



**Recovery in New Orleans:
Background Document**

Winter 2008

CITY OF NEW ORLEANS

C. Ray Nagin, Mayor



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- ▶ • **Section 1 – New Orleans Pre-Katrina & Impact of the Storm**

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- Section 3 – Elements of Recovery Strategy

- Section 4 – City Budget and Finances

- Section 5 – Financing Opportunities





New Orleans prospers before Katrina

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- Summer 2005 resident population of ~452,170
- 215,091 housing units; 188,251 occupied units
 - Owner occupied: 46.5%
 - Renter occupied: 53.5%
- A viable Central Business District
 - Employed 81,400 workers as of 2000 census
 - 19% of total urban area employment
- A thriving medical community
 - Sustained 27,035 jobs
 - 22 hospitals regionally, 9 in city
- A successful convention industry
 - 93 conventions (2004)
 - 523,761 attendees (2004)
- A booming tourist trade
 - 10 million visitors with an economic impact of \$4.9 billion (2004)
 - 6.6 million visitors with an economic impact of \$4.2 billion (Jan. – Aug. 2005)





Highlights: local industry and employers

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Regional Specializations

- Tourism
- Oil & gas extraction
- Oil refining & chemical manufacturing
- Port of New Orleans/related transportation industries
- Waste treatment
- Higher education
- Commercial banking
- Insurance

Industry	Major Employers	Employees
• Energy	• McDermott International	• 3,975
• Media	• Times Picayune Publishing Co.	• 3,875
• Banking	• Hibernia Corp.	• 3,875
• Medical	• Ochsner Medical Institutions	• 3,675
• Engineering	• Lockheed Martin Corp.	• 2,500
• Hospitality	• Hilton Riverside New Orleans	• 1,975
• Education	• LSU Medical School	• 1,785
• Trade	• Jackson-Kearney Group	• 675
• Service	• National Building Svc & Maintenance	• 675
• Entertainment	• Audubon Institute Inc.	• 630
• Manufacturing	• Folgers Coffee Co.	• 450





Overview: City finances

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Nagin Administration has proven good steward of taxpayer dollars, despite first term challenges

- Only two days of operating cash available when Mayor Nagin took office in 2002
- Successfully managed City out of two budget deficits in 2002 and 2003
- Initiated aggressive tax collection efforts
- Improved cash management through use of lock box and enhanced banking services (Implemented in 2003 to facilitate financial management recovery)

Pre-Katrina (2005)

• City employees	6,498
• General Fund budget	
<u>Total revenues</u>	\$ 452,976,674
Property tax	\$ 85,208,000
Sales tax	\$152,484,000
Other	\$215,283,874





Overview: City government

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New Orleans city government has several unusual elements

- Home rule charter since 1954, parish (county) and city limits are coterminous
- Parishes have certain legal characteristics:
 - Responsible for costs of state criminal justice system
 - Not able to pass ad valorem taxes without being subject to substantial “homestead exemption”
- Sewerage & Water Board of New Orleans is state-created board, independent of City Hall, appointed by Mayor and Mayor is President
 - Oversees City’s drinking water, waste water and drainage systems
 - City Council does not approve board’s budget but does approve rate increases
- Board of Liquidation is state-created board, independent of City Hall issues bonds and manages the City General Obligation debt
- Aviation Board is also independent, but budget is approved by the City Council
- Two school districts, seven entities managing schools, most schools are state-run because of history of poor performance under prior administrations





Katrina decimates region

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Worst disaster in U.S. history: disproportionate effect on New Orleans

- Historic mandatory evacuation: first American city totally shut down
- Approximately 1,464 people died in the effected region, more than 57% of all major and severe damage reported in Louisiana was in Orleans Parish
- Virtually all 455,000 residents were dispersed to over 44 cities in the nation
- 80% of city flooded
- 32 million cubic yards of storm debris
 - Equates to 10 Superdomes filled with debris
- \$22.6 billion in property damage in New Orleans from flood and storm surge, \$14 billion in residential property damage in New Orleans





Public services – severely impaired

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City government

- Budget gap of \$205 million in 2006 Adopted Budget
 - incorporated \$112 million in projected revenue and \$317 million in expenses
- City reductions of 2,438 employees, a 38% reduction in department operations

Other public services

- Sewerage & Water Board reduced staff by 500 employees
- Public school system virtually destroyed
 - 106 of 126 (84%) of the public schools in Orleans Parish severely damaged
- Criminal justice system rendered inoperable – all support structures damaged
- All city hospitals shuttered
- Utility company bankrupt
- Fresh water, sewage and drainage capability temporarily eliminated





Housing and economy – severely impaired

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Housing

- More than 76% of owner occupied housing units had reportable level of damage (50% severe, acc. FEMA)
- Over 67% of renter occupied housing units had some damage (34.5% severe, acc. FEMA)
- More than 50% of units citywide sustained over \$30,000 in damage
- In total, over \$14 billion in damage to residential property in Orleans Parish
- In a community where 54% of people rented homes, large majority of rental stock and work-force housing lost

Economy

- More than 50% of businesses in New Orleans in areas flooded by 2 feet or more of water
- While affected, major economic generators not as severely damaged as residential areas and small businesses





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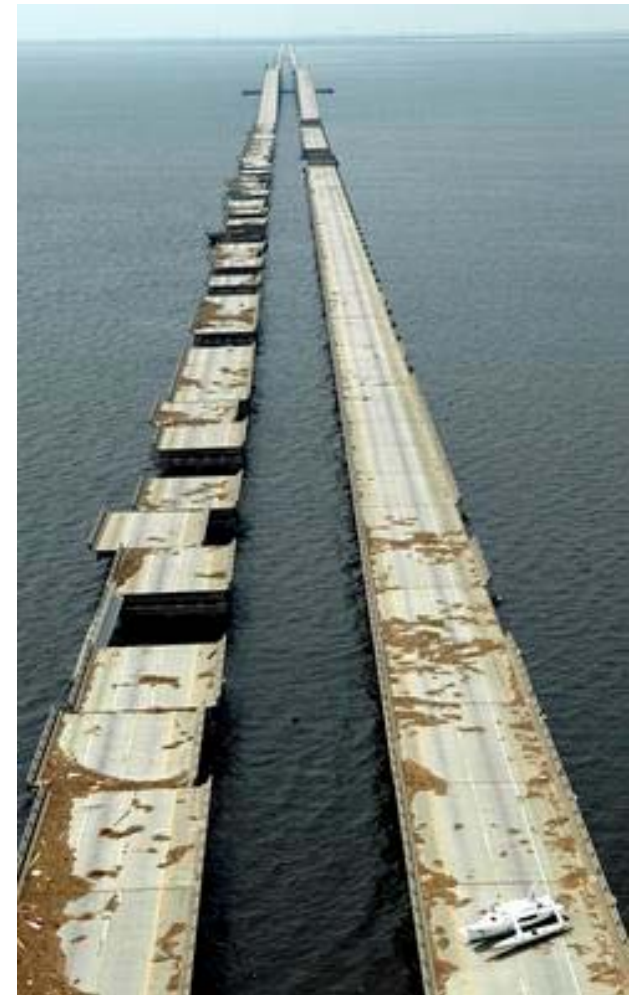




First steps to recovery

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- Drained city in 21 days following Katrina, in total, flood waters lasted 57 days after reflooding from Hurricane Rita
- EPA conducted critical environmental testing to address toxicity concerns
- Began staged repopulation in areas with little or no damage or flooding
- Successfully stabilized and restored critical city services: water, sewage, drainage, transportation, electrical service
- Repairs to twin span bridge over Lake Pontchartrain began 14 days after Katrina
- First US Army Corps levee inspection 20 days after Katrina





First steps to recovery, federal commitment of funds, Louisiana

Federal government has committed significant funds to rebuilding in Louisiana

- \$25.1 billion for FEMA repairs of public infrastructure & facilities*
- \$21.1 billion Emergency Response statewide
- \$14.0 billion in tax incentives and relief. More than \$6 billion in SBA loans have been dispersed
- \$14.0 billion in National Flood Insurance payments
- \$13.4 billion in CDBG funds
- \$8.3 billion for levee protection
- \$3.5 billion for transportation infrastructure
- \$2.0 billion for education
- \$1.44 billion in Hazard Mitigation funds





Significant resource shortages remain

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Flow of funds has been challenging for local government

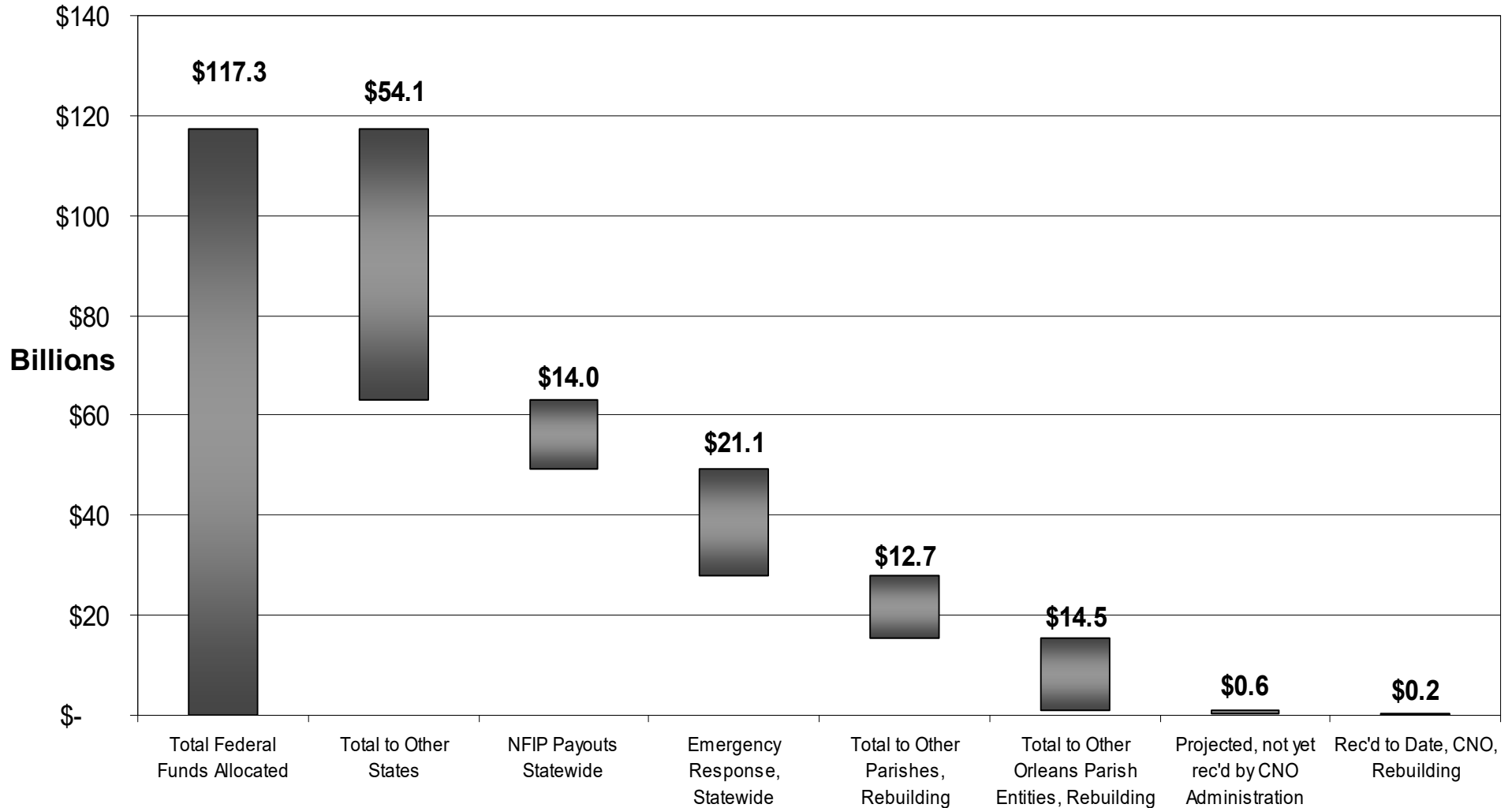
- Almost all dollars appropriated to federal departments and states, rather than localities
- Dollars slow to reach the effected areas
- Reimbursement programs present impossible cash flow challenge for devastated areas – “you *have* to have the money to *get* the money.”





