisiana's Hurricane Losses (Net)

Balance of Payments for Property and Infrastructure Damage from Katrina and Rita



Net Losses Total \$34 Billion

Louisiana has unrecovered losses of \$34 billion in commercial and residential property and public infrastructure.



\$20,000 per Louisiana family



Fighting Federal Red Tape

The State has encountered two Federal road blocks to recovery:

1. Using HUD funds (CDBG) to pay 10 percent match for FEMA Public Assistance Projects
2. Using \$1.175 billion in FEMA funds (HMGP) for the Road Home program



FEMA – Waive the Match

Local and national newspapers have editorialized in favor of waiving the match.

New Orleans
CITYBUSINESS

The New York Times

The Boston Globe

The Times-Picayune

The Washington Post

THE
ADVOCATE



The Washington Post Help for Louisiana

Why a waiver on federal funding rules is needed

Saturday, April 7, 2007

LOUISIANA IS in a bind. Nineteen months after hurricanes Katrina and Rita

decimated its economy, struggling to get back on why there have been a match requirement on Agency. And just as local governments have

When disaster strikes, absolutely right to demand Under circumstances dear, per capita, FEMA can shrink But the president has the catastrophes, Mr. Bush did attacks (damage: \$390 per

Not so for Louisiana; history; not after it sustain after 1.3 million people collapsed. And not after what Mr. Bush called "if should ever have to know

While the administration financed projects, it is a development block grant pay the fee. Good luck go

adhere to FEMA's rules, and they will be better off if they can meet the crazy quilt of separate yet duplicative requirements of two federal agencies. It's estimated that the process could generate at least 2.6 million documents (not pages). Louisiana stands a better shot at winning money on "Deal or No Deal." And those HUD funds should be better used to build schools, housing and other infrastructure. More

“Progress is being tripped up by thick rolls of red tape. Mr. Bush can clear those obstacles and help turn his far-reaching vision into reality with a stroke of a pen by waiving the 10 percent FEMA match requirement. He should do it now.”



FEMA – Waive the Match

Help from Congress:

- House Majority Whip James Clyburn (D-SC) introduced HR 1144, the Hurricanes Katrina and Rita Federal Match Relief Act of 2007. The House Transportation and Infrastructure Committee approved the bill on March 1, 2007. The bill raises the Federal cost share from 90% to 100% for FEMA's Public Assistance Program and raises from 75% to 100% the Federal share for FEMA's Other Needs Assistance Program.

14



FEMA – Waive the Match

Help from Congress:

- Congress passed HR 1591, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, which included waiving the FEMA match requirement for several portions of the Stafford Act, as well as extending the GO Zone tax credit an additional 2 years. However, the President vetoed this measure citing several reasons, including troop withdrawal language.
- In addition, the President stated "the bill proposed by Democratic leaders would spend billions of dollars on projects completely unrelated to the war. Proposed legislation does remove some of the most egregious pork barrel projects that Democratic leaders had inserted in earlier bills. Yet it still includes huge amounts of domestic spending that has no place in an emergency war funding bill."
- The Congress was unsuccessful in its attempt to override the Presidential veto and negotiations continue on the supplemental bill.

15



FEMA – Waive the Match

Help from Congress This Week:

- On Monday, May 7, Rep Alexander introduced HR 2187, the Katrina Recovery Supplemental Appropriations Act of 2007. This measure simply takes out the recovery funding and language that was included in HR 1591 and provides it as stand-alone legislation.
- On Thursday, May 10, the House of Representatives will consider HR 2206, a second emergency supplemental appropriations bill for short-term military funding and for hurricane recovery. This measure would provide all of the hurricane recovery assistance contained in HR 1591. However, the President has already threatened to veto this new bill, citing “restrictions on funding” and some “[domestic] spending items that were mentioned in the first veto message that are still on the bill.”

16



HMGP and The Road Home

In negotiations for additional Federal help to fully fund the Road Home program, Chairman Don Powell asked the state to use FEMA’s Hazard Mitigation Grant Program dollars for elevations and buy outs through the program

The problem: FEMA hasn’t approved our plan because of Road Home program design provisions that provide additional benefits to the elderly.

