

# EXECUTIVE SUMMARY: NOVEMBER 2007

By Amy Liu and Allison Plyer

## State of Policy & Progress

### 2 Years, 3 Months Since Katrina Made Landfall

It is November, and another benign hurricane season has nearly come to a close, enabling federal, state, and local leaders to continue—undisrupted—their efforts to restore homes, key services, infrastructure, and the overall economy and quality of life in greater New Orleans.

And, positive developments have taken place since August.

The New Orleans Recovery School District re-opened 21 public schools this fall. To do so, Superintendent Paul Vallas worked with Herculean effort and assistance from the Louisiana National Guard to expedite repairs to many severely damaged school buildings.

Washington, meanwhile, is close to delivering on two critical areas of recovery. This month, Congress approved a defense appropriations bill that includes \$3 billion to extend the Road Home program to more eligible homeowners. It is now awaiting President Bush's signature. Also, both the House and Senate overrode President Bush's veto of the Water Resources Development Act, which authorizes key investments and provisions for comprehensive coastal restoration and flood protection projects in southern Louisiana.

And, as this quarter's Index shows, New Orleans' population level continues to edge upward, reaching 70 percent this fall.

These are some of the notable advancements that Louisiana's new governor-elect, Bobby Jindal, will be able to build upon when he comes into office in January. However, Jindal, who won the general election in October, will also confront many key challenges.

Housing remains unaffordable for many, with rents 46 percent higher than before the storm. Permitting for home renovations has slowed to the lowest level since the storm, but new construction has accelerated. The problem, however, is that 10,000 homes are now listed on the market throughout the region, with a good portion likely to require major renovations. The purchase and renovation of these homes, either by nonprofit or private developers, would add to the supply of quality housing in the area and help ease some of the price appreciation.

Further, many public facilities are still in need of critical repair. Students, faculty, and alumni of the Southern University of New Orleans marched to protest the fact that not a single building at the city's only historically black public university has been restored more than two years after the levee failures. Despite increasing enrollment at the school, classes are still conducted out of FEMA trailers. Similar neglect has plagued the criminal justice system. Poor work conditions, high staff turnover, and other challenges have undermined the effectiveness of bringing safety to the community.

In short, as this Index demonstrates, New Orleans and the larger region continue to add households and jobs, but the pace of housing recovery and infrastructure repairs remain uneven.

*See following four pages for highlights on population, housing, economy and infrastructure...*

