

EXECUTIVE SUMMARY

By Amy Liu and Allison Plyer

State of Policy & Progress

April 2008: Two Years, Eight Months Since Katrina Made Landfall

As the New Orleans Hornets head into the NBA playoffs, and the New Orleans Jazz and Heritage Festival is right around the corner, New Orleanians have much to celebrate. Indeed, Governor Jindal and the new Louisiana Legislature began their first three months in office with significant achievements in two special sessions.

In their first special session, lawmakers passed public disclosure requirements for state legislators that, according to the Center for Public Integrity, move Louisiana from the bottom fifth of all states for ethics standards to among the best in the nation. In their second special session, the legislators unanimously voted to spend the state's \$1.1 billion surplus on roads, bridges, and ports along with levees and urgently needed coastal restoration projects.

Actions at the state and local level have now taken center stage, as "federal recovery czar" Don Powell has stepped down. New federal leadership for Gulf Coast recovery will be determined by this fall's key congressional races and the presidential election.

Locally, citizens are anxious to see long-awaited infrastructure repairs become reality. While nearly all of FEMA's \$6.6 billion of infrastructure repair funds have finally been dispersed to the state, less than 40 percent of funds designated for Orleans and Plaquemines parishes have reached those hard-hit localities.

The New Orleans area continues to add population, albeit at a much slower rate than last year. The labor force has declined since the holiday season uptick, adding to employer concerns about filling critical job vacancies. As FEMA continues to move families out of trailers, concerns about homelessness mount. Recently released estimates by Unity for the Homeless show that 150 people are living in tents under the I-10 overpass, 31 percent of whom are recently homeless because of the loss of federal rental assistance or their removal from temporary trailers.

Recently released 2007 population estimates from the Census Bureau indicate significant population growth in New Orleans and St. Bernard. But local officials believe the post-Katrina population recovery has been even greater than the Census was able to estimate and intend to provide local data to substantiate a larger estimate.

