

Progress Report

December 2007

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Louisiana Recovery Authority





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 another 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.

Cover Photo:

Workers lower a modular home onto an elevated foundation in the Lakeview neighborhood of New Orleans. The homeowners used a Road Home grant to purchase their home.

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
Vice-Chairman

Andrew D. Kopplin
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Letter from the Governor

As my tenure as Governor comes to a close, I look back with pride on the accomplishments of my administration in the aftermath of Hurricanes Katrina and Rita.

In the two and a half years since the storms, we laid a solid foundation for long term recovery, not just helping to rebuild homes, schools, businesses and the coast, but also in improving education and addressing the pre-existing social problems that have compounded our recovery.

One of my best decisions was to create the Louisiana Recovery Authority and appoint its distinguished bipartisan board. Its members made some of the most difficult decisions of any panel and did so wisely and fairly, always focusing on what is best for the future of the state.

LRA representatives made their biggest mark in the fight for equitable recovery funding. Congress initially gave Louisiana \$6.2 billion in block grants, 54 percent of the total recovery allotment, and far below the level of damages our state received.

Due to the LRA's effective efforts to document our damages and its assistance in my lobbying efforts, we were able to secure two additional block grant allocations -- first, an additional \$4.2 billion in June 2006 and most recently another \$3 billion in November 2007. This increased Congress' total allotment of discretionary rebuilding dollars for Louisiana to \$13.4 billion, an amount 116 percent more than its original allocation of \$6.2 billion.

We have also secured appropriations of \$7.1 billion for levee repairs and a commitment from the Bush Administration to fund another \$7.6 billion to finish the job of providing metropolitan New Orleans with 100-year storm protection. We successfully worked to override a presidential veto of the Water Resources Development Act (WRDA), which authorizes a separate \$7 billion worth of Louisiana projects. Traditional FEMA public assistance funds will provide \$6-8 billion for infrastructure repairs. Finally, our effective lobbying also secured Congressional passage of a waiver of the state's traditional FEMA match, saving Louisiana taxpayers over \$1 billion. Nearly \$30 billion has now been appropriated for rebuilding Louisiana's housing and infrastructure.

Although we still have a long way to go and will need continued federal support, our recovery has been sparked by these newly acquired federal rebuilding funds--of which nearly \$10 billion has already been invested--and I know that the coastal Louisiana of the future will be better than it was before the storms. Our homes, buildings and infrastructure will be stronger; our people better prepared for higher-wage jobs; our economy more vibrant; and our families and communities more resilient than ever.

It has been my honor to serve this state in its recovery from two of the nation's worst disasters. As we pass the baton to a new administration, I feel heartened to know that we have laid a great foundation for the future. It is my prayer that some day, America will look back on this time in our history and feel proud for what the nation did to preserve the great state of Louisiana -- recognizing its natural resources, economic potential and cultural legacy as a major part of what makes America so rich.

Sincerely,



Kathleen Babineaux Blanco
Governor



Governor Blanco inaugurates the building of a hurricane cottage in New Iberia on the second anniversary of Hurricane Rita. Construction students at Louisiana Technical College were building the home for a Delcambre resident as part of the LRA and Workforce Commission's Recovery Workforce Training Program.



Governor Blanco greets LRA Chairman Norman Francis at a recent board meeting.



Executive Summary

“This recovery has been a fight every day. But it has been a fight for our future, a fight for our communities, a fight for our families, and one we have been pleased to have waged.”

—LRA Board Chair Norman Francis in opening remarks to Governor-elect Bobby Jindal’s Hurricane Recovery Transition Panel, November 27, 2007

Nearly two and a half years later, Louisiana is steadily recovering from the devastation of Hurricanes Katrina and Rita, with momentum increasing all the time.

Within the Past Few Months:

More than two-thirds of New Orleans’ pre-storm population has returned to the city, according to a December report by GCR & Associates. The current population was estimated to be about 295,450 with 3,000 to 4,000 people returning to the city each month.

- The amount of federal construction dollars spent in reconstructing Louisiana homes, schools and other infrastructure climbed to about \$10.4 billion at the end of December with about \$3 billion hitting the ground since September. As of November 1, Louisiana had paid out more under the FEMA Public Assistance program than the program typically pays in all disasters in a year: more than \$2.75 billion.
- The Governor and LRA worked with Senator Landrieu and the Congressional delegation to secure \$3 billion in additional dollars for the Road Home program, bringing the total allocation to \$13.4 billion, a 116 percent increase from the 109th Congress’ initial allocation of \$6.2 billion. The new funding was enough to cover the grants of all eligible homeowners, freeing up existing Community Development Block Grant funds for use in repairs to K-12 schools and long-term community planning.
- The board gave preliminary approval in December to \$500 million in funding for the Long Term Community Recovery Program. This was on top of \$200 million previously approved for the following parishes, after approval of their long-term recovery plans: Calcasieu, Cameron, Beauregard, Jefferson, Lafayette, Lafourche, Orleans, Plaquemines, St. Bernard, St. John, St. Tammany, St. Mary, Tangipahoa, Terrebonne and Vermilion.
- The LRA worked with the State Bond Commission to revise its “first come, first served” policy for awarding GO Zone Tax Credit Bonds in favor of a process which prioritizes awards according to need. According to the recovery-based formula which was developed by the LRA and adopted by the Commission, half of the remaining GO Zone bonds were reserved for the 13 parishes most severely impacted by Hurricanes Katrina and Rita, including a \$1.2 billion set-aside for New Orleans.
- The LRA and Division of Administration’s Office of Community Development (OCD) launched a \$19 million program to help rebuild infrastructure critical to Louisiana’s fisheries industry.

*The citrus industry is on the rebound. According to LSU AgCenter county agents in the two main citrus-growing areas of the state – **Plaquemines Parish**; and **Lafourche, Terrebonne and St. Mary Parishes** – the crop looks good this year despite a decrease in producers and acreage. Pre-Katrina and Rita, the state's citrus industry had a value of about \$6.3 million – with \$5 million of that coming from Plaquemines Parish. More than 80 percent of the citrus acreage in Plaquemines was damaged by Hurricane Katrina. Louisiana citrus is sold in wholesale markets, fruit stands and roadside stands.*

—LSU AgCenter



At the Same Time:

- 11,507 rental units have been funded for repair or rebuilding through the LRA's small rental program. Another 1,524 units are currently under development as part of the Piggyback Program conceived by the LRA and designed in collaboration with OCD and the Louisiana Housing Finance Authority.
- The number of FEMA trailers in Louisiana has declined from about 92,000 to 29,500 today.
- More than 90,562 homeowners have received grants under the state's Road Home program as of December 31.
- Overall, the state of Louisiana has climbed back to within 2 percent of its pre-storm employment, although the greater New Orleans area was still down more than 100,700 jobs at the end of August 2007.
- At the start of the fall 2007 semester, Louisiana's higher education population rebounded to 92 percent of its pre-Katrina and Rita levels, with the Louisiana Board of Regents reporting an increase of 2,500 students over Fall 2006.
- 3,469 small businesses have received grants under the LRA/Louisiana Economic Development Business Recovery Grant and Loan Program.
- About 665 small businesses so far have begun receiving a variety of technical assistance through a program established by the LRA and administered through LED.

