

## II. SUMMARY OF FINDINGS: DECEMBER 2006

### FINDINGS

*Days Since Katrina Made Landfall: One year and 106 days*

As the calendar year draws to a close, federal, state, and local decision makers have made a number of important strides in furthering the recovery of the New Orleans area.

At the federal level, Congress narrowly passed a bill to approve the sharing of revenues from new off-shore drilling to Louisiana and three other states. Such action would provide a long-term revenue source for the restoration and protection of the state's coastal areas, as directed by voters in a referendum passed this past fall.

Federal funds were also approved to allow the beleaguered Regional Transit Authority to at least maintain (not expand) its limited public transit service for 2007, stemming any further layoffs or service cuts. While the state legislature continues to wrangle with Gov. Blanco in the current special session over her plan to spend down the budget surplus, it did approve the use of \$200 million from the state's Community Development Block Grant funds for Entergy. This financial boost gives the utility company critical relief, avoiding an additional \$32-a-month customer rate hike. Finally, Mayor Nagin has appointed a "recovery czar" of his own, urban planning and disaster recovery expert and scholar Ed Blakely. Blakely's arrival should help improve the coordination, pace, and overall quality of the recovery effort for the region.

No doubt, the list of unaddressed needs for the New Orleans area remains long. Pressure is still on to accelerate the Road Home funds and federal and state infrastructure dollars to rebuild still-damaged schools, water and sewer lines, and other public and nonprofit buildings. Public housing residents are still disputing HUD and HANO's decision to demolish four major public housing developments. Further, as concerns about crime continue to mount, the city and state need to work together on a longer-term plan to provide adequate police coverage in key neighborhoods and business districts. Finally, efforts to roll out a unified plan for the city, and an empowered redevelopment agency, are still in the works.

Interestingly, as long-term recovery problem solving continues, available data to measure the housing, economic, and social recovery on the ground appears to be slowing. For instance, the Bureau of Labor Statistics has stopped reporting data on the status of evacuees while some local entities have temporarily stopped or slowed reporting on noteworthy data such as home sale prices, public transportation ridership levels, current level of utility customers, and the opening of new restaurants.

With a bit more limited data, below are highlights from this month's Katrina Index:

### Housing

- There were 6,248 **home renovations** approved by New Orleans City Hall between October and November, the largest one-month increase in new residential building permits issued in the past six months.

- **Home demolitions** continue at a strong pace in the city of New Orleans. There, 485 new homes were torn down between November and December, the second highest one-month absolute increase since Katrina struck the region more than a year ago.
- The **real estate market** has been stagnant the last few months. Both the number of homes put up for sale and the number of homes purchased in Orleans, Plaquemine, and St. Bernard parishes have remained essentially the same.

### Economy

- Two new **hotels** opened in the city in the past month; nearly 90 percent of all hotels in the city are now back in business.
- Note: new data on unemployment figures, employment by sector, and size of the labor force will be available in the new year

### Public Services

- By the close of the year, just 49 percent of all **public schools** in the city of New Orleans are now opened, while the share of open schools for the whole region stands at 74 percent.
- One more **hospital** opened in Orleans Parish between the end of October and November, boosting the number of available hospitals to 64 percent of the city's original total. Meanwhile, 93 percent of hospitals in Jefferson Parish are back in operation.
- Seven new **child care centers** opened up in Orleans Parish between October and November for a total of 81 available centers. This figure represents just 30 percent of open child care centers prior to Katrina. Meanwhile, 82 percent and 71 percent of child care centers are currently open in Jefferson and Plaquemines parishes, respectively.
- The level of **public transit** service has remained unchanged for the last twelve months. Just 49 percent of all public transportation routes and 17 percent of bus routes are in operation.
- The percentages of former customers who are using **gas and electric services** have remained the same since April 2006, 41 percent and 60 percent, respectively.

In sum, these trends point to how the overall economic recovery still lags behind, and may even be dependent upon, the housing recovery. Yet, the continued low level (and quality, in some cases) of public services may also frustrate or dampen the return and retention of residents and businesses, creating a cycle of cause and effect that complicates where best to invest or intervene given limited resources.