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

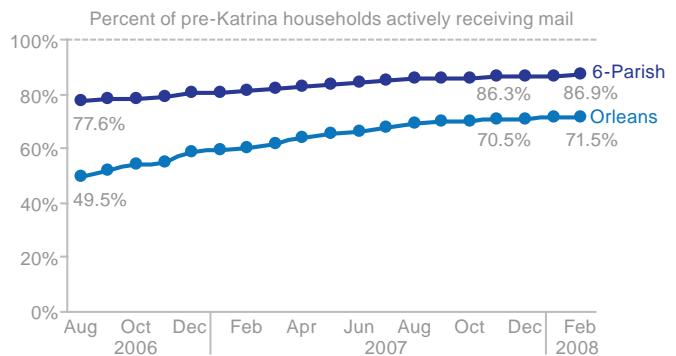
Population *highlights*

TRENDS

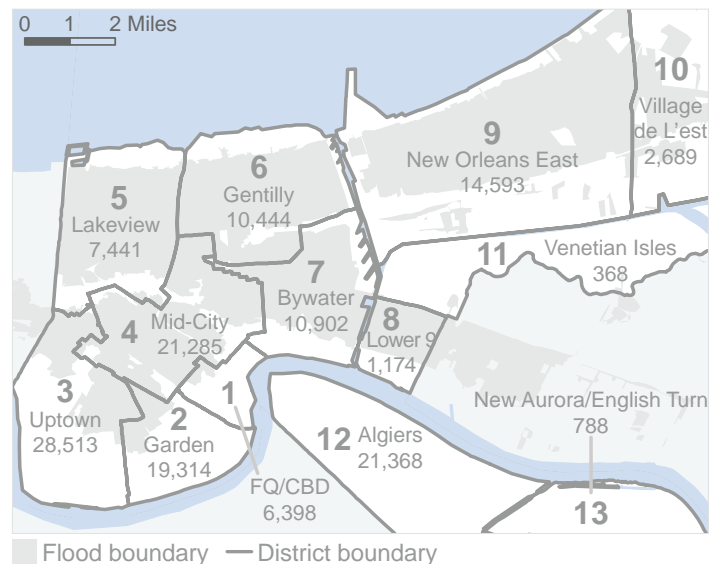
- The New Orleans area continues to repopulate but at a much slower rate than one year ago.** From November 2007 to February 2008, 2,897 additional households began receiving mail in the region. This represents only one-quarter of the increase from the same period one year prior. New Orleans is now home to 71.5 percent of the number of households it had pre-Katrina. The six-parish area has reached 86.9 percent of its pre-Katrina number.
- Enrollment in New Orleans and St. Bernard public schools grew from Fall 2007 to Spring 2008, while enrollment in the surrounding parishes declined.** Public school enrollment increased by 738 students from Fall 2007 to Spring 2008 in Orleans Parish, compared to a gain of 514 students one year earlier. St. Bernard experienced an increase of 31 students, down from a 228 increase the year before. Enrollment in all other parishes decreased from fall to spring, possibly indicating that as Orleans increases its public school capacity, some students are transferring back to their home parish.
- New analysis of US Postal Service data in New Orleans reveals that planning districts that largely never flooded are now host to nearly half of New Orleans population, while a few districts that flooded substantially have a good number of active residences.** Planning Districts 2 (Garden District), 3 (Uptown), and 12 (Algiers) contain 48 percent (69,195) of all residences actively receiving mail in New Orleans. In contrast, Census 2000 reported that these districts accounted for 37 percent of all households. The largely flooded District 4 (Mid-City) is home to 21,285 residences, and District 9 (New Orleans East) has 14,593 active residences.

AT-A-GLANCE

The New Orleans area continues to repopulate but at a much slower rate than one year ago.



Substantially unflooded planning districts 2, 3, and 12 are now home to nearly half of New Orleans' households



Top graph source: Sammamish Data Systems compiled from USPS's Delivery Statistics Product. **Bottom graph sources:** GNO Community Data Center analysis of Valassis Computerized Delivery Sequence (CDS) database and FEMA (September 11, 2005 flood extent).