"The second anniversary of Rita's landfall is one of success but also a legitimate concern about whether the nation will continue to put a priority on hurricane recovery....From the beginning, the Louisiana Recovery Authority and many others - including Gov. Kathleen Blanco and the state delegation in Washington - have recognized and supported recovery aid to the region."

*—Editorial,
Baton Rouge
Advocate,
September 24,
2007*





Securing Recovery Funds

In the past year, the LRA has identified and provided leadership in addressing many crucial issues in Louisiana’s recovery including the need to eliminate the state’s 10 percent match for federal construction funds; the importance of Congress and federal agencies distributing funds equitably based on actual damages in each state; and the need to cover all eligible homeowners through the Road Home Program.

Governor Blanco and LRA representatives traveled numerous times to Capitol Hill in an effort to secure recovery funds for the state. Most recently, after they made the case for billions in additional dollars to provide grants to homeowners, news outlets backed the cause. The *Washington Post* said in an editorial, “Louisiana is the nation’s energy hub, ranking first in crude oil production and second in natural gas production. The Port of New Orleans is a major import-export route, with global merchandise exports totaling \$23.5 billion in 2006. The state shouldn’t have to keep begging Washington to help it rise from the most damaging natural disaster in U.S. history.”

After Governor Blanco and the Legislature committed \$1 billion in state funds toward addressing the shortfall, attention turned back to Washington where Governor Blanco and the LRA were working with Senator Landrieu and the rest of the delegation to convince Congress to make up the rest of the shortfall. Their efforts culminated in November with Congress passing and President Bush signing legislation that included an additional \$3 billion for the Road Home.

In December, after the number of eligible applicants was finalized, Governor Blanco and the LRA announced that there would be no need to return to Washington to ask for aid for the Road Home – the program was fully funded.

One issue remains to be addressed – the need for funding to help homeowners rebuild safely. The LRA has continued to work with members of Congress on legislation that would free \$1.17 billion in Hazard Mitigation Grant Program (HMGP) funds for use in elevations as part of the Road Home. These funds were allocated to the state but have been mired in red tape for nearly two years.

“(Outgoing LRA Executive Director Andy) Kopplin was a wizard working through the bureaucratic nightmare entangling every single recovery project....Without his yeoman’s efforts, we would be much further away from full restoration than we are.”

—New Orleans CityBusiness, commenting on Kopplin’s announcement in December that he would step down as LRA Executive Director after leading the agency since its creation.



LRA Launches “Thank You” Campaign Aimed at American People, Washington

Letters Containing More than 8,400 Signatures Delivered to White House, Congressional Offices

In November, the LRA kicked off the “Louisiana Gives Thanks” campaign to express gratitude to President Bush, members of Congress, and the American people for supporting the state’s recovery from the devastating effects of Hurricanes Katrina and Rita. Honorary co-chairs Governor Blanco and Governor-Elect Bobby Jindal kicked off the campaign in a “thank you” tour of Washington. Louisiana’s Congressional delegation members also served as co-chairs. The campaign, which was funded through private contributions to the LRA Support Organization, included a website and a full-page advertisement in the Capitol Hill newspaper *Roll Call*. About 8,400 people signed an online “thank you” letter for delivery to the White House and Capitol Hill, and 39 organizations joined as partners.

Governor Blanco and Congressman James Clyburn discuss plans to secure additional dollars for the Road Home program. House Speaker Nancy Pelosi (not pictured) asked Clyburn to shepherd Louisiana's drive for more aid.



"We are not done with our work in this region, because you are not done."

—Congressman James Clyburn
August 2007

Water Resources Development Act (WRDA) Passed

In another major development in the recovery, Congress overrode a presidential veto in passing the Water Resources Development Act (WRDA), which authorized nearly \$7 billion for hurricane protection projects in Louisiana. The Act includes specific provisions to:

- Authorize funding for Louisiana Coastal Area Ecosystem Restoration (LCA), about two dozen coastal wetlands repairs totaling nearly \$2 billion intended to limit the erosion that has left the state more vulnerable to storms sweeping in off the Gulf of Mexico.
- Expedite closure of the Mississippi River Gulf Outlet (MRGO), the canal, which has been identified by scientists and engineers as a key factor that accelerated Hurricane Katrina's storm surge and flooding, especially in St. Bernard Parish.
- Authorize \$886 million for Morganza to the Gulf, which is a series of levees, locks and other systems through Terrebonne and Lafourche parishes that will, when complete, serve to protect more than 120,000 people and 1,700 square miles of land against storm surges such as those caused by Hurricane Katrina.

- African American Leadership Project
- America's WETLAND Foundation
- Archdiocese of New Orleans
- Ashé Cultural Arts Center
- Baton Rouge Area Chamber
- Blueprint Louisiana
- Citizens for 1 Greater New Orleans
- Center for Planning Excellence
- Citizens Road Home Action Team
- Community Foundation of Acadiana
- Fleur de Lis Ambassadors
- Friends of New Orleans
- Greater New Orleans Community Data Center
- Greater New Orleans Foundation
- Greater New Orleans, Inc.
- Hospice of Baton Rouge
- Jefferson Parish Economic Development Commission
- Jefferson Chamber of Commerce
- The Jeremiah Group
- LA 1 Coalition
- Levees.org
- Louisiana Disaster Recovery Foundation
- Louisiana Family Recovery Corps
- LouisianaREBUILDS.info
- Louisiana Recovery Authority Support Foundation
- Louisiana Serve Commission
- Louisiana Speaks
- New Orleans Area Habitat for Humanity
- NewOrleansBlack.com
- New Orleans Chamber of Commerce
- NewOrleansOnline.com
- New Orleans Regional Black Chamber of Commerce
- Office of Lt. Governor Mitch Landrieu
- Southwest Louisiana Economic Development Alliance
- St. Bernard Chamber of Commerce
- St. Bernard Economic Development Commission
- St. Bernard Parish Citizen's Recovery Committee
- Urban League of Greater New Orleans
- Women of the Storm





Making the Case for Equity: Independent Voices Join the Chorus

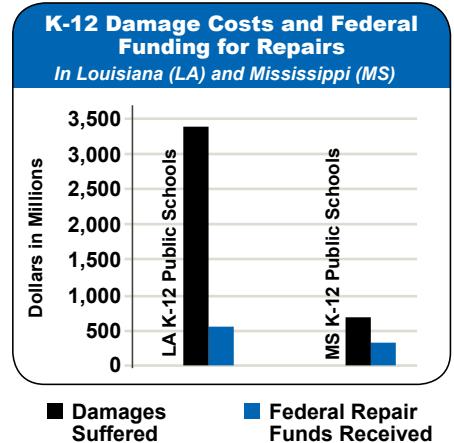
“While Congress has set aside some \$110 billion for aid to all of the states affected by the hurricanes—Alabama, Florida, Louisiana, Mississippi, and Texas—much of it remains tied up in the bureaucratic process, and frustration with the pace of the recovery mounts.”