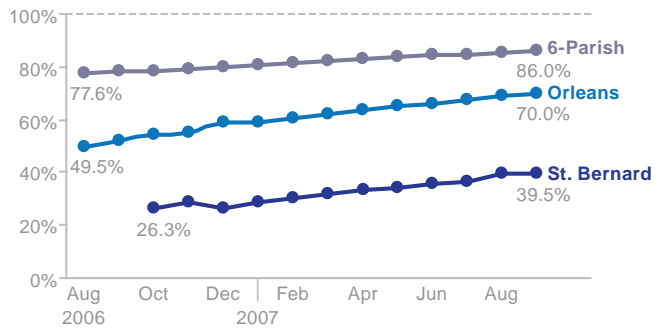
# Population highlights

## TRENDS

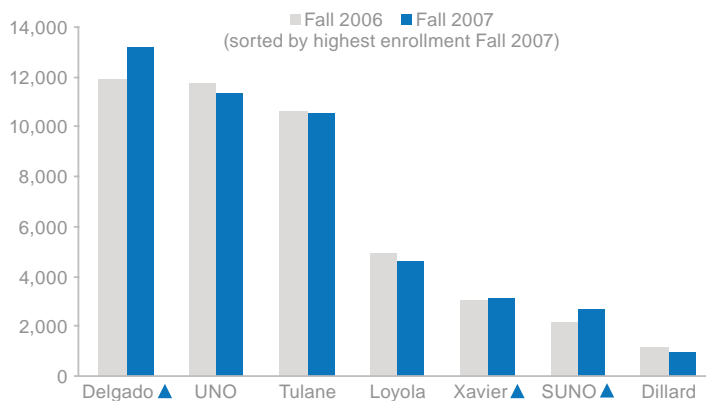
- Greater New Orleans continued to add population, with the largest gains in Orleans and St. Bernard parishes.** The city of New Orleans reached 70 percent of its number of pre-Katrina households in September 2007, according to data from the U.S. Postal Service, up from 68 percent in July—representing nearly 5,000 new households. St. Bernard Parish added nearly 800 households receiving mail from July to September, bringing the share of pre-Katrina households there to 39.5 percent, a three-percentage-point gain in two months. Overall, the 6-parish New Orleans region is now home to 86 percent of its pre-storm number of households.
- As the New Orleans region adds population, the outer parishes continue to be home to more households than before Katrina.** The outlying parishes of St. Tammany, St. Charles and St. John the Baptist all exceeded pre-Katrina household numbers at 104 percent, 104.3 percent and 106.7 percent respectively, pointing to the continuing shift of growth to the suburbs.
- As a whole, enrollment in the area's colleges and universities has increased slightly since last fall, but some institutions are attracting more new students than others.** Higher ed enrollment in New Orleans continues to rebound, reaching 74 percent of pre-Katrina levels, up from 72 percent last fall. Enrollment this fall has increased the most at the city's community college and two of the historically black universities. But other universities are struggling to replace the relatively large number of students who enrolled before Katrina but are now graduating.

## AT-A-GLANCE

Population of New Orleans & St. Bernard continues to grow



Some colleges have increased enrollment since last year



**Top graph sources:** Sammamish Data Systems compiled from USPS's Delivery Statistics Product.

**Bottom graph sources:** Dillard University, Loyola University, Southern University of New Orleans, Tulane University, University of New Orleans, Louisiana Board of Regents, Xavier University.

## Housing *highlights*

### TRENDS

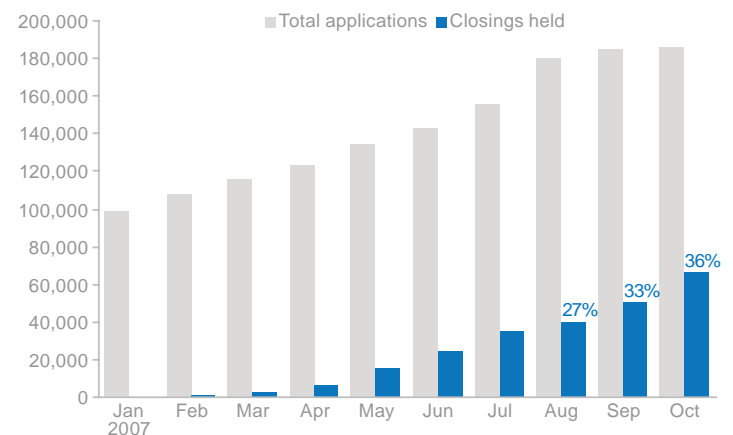
- **Single family homes for sale in the metro area peaked at 10,000 by the end of the third quarter 2007, the highest level since Katrina; meanwhile home purchases have slowed.** However, in East Bank New Orleans and Plaquemines Parish the number of homes on the market has fallen somewhat and in West Bank New Orleans it has dropped to pre-Katrina levels. Sales volumes are down in all metro area parishes.
- **Recently released fair market rent data show that rent levels have generally stabilized in the past year but remain 46 percent higher than before the storm.** In 2008, a typical two-bedroom apartment in the region is expected to rent for \$990, up slightly from \$978 last year, but up dramatically from \$676 in 2005.
- **The pace of permitting for home repairs in New Orleans has slipped in recent months, but approvals for new home construction have climbed appreciably.** Home repair permits issued by the city of New Orleans have fallen from 1,447 in October 2006 to 875 a year later. In contrast, new home construction has increased substantially with more than 100 new single family home permits issued in each of July, August, and September 2007.
- **As of November 2007, approximately 36 percent of all Road Home applicants have received their funding, an improvement from 22 percent in August.** However, that means that of the nearly 186,000 families who have applied for Road Home assistance, more than 118,000 homeowners have yet to receive aid.
- **Meanwhile over 46,600 families continue to live in FEMA trailers across Louisiana.** Of this total, nearly 15,000 are located in Orleans Parish, approximately 5,000 are in each of St. Tammany, Jefferson, and St. Bernard parishes, and 3,000 in Plaquemines.