Distribution of federal funds following hurricanes Katrina and Rita

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Source: Mayor's Office of Executive Counsel, chart in billions





Federal rebuilding funds received, New Orleans

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\$241 million in federal rebuilding funds received by City administration as of December 2007

Composed of

- Community Disaster Loan (CDL)
 - \$170.3 million drawn down out of \$240 million allocated
- Gulf Opportunity Zone (GO Zone) Debt Service Payments
 - \$31.5 million paid out of \$52.3 million allocated
- FEMA Public Assistance
 - \$39.5 million drawn down out of \$167.9 million allocated to rebuilding
- \$624 million in federal rebuilding funds still to be collected

Total projected federal rebuilding funds *expected* to be received in the future by City Administration, \$865.3 million

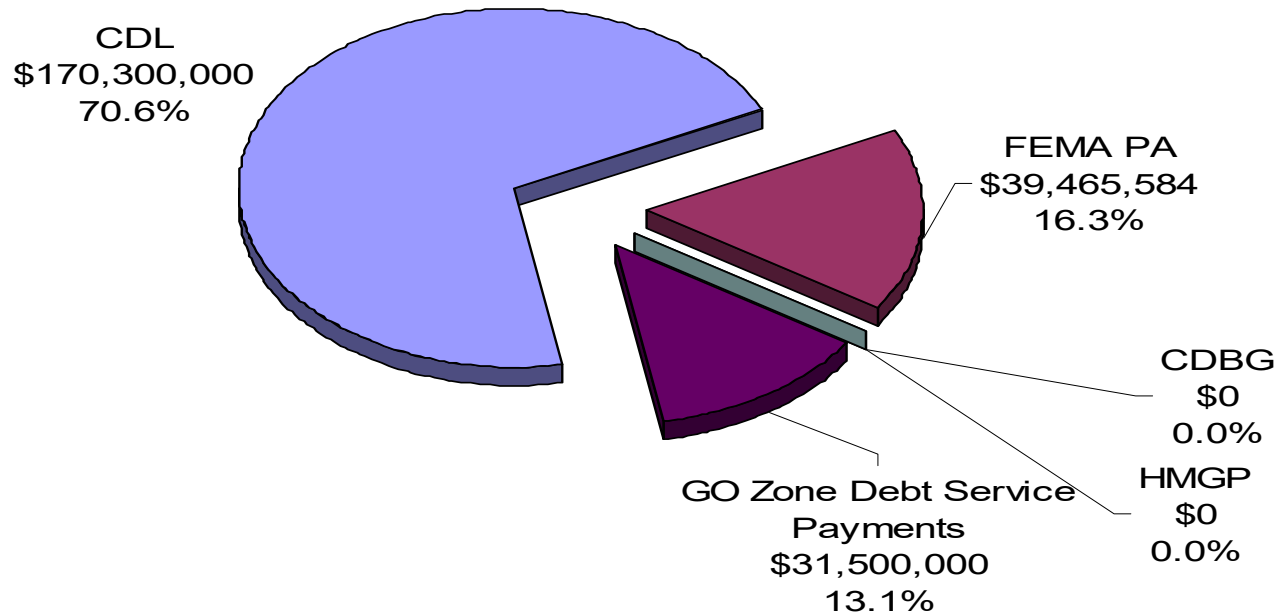




Federal rebuilding funds received, December 2007

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Federal Rebuilding Funds to New Orleans City Administration Received and Spent to Date: \$241 Million





Federal rebuilding funds allocated, New Orleans

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Total projected federal rebuilding funds to be received by City Administration, \$865.3 million includes

- Community Disaster Loan – \$202.3 million
- FEMA Hazard Mitigation Grant Program- \$31.8 million
- GO Zone debt services payments- \$52.3 million
- FEMA Public Assistance- \$167.9 million
- Community Development Block Grant funds for Long Term Recovery- \$411 million





Legislative action: 2007

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Recovery

- Design-build contracts authorized as an option for rebuilding public buildings
- Musical and theatrical tax incentives passed for productions and facility infrastructure projects related to productions
- \$55 million appropriated for mental health funding, provides additional psychiatric and detoxification beds at LSU and DePaul Universities
- Created \$300 million revolving fund to break cash flow crisis

Criminal Justice

- \$6.6 million appropriated for NOPD for school buses, recruitment efforts, vans, mobile command units, armored vehicles, bulletproof vests, patrol cars, and bonuses for officers hired from other states
- Felony charges filing extension, district attorney now has 120 days, up from 60 to file formal charges for a capital offense





Population: Recovery accelerating (1/2)

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Population estimate as of September 2007 (Based on households actively receiving mail)

- In New Orleans ~70% of households, or ~316,519 residents, have returned
- In the six parish*region ~85.6% of households, or ~1,099,860 residents, have returned as of August 2007



“Since the storm, postal statistics have been used by the federal government as the best source of timely data for making objective assessments about the repopulation of this area. This data has been used by HUD, the General Accounting Office, Chairman Powell’s office, and the White House” (GNOCDC).

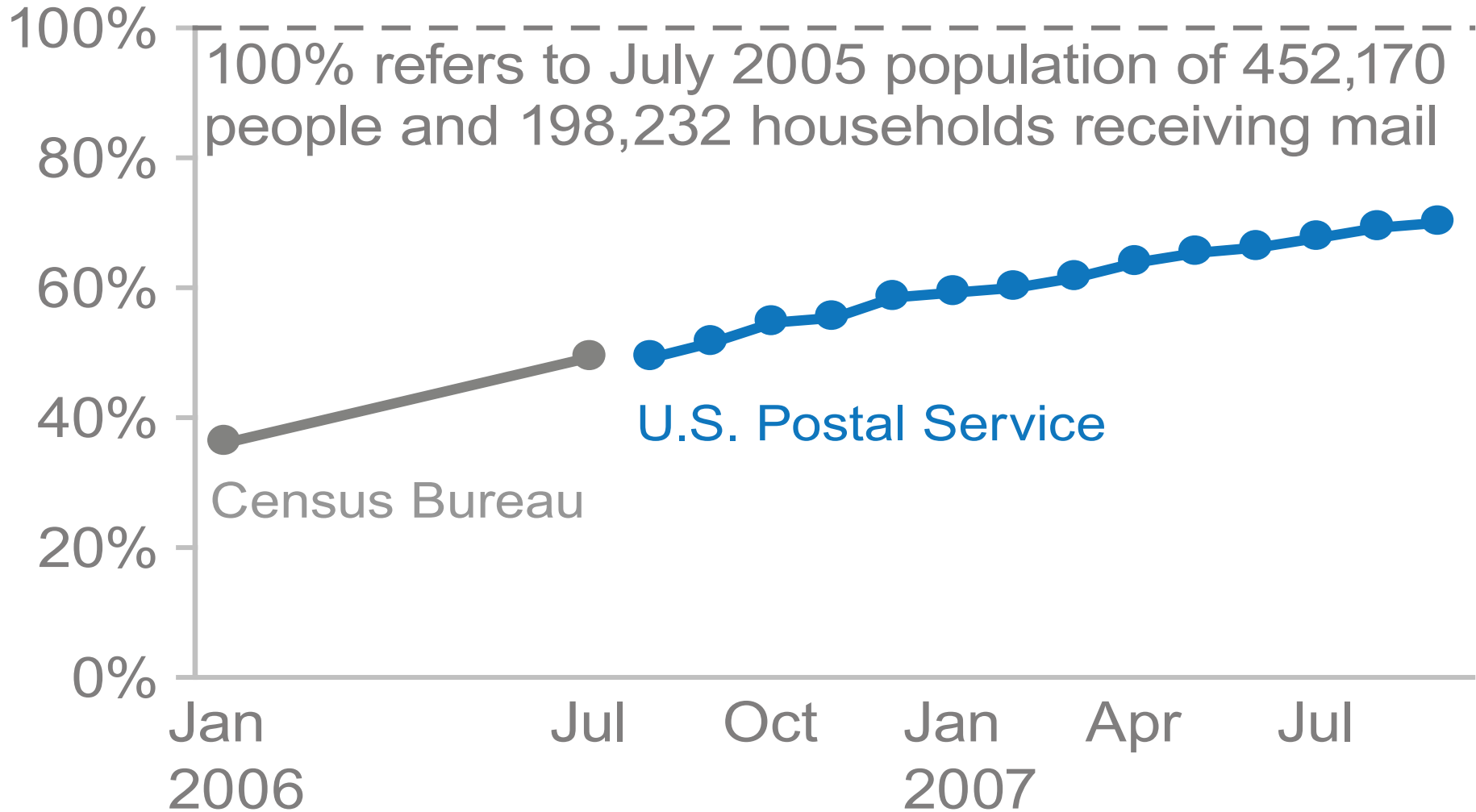




Population: Recovery accelerating (2/2)

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New Orleans Post-Katrina Population Indicators

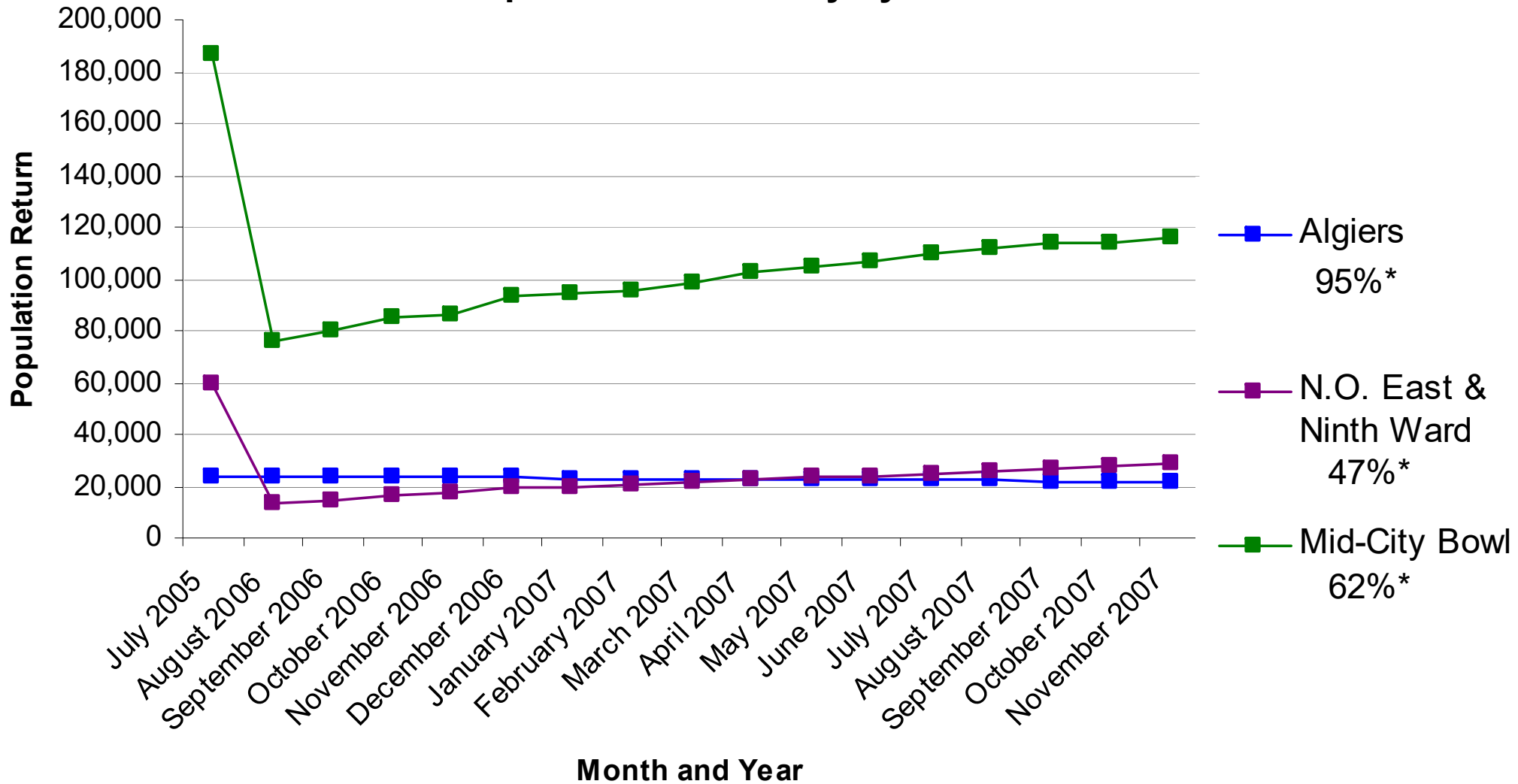




Population on the rise

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Population Recovery by Area



Source data compiled by author from GNOCDC
* Percentage population return as of November 2007

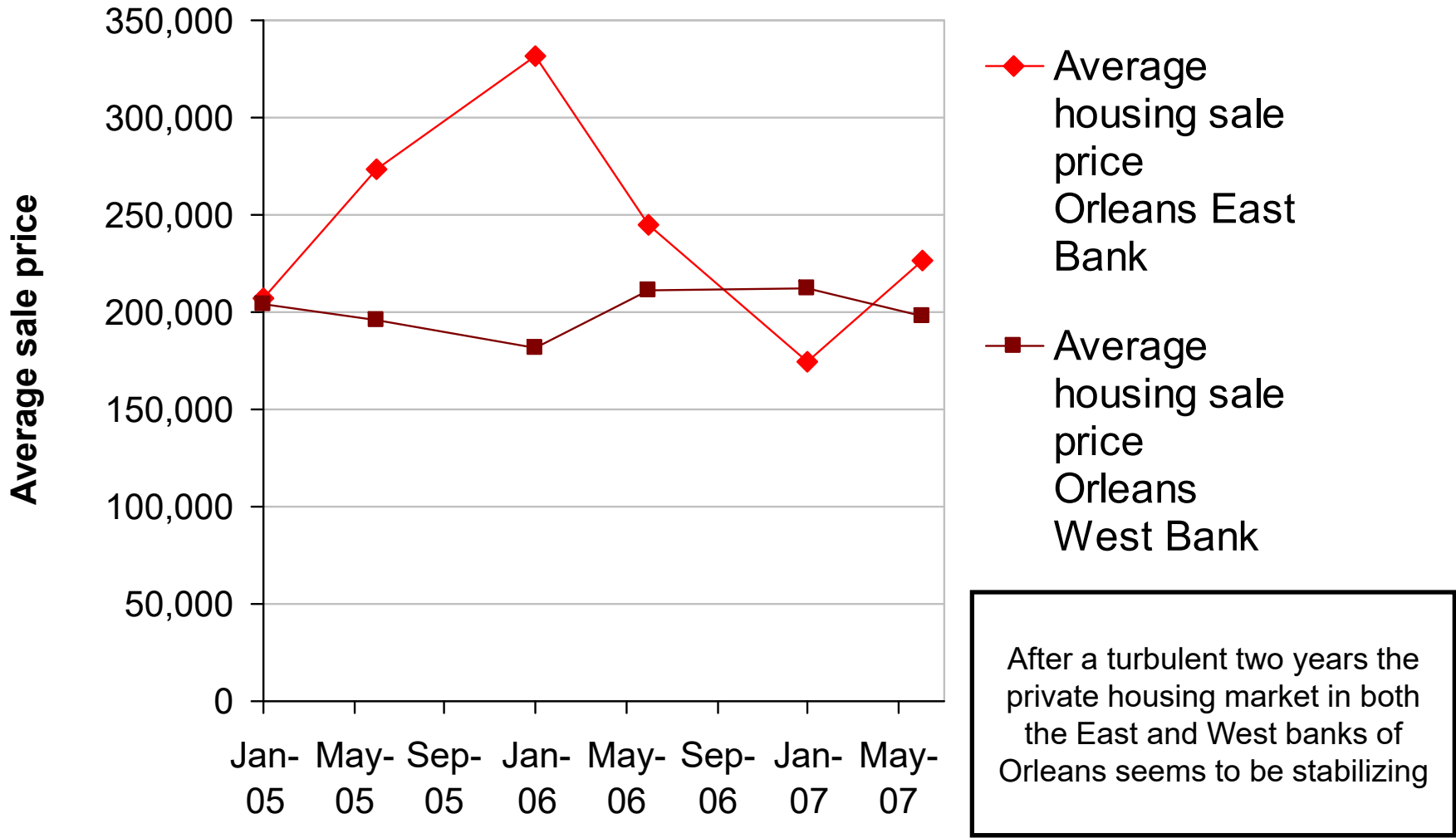




Housing: Private housing market stabilizing

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Average private housing market sale price East and West Banks Orleans