—GulfGov Report, September 2007

The LRA has made the case that Louisiana did not receive recovery aid commensurate with its damages or equitable with other states. And, over the past few months, three respected, independent studies have supported the claim.

The Southern Education Foundation’s (SEF) report, *Education after Katrina: Time for a New Federal Response*, documented the disparity between federal aid to rebuild Louisiana’s education facilities and the damage sustained by its universities and K-12 schools. According to the SEF, destruction to K-12 and higher education facilities in Louisiana and Mississippi came to about \$6.2 billion, far more than the \$1.2 billion the federal government allocated to education recovery.

Southern Education Foundation’s Study Results



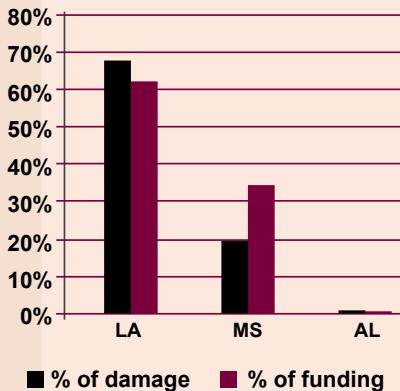
Source: U.S. Department of Education; state agencies

In another study, researchers from Harvard, LSU and the Greater New Orleans Community Data Center found that, in spite of \$126 billion in projected federal spending including the additional \$3 billion for the Road Home program, more funding is still needed.

Among their findings

- The total damage of Hurricanes Katrina and Rita, at \$150 billion, was more than two-and-a-half times that of hurricane Andrew, 9/11 and the Northridge earthquake, combined.
- Of the \$126 billion projected federal spending throughout the Gulf Coast, the majority – approximately \$75 billion – went to emergency relief and only \$51 billion toward rebuilding.
- Private insurance covered only \$20 billion of the losses.
- Philanthropic giving, while more than double the giving for either the tsunami or for 9/11, was only \$6.5 billion and cannot cover the gap.

Housing Damage Compared to CDBG Funding Allocations



Source: HUD Current Housing Unit Damage Estimates: Hurricanes Katrina, Rita, and Wilma, February 12, 2006, and “Research Works,” October 2006 and November 2006, U.S. Department of Housing and Urban Development.

The GulfGov Report, sponsored by the Nelson A. Rockefeller Institute of Government and the Public Affairs Research Council of Louisiana, found the amount of federal aid provided to Mississippi and Louisiana is not proportional to the amount of damage each state suffered. It also found that “the sluggishness of aid distribution continues to be the primary concern of state and local officials in both states.”

Leading Long-Term Community & Regional Planning Efforts

Award-Winning *Louisiana Speaks* Pushes Forward

Since May 2007, when the LRA board adopted its long-term planning initiative, *Louisiana Speaks*, the LRA and its partners have pushed forward with laying the groundwork to implement some of the more than 100 action items outlined in the plan to support its three broad goals of recovering sustainably, growing smarter and thinking regionally.

The board endorsed 2008 priorities for the initiative, which was funded through \$6 million in private contributions to the LRA Support Foundation. Organizers have formed an independent leadership group called *Louisiana Speaks* Inc., to give long-term support for the plan and its goals, created a state office of planning and redeveloped property in line with principles of the plan.

The State Office of Planning Task Force, established to study and make recommendations for the creation of a comprehensive Office of State Planning as recommended by the *Louisiana Speaks* Regional Plan, held its first meeting in December. In line with the LRA's 2007 legislative priorities, the Louisiana Legislature created the Task Force during the 2007 Regular Session and Governor Blanco appointed the members.

In addition, the LRA board began approving plans from parishes for how they will redevelop properties purchased by the state through the Louisiana Land Trust. The LRA approves these plans and requires them to be consistent with the principles of *Louisiana Speaks*. At its December meeting, the board approved plans for Orleans and Jefferson parishes.

Hitting a Grand Slam, Nabbing an Emmy

The Louisiana Chapter of the American Planning Association (APA) awarded *Louisiana Speaks* four distinguished awards in September. Donna Fraiche, chair of the LRA's Long Term Community Planning Task Force received the APA's Distinguished Leadership Award for a Citizen Planner. The APA also honored the *Louisiana Speaks* Regional Plan with its Current Topic Award. The *Louisiana Speaks* Pattern Book received the APA's Public Education Award, and the Planning Toolkit received the APA's Outstanding Planning Award for a project, program or tool.

Louisiana Speaks reeled in another honor in December when the Suncoast Chapter of the National Academy of Television Arts and Sciences awarded the hour-long documentary "*Louisiana Speaks: Our Voice, Our Plan, Our Future*," produced by Louisiana Public Broadcasting (LPB), an Emmy award for Service Programming at its annual awards ceremony in Florida.

"After months of planning, it is exciting to see recommendations of the plan taking shape. Establishing a separate leadership organization and a state office of planning will ensure that the voices of thousands of citizens that formed Louisiana Speaks will continue to influence the state's future."

—Sean Reilly, chair of the LRA's State and Local Legislative Task Force

LOUISIANA SPEAKS PRIORITIES ENDORSED

The LRA has endorsed the 2008 goals of the *Louisiana Speaks* Regional plan. These priorities include:

1. Establish an Office of State Planning and an Independent *Louisiana Speaks* Leadership Group.
2. Fund and build recovery-critical transportation infrastructure.
3. Create a Louisiana Location Index.
4. Create model development and zoning codes.
5. Use the *Louisiana Speaks* Regional Plan to guide the Louisiana Land Trust.
6. Focus public investment into developed areas and centers. Identify and clear obstacles to infill development.
7. Establish a state trust fund to revitalize communities.
8. Establish a state trust fund to acquire high-risk or environmentally sensitive land.
9. Locate and design schools and medical facilities to create better neighborhoods and spur community development.
10. Build greener.





FUNDS AWARDED THROUGH LONG-TERM COMMUNITY RECOVERY PROGRAM

The LRA preliminarily approved \$500 million in funding for the Long Term Community Recovery Program in December for long-term projects in affected parishes. This funding is in addition to \$200 million previously approved for qualifying parishes with approved long-term recovery plans. This map outlines each parish's total allocation and priority projects identified in its plan.