17



HMGP and The Road Home



Our Proposal:

Transfer the \$1.175 billion of HMGP funds that were set-aside for the Road Home program from FEMA to HUD.

18



HMGP and The Road Home

Help from Congress:

- On March 7, the House Financial Services Committee approved **HR 1227, the Gulf Coast Hurricane Housing Recovery Act of 2007**, which was introduced by Congresswoman Maxine Waters (D-CA), which would transfer \$1.175 billion in Hazard Mitigation Grant Program (HMGP) funds to Community Development Block Grants (CDBG). The legislation requires that these funds still be used for hazard mitigation but frees the money from the overly restrictive FEMA regulations on the use of HMGP funds.

19



LRA's Roles in Recovery

The LRA focuses on four aspects of Louisiana's recovery from hurricanes Katrina and Rita.

Establish priorities and strategies for redevelopment

Secure funding and other resources

Lead long-term community and regional planning efforts

Ensure transparency and accountability

20



Long-Term Planning

LOUISIANA SPEAKS
Our Voice. Our Plan. Our Future.

A LONG-TERM COMMUNITY PLANNING INITIATIVE OF THE LRA

21



Praise for the Regional Vision



Louisiana Speaks has been unveiling the Regional Vision across the state for the past two weeks.

THE ADVOCATE

Our Views: A bold plan for the future

Advocate Opinion page staff
Published: May 9, 2007

After all the detailed maps, policy prescriptions and huge piles of planner jargon, the new plan for long-term recovery in Louisiana emphasizes a simple point: We're all in this together.

From the culture to the Pearl rivers, and accounting for the cultural, economic and physical characteristics of all the places in between, it is the commonality of south Louisiana's future that is embraced in the Louisiana Speaks plan.

Louisiana Speaks is a regional land-use, transportation and economic development plan for the hurricane-affected regions.

After hurricanes Katrina and Rita, south Louisiana must plan for a common future that is safer and smarter than before, boosters of the plan said. Unlike most regional plans, the new effort encompasses not only land use but also job growth and the immense environmental issues surrounding coastal preservation and hurricane protection.

The plan recognizes the risks of living in a coastal region, said Louisiana Recovery Authority board member Donna Fraiche. "We don't need to be fatalistic about these risks," she said. "We have to be smart."

"This is a plan for action," Fraiche said. Immediate steps are needed to develop a more seamless regional transportation network and land use patterns that start to ratchet development proposals into smart-growth patterns.

The 96-page booklet introducing the plan only hints at the immense level of data collection and number-crunching underlying the plan's recommendations.

Funded by private donors, including major national foundations, the recovery authority commissioned national planners to work with a myriad of local and state agencies, including the parish-level plans developed in the wake of the hurricanes. The plan and some of the supporting data are available at <http://www.louisiana-speaks.org>.

Much of the plan will be controversial, and not just because it embraces—in part because of citizen feedback—the smart-growth principles that would refashion over time many of the traditional development patterns that have resulted in sprawling subdivisions in vulnerable floodplains. The plan would also challenge governments and civic leaders to better coordinate the spending and planning that has traditionally gone into decision-making in the region.

Transit, such as a light-rail line between Baton Rouge and New Orleans to offer an alternative to Interstate 10 gridlock, is one prominent feature of the plan. "This is a balanced strategy that puts roads and transit together in a balanced way," lead planner Peter Calthorpe said.

Above all, the plan challenges the region's leadership to put aside petty differences in light of the interdependence—economic and social—of the coastal regions of the state.

"The bottom line is that the future should be by design, not by default," Calthorpe said. Now there is a change for south Louisiana.



LRA's Roles in Recovery

The LRA focuses on four aspects of Louisiana's recovery from hurricanes Katrina and Rita.