### AT-A-GLANCE

Fair market rents in the New Orleans region are 46 percent higher than before the storm



More than one-third of Road Home applicants have gone to closing, a higher share than in August



**Top graph sources:** U.S. Department of Housing and Urban Development, Fair Market Rent History 2000 to 2005 and County Level Data File for 2006-2008.

**Bottom graph sources:** The Road Home Program.

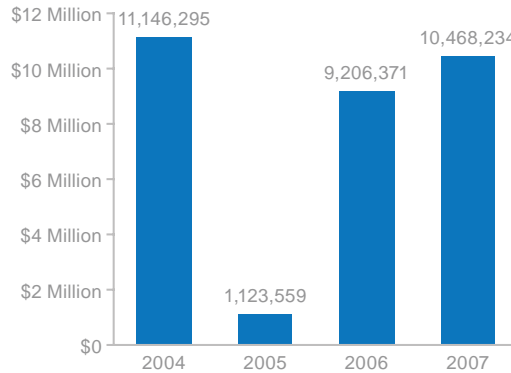
## Economy *highlights*

### TRENDS

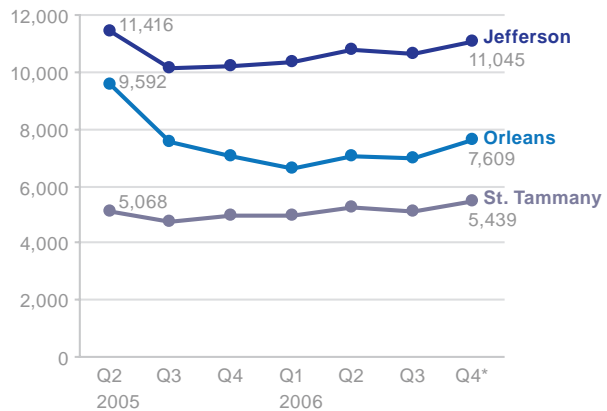
- **Total tax revenues in the city of New Orleans continues to rebound, reaching 94 percent of pre-Katrina levels by September 2007.** Total city tax revenues, from sales, hotel/motel, and motor vehicle, reached 94 percent of pre-storm levels (September 2004), a big improvement from 82 percent in June 2007. Much of that has been driven by the strength of sales tax collections. In particular, sales tax revenues in New Orleans remained level between June and September, bucking historic trends when sales revenues normally slow during those summer months.
- **Unemployment rates for the New Orleans metro area for this third quarter have improved notably since the last quarter ending June 2007.** In September 2007, the unemployment rate for the New Orleans metro area dropped to 4.5 percent, from 5.1 percent in June, closely mirroring the state and national levels.
- **The number of non-farm jobs in the New Orleans metro area continues to grow, reaching 506,000 in September 2007, or 84 percent of the jobs in August 2005.** There are now more construction jobs (33,100) and jobs in natural resources and mining (8,800) than pre-Katrina.
- **The city of New Orleans continues to gain employers, reaching 79 percent of pre-Katrina employers by the last quarter of 2006, up from 73 percent as of the previous quarter.** Meanwhile, St. Tammany Parish has almost 400 additional employers since the storm, thanks primarily to new firms relocating or starting up there. Overall, the metro area has reached 91 percent of its pre-Katrina number of employers.

### AT-A-GLANCE

**In September, total revenues from sales, hotels, and motor vehicles taxes in New Orleans rebounded to 94 percent of pre-storm levels**



**Each parish continues to gain employers, with more firms in St. Tammany than before the storm**



**Top graph sources:** City of New Orleans Finance Department.

**Bottom graph sources:** Louisiana State University, Louisiana Recovery Authority, Louisiana Economic Development, Louisiana Department of Labor.