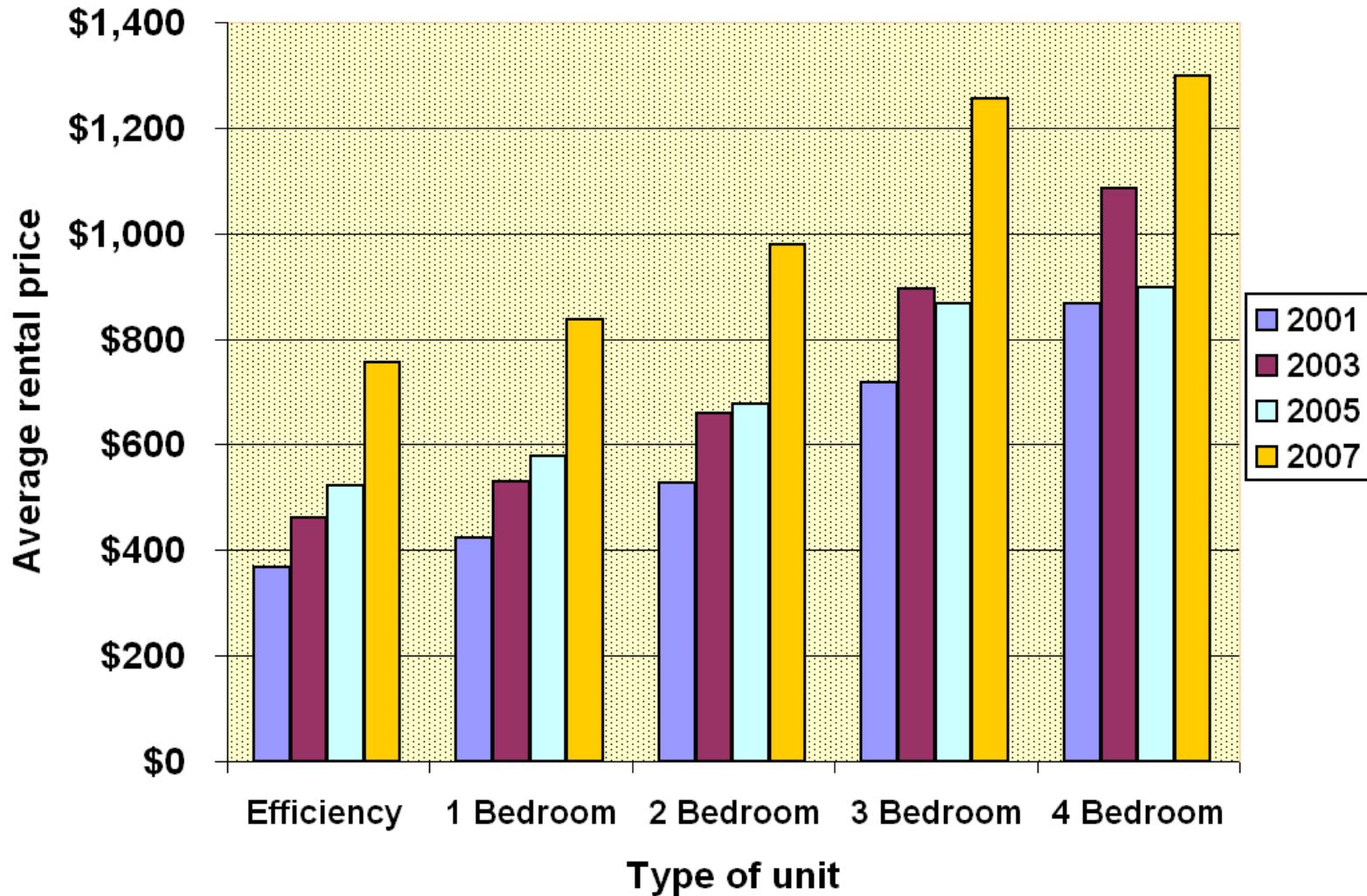




Housing: Affordability crisis in rental housing

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Average rental price by type in New Orleans





Housing: Moving to address the need

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Affordable housing

- Four HUD housing developments set for demolition and mixed-income conversions
- Developers and local nonprofits experienced in mixed income conversion selected for redevelopment of C.J. Peete, B.W. Cooper, and St. Bernard housing projects
- Providence/Enterprise partnership committed to right to return, one for replacement of 900 subsidized units and 600 additional workforce housing units for the Lafitte/Treme neighborhood
- Michaels Development Company rebuilding of New Desire mixed income community underway in 9th ward
 - Rebuilding effort 100% financed with insurance proceeds

Downtown development

- 2,500 residential units planned by developers for the Downtown area





Road Home awards have been slow to arrive . . .

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Program summary

- Pre-Katrina homeowners eligible for rebuilding grants up to \$150,000
- Less insurance and federal benefits, and
 - 40% penalty for inadequate pre-storm insurance
 - 30% penalty if do not choose to rebuild in Louisiana



Latest program numbers, Orleans Parish: 01/03/2008

- Total applications: 60,016
- Keep home: 75%
- Sell stay in LA: 9%
- Sell, leave LA: 2%
- Undecided: 14%

Latest program numbers, LA: 01/07/08

- Total applications: 185,106
- Total closings: 90,848
- Ave. benefit calculation: \$61,387





Residents still live in trailers, in Orleans and elsewhere

As of February, 2008 Orleans Parish residents still in FEMA trailers

- 8,515 households occupy trailers in Orleans Parish
 - 6,219 occupied by residents who owned pre-Katrina
 - 2,297 occupied by residents who rented pre-Katrina
- 2,366 residents of Orleans are still displaced living in FEMA trailers outside of Orleans Parish
 - 1,478 of these were renters pre-Katrina

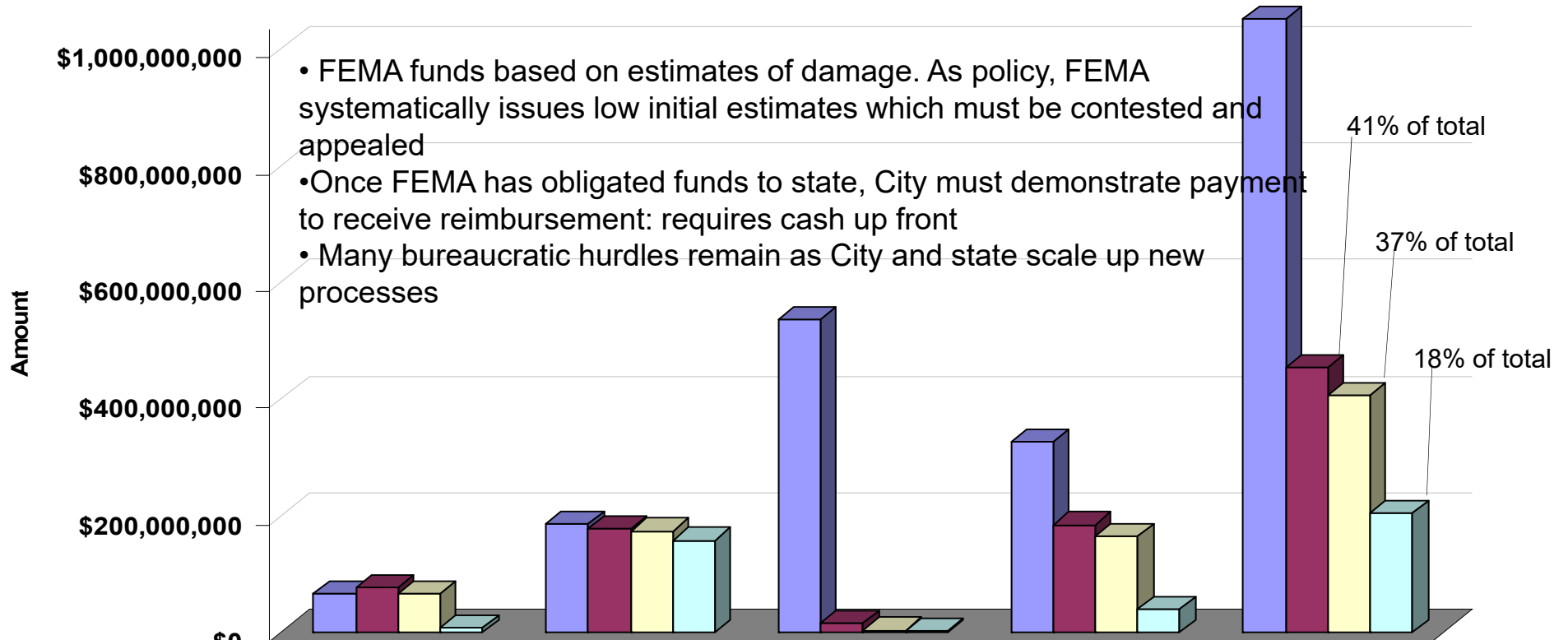




...And FEMA rebuilding funds have been slow as well

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Project Worksheets' Latest Status by Category as of 12-26-07



- FEMA funds based on estimates of damage. As policy, FEMA systematically issues low initial estimates which must be contested and appealed
- Once FEMA has obligated funds to state, City must demonstrate payment to receive reimbursement: requires cash up front
- Many bureaucratic hurdles remain as City and state scale up new processes

	Debris - A	Emergency Measures - B	Infrastructure - C	Bldgs/Equip - E, Public Utilities - F, & Rec. - G	TOTALS
■ Estimated 12/26/07	\$65,000,000.00	\$185,000,000.00	\$535,000,000.00	\$325,000,000.00	\$1,110,000,000.00
■ Total Written 12/26/07	\$75,477,288.42	\$177,544,870.49	\$16,157,186.98	\$183,655,439.12	\$452,834,785.01
■ Total Obligated 12/26/07	\$65,219,092.03	\$173,025,253.43	\$3,045,085.11	\$164,865,795.76	\$406,155,226.33
■ Paid 12/26/07	\$7,701,539.32	\$157,436,625.11	\$1,070,230.73	\$38,395,353.49	\$204,603,748.65

Category





Infrastructure: Under construction

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- Primary utility services restored in all of the city
- Drainage is at 90% of the pre-Katrina capacity, sewer systems are back on line or running on pumps
- Filled more than 60,000 potholes, repaired 12,000 street lights, replaced 12,000 street signs
- Public Works Department secured \$60 million from Federal Highway Administration to repair major boulevards, working with FEMA to fund repairs on storm damaged streets
- Citywide \$363 million in federal, state, and local funds allocated for roads, bridges, traffic lighting and sidewalk improvements
- Cleaned over 7,000 storm drains and 1.3 m feet of drain line
- All major transportation facilities are functioning
- Airport at 81% pre-Katrina number of flights, serving 88% pre-Katrina number of cities
- Port of New Orleans operating at 100% capacity, above pre-Katrina levels
- Army Corps debris mission 100% complete
- Demolished 8,000 storm-damaged houses, 1800 properties remain





Social services: In place, although reduced

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Healthcare

- Three of nine acute care hospitals in New Orleans open but struggling to replace staff
- In metro region
 - 77% of primary care physicians relocated
 - 70% of dentists relocated
 - 89% of psychiatrists relocated

Public school

- Schools continue to open
 - 64 state run Recovery School District
 - 25 Charter
 - 18 Orleans Parish schools (OPSB)
 - 13 Charter
 - 2 Independent charter schools





Rebuilding Criminal Justice

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New Orleans Police Department

- 1,419 NOPD officers (86% of pre-Katrina force) on the street, exceeding 2007 end of year goal of 1,400 officers
- Reduced officer attrition to 11 per month, down from 19, increased pay to \$35,000 starting salary
- Signed lease February 2007 for temporary crime lab at University of New Orleans lakefront campus, open as of September 2007
- Working with FEMA to fund all obligated projects for NOPD and sheriff's office
- On track to meet year end goal of installing 200 crime cameras

Family Justice Center

- Department of Justice Violence Against Women awards \$3 million grant to Catholic Charities to open central facility for victims of domestic violence, fully operational by September 2007
- NOPD, City Attorney, District Attorney and non-profit service providers will all work together to provide services and information to victims of domestic violence and sexual assault





Building a better New Orleans despite shortages (1/4)

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-
- Building permits issued from August 29, 2005 – December 31, 2007
 - Commercial permits 5,994 value \$1,773,486,553
 - Residential 67,047, value \$3,137,956,947
 - Certificates 8,050, value \$107,045,573

Total building permits 81,091 value, \$5,018,489,073

- Total demolition permits issued from August 29, 2005 – December 31, 2007
 - Demolition permits 10,874
- New construction August 29, 2005 – December 31, 2007
 - New single family 1,634, value \$336,162,012
 - New two family 342, value \$52,849,626
 - New commercial 587, value \$587,423,600

Total new construction permits 2,434 value, \$976,435,238





Building a better New Orleans despite shortages (2/4)

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Major recovery projects moving forward

- Trump International Hotel and Tower in downtown, 70 stories, 435 condo/hotel units, 290 residences





Building a better New Orleans despite shortages (3/4)

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Major recovery projects moving forward

- Redevelopment of public housing into vibrant mixed-income, livable communities





Building a better New Orleans despite shortages (4/4)

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Major recovery projects moving forward

- Riverfront redevelopment on the East and West banks of the Mississippi, creating accessibility to this world class amenity





