

SUMMARY OF FINDINGS

By Amy Liu and Allison Plyer

The State of New Orleans Three Years after Hurricane Katrina: An Overview

Progress is afoot in the Crescent City, three years after Hurricane Katrina and the levee failures.

First, the hard work of rebuilding New Orleans is very much underway. The mayor has converted the Unified New Orleans Plan into a short-term action plan, with investments prioritized to 17 target areas. A new district attorney, a citizens' crime coalition, and others have been working together to reform the criminal justice system. On another front, the city, with key business leaders, recently announced its financial support to create a new public-private economic development entity to strengthen the city's capacity to build a robust local economy. For its part, the federal government, under the leadership of Chairman Don Powell and now General Douglas O'Dell, has been working closely with city and state leaders to make transparent and accelerate the spend-down of federal dollars to repair public infrastructure. All this is just to name a few.

Progress in greater New Orleans is also evident in the numbers.

This year's special anniversary edition of the New Orleans Index reveals that:

- **Greater New Orleans enters the fourth year of recovery from a position of strength, with the vast majority of her pre-storm numbers of people and jobs.** By the summer of 2008, the city of New Orleans had recovered 72 percent of its pre-Katrina households and nearly 90 percent of its sales tax revenues. Similarly, the region as a whole is now home to 87 percent of pre-storm populations, 86 percent of jobs, and 76 percent of all previous public and private school students.
- **Population, economic, and housing recovery has continued in the past year, albeit at a dramatically slower pace or stagnant in some cases.** The first two years of post-Katrina recovery was marked by enormous churning in the housing market and a steady surge in population and jobs. By the third year, slowing and stabilizing prevailed. For instance, the number of new households in the city increased by just three percentage points between 2007 and 2008, a stark contrast from the nearly 20 percentage-point jump the year prior. The region added 8,000 jobs in the last 12 months, less than a quarter of the number added in the preceding year. Also, the pace of home renovations and demolitions has slowed by half this third year, as compared to last year.
- **Meanwhile, the market in greater New Orleans is shifting geographically, as families and jobs continue to return or relocate to the least flood-damaged neighborhoods and parishes.** The rapidly growing St. Tammany Parish now has more households, greater sales

tax revenues, and higher home values today than it had before the storm. Within Orleans Parish, a majority of the city's households now lives in the least flooded planning districts, such as the Uptown, Garden District, Algiers, and other neighborhoods, up from 39 percent before the storm. While the area around downtown and the French Quarter (Planning District 1) remains the job center for the city, the latest estimates show that Planning District 2, which is adjacent to downtown and the river, has eclipsed Planning District 9 in eastern New Orleans and Planning District 12 on the west bank in jobs.

- **Finally, these indicators reveal or reinforce that major challenges remain.** The city may be confronting fully 65,000 blighted properties or empty lots. Rising rents, now 46 percent higher than before the storm, threaten the ability of many essential service workers to afford housing, as wages are not keeping pace. The labor market remains tight as the service and construction industries seek workers. The public service infrastructure in the city remains thin, especially public transit, which saw ridership grow by 45 percent in the past year. And, the latest maps from the Army Corps of Engineers suggest that a number of neighborhoods in the city remain at risk of six to eight feet of flooding from a “1 percent” storm, signaling the need to commit to a coastal restoration plan that goes well beyond levees.

With a strong economic base and a highly engaged group of citizens and leaders, the region is poised to tackle some of the tougher challenges ahead. As we move into year four of post-Katrina recovery, the nation, with a new president and Congress, must continue to build on the region's progress to ensure that New Orleans attains its promise as a great American city and region.

See following pages for highlights on population, economy, housing, and infrastructure and the recovery of New Orleans by neighborhood...