The Recovery of the City of New Orleans: Three Years Out
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Presentation Outline

- Geography of the City of New Orleans
- Simulation of Category 3 Hurricane (2004)
- Immediate Impacts of Hurricane Katrina
- Current Recovery Trends
  - Population
  - Housing
  - Infrastructure
  - Economic
- Recovery Issues and Conclusions
We knew it could happen.
We knew the damage could be extensive.
Katrina: Immediate Impacts (New Orleans)

- 80% of the City of New Orleans flooded.
- 1,464 fatalities in Louisiana (8-2006 LA Recovery Authority)
- 90% of the metropolitan New Orleans population displaced (455,000 residents)
- 80% of the city’s buildings sustained some damage
- 50% of the residential units were either damaged or destroyed
Immediate Impacts

- Greater than 50% reduction in city sales and property tax receipts.
- 50% reduction in administrative workforce (over 3,000 city employees furloughed).
- City’s bond rating was downgraded to junk bond status (the City could not sell bonds to finance recovery efforts).
- City infrastructure (roads, water & sewer systems) in disrepair.
Immediate Impacts

- 81,688 FEMA trailers (65,433 residential trailers)
- 176,000 K-12 students displaced
- 12,000 teachers displaced
- 107,000 housing units damaged – 71% of this heavy damage – most extensive disaster damage in the U.S.
- 60% owner occupied and 40% rental units

Other losses:
- 350,000 flooded abandoned cars removed (66% recycled)
- 60,000 vessels
- 1.5 million white goods
- 650,000 electronics (televisions etc.)

Current Population Trends

- As of Aug. 2008, 72% of the displaced population have returned
- City’s non-flooded areas now account for 50% of the population
- Population shift to higher ground on the ‘North Shore’.
- Child care is limited
62% of the public and 68% of the private schools have reopened
As of August 2008 more students attend private schools than before the storm.
Public school enrollment at 50% - lagging behind the percent of returning population. More students attending ‘charter schools.’
Colleges & universities at 75%
More public libraries opening
The rate of home mortgage loans in default is less than for the U.S.

FEMA continues to move people out of temporary housing (trailers)

After delays and strong opposition by some residents, the New Orleans City Council unanimously approved the demolition of three public housing developments to make way for new mixed income communities. Few of the new units will be affordable to low income residents of the city.

Low-income households and African Americans had less insurance on average than any other demographic group.
Current Housing Trends

- More homes being repaired or demolished but many homes abandoned (65,000 blighted properties) but housing lags the return of population.
- Home sales slow but home prices increasing.
- Rental Housing Affordability: Costs of rental housing has increased significantly.
- Low income minorities depended completely on federal housing assistance from the Road Home Program.
Current Status of Infrastructure Restoration

- Public transportation is limited (less than 50% pre-storm level) despite the fact that use is increasing.
- Child care is limited (43%).
- The City of New Orleans has received over $450 million to rebuild some 100 civic buildings and provide incentives for private investors to build in targeted recovery zones.
- Over $1 billion has been allocated for infrastructure repairs (roads, bridges, ports, hospitals, schools) in the State of Louisiana. Additional funding to come from the federal government.
- Fewer hospitals and nursing care facilities in the City of New Orleans (67%) when compared to pre-storm levels.
Economic Trends

- Sales tax is up in New Orleans by 8% but at 89% of pre-storm level
- Port of New Orleans currently at 2006 pre-storm level
- Unemployment very low (3.1%)
- # of employers is down in 2008 but close to pre-storm levels.
- Public transportation is limited
- Cost of insurance rising
Current Economic Trends

- Fewer families with children currently live in the city - smaller workforce but very low unemployment
  - Employees needed in service related jobs (low wages)

- Industry output in Louisiana has shown remarkable improvement in some industries (construction, durable goods manufacturing, wholesale and retail trade, and real estate) – output declines continue to occur in non-durable goods (manufacturing, education, health care, and arts, entertainment, and recreation).

- Energy, travel and tourism, fisheries, and gaming (industries) have all shown marked improvement, although some problems still persist.
To ensure government accountability and performance, the City Council allocated more than $3 million to fully fund the newly established Inspector General’s (IG) office.

Many predict that 2008 will be a turning point for New Orleans. These events lay the ground work for significant progress this year. The federal, state, and local partnership must continue to steward this process.

For the last three years, officials on all levels of government have been raising expectations, only to renege on promises that were unlikely or even impossible to be fulfilled (Rothschild (2008) ‘After Gustav, a Different Recovery’ New York Sun).

Local nonprofit, sweat equity, and faith-based recovery groups are continuing to channel national resources - including volunteers, materials, funds, and expertise- to help recover thousands of homes for some of the most vulnerable seniors and families. They are critical in the recovery.
Recovery Issues

- To be effective, post-disaster recovery must engage those who have a stake (financial, social and personal) in the success of the rebuilding.
- After the immediate needs are met, FEMA and other government groups need to pull back and avoid the temptation to try to micro-manage the recovery.
- A key lesson from Katrina is that grassroots, bottom-up efforts at rebuilding work, while top-down plans fail (Rothschild, 2008).
- Many homeowners and businesses are unable to get affordable insurance.
Recovery Timeline

- Americans are very impatient. We want restoration NOW!
- The recovery of New Orleans is on pace with other major disasters worldwide.

The U.S. Army Corps of Engineers notes that much of the City is at risk from a 100 year hurricane.

- The city’s vulnerability to hurricane flooding has been reduced according to recent models developed by an Army Corps of Engineers task force. Improvements to the Hurricane and Storm Damage Risk Reduction System, which is intended to protect the region from storm surge that has a 1 percent chance of occurring any given year, are ongoing and scheduled to be completed in 2011. As of June 2007, some parts of town are at less risk of flooding, and some are essentially at the same risk as they were pre-Katrina.
We did not really appreciate the human, constructed, environmental, and economic impacts from this storm.
When people contemplate the future they “are typically unaware of all the risks and choices they face. They plan only for the immediate future, overestimate their ability to cope when disaster strikes and rely heavily on emergency relief” (Mileti, D. (1999). Disasters by Design. Joseph Henry Press)
Our Goal: Resilient Communities

- Resilience involves planning and mitigation.
- An ounce of prevention is worth a pound of cure clearly applies to disasters.