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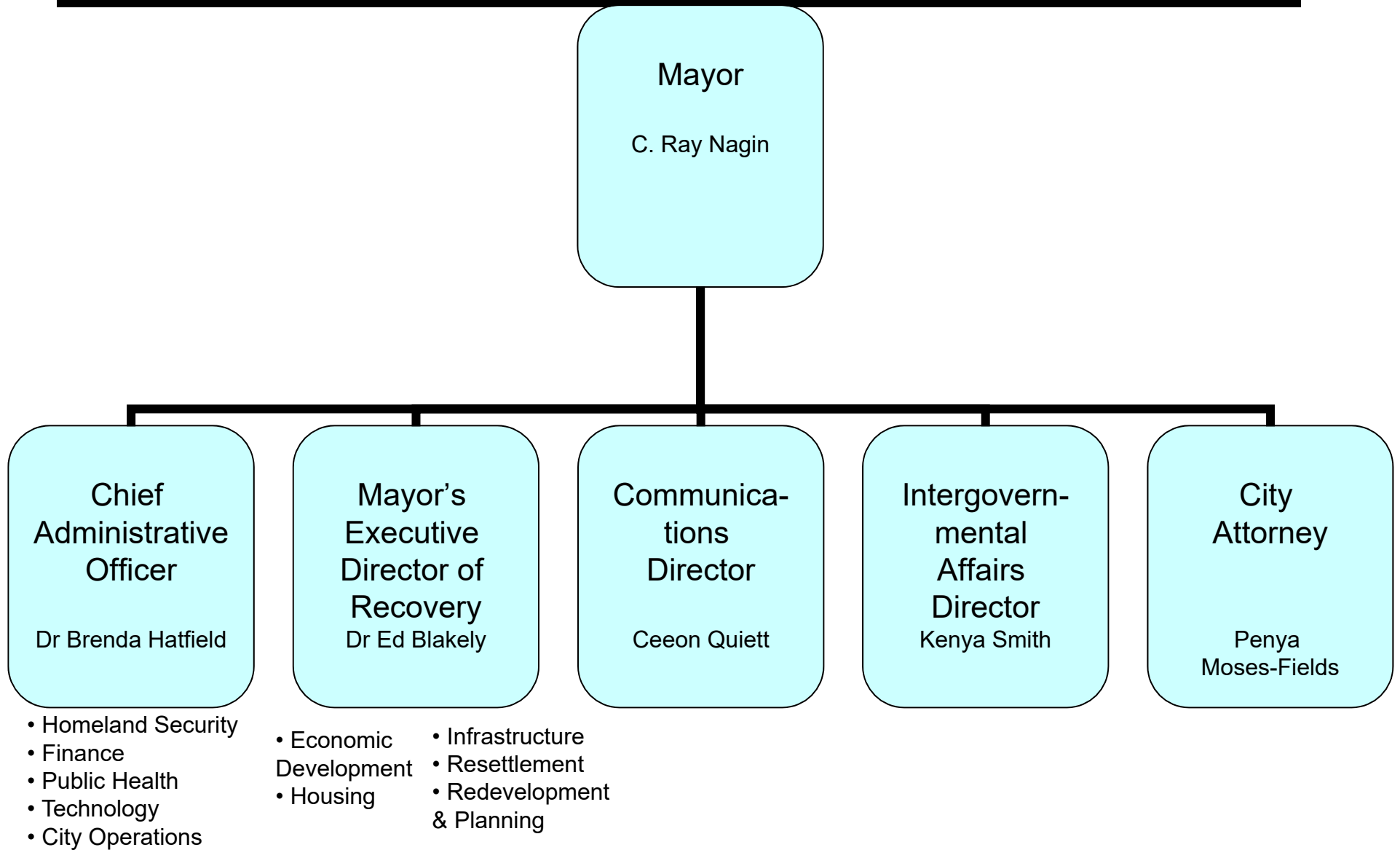
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City organization streamlined

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Citywide recovery planning complete, moving to implementation

Phase I - Revisioning

- Created Bring New Orleans Back Commission 30 days after Katrina's landfall
- Key focus areas – Land Use, Flood Protection, Public Transit, Culture, Education, Health Care, Economic Development & Governmental Effectiveness
- Final presentation December 2005

Phase II – Neighborhood & Citywide Recovery Planning

- Funding from City Council, Rockefeller Foundation, Greater New Orleans Foundation contributed to neighborhood (district) plans, Lambert Plan, and the Unified New Orleans Plan (UNOP)
- Establishment of Citywide Recovery Implementation Strategy with 17 Target Recovery Area neighborhoods as focus

Phase III – Citywide plan

- New Orleans Strategic Recovery and Redevelopment Plan approved by Louisiana Recovery Authority July 2007; in total held 173 planning meetings in N.O. and around the country
-
-





Responsibilities of Louisiana Recovery Authority

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Louisiana Recovery Authority (LRA)

- Planning and coordinating body created in the aftermath of hurricanes Katrina and Rita by Louisiana Governor Kathleen Blanco
- Given several primary functions
 - Planning for recovery and rebuilding of Louisiana
 - Coordinating across jurisdictions
 - Ensuring integrity and effectiveness of funds delivery
 - Working with local, state and federal agencies
- Board comprised of approximately 30 prominent Louisianans, represents cross-section of state leadership
- Charged with developing action plans and spending program for \$11.9 billion in federal grant money, flagship program is Road Home awards to homeowners
- Responsible for driving recovery in *all* parishes affected by Katrina and Rita
- Challenged to address short-term recovery needs while guiding long-term recovery planning





Citywide Recovery Implementation Strategy: Criteria for areas chosen

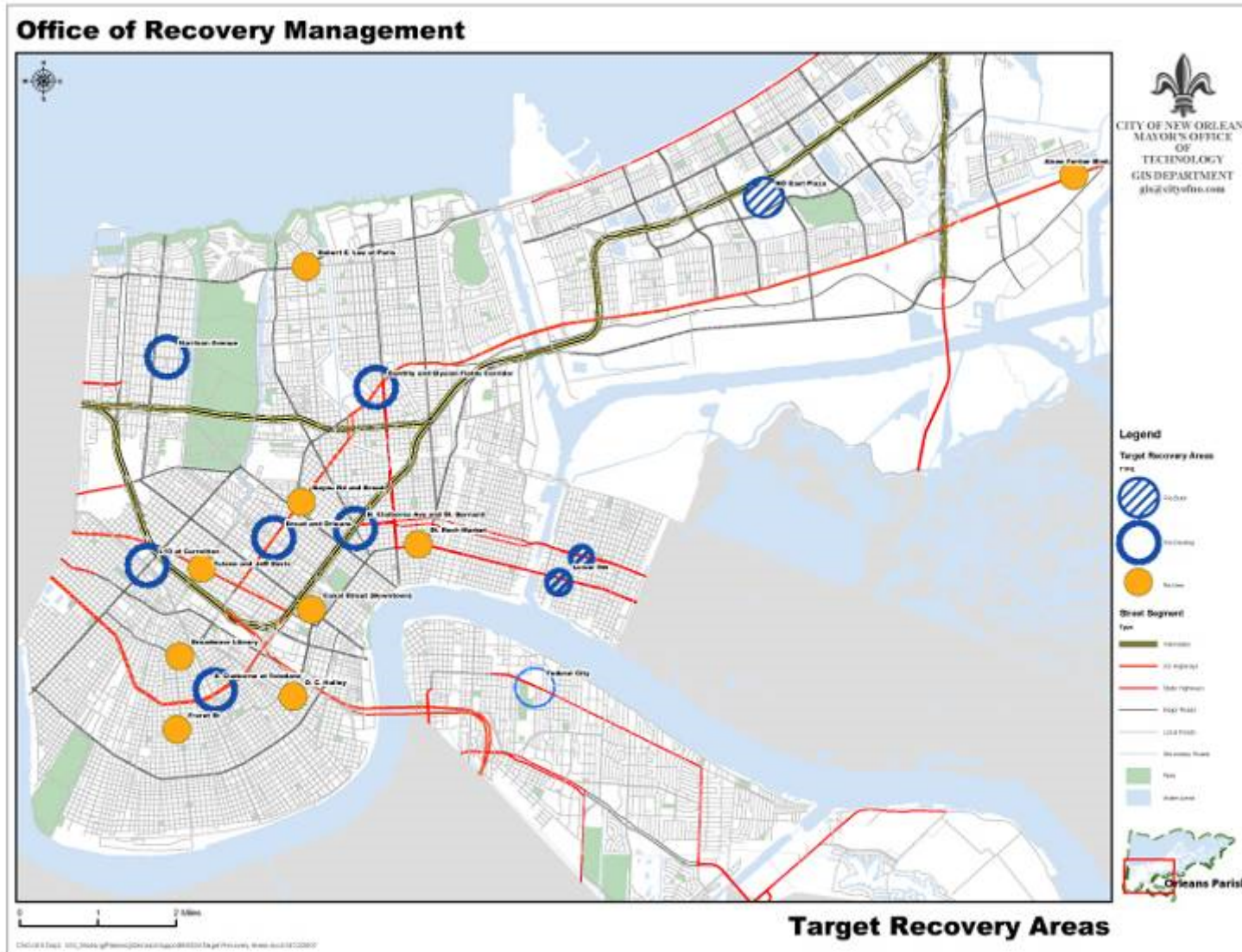
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- High potential to attract investment
- High visibility site
- Strong demonstration of cluster model
- Sufficient land and other assets
- Adequate resources present to catalyze development e.g. schools, libraries
- Area consistent with development approach in various plans
- Leverages other City development opportunities





Recovery Plan- Target Areas: Locations concentrated in Mid-City bowl





Spurring recovery and redevelopment

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- Post-Katrina Adjudicated Property Program created
 - Purchase at half appraised value
 - 2,025 abandoned/blighted properties were awarded in August 2005, to be placed back in commerce within nine months
 - New Orleans Redevelopment Authority, in partnership with AFL-CIO Investment Trust Cooperation (ITC), has applied for \$150 m in New Market Tax Credits
- Efforts to integrate code enforcement underway
 - Consolidate data management systems to improve flow of information
 - Expand central GIS data repository improving the accuracy of the citywide parcel map
 - Positively impacts public safety, neighborhood livability, and general recovery





Partnering to manage the recovery

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Working with public partners for equitable and successful redevelopment

- Entered a successful partnership with the New Orleans Redevelopment Authority (NORA)
 - Redeveloping the VA site in partnership
 - Managing Road Home properties in partnership

Effectively managing the recovery with private sector support

- Created a project delivery task force to focus on executing capital and infrastructure recovery projects expediently and efficiently
- Project delivery unit will employ city staff and contracted architects, engineers and project managers to work closely with FEMA, GOHSEP and other funders to schedule, budget and manage recovery projects





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FEMA
GOHSEP

Project Delivery Model

Mayor

Finance/Accounting Unit
contractor

Project Delivery Unit (PDU)
City Team
dedicated interdepartmental management task force

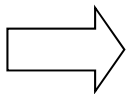
Other City departments
facilities user depts
(e.g., Homeland Security for crim justice/public safety facilities)

Federal/State Reimbursement Unit
contractor

Infrastructure Project Manager
contractor

Architects/
Engineers Architects/
Engineers Architects/
Engineers

Contractors Contractors Contractors



City restructuring to manage unprecedented rebuilding efficiently, responsibly, and swiftly



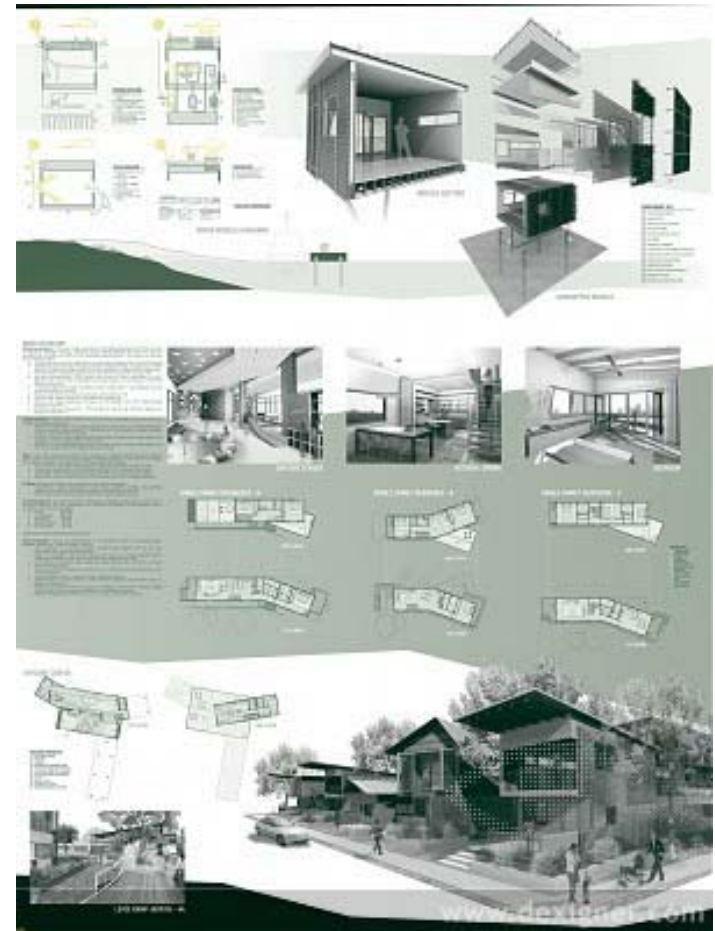


Building a sustainable New Orleans with private funds

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Historic Holy Cross in the Lower 9th ward

- Global Green and neighborhood partners begin construction of carbon neutral homes in Holy Cross
 - rebuilding 5 single family homes
 - 18 unit multifamily building
 - community center/Sustainable Design and Climate Action Institute
- All buildings to be LEED Platinum certified





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Building a sustainable New Orleans: *New New Orleans Mission*

- New Orleans Family Center a LEED certified addition to historic New Orleans Mission
 - First LEED certified building in New Orleans, second in Louisiana
 - Offers temporary housing to displaced women and children



Among the efficient energy systems are:

Geothermal HVAC system

Tankless water heaters

Strategic glazing to minimize sun exposure and reduce internal heat loads

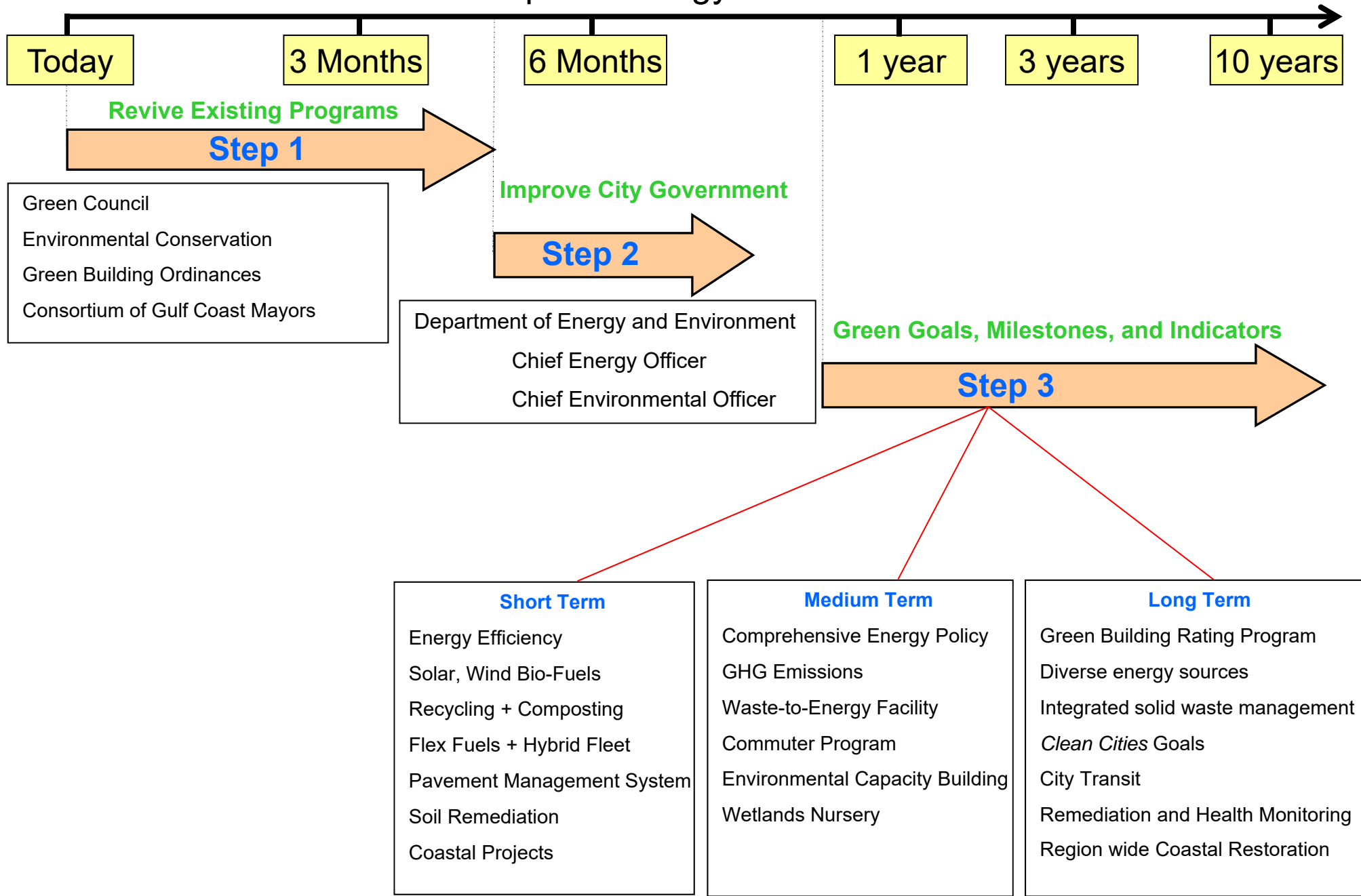
Stack ventilation in each second-floor bedroom that includes a sloping high ceiling that enables hot air to rise and escape through operable windows

Natural daylighting

Eco-friendly restorative garden consisting of a large landscaped yard with native plants, bamboo, and low-maintenance grass.



The GreenNOLA Road Map: A Strategy For a Sustainable New Orleans





Building a sustainable New Orleans: Resources

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Existing Available Resources:

- Solar Cities Grant
- MIT New Orleans Program
- Urban Metabolism Model
- Energy Task Forces
- US Conference of Mayors
- DOE Technical Assistance
- Local non-profit groups
- CDBG Funds for Soil Assessment and Remediation
- Bush-Clinton Foundation grant

Future and Pending Resources:

- Energy Efficient Block Grant Program
- DOE grants
- EPA grants
- Solar Decathlon of 2009
- Solar Pro-Decathlon of 2008
- NAHB Green Building Conference of 2008





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Reaching the tipping point

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- Property tax collection expected to be 93% of pre-storm level in 2008
- Total tax collection including sales, hotel/motel, and motor vehicle taxes at 94% of pre-Katrina levels in September 2007
- Employment up in 14 out of 20 sectors
- Number of jobs in New Orleans rose through first quarter of 2007 to 69% of pre-Katrina first quarter 2005 levels
- Payroll jobs grew almost 21% from post Katrina October 2005 through March 2007
- Jobs grew by over 12% in suburbs from September 2005 to March 2007
- City restructuring to manage unprecedented rebuilding efficiently, responsibly, and swiftly





Budget priorities 2008: detail (1/3)

2008 Budget priorities

1) Public Safety

3) Opportunities for Youth

**2) Recovery and Livable
Communities**

**4) High Performing
Government**

2008 budget process summarizes plan to rebuild city

- Spending proposals are matched to performance measures
- Identifies four priority areas
- Tracks results and measures accountability





Budget priorities 2008: detail (2/3)

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Continue to invest in Public Safety, \$7 million from State

- Lease of new fire trucks
- Replace vests for police officers
- Provide NOPD officers with state-of-the-art crime fighting equipment

Recovery and Livable Communities

- Investing in management and enforcement
- Develop community standards ordinance
- Integrate code enforcement efforts
- Outsource to project management firms to handle demolition and debris removal
- Reorganize Office of Recovery Management to include Housing, Planning and Economic Development areas
- Invest in Temporary Trash Collection services (TTF)





Budget priorities 2008: detail (3/3)

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Investing in Youth

- Continue the Enhancement Youth Recreation Programs and Facilities
- Public Safety Officer program created to prepare high school graduates for law enforcement

Create High Performing Government

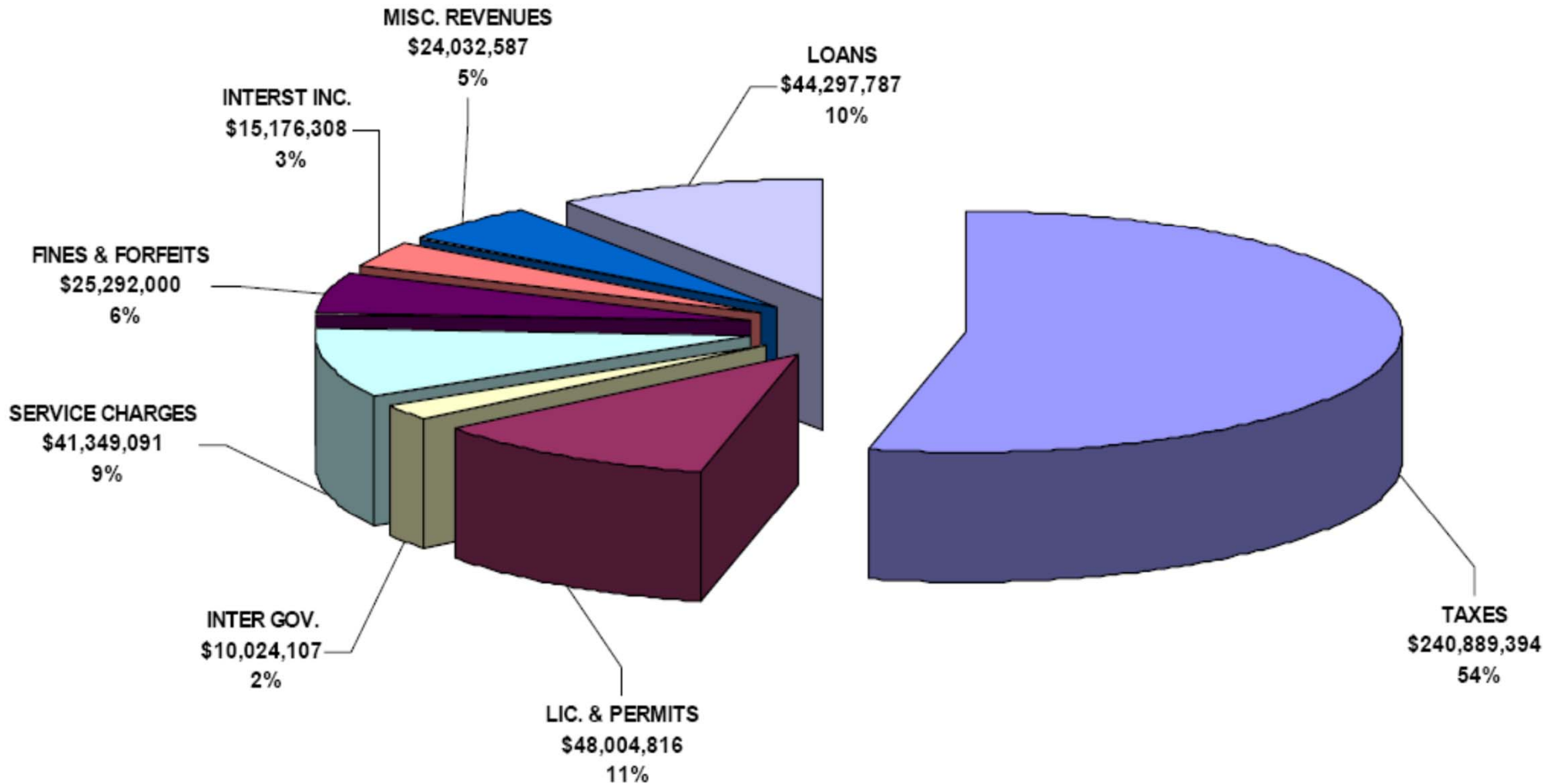
- Streamline contracting process
 - Convert to an automated contracting routing system that promotes transparency, tracks the entire routing process, identifies bottlenecks, and reduces redundancy
- Integrate code enforcement, consolidate data management systems to improve flow of information
 - Expand central GIS data repository to improve accuracy of citywide parcel map
 - Invest in technology to support property management and redevelopment strategies





FY 2008 projected revenues

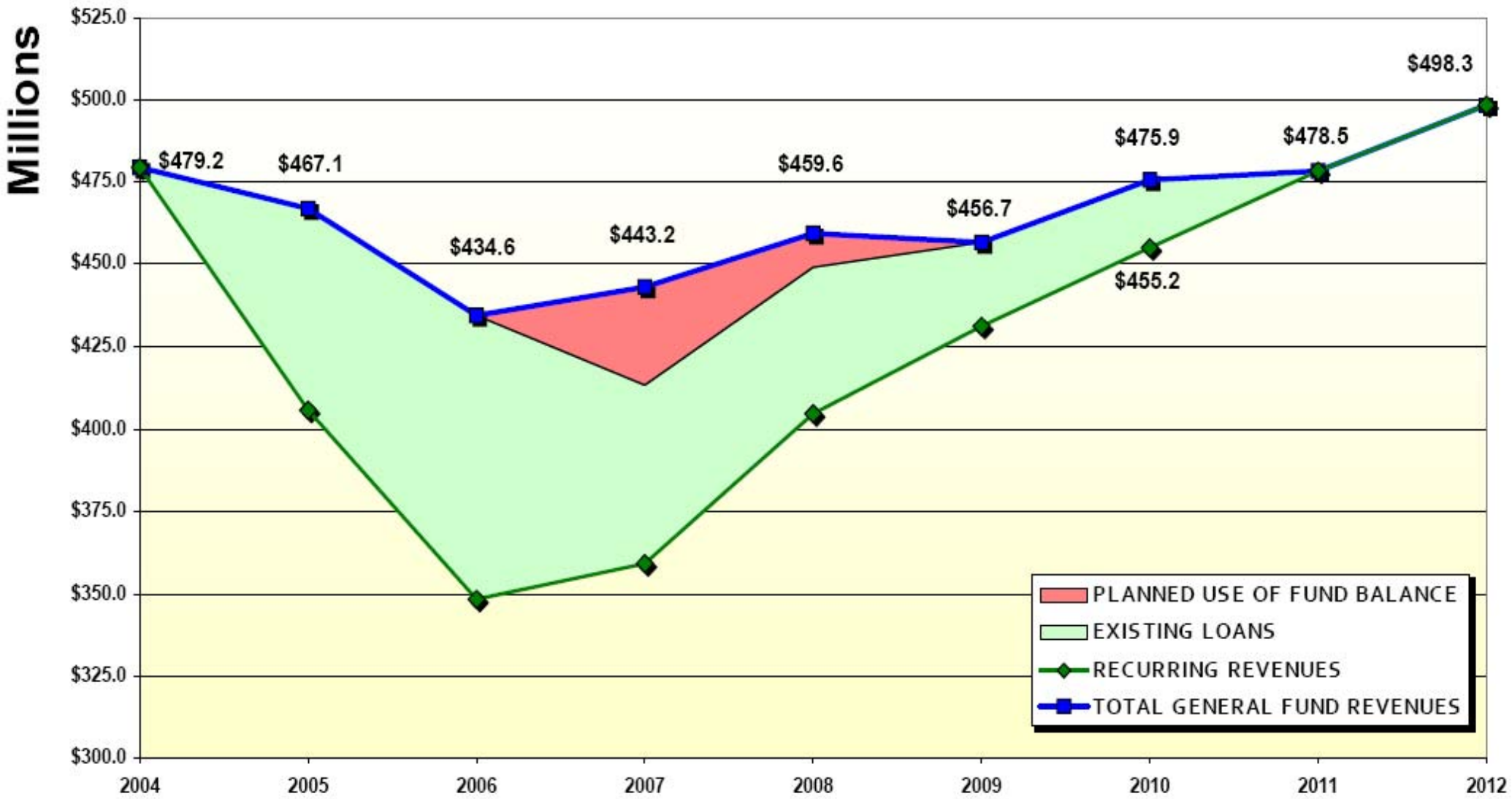
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General fund revenues