Beauregard
\$631,769

- Revitalize Downtown DeRidder
- Renovate Old Post Office
- Environmental Community Mapping
- Affordable Housing Restoration/Development
- Enhance Evacuation Route

Allen
\$421,179

- Repairs to Kinder and Bayou Blue Drainage
- Construction of Mill Creek Reservoir
- Debris Removal from Ouiska Chitto Creek
- Rapid Completion of US 165
- Expand Capacity of Evacuation Shelters

Acadia
\$631,769

- Add Water Capacity/Linkages Between Water Systems
- Relocate the Acadia Parish Police Jury
- Establish a Land Use Plan
- Update the Existing Hazard Mitigation Plan
- Emergency Management Training for Local Officials

Jefferson Davis
\$561,572

- Upgrade Evacuation Shelter
- Construct Emergency Preparedness Facilities
- Upgrade Water and Wastewater Facilities
- Rebuild and Protect Lake Arthur Waterfront District
- Implement a Drainage System Study

Calcasieu
\$18.3 million

- Construct a Southwest Louisiana Entrepreneurial Center
- Construct the Lake Charles Riverwalk Parkway
- Revitalize Downtown Lake Charles
- Establish Emergency Services for Public Safety
- Develop Calcasieu Comprehensive Drainage Program
- Comprehensive Wastewater Facilities Projects

Cameron
\$29.6million

- Develop Cameron Square
- Dredge Old River and Create Marsh
- Dredge Calcasieu River Ship Channel
- Port Feasibility Study
- Create Emergency Operations Command Centers in Grand Lake and Hackberry

Vermilion
\$7.6 million

- Continue elevation/acquisition/floodproofing projects parish wide
- Create retention ponds north of Erath
- Install pumping system in Franks Alley, from Gertrude to John Hardy
- Install a flood control structure on Bayou Tigre
- Sewer system improvements parish wide

Iberia
\$2.1 million

- Delcambre Redevelopment Plan

St. Mary
\$701,966

- Update Hazard Mitigation Plan
- Improve Harry P. Williams Airport Safety and Capacity
- Connect Municipal Potable Water Systems
- Update St. Mary Emergency Preparedness Plan
- Improve Drainage and Flood Control

Lafayette
\$491,376

- Improve I-49 Interchange
- US 90 Drainage Project
- United Way Multi Tenant Center
- Lafayette Comprehensive Plan
- Widen US 90 Bridge

Tangipahoa
\$2.1 million

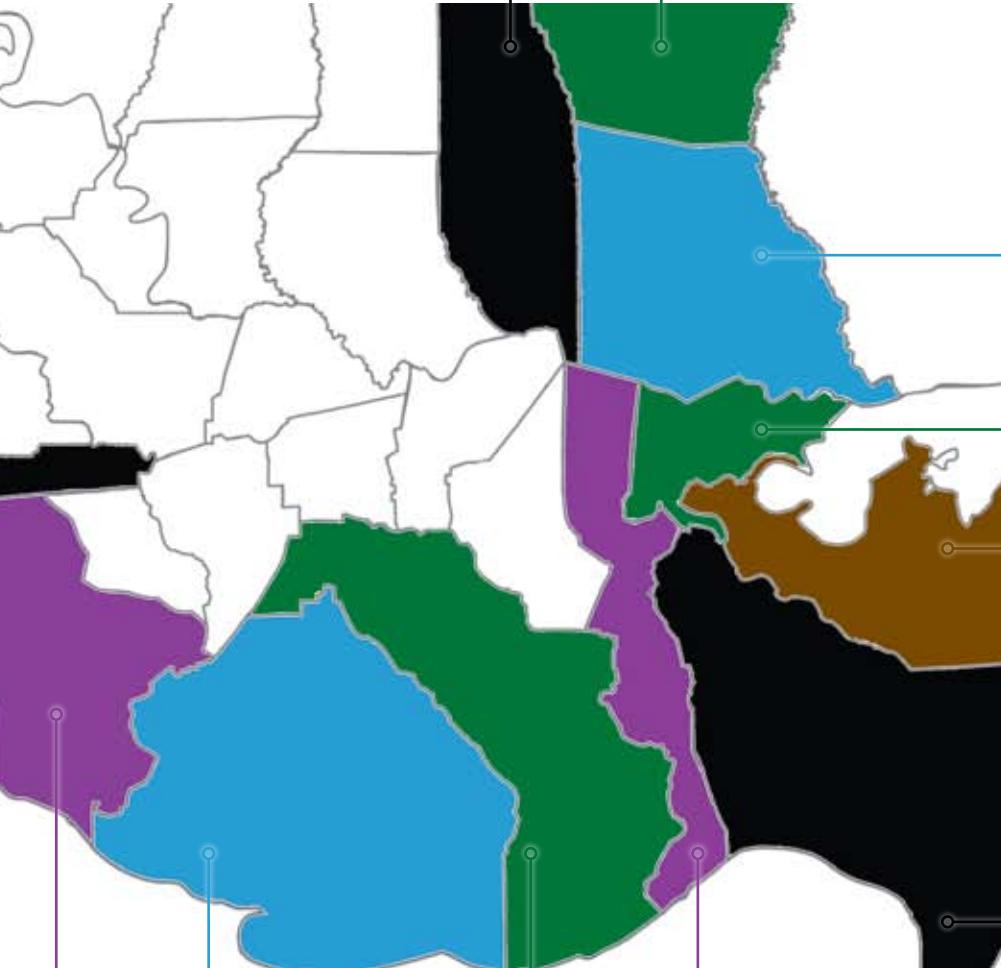
- Construct Climate Controlled Storage Building for Emergency Relief Supplies
- Improve the Safety and Operation of Community Water Systems
- Retrofit Emergency Shelters and Parish Government Structures
- Improve Port Manchac Infrastructure
- Improve Floodplain Management and Building Code

Washington
\$2.3 million

- Install 700 Mhz Radio System
- Establish Angie and Varnado Community Center
- Renovate Cassidy Park Area (Bogalusa)
- Replace/Repair Firehouses (Bogalusa, Richardson)
- Improve Rural Water and Sewer Systems

St. Tammany
\$26.8 million

- Expand Mandeville Area Wastewater System
- Improve Slidell/Pearl River Area Wastewater System
- Establish UNO Research and Technology Park
- Improve Parish Drainage Capacity



Orleans
\$410 million

- Historic Preservation
- Sustainable Planning
- Create Healthy Cities
- Promote Smart Growth
- Develop Schools as Community Centers