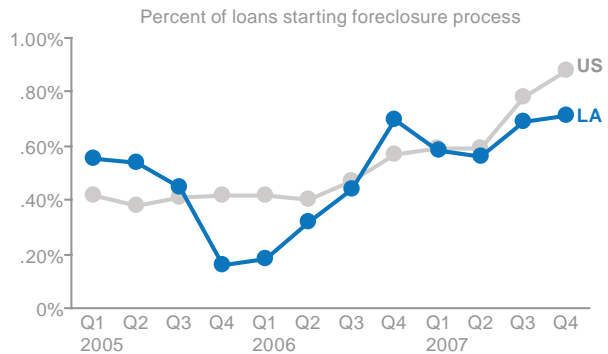
Housing *highlights*

TRENDS

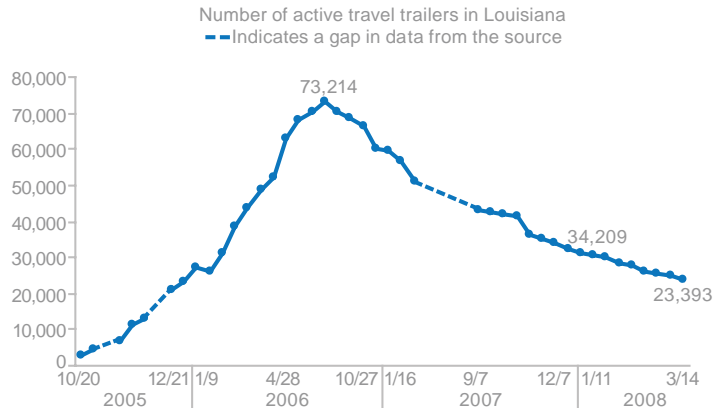
- **Across greater New Orleans, single family home sales slowed this quarter as compared to the same months last year, but average home prices rose in a few parishes.** Like the nation, home sales in the New Orleans area slowed, reaching only 70 percent of sales volume in December 2006 through February 2007. However, average home sale prices rose in St. Bernard, Orleans East Bank, and St. Tammany as compared with the same quarter last year.
- **The rate of loans entering the foreclosure process in the fourth quarter 2007 was notably lower in Louisiana than nationwide.** Since Katrina, the rate of foreclosure initiation has increased only 58 percent across Louisiana, while in the same time period, it increased 115 percent nationwide. By the fourth quarter of 2007, 0.88 percent of home loans nationwide had entered the foreclosure process compared to 0.71 percent in Louisiana.
- **The rate of closings on Road Home applications in the first quarter of 2008 fell to less than half of the rate of the prior quarter.** Only 14,038 grants were dispersed in the first three months of 2008, compared with 30,491 in the last three months of 2007. The average grant award fell from \$61,445 as of January 7, 2008 to \$58,841 by March 31, 2008.
- **FEMA continues to decommission trailers at a rapid pace.** Nearly 10,000 families living in FEMA trailers in Louisiana were displaced in the first quarter of 2008.

AT-A-GLANCE

The rate of loans entering the foreclosure process in the fourth quarter 2007 was notably lower in Louisiana than nationwide



Some 10,000 FEMA trailers in Louisiana were decommissioned in the first quarter of 2008



Top graph source: Mortgage Bankers Association, National Delinquency Survey. Bottom graph source: FEMA.

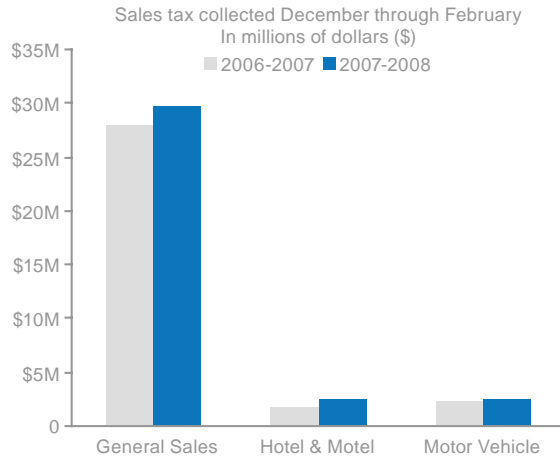
Economy *highlights*

TRENDS

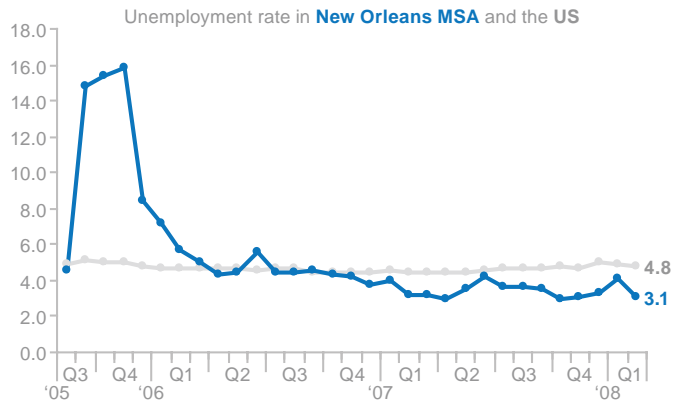
- **New Orleans sales tax revenue in December 2007 through February 2008 rose by 8 percent since the same months last year, and hotel and motel tax revenue grew by 34 percent.** Buoyed by the Sugar Bowl, the Bowl Championship Series, and the NBA All-Star Game, hotel and motel tax revenues reached 98 percent of the same period pre-Katrina.
- **The number of employers across the five-parish area fell from 93 percent of pre-Katrina levels in the fourth quarter of 2006 to 91 percent by the second quarter of 2007.** The New Orleans region continues to experience a post-hurricane economic shake-up as some firms close and other firms start-up. As of the second quarter of 2007, a total 9,368 employers had closed or moved out since the disaster, while 6,093 firms started up or moved into the area.
- **The labor market in the New Orleans metro area tightened as the number of workers shrank and the unemployment rate hovers near historic lows.** From November 2007 to February 2008, the labor force in the New Orleans metro area fell by 10,422, reaching its lowest level in a year. The number of jobs dropped also by 3,100 partially as a result of the post-holiday slow-down. However, the number of jobs in February 2008 was 12,000 higher than one year ago. The result: a very low unemployment rate of 3.1 percent, reinforcing why some employers are struggling to fill job vacancies.