Establish priorities and strategies for redevelopment

Secure funding and other resources

Lead long-term community and regional planning efforts

Ensure transparency and accountability



Currently Approved Program Budgets

Sources and uses of funds

	CDBG (\$MM)	HMGP (\$MM)	Total (\$MM)
I. Subtotal – Road Home Program	\$ 8,080	\$ 1,170	\$ 9,250
II. Subtotal – Economic Development Program	350		\$ 350
III. Subtotal – Infrastructure & Hazard Mitigation	1,970	330	\$ 2,300
Total Budgeted Allocations of CDBG & HMGP*	\$ 10,400	\$ 1,500	\$ 11,900

* Current HMGP estimate is \$1.5B, down from original estimate of \$1.7B. If HMGP increases, Infrastructure budget increases.

24



The Road Home Program Budget

	CDBG (\$MM)	HMGP (\$MM)	Total (\$MM)
I. Road Home Housing Programs			
Homeowner Assistance Program	6,350	1,170	
Workforce and Affordable Rental Housing (Piggyback, Mixed Income, Small Rental, Supportive Services)	1,536		
Developer Incentives and Code Enforcement	32		
Homeless Shelter Infrastructure and Services	26		
Start up Housing Costs	18		
State Administrative Costs	121		
I. Subtotal – Road Home Program	\$ 8,080	\$ 1,170	\$ 9,250

The Road Home program and this budget have been approved by the Governor, the Legislature and the federal Department of Housing and Urban Development.

* Current HMGP estimate is \$1.5B, down from original estimate of \$1.7B. If HMGP increases, Infrastructure budget increases.

25



Road Home Housing Update

As of May 8, The Road Home program, operated by ICF International under a contract with the Division of Administration's Office of Community Development, reported the following:

- 134,878 applications received
- 109,050 appointments held
- 75,314 benefits calculated
- \$5.52 billion benefits calculated (as of May 7)
- \$75,714 average benefit calculation (as of May 7)
- 15,567 closings held

26



Location of 12,000 rental units in New Orleans

The Times Picayune plotted the locations of rental units provided regionally from the first round of tax credits.



27



Snapshot of Rental Projects in New Orleans

Crescent Club



3000 Tulane Avenue, Mid-City

Nine 27



1026 Constance, 931 Poeyfare, Warehouse District

200 Carondelet



- Adaptive reuse of historic American National Bank Building
- Historic tax credits used
- Most expensive of the round

28



Economic & Workforce Development Budget

Program Allocations	CDBG Allocation (\$MM)
Tourism & Marketing Program	\$28.5
Recovery Workforce Training Program	\$38.0
Research Commercialization & Education Program	\$28.5
Business Recovery Assistance	
Bridge Loan Program	\$43.0
Technical Assistance Program	\$9.5
Long Term Loan Program*	\$68.0
Small Business Retention Program	\$143.0
<i>Administrative costs</i>	\$17.5
TOTAL:	\$350 million

** To be transferred to Small Business Retention Program with Legislative and HUD approval.*

29



Current Infrastructure Commitments

Budget Items	Proposed/ Approved (\$MM)	Additional Committed (\$MM)	Current Budget (\$MM)
Total Infrastructure Budget			\$ 2,300
FEMA Match for Local/State Govt.	550	225	775
FEMA-ineligible Repairs – K-12	200	50	250
Rate Reduction – Entergy NO	200		200
Medical Center of LA - New Orleans*	300		300
Private K-12/Universities FEMA Match	40		40
State Buildings FEMA Ineligible Costs	135		135
Fisheries Assistance**		20	20
Parish Recovery Plans Allocations	200		200
Hazard Mitigation	330		330
Total	1,955	295	2,250

Total Uncommitted \$ 50

*Pending approval from HUD.

**Pending Legislative approval

30



FEMA Ineligible School Rebuilding Costs

- LRA originally committed \$250 million to help cover costs that are not eligible for FEMA's Public Assistance Program -- \$200 million approved in an action plan, with an additional \$50 million committed.
- The Department of Education has determined that this amount is not sufficient to cover all FEMA-ineligible costs for rebuilding schools.
- Scenarios will be outlined for how to distribute the money and LRA will seek comment on the proposed formulas.
- LRA board will address at a later date.

31