St. Bernard
\$91.1 million

- Consolidate the Wastewater Treatment System
- Reconfigure the Water Treatment Plant
- Upgrade the Stormwater Collection System
- Develop a Mixed-Use Medical Village
- Develop a Seafood/Farmer's Market

Plaquemines
\$44.9 million

- Comprehensive Master Plan
- Emergency Operations Centers
- Flood Gate Safety Measures
- Upgrade Plaquemines Parish Shipyards
- Tidewater Road Drainage Infrastructure

Terrebonne
\$2.5 million

- Create Morganza to the Gulf of Mexico Hurricane Protection System
- Construct Communications Infrastructure and Provide Responders with Equipment
- Update Parish Emergency Operations Plan
- Construct North South Hurricane Evacuation Route
- Expand Louisiana Barrier Island Maintenance Program

Lafourche
\$3.2 million

- LA 1 Improvements-Golden Meadow to Port Fourchon
- Coastal Restoration
- Mississippi River Reintroduction
- North Lafourche Levee Project
- Additional Marsh Creation

Jefferson
\$50.1 million

- Drainage Master Plan and Improvements for Local Drainage
- Create Hurricane Proof Sewage Infrastructure
- Hurricane Fortified, Flood Proof Animal Shelter
- Comprehensive Redevelopment Plan for Oakwood Area
- Restore Roadway Median Areas





Establishing Policies & Principles for Redevelopment

“It has taken a Herculean effort to get where we are today with a full staff of certified teachers, an infusion of technology in all of our classrooms, humane bathrooms in every building and a hot lunch for all students. The LRA and its Executive Director Andy Kopplin have been instrumental in ensuring that we have had the resources we need to take these critical steps toward building a world class school system in New Orleans.”

—State Superintendent of Education Paul G. Pastorek, October 16, 2007

Global Green, one of the country’s leading environmental organizations, plans to donate \$1 million toward the Quick Start Program. Global Green is dedicated to developing ecological and energy-efficient schools and is also involved in evaluating the various design projects to determine where best to apply the funds. The current plan is to contribute equally to one new school and one renovated school.

EDUCATION:

“Call it the silver lining: Hurricane Katrina washed away what was one of the nation’s worst school systems and opened the path for energetic reformers who want to make New Orleans a laboratory of new ideas for urban schools.”

—LRA Vice-Chairman and Aspen Institute President Walter Isaacson, TIME Magazine, September 6, 2007

Education recovery is crucial to the return of families and Louisiana’s workforce. A number of developments have taken place over the past few months to further the recovery.

- **Schools in impacted areas are rebuilding**, thanks in part to \$247.5 million in CDBG funding that the LRA set aside for repairs that are FEMA ineligible. Costs not covered by FEMA include uninsured or underinsured facilities, rebuilding schools that did not meet building codes prior to the storm and damages that may have resulted indirectly from Hurricanes Katrina or Rita. School districts are in the process of submitting plans for spending the dollars allotted to them.
- **Five new schools are being built in New Orleans:** Langston Hughes, Andrew Wilson, L.B. Landry, Fannie C. Williams and Lake Area.

Hughes, Landry and Lake Area will be replaced by newly constructed buildings; Wilson and Williams will undergo a major renovation to “as good as new” condition.

These schools were selected as part of the *Quick Start* process, which involved public input on selection criteria for new school sites. All five schools are in communities with growing populations that are in need of schools for children who live there. The projects will be paid for with FEMA funds. In addition to funding issues and the anticipated growth of communities and their need for schools, other major factors included the historic significance of the sites and the level of community support they received.

- **The Board of Elementary and Secondary Education** approved eight new public charter schools to open in New Orleans in the fall of 2008.
- **Higher education enrollment is increasing statewide.** According to preliminary campus reports submitted to the Board of Regents, fall enrollment statewide at Louisiana’s public colleges and universities is up some 2,500 students from the fall of 2006. Although the state is still down about 16,000 college students compared to pre-storm enrollments, an array of state efforts is helping improve enrollment at all institutions. These include the new *GO Grant* financial aid program for low-to moderate-income students, the *CALL* adult learning initiative and the expansion of a dual enrollment program for high school students.
- **Louisiana’s education recovery is gaining notoriety** throughout the country as a laboratory of ideas for improving student learning, and it is attracting education reformers from around the country to the effort.

- As the *Boston Globe* said in an October 14 editorial, "If New Orleans emerges from the devastation of Katrina with a diverse system of excellent schools, we will see what urban public education can be without the political-bureaucratic structures that have so successfully smothered the reforms of the past. Such a real-life, large-scale example of a totally redesigned school system, developed under extraordinarily harsh conditions, promises to transform the debate about what is possible in public education."



As of the 2007-2008 school year, there are 84 Orleans Parish charter and traditional public schools open, up from 56 schools in the 2006-2007 school year.

President George W. Bush and Louisiana Governor Kathleen Blanco, left, play musical instruments during a children's program at the Dr. Martin Luther King Jr. Charter School for Science and Technology, August 29 in New Orleans. *White House photo by Chris Greenberg*

ECONOMIC DEVELOPMENT

Bringing Back the Workforce

Sharpening workers' skills and filling vacant jobs in high-need areas are critical to the recovery. More than 1,500 workers have participated in the Recovery Workforce Training Program, which was designed by the LRA and implemented by the Louisiana Workforce Commission. There are 7,000 workers expected to enroll in training within the three-year span of the program. As of the end of October, 532 people had completed the program and 352 had been placed in employment, a 66 percent placement rate.

Focus on Workforce Training – Southwest Louisiana

On the anniversary of Hurricane Rita, Governor Blanco, LRA and Louisiana Workforce Commission members traveled to Sasol North America's Lake Charles Chemical Complex in Westlake to launch Louisiana Oil and Gas Industry Collaborative (LOGIC). The three-year program is designed to train 344 workers and place them in the Oil and Gas industry in Southwest and South Central Louisiana.

Later that day they joined future workers in the construction field and others at the Louisiana Technical College in New Iberia to raise the wall of a cottage for a Delcambre resident who lost her home to Hurricane Rita. The labor for the project is provided by LTC students, through an LRA Recovery Workforce Training Program grant. The program will train more than 300 workers over three years.



Students in the Louisiana Film Crew Training Program practice lighting, sound, directing, and a variety of the other tasks involved in film or television production.

Orleans Parish led the nation's largest parishes and counties in employment growth in March with a 15 percent gain from the previous year. The ranking marks an about-face for Orleans Parish, which last year was at the bottom of the list after losing more than one-third of all employment following Hurricane Katrina. – U.S. Bureau of Labor Statistics

Over the next three years there will be a demand for nearly 33,000 positions in the six industry sectors covered by the Recovery Workforce Training Program, which was designed by the LRA and is being implemented by the Workforce Commission.