AT-A-GLANCE

Sales tax revenue in New Orleans grew by 8 percent in December 2007 through February 2008 as compared with the same months one year earlier



Unemployment continues to hover near its historic low of 3.1 percent



Top graph source: City of New Orleans Finance Department. Bottom graph source: U.S. Bureau of Labor Statistics.

Infrastructure *highlights*

TRENDS

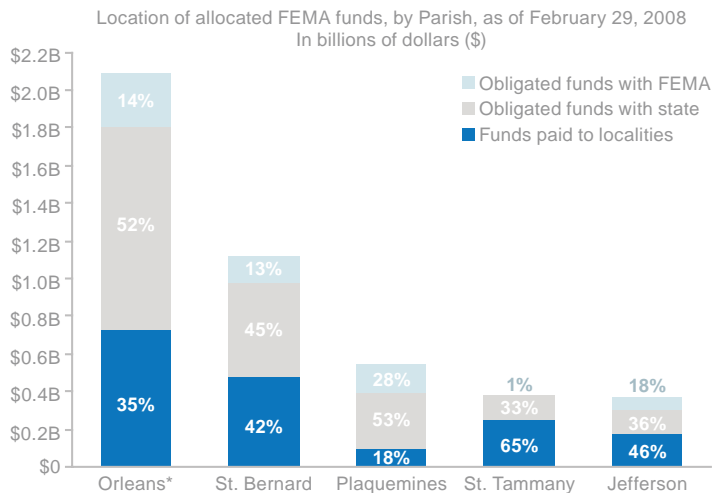
- **In January 2008, nearly two and a half years after the flood, the headquarters for New Orleans Police Department was repaired.** While police officers who work at headquarters were finally able to move out of trailers and into their repaired building, one district police station still operates out of FEMA trailers, and two others that were destroyed by flooding are operating out of donated space provided by local philanthropists.
- **The number of open childcare centers inched upward in Orleans and St. Bernard parishes, while public transportation remains severely limited in New Orleans.** Lack of public transportation and childcare continue to serve as obstacles to workers who want to return to the area. As of February 2008, 48 percent of public transit routes are open and only 19 percent of the number of pre-Katrina buses are running. Meanwhile from January to April, seven additional child care centers opened in Orleans, and one in St. Bernard, bring the total to 41 percent and 27 percent of the number of pre-Katrina childcare centers respectively.
- **By March 2008, FEMA had paid Louisiana 93 percent of the \$6.6 billion allocated for infrastructure repairs, yet only 47 percent has reached localities.** The state of Louisiana continues to hold more than \$3 billion in infrastructure repair monies that are destined for hurricane-affected parishes. As of March, Orleans had received only 35 percent of the funds allocated to it for infrastructure repairs and Plaquemines had received only 18 percent of its allocated funding.

AT-A-GLANCE

Repairs are complete for police headquarters while other stations remain damaged or located in trailers or temporary donated space



By March 2008, FEMA had paid to Louisiana 93 percent of the \$6.6 billion allocated for infrastructure repairs, yet only 47 percent has reached localities



Top graph source: New Orleans Police and Justice Foundation. **Bottom graph source:** FEMA. *Includes city of New Orleans, Recovery School District, Charity Hospital, NO Airport and the NO Convention Center.