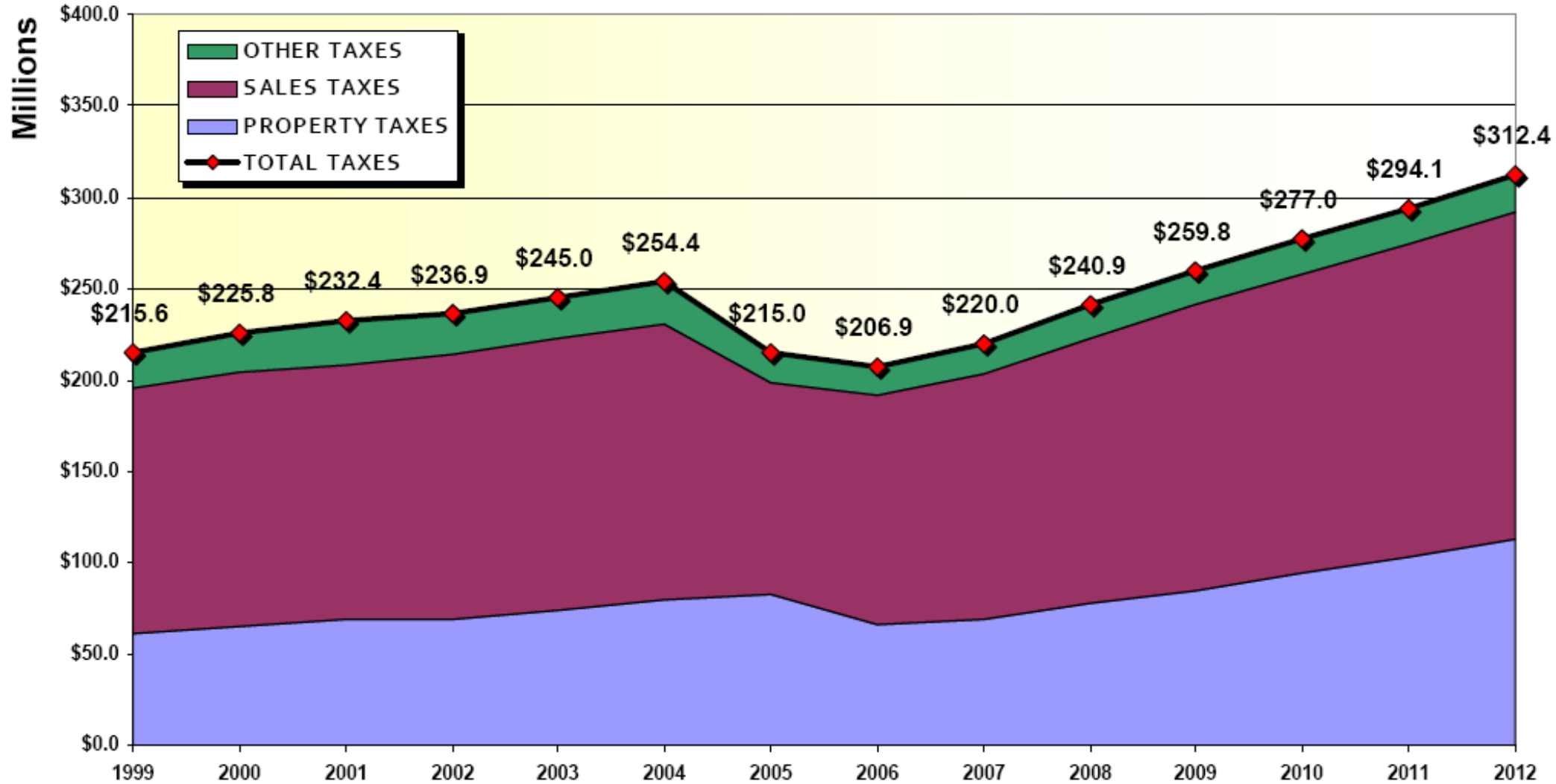
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General fund tax revenue projections

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Source: City CFO





Looking up and looking forward 2007-2011 (1/3)

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Enhanced revenue estimates and recovery

- State Road Home Program
 - \$3.7 billion designated for New Orleans homeowners
- \$60 billion in insurance settlements to Katrina-affected households and businesses on deposit as of September 2005
- Re-population of City expected to continue to accelerate, especially due to completion of New Orleans Strategic Recovery and Redevelopment Plan
- Metro area wages have increased
 - 53% professional & technical services
 - 41% construction
 - 23% accommodation & food
 - 28% healthcare

**25% per capita payroll
increase from Jan-March
2007 for the region**





Looking up and looking forward 2007-2011 (2/3)

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Orbitz and Travel & Leisure name New Orleans Top Destination 2007

We're Back!

- Zurich Classic of New Orleans
- Voodoo Fest
- Bayou Classic
- Sugar Bowl
- Traditional Mardi Gras and Jazz Fest
- Essence Festival
- BCS Championship
- NBA All Star Game
- All cruise ships back
- Large number of conventions scheduled in 2007, International Association of Chiefs of Police, the American Academy of Ophthalmology, American Cancer Society, and many more





Looking up and looking forward 2007-2011 (3/3)

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-
- Through prudent budgeting and fiscal management the City will be self sufficient by 2011
 - Discretion in application of CDL Phase 2 funds
 - Management of expenses associated with return of services to meet anticipated demand

Challenges

- Credit recover/ debt rating
 - Achieved investment grade Moody's and Fitch
 - S&P significantly upgraded the City's general obligation bond rating, still shy of investment rating status
- Capital needs
 - Authorized \$260 million of bonds for public improvement in 2004
 - Leverage the \$260 million with FEMA Public Assistance, State revolving fund, and CDBG-LRA rebuilding funding





Contents

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- Section 1 – New Orleans Pre- Katrina & Impact of the Storm
- Section 2 – Since the Storm
- Section 3 – Elements of Recovery Strategy
- Section 4 – City Budget and Finances
- ▶ • **Section 5 – Financing Opportunities**





New Orleans recovery presents many financing opportunities

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- Financing buildings that will not be part of the Rebuilding process
- Sale-Lease Back of large scale facilities
- Operating licenses for facilities such as recreation facilities
- Re-financing land leases
- Bundling under-utilized assets for sale or trade
- Financing new waterfront development
- Sewerage and Water Board infrastructure financing of plant, equipment and transmission lines
- Regional Transportation Authority equipment purchases and leases, new bus fleet, new trolley and other infrastructure





Many economic development initiatives underway

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- Broadway South
- Hollywood South
- Digital Media Center
- Recycling Enterprises
- East New Orleans Industrial Park Enhancements and Expansion of local services for park
- Bio-Science Center
- National High School Sports Complex
- Air and Sea Cargo Port link
- Riverfront Vision 2005
- Latin American Initiative
- Cultural Arts Enhancements





August 2007: Hard work paying off

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- Downtown New Orleans approved as preferred location of new Veterans Administration hospital to join rebuilt LSU teaching hospital
 - VA and LSU hospitals will result in creation and retention of 10,000 jobs full time jobs
 - Total capital investment of over \$1 billion
- Bush Clinton Katrina Fund authorizes funding for Mayor's Green NOLA Road Map
 - Dedicates 1.2 million
- Launched budgeting for outcomes process
 - Implementing best practices in
 - Budgeting
 - Service improvement
- State issued \$300 million in state revolving fund to finance recovery
 - \$200 million for City administration
 - \$100 million for Sewerage and Water Board





Archived slides

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All archived slides to follow

- Archive start date: November 9, 2007





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Rebuilding Criminal Justice

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District Attorney & Courts

- Property and evidence restoration in progress
- All courts and DA's office functioning at reduced capacity
- Violent offenders units in DA's office created, funded
 - Average 10 years experience
 - 95% conviction rate in 22 cases
 - Average sentence 18.5 years



New Orleans Police Department

- 1,428 NOPD officers (86% of pre-Katrina force) currently supported by Louisiana State Police, National Guard, and FBI
- Lease signed February 2007 for new crime lab at University of New Orleans lakefront campus, anticipated opening date September 2007
- Working with FEMA to fund all obligated projects for NOPD and sheriff's office

Family Justice Center

- Department of Justice Violence Against Women awards \$3 million grant to Catholic Charities to open central facility for victims of domestic violence, fully operational by September 2007
 - NOPD, City Attorney, District Attorney and non-profit service providers will all work together to provide services and information to victims of domestic violence and sexual assault
-





Building a better New Orleans

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New construction

- 774 new residential units authorized for construction: June 2007
 - Increase of 451 units from previous month
 - 98 single family residential (up from 81 May 2007)
 - 676 multifamily residential (up from 242 May 2007)
- Total of 188,200 commercial, residential, certificates, electrical, mechanical permits issued from August 29, 2005 – September 30, 2007
 - Total value: \$4,792,373,614
 - 2,056 of these issued for new construction
 - Total value of new construction: \$773,179,383





Businesses slowly recovering

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- Sales tax collections at 84% of pre-storm level, collected 11.9 million in January 2007
- Metro-area employment at 79% of pre-storm level
- 97% of medium to large businesses have returned
- Port of New Orleans exceeded 100% of pre-Katrina levels in ship calls and tonnage up 4% from 5 year average
- \$60 million renovation complete for the Ernest N. Morial convention center
 - 3.7 million visitors in 2006, 45.7% for vacation/pleasure, 9.5% business/convention, 13.7% for corporate meeting/business, 31.1% for hurricane related purposes
 - 70% of 2007 convention business retained
- Cruise ship industry: All 4 cruise ships returned Jan. '07 with passenger capacity increased above pre-Katrina levels
- \$18.5 million in federal grant funds allocated for tourism and convention marketing



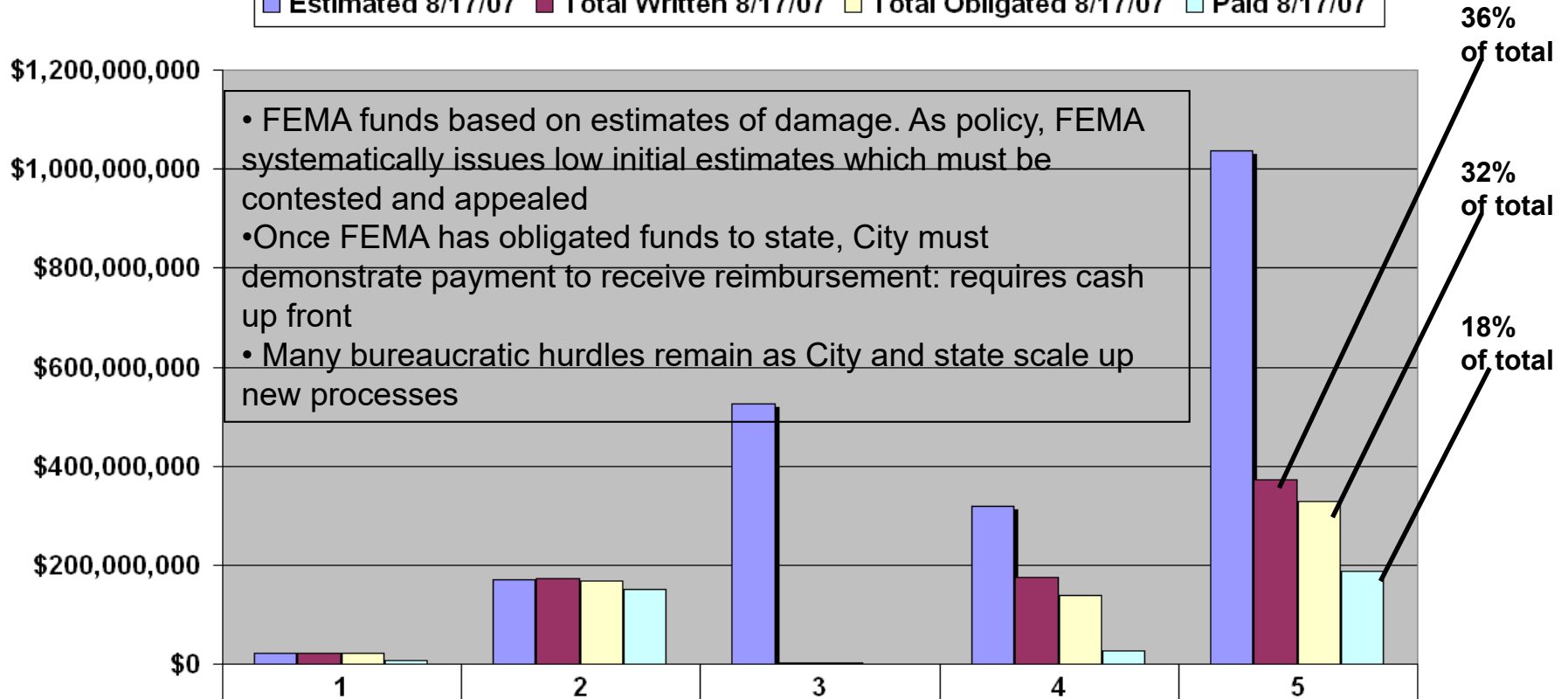


...And FEMA rebuilding funds have been slow as well

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Project worksheet latest status by category as of 8/17/07

■ Estimated 8/17/07
 ■ Total Written 8/17/07
 ■ Total Obligated 8/17/07
 ■ Paid 8/17/07



	1	2	3	4	5
■ Estimated 8/17/07	\$21,605,229	\$171,133,806	\$524,953,799	\$320,000,000	\$1,037,692,834
■ Total Written 8/17/07	\$21,605,229	\$171,631,249	\$2,797,021.06	\$175,895,983	\$371,929,481
■ Total Obligated 8/17/07	\$21,605,229	\$166,778,491	\$2,498,344	\$138,107,550	\$328,989,615
■ Paid 8/17/07	\$7,677,739	\$151,870,053	\$947,154	\$27,750,948	\$188,245,893





2006 Budget: Filling the gaps

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2006 budget gap of \$205 million

- Pursued loans and grants

Revenues enhanced over adopted budget estimates

- Sales taxes at 84% of prior year collections
- Property taxes at 86% of billing and 77% of prior year
- Other revenues up versus budget estimates

State GO Zone/Tax Credit Bond proceeds to help with debt service payments

Second phase of Community Disaster Loan (CDL) available to close projected \$17.6 million FY 2006 gap

- Also to help with future years, achieving self sufficiency by 2011





2007 Budget: priorities set

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- (1) Public Safety Enhancements
- (2) Acceleration of Recovery/Infrastructure Restoration
- (3) Quality of Life Enhancements
- (4) Recruitment & Retention of City Employees





2007 Budget priorities: public safety

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Public safety enhancements

- Challenges
 - Resurgence of violent crime
 - Damaged criminal justice system
 - Attrition of police force
- Solutions
 - Prioritized restoration of criminal justice infrastructure
 - ADA salaries raised to competitive level
 - Redeploy crime cameras
 - Implement community prosecutor role in each police district