Eighteen major new restaurants recently opened in the New Orleans metro area and are enjoying success. These include Riche, Iris, La Boca, Table One and Cochon. In 2006, New Orleans restaurants generated \$4.8 billion in direct sales.

Carnival Cruise Lines recently exercised its option to extend its berthing agreement with the Port of New Orleans for an additional two years during its quarterly sales conference. The extension will keep Carnival sailing year-round from New Orleans through October 26, 2010.

The New Orleans Convention and Visitor's Bureau, announced that its mainstream travel show "Forever New Orleans" will air in more than 50 countries, reaching approximately 119 million homes. "Forever New Orleans" features the culture and cuisine of New Orleans and is part of the tourism marketing program recommended for funding by the Louisiana Recovery Authority Board.

Giving Small Businesses a Leg Up – Business Recovery Grant and Loan Program

The LRA and LED's Business Recovery Grant and Loan program has awarded more than \$62 million in grants so far to help 3,469 small businesses impacted by Hurricanes Katrina and Rita.

Three hundred loans have also been approved to date, with almost \$20 million paid out.

Providing Technical Assistance to Businesses

The \$9.5 million Technical Assistance Program's goal is to provide technical support to qualifying businesses. According to Louisiana Economic Development, about 665 existing and startup businesses so far have sought assistance in the areas of financing, incentives, contracting/procurement, business planning, marketing, technology, legal, accounting, regulatory, workforce and industry-specific issues.

Tourism Industry on the Rebound

The hospitality industry is coming back and many projects are underway in hurricane affected areas. The following progress has been reported by the New Orleans Convention & Visitors' Bureau (N.O.C.V.B).

- In October the New Orleans Hornets returned to New Orleans Arena for the 2007-08 NBA season, full-time for the first time since Hurricane Katrina.
- The historic Perley Thomas streetcars are rumbling down St. Charles Ave. once again. The streetcars began running all the way down St. Charles to South Carrollton Ave. on Christmas Eve 2007, passing landmarks such as Tulane and Loyola universities, Audubon Park and many homes. The entire line is expected to reopen in spring 2008, with buses running the final leg of the route along South Claiborne Ave. until then.



Louis Armstrong New Orleans International Airport Reaches 82 Percent of Pre-Katrina Flights

Fall brought more flights to serve the growing number of conventioners and visitors to the New Orleans area, helping the airport set a new high of 132 daily flights with 15,663 seats or the equivalent of 82 percent of daily departures and 71.1 percent of the seats pre-Katrina.

Infrastructure

Throughout the impacted areas, communities are using recovery funds to rebuild. As of December 31, about \$10.4 billion in federal rebuilding dollars have been paid for reconstructing housing, schools, police and fire stations, ports, transportation infrastructure, sewer systems and other critical infrastructure.

Rebuilding Federal City, Jackson Barracks Federal City to Impact Local Economy

Jackson Barracks in New Orleans' Lower Ninth Ward, which sustained up to 22 feet of water during Katrina, will feature a combination of 23 new buildings and 70 remodeled structures and will have an annual economic impact of \$110 million.

Federal City in Algiers, expected to break ground in 2008, will create 10,000 jobs and, once completed, will house 2,000 Marine reservists. The 162-acre self-sufficient "city" will include residential units, movie theaters, restaurants, shopping outlets, fitness gyms and schools

Recent FEMA Approvals Signal Construction Starts at LSU Health Care Facilities

The Louisiana State University System, a major factor in the economic vitality of New Orleans, reports that recovery progress continues and the pace is about to accelerate.

Recent final approvals from FEMA include the first major permanent repair and mitigation project in the amount of \$9.2 million for the Lion's/LSU Clinics Building (currently being bid for an early 2008 start); a \$1.6 million roof replacement of the Medical Education Building (started Nov. 19) and the roof replacement at \$1.3 million for the Administration and Clinic Buildings at the Dental School; the demolition of nine buildings on the back campus of the Dental School campus at just over \$100,000; as well as projects nearing approval for the repair and mitigation for the Allied Health/Nursing School (est. \$4.2million); Resource Center (est. \$4.5million); the Student Resident Hall (est. \$2.7 million); and the schematic design phase of a proposed addition to the Clinical Sciences Research Building (est. \$25 million) and a new Annex for the Dental School (est. \$30 million).

At the University of New Orleans, Congressional-directed funding for hurricane repairs totals \$30.9 million. UNO continues to seek hurricane relief funding in the form of a long-term, low-interest loan in partnership with 10 other New Orleans universities and colleges.

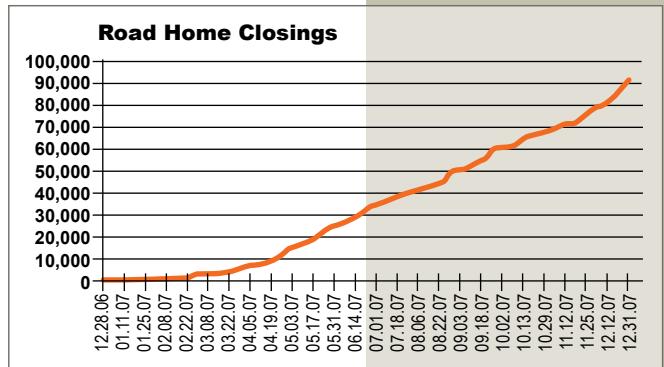


The Freret Market, a public, open-air market in Uptown New Orleans, opened in September. It is one of the projects identified for funding as part of the \$117 million in CDBG funds approved by the LRA for Orleans Parish. With up to 60 vendors selling food, art and vintage clothing, among other items, Freret Market is seen as one of the first "trigger projects" to revitalize and spur development in neighborhoods across New Orleans.

Housing

Although rebuilding homes and affordable rental properties is a continuing challenge, there have been tremendous strides over the past few months.

- The state secured \$3 billion in additional federal funding, ensuring all eligible homeowners of receiving their grants and eliminating the uncertainty that had surrounded the program since the summer.
- ICF International, the state's contractor for the Road Home program closed more than 90,562 grants as of December 31.





By the end of 2007, there were 15 mixed-income developments underway under the LRA/ Louisiana Housing Finance Agency's Piggyback Program. They will account for 2,512 rental units out of a possible 5,850 units that are scheduled to open in the future.

An international consortium of architects led by actor Brad Pitt is developing 150 storm-safe, environmentally sound houses in a section of the Lower Ninth Ward. The project, dubbed "Make it Right," is taking applications for financing from homeowners who want to rebuild their own properties. According to the Times-Picayune, as of the end of December, the project had raised \$10 million matchable dollars from more than 17,000 contributors in more than 80 countries.