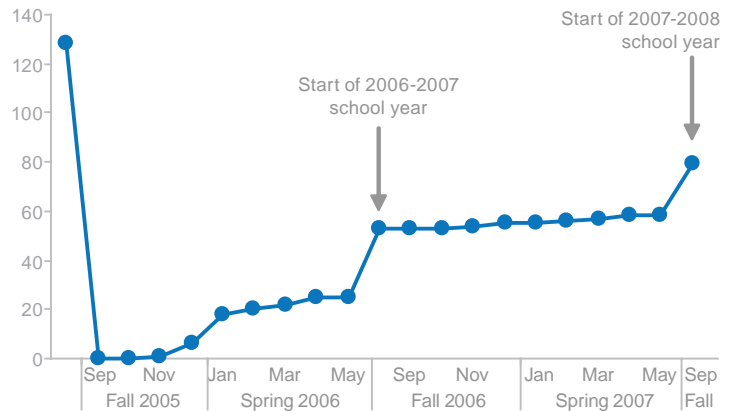
# Infrastructure *highlights*

## TRENDS

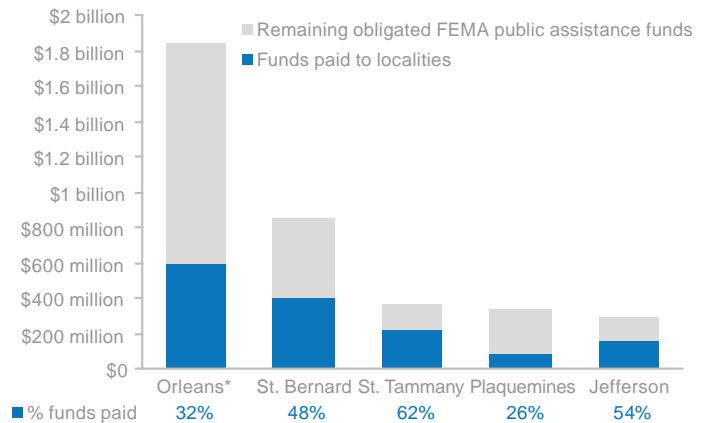
- **The number of public schools in New Orleans improved dramatically, as 21 public schools reopened for the fall semester, bringing the total to 79, or 62 percent of pre-storm levels.** And, five private schools reopened bringing the total to 60 private schools in New Orleans. In hard-hit St. Bernard Parish, two public schools and one private school opened, such that eight schools out of the original 23 are now operating there.
- **In contrast, other infrastructure, such as public buses and hospitals, remains completely stagnant.** Only 19 percent of public buses are running routes in New Orleans; this number has not increased substantially since January of 2006. No additional hospitals have opened in the New Orleans area, and one hospital closed in Jefferson Parish this fall.
- **Throughout greater New Orleans, just six new child care centers have opened since August.** Capacity is still limited, particularly in Orleans Parish where only 38 percent of the number of pre-Katrina child care centers are operating.
- **Many of New Orleans' essential criminal justice buildings are still operating out of FEMA trailers or damaged facilities.** For example, the effectiveness of New Orleans police is hampered, in part, by the fact that two police stations plus headquarters operate exclusively from FEMA trailers.
- **As of mid-October 2007, localities in Louisiana have received only 43.5 percent of the \$6.3 billion in public assistance grants allocated by FEMA for infrastructure repairs in the state.** Orleans Parish in particular has received few of the dollars allocated to it – only 32 percent of the \$1.8 billion identified for needed repairs.

## AT-A-GLANCE

**Twenty-one more public schools reopened in New Orleans this fall compared to last spring**



**To date, New Orleans has received just one-third of the amount allocated by FEMA for critical infrastructure repairs in the city**



**Top graph sources:** Louisiana Department of Education, Recovery School District, Orleans Parish Schools, Jefferson Parish Schools, Plaquemines Parish Schools, St. Bernard Parish Schools, St. Tammany Parish Schools, New Orleans Times-Picayune.

**Bottom graph sources:** FEMA. \*Includes city of New Orleans, Recovery School District, Charity Hospital, NO Airport and the NO Convention Center.