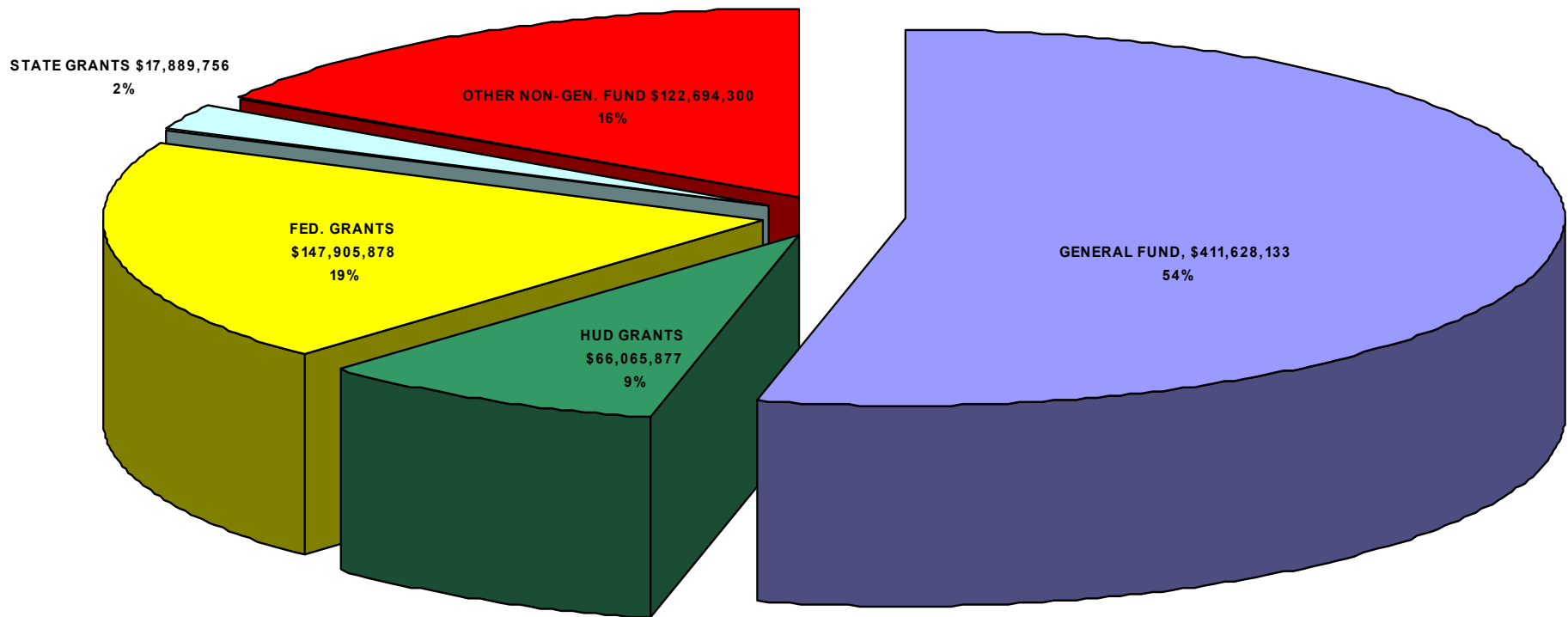




2007 Budget

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FY 2007 ALL FUNDS COMPOSITION (\$766,183,944)





Budget plan developed

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	2005	2006	2007	2008	2009	2010	2011
	(Unaudited)	(Revised)	(Budgeted)	(Projected)	(Projected)	(Projected)	(Projected)
Total Revenues	\$402,040,428	\$300,145,894	\$334,401,522	\$366,577,740	\$402,374,382	\$426,928,455	\$453,131,538
Expenditures	\$385,568,567	\$325,086,431	\$368,496,732	\$366,791,563	\$372,414,471	\$395,965,458	\$408,838,463
Debt Services	\$36,854,312	\$39,070,680	\$43,131,401	\$44,283,437	\$44,826,654	\$45,534,284	\$39,283,775
Total Expenditures	\$422,422,879	\$364,157,111	\$411,628,133	\$411,075,000	\$417,241,125	\$441,499,742	\$448,122,238
Excess (Deficiency) of revenues over expenditures	(\$20,382,451)	(\$64,011,217)	(\$77,226,611)	(\$44,497,260)	(\$14,866,743)	(\$14,571,287)	\$5,009,300
Other financing sources							
CDL Loan	\$83,718,636	\$53,891,364	\$49,254,000	\$32,153,000	\$6,409,000	\$14,574,000	\$0
GO Zone Payment		\$10,120,474	\$21,345,239	\$12,344,538	\$8,458,343	\$0	\$0
Net change in Fund balance	\$63,336,185	\$621	(\$6,627,372)	\$278	\$600	\$2,713	\$5,009,300
Fund Balance:							
Beginning of Year	\$3,195,068	\$66,531,253	\$66,531,874	\$59,904,502	\$59,904,780	\$59,905,380	\$59,908,093
End of Year	\$66,531,253	\$66,531,874	\$59,904,502	\$59,904,780	\$59,905,380	\$59,908,093	\$64,917,393
Distribution of Fund Balance:							
Reserved and Designated	\$23,489,360	\$23,489,360	\$23,489,360	\$23,489,360	\$23,489,360	\$23,489,360	\$23,489,360
Unreserved and Undesignated	\$43,041,893	\$43,042,514	\$36,415,142	\$36,415,420	\$36,416,020	\$36,418,733	\$41,428,033

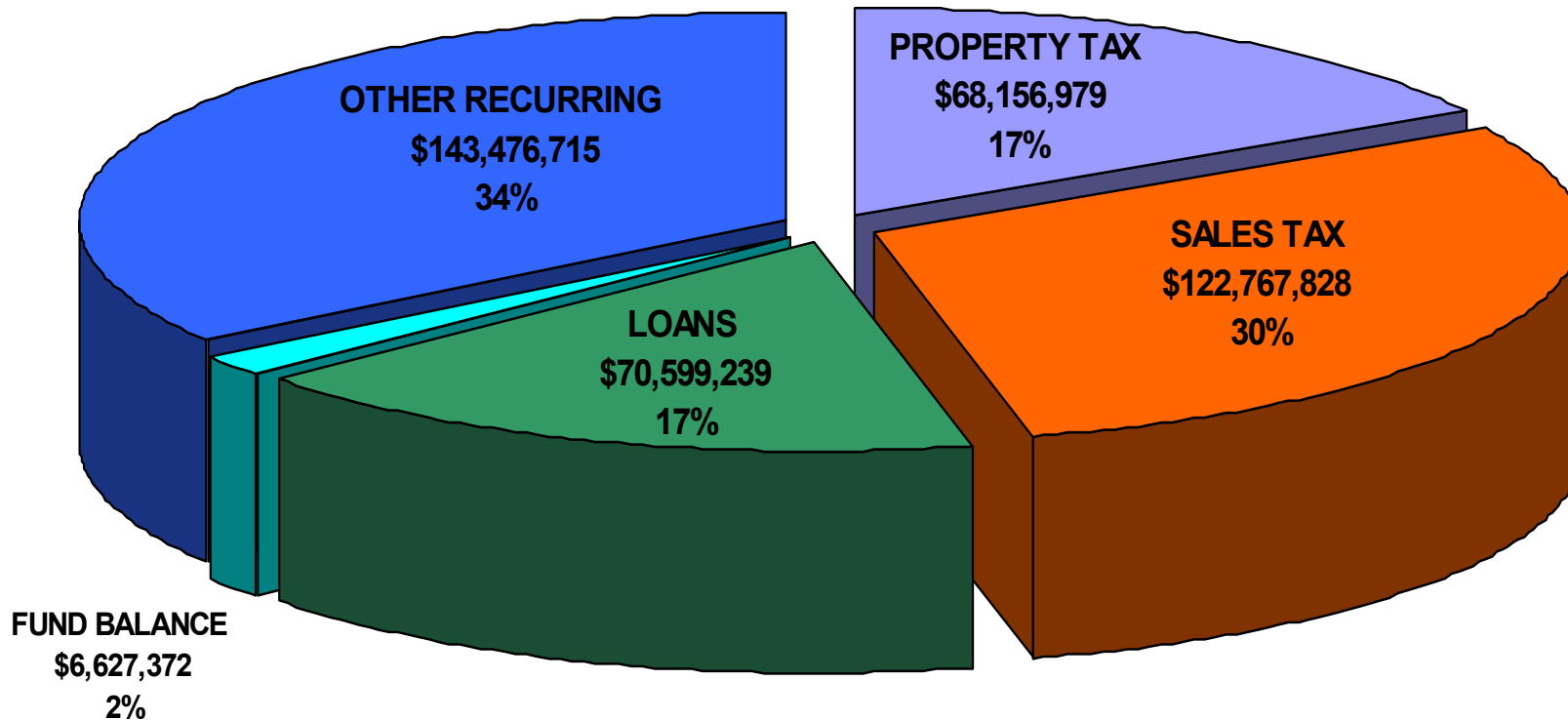




2007 Budget: general fund revenue composition

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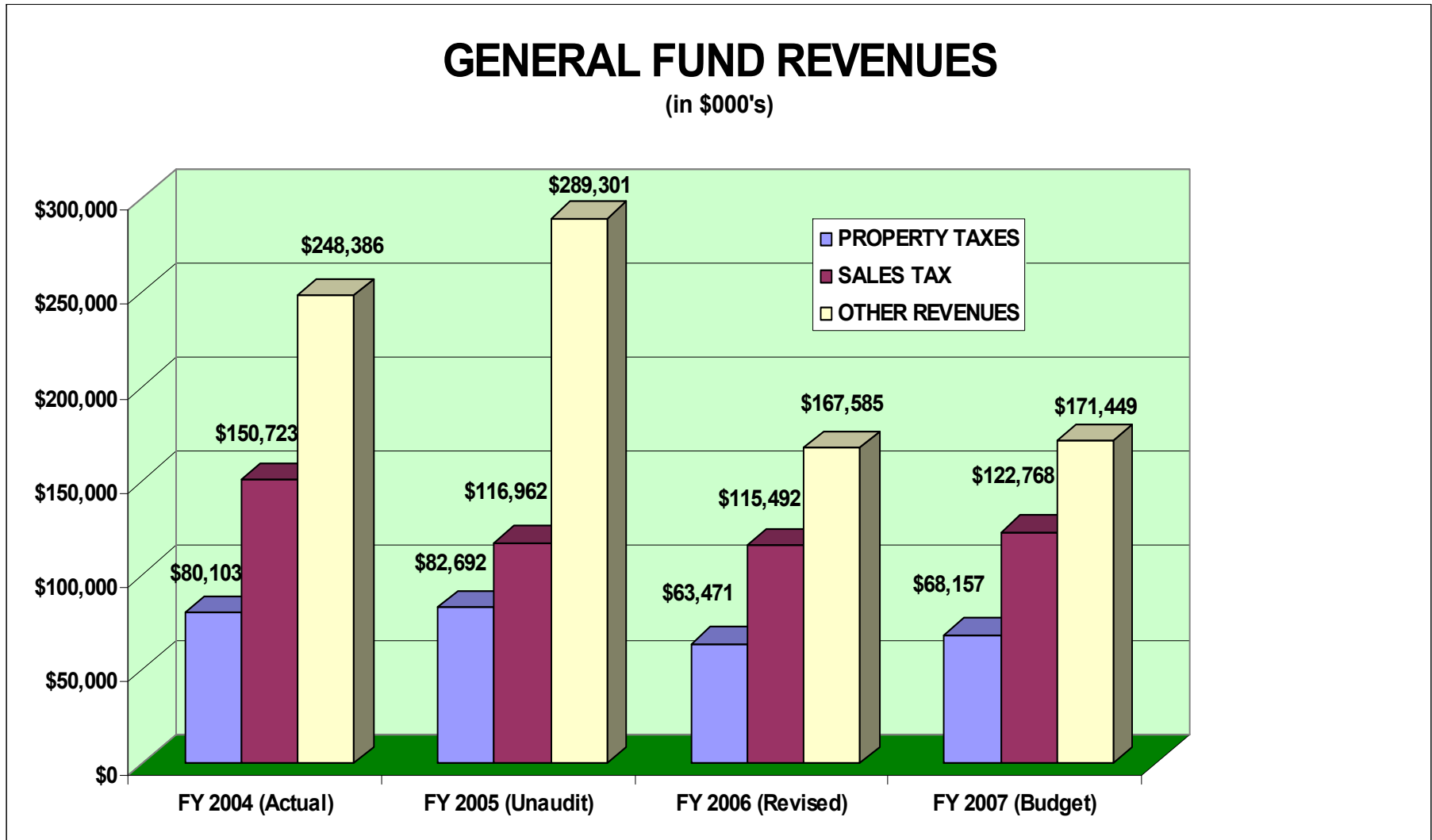
FY 2007 GENERAL FUND REVENUE COMPOSITION (\$411,628,133)