- The LRA Board voted to approve several resolutions regarding the redevelopment of properties that are bought out by the Road Home, including an action plan detailing the process for transferring bought out properties from the Louisiana Land Trust, a state chartered non-profit entity, to local agencies.
- The LRA, in conjunction with the Louisiana Division of Administration's Office of Community Development, recently announced nearly \$375 million that is being awarded in Round 2 of the Road Home Small Rental Property Program. These funds, which are being awarded to small rental property owners, are helping to restore nearly 10,000 affordable rental units and 11,507 total units in South Louisiana's most severely impacted parishes.

In addition, developers recently broke ground on several mixed income housing developments in New Orleans including The Preserve, The Crescent Club and Laurel Terrace. All of the housing developments have been aided by the LRA's "Piggyback Program," which leverages Community Development Block Grant (CDBG) funds and GO Zone Housing tax credits to develop high quality market rate and affordable workforce housing in hurricane damaged areas.

The Domaine Companies' 183-unit Preserve and the 226-unit Crescent Club are being constructed using \$35.5 million in CDBG funds. Both are being built along the city's vital Tulane Avenue corridor. Classic Construction's Laurel Terrace received \$700,000 in CDBG funds to construct 56 units in 28 locations throughout the Seventh Ward. All of the Piggyback Program's mixed-income developments will have units set aside for people with special needs.

Recovery Corps Launches New Program Across South Louisiana for Home Assistance to FEMA Trailer and Hurricane-Impacted Residents

The Louisiana Family Recovery Corps is taking appointments for both FEMA trailer and other hurricane-impacted residents interested in applying for aid through the newly created Household Establishment Funds, or HEF, program, which offers one-time assistance for rent, furniture and appliances.

Through the HEF program, current households of Calcasieu, Cameron, Jefferson and Orleans parishes and residents of FEMA trailer group sites that meet certain eligibility requirements can receive up to \$1,500 in assistance for rental deposits and payments, utility deposits and the purchase of furniture or appliances such as a bed, stove, washer, dryer and/or refrigerator. The program is administered at various sites in communities across South Louisiana. To be considered for a HEF voucher, residents must be at or below 300 percent of the federal poverty level.

HEALTHCARE

Four Parishes Receive Health Care Grants

The Louisiana Department of Health and Hospitals awarded \$16.7 million in grants to 25 healthcare providers serving Orleans, Jefferson, St. Bernard or Plaquemines parishes. These funds will help give patients more access to quality health care providers. The three-year DHH grant program is designed to meet the increasing demand for health care services in the four-parish greater New Orleans area and to decrease the reliance on emergency room use for primary care services by Medicaid patients and those patients without insurance or who are under-insured.

LSU Dental School Welcomes Students Back to New Orleans Campus

The LSU School of Dentistry reopened in September for the first time since floodwaters inundated the facility in August 2005. After Hurricane Katrina, the school relocated to the LSU South Campus in Baton Rouge where it will maintain clinics on a permanent basis once the school completes the return to its home base.

The school's student population is back to near pre-storm levels, and the school is undergoing significant renovations to repair and modernize the facility.

South Cameron Memorial Sees its First Patient since Hurricane Rita

In November, the doors opened and patients began receiving care again at South Cameron Memorial, Cameron Parish's only hospital. The 25-bed acute-care hospital was rebuilt using a combination of state, federal and private funding, including a \$4 million CDBG allocation from the LRA.

Cameron Parish Health Unit Reopens

The health unit in Cameron Parish reopened for the first time since Hurricane Rita. When it was evacuated prior to Rita's landfall, the health unit served more than 250 people each month. Services included immunizations, tuberculosis treatment and surveillance, sexually transmitted disease services, family planning and the WIC program (a nutrition program for women, infants and children).

Today, the health unit is serving about 165 people monthly as the parish recovers and more people return home.

INSURANCE

The LRA is working closely with the Louisiana Department of Insurance and others to develop programs and ideas to make insurance affordable for Louisiana residents. The goal is to mitigate the risk of insuring the state by providing incentives to bring in more insurance companies. Congress passed The Homeowner's Defense Act of 2007 to address the threat of natural catastrophes and bring the insurance crisis to the national spotlight. The LRA will continue to work with the Congressional delegation, Department of Insurance and others to provide available, affordable insurance for homeowners, businesses and infrastructure.

LRA Health Care Committee Chair Kim Boyle (right) and Louisiana Family Recovery Corps Chief Executive Officer Raymond Jetson testify at a hearing of the Ad Hoc Subcommittee on Disaster Recovery of the Committee on Homeland Security and Governmental Affairs. The hearing focused on the health care and human services impact of evacuees on host communities.



"When we closed, people seeking these services had to drive more than 50 miles one way to get critical health care services."

—Polly Strickland,
Cameron Parish
health unit
manager





ENVIRONMENT

FEMA Pledges to Pick up Marine Debris; LRA, DNR Officials Await Details

After months of pressing the issue with federal officials, the LRA was able to obtain a pledge from FEMA to remove the remainder of the houses, boats and other debris still scattered throughout the waterways of south Louisiana. The LRA worked with the Louisiana Department of Natural Resources to make the case for FEMA to clean Louisiana’s state waterways as it had in Mississippi and other states. Details about which waterways will be included and the nature of the removal itself are still being ironed out, and the Coast Guard must do a six-month survey of the extent of the mission.

State Launches Program to Rebuild Fisheries Infrastructure

The LRA and OCD accepted requests for proposals under its \$19 million Fisheries Infrastructure Program. The program, which was designed by the LRA with support from OCD, the Louisiana Department of Wildlife and Fisheries (LDWF), LSU Sea Grant, and Louisiana Economic Development (LED), will provide funding for projects that:

- Enhance and ensure continued access to the state’s coastal waters for commercial and recreational fishing, eco-tourism and development of “working waterfronts;”
- Create/maintain employment in the commercial and recreational fishing industry;
- Preserve the commercial and recreational fishing culture of coastal Louisiana;
- Improve the economic efficiency of the fishing industry; and
- Create storm harbors that provide vessels with temporary refuge during future storm events.

The state issued a Request for Proposals from potential applicants, including local and parish governments, port commissions, park commissions, businesses, state agencies, private non-profit organizations, and others that can demonstrate a direct relationship to the fishery. Collaborative efforts and partnerships are encouraged.

Ensuring Transparency & Accountability

RAND CORPORATION TO REVIEW ROAD HOME PROGRAM

The LRA recently contracted with the RAND Corporation, a nationally recognized research institution, to conduct an independent performance review of the Road Home program’s implementation by the state Division of Administration’s contractor, ICF International (ICF). The review will result in recommendations to assure that applicants to the Road Home homeowner assistance program receive the high quality customer service they deserve.

The Office of the Legislative Auditor has continued to report to the LRA Audit Committee on a series of performance audits of the Road Home Program as well as other Community Development Block Grant funded programs such as the Small Business Grant and Loan Program administered by the Louisiana Department of Economic Development.

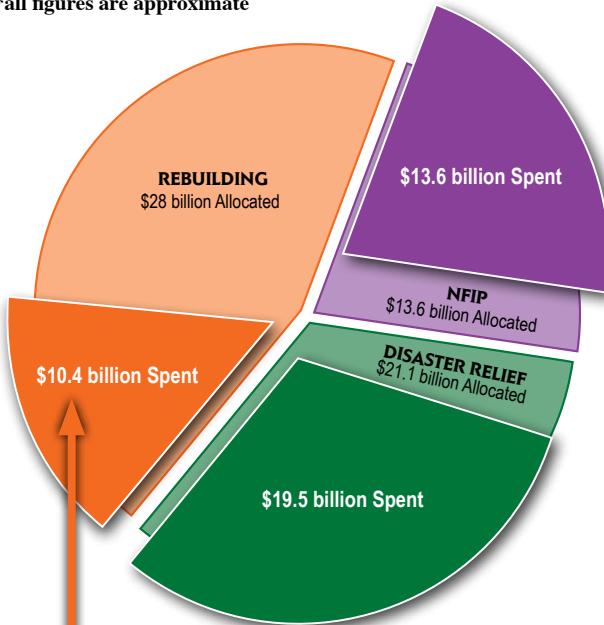
It is estimated that Hurricanes Katrina and Rita destroyed more than \$528 million in direct fisheries infrastructure in Louisiana.

Audit reports have been released on the following aspects of the Road Home Program:

- Road Home Housing Assistance Centers
- Road Home Program- Analysis of Road Home Program Fiscal Shortfall
- Pre-Closing Process
- Road Home Resolution Process
- Review of Low to Moderate Income Determination
- Additional Compensation Grant Documentation
- Pipeline Reliability
- Division of Administration- Office of Community Development- Road Home Homeowner’s Program

A Snapshot of Federal Commitments to Louisiana's Recovery

*all figures are approximate



	Allocated	Spent
Rebuilding:	\$28.0 billion	\$10.4 billion
Disaster Relief:	\$21.1 billion	\$19.5 billion
NFIP:	\$13.6 billion	\$13.6 billion
TOTAL: approximately	\$62.7 billion	\$43.5 billion

Rebuilding Dollars at Work

Of the more than \$10 billion in federal rebuilding funds spent in Louisiana, estimates show that the majority has been spent in the eight most devastated parishes:

- 1) Calcasieu.....\$277 million
- 2) Cameron.....\$81 million
- 3) Jefferson.....\$2.2 billion
- 4) Orleans.....\$4.9 billion
- 5) Plaquemines.....\$340 million
- 6) St. Bernard.....\$876 million
- 7) St. Tammany.....\$783 million
- 8) Vermilion.....\$569 million

DISASTER RELIEF FUNDS

Funds Spent: \$19.5 billion

Small Business Administration loans	\$6.8 billion
FEMA Individual Assistance.....	\$5.7 billion
Debris Removal /	
Emergency Protective Measures	\$2 billion
Emergency Response/Other	
• Department of Defense	
• Department of Homeland Security/ other	
• Department of Housing & Urban Development	
• US Army Corps of Engineers	
• All other	
.....	\$2.5 billion
Emergency Funding for Healthcare Services...	\$916 million
Social Services	
• Unemployment Insurance	
(Emergency benefits paid to Louisiana workers)	
• Social Service Block Grants (SSBG)	
• National Emergency Grant	
(Provided temporary jobs for LA workers)	
• Temporary Assistance for Needy Families (TANF)	
.....	\$951 million
Education	
• Restart Aid	
• Impact Aid	
• Homeless Aid Funds	
• School Emergency Response to Violence Funds	
• No Child Left Behind Grants	
• Higher Education Emergency Spending	
.....	\$633 million

REBUILDING FUNDS

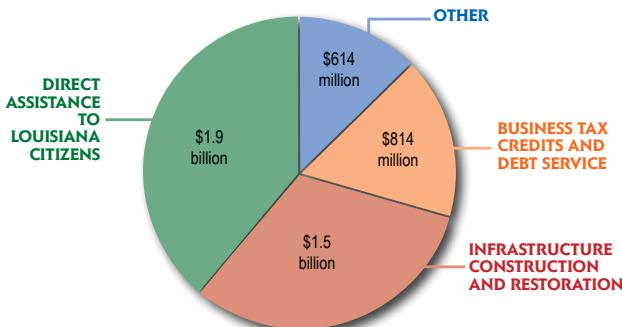
Funds Spent: \$10.4 billion

Housing	
• Road Home	
• Rental Housing	
• Other Housing Related	
• LIHTC Tax Credits	
.....	\$5.6 billion
Levees	\$1.8 billion
Community Disaster Loans	\$1 billion
FEMA construction and rebuilding	\$710 million
Transportation/Infrastructure/Other	
• Jackson Barracks	
• Veterans Hospital for New Orleans	
• Coast Guard Temporary and Permanent Integrated Support Command Center	
• Historic Preservation Grants	
• New Orleans Job Corps Facility	
• Alternative Housing Pilot Program	
• Debris Removal for LA Fishing Grounds	
• Southeast Louisiana Urban Flood Control Project	
• Fisheries	
• K-12 FEMA Ineligibles	
• Long Term Community Recovery Program	
• Entergy Energy Reduction	
• HMGP Parish Projects	
• Other FEMA Ineligibles	
• Transportation	
.....	\$1.1 billion
Economic Development	
• Recovery Workforce Training Program	
• Bridge Loans	
• Louisiana Tourism Recovery Program	
• Small Business Grant and Loans	
• Research Commercialization + Educational Enhancement	
• Technical Assistance	
.....	\$90 million

NFIP FUNDS

As of Sept. 30, 2007, the National Flood Insurance Program paid more than 286,000 claims totaling more than \$13.6 billion for policy holders in Louisiana.

State Commitment to Louisiana's Recovery



Direct Assistance to Louisiana Citizens	\$1.9 billion
Business Tax Credits and Debt Service	\$814 million
Infrastructure Construction and Restoration	\$1.5 billion
Other	\$614 million
• Hazard Mitigation and Other Match Requirements	\$12 million
• First Responders and Emergency Preparedness	\$190 million
• Education Emergency Funding and Faculty Retention and Recruitment.....	\$121 million
• All other	\$291 million
TOTAL	\$4.9 billion

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 December 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 government-wide framework or mechanism in place to collect and consolidate information from the individual federal agencies that received appropriations in emergency supplemental 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.



Louisiana Recovery Authority
150 Third Street, Suite 200
Baton Rouge, LA 70801

225.342.1700 voice
225.342.0002 fax

info@louisianarecoveryauthority.org
www.lra.louisiana.gov