2007 Budget: general fund revenues year on year

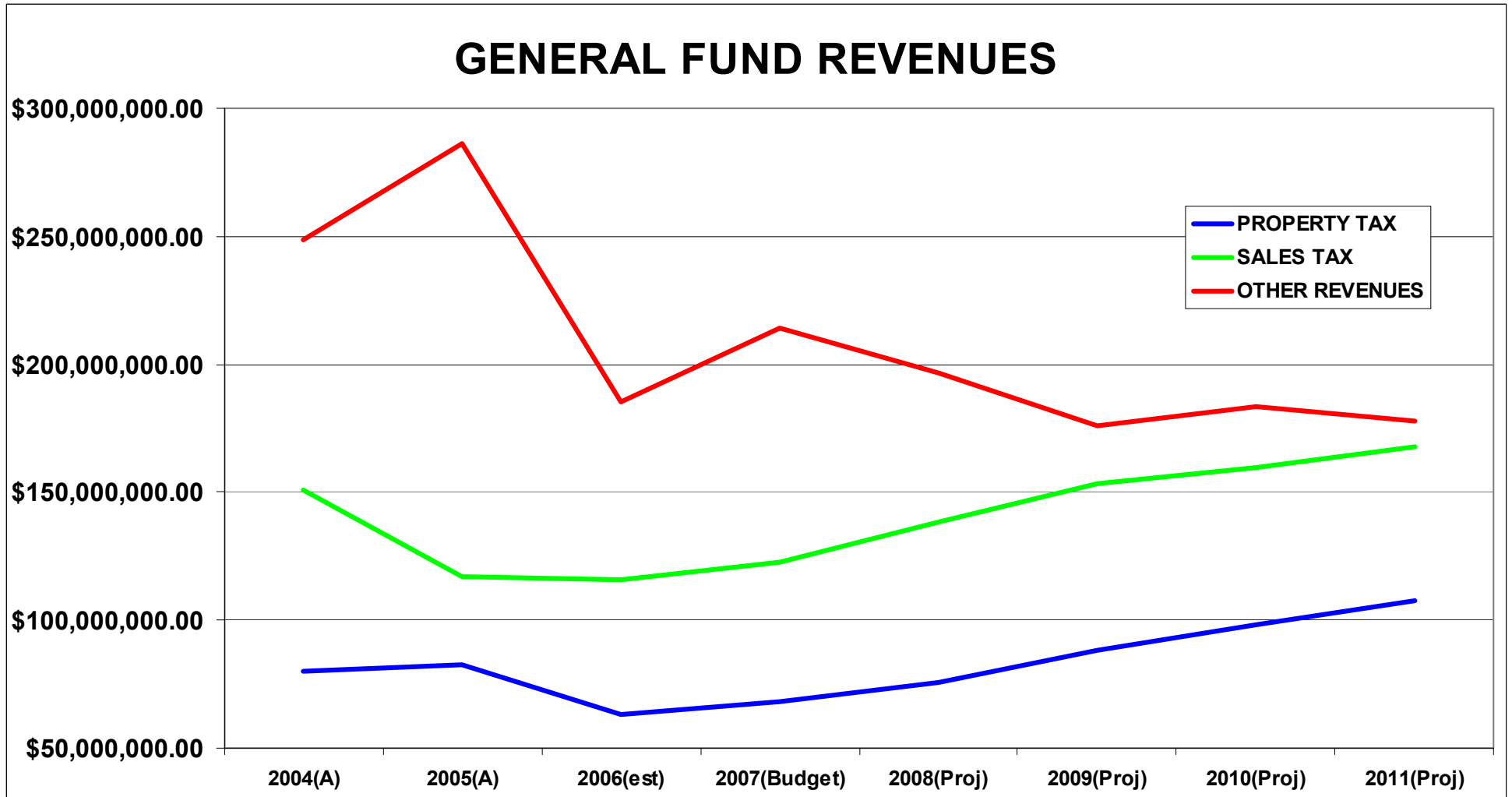
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Looking forward: 2007-2011 revenues by source

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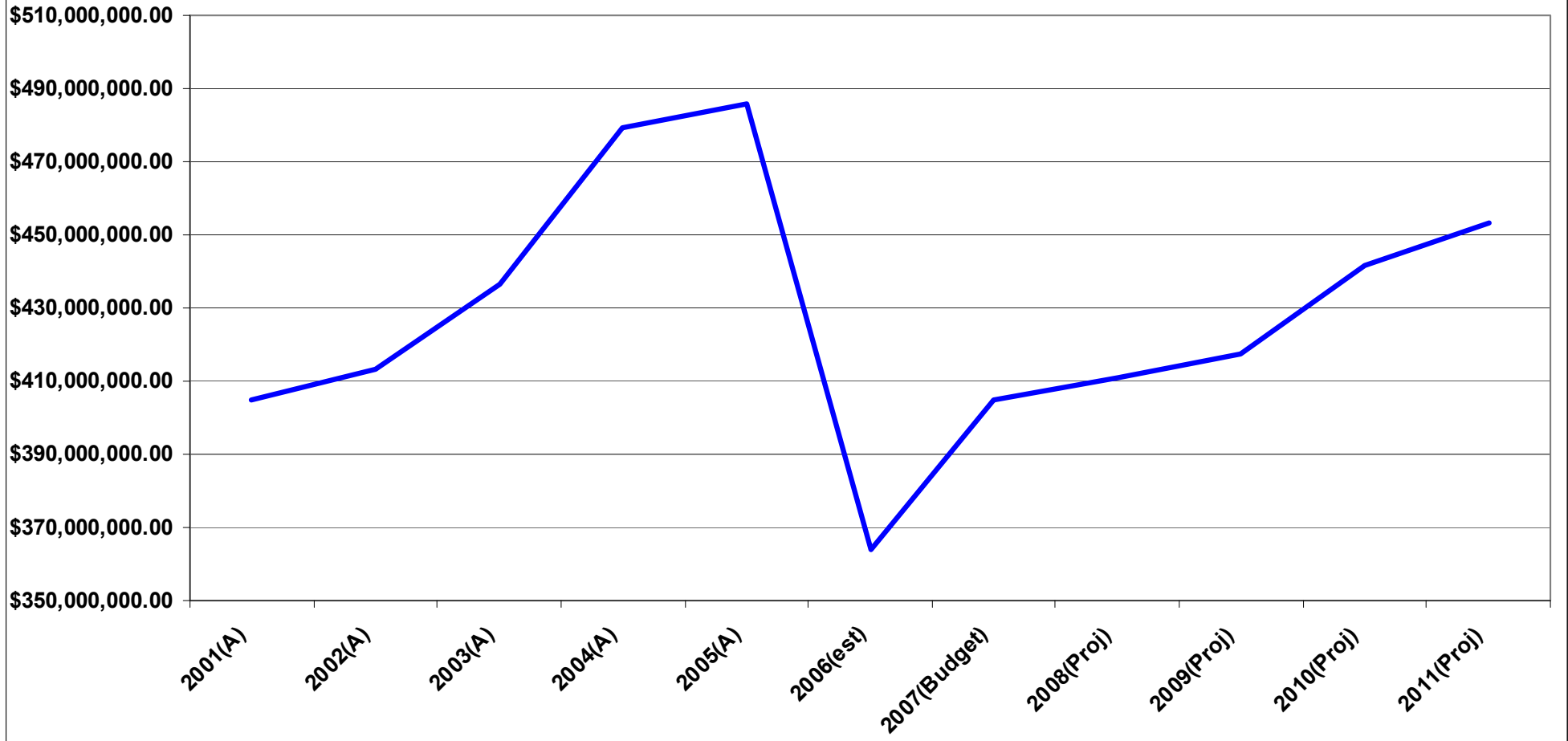




Looking forward: 2007–2011 revenues consolidated

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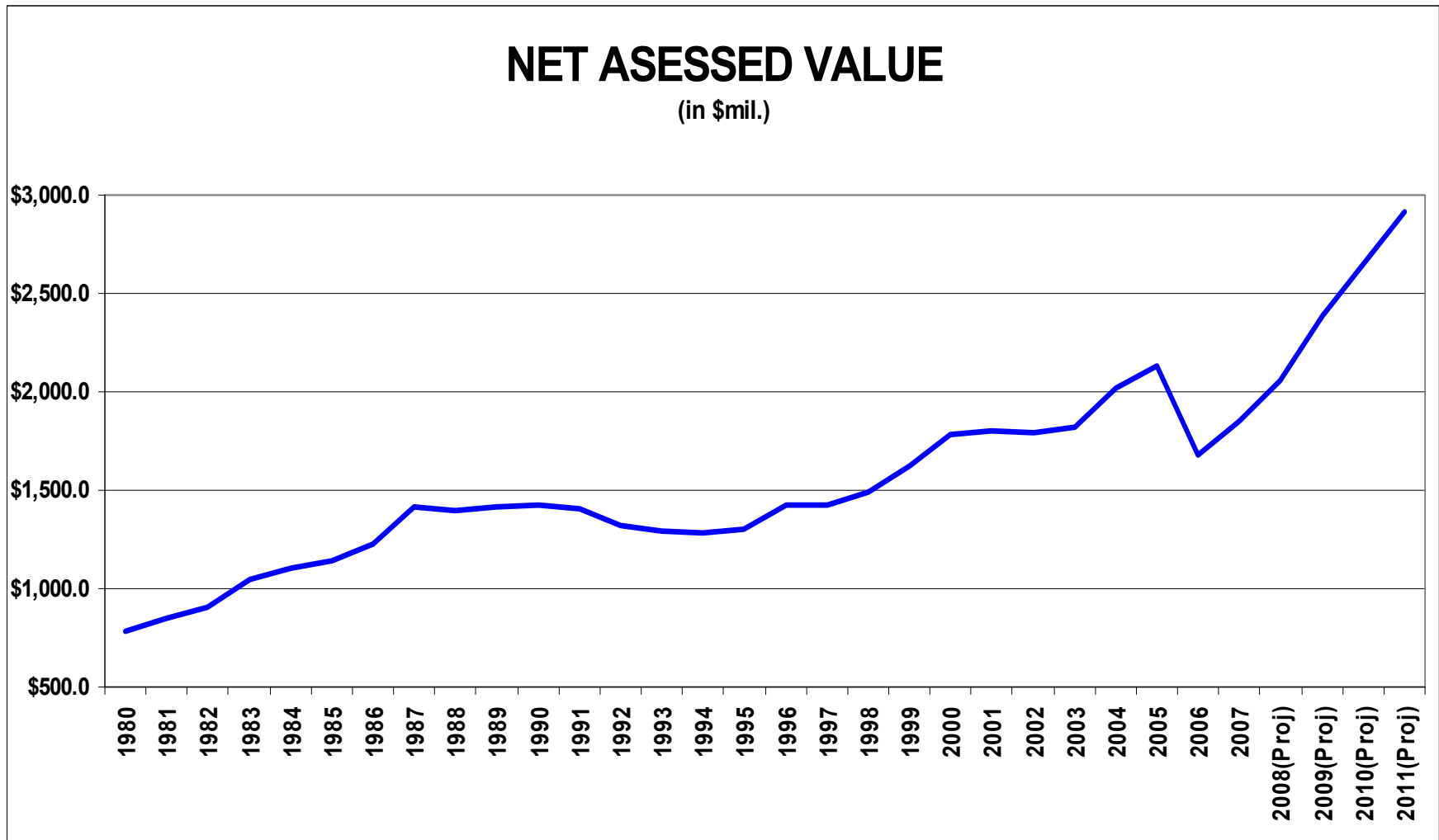
GENERAL FUND REVENUES





Looking forward: harnessing property values

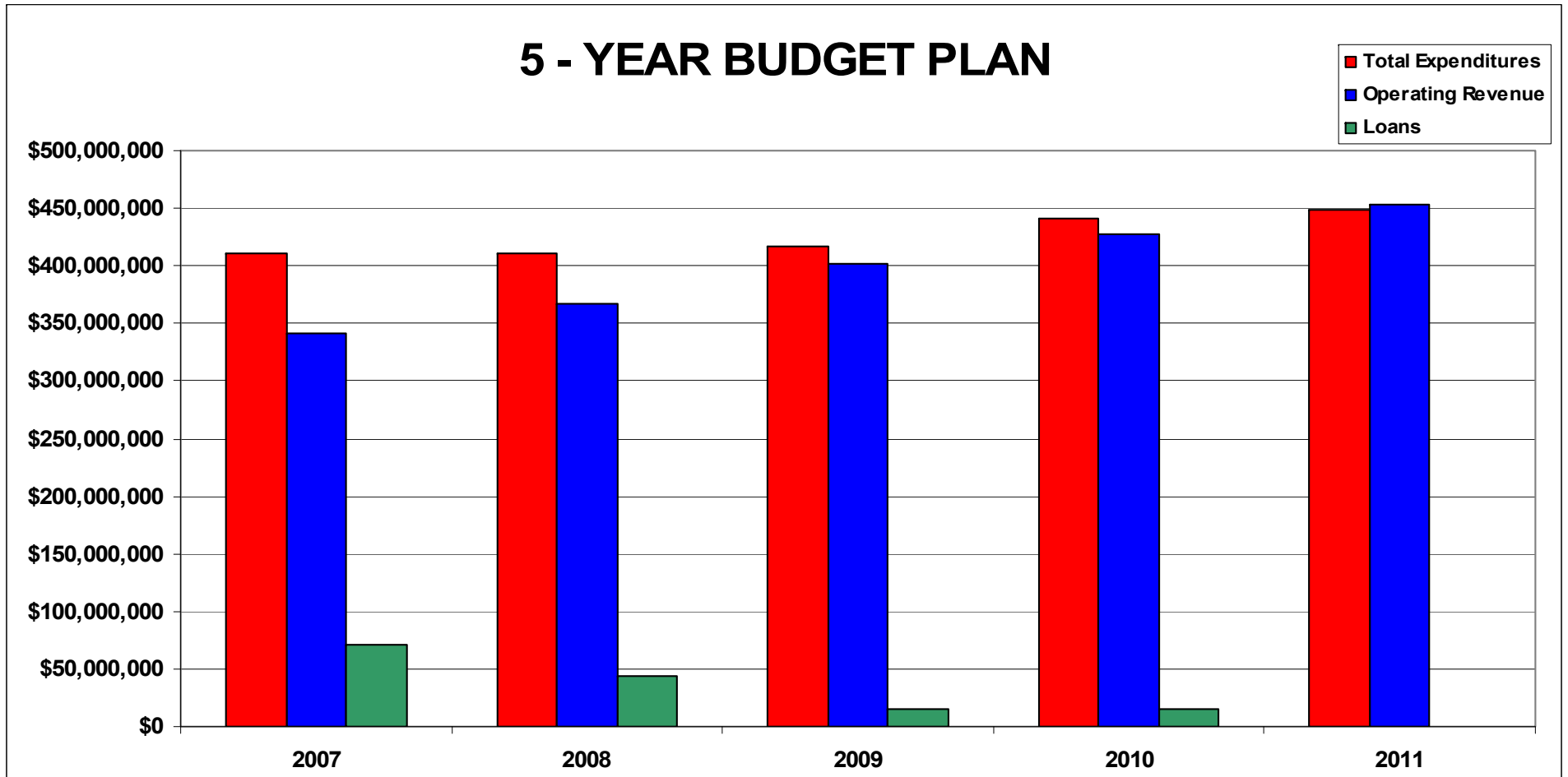
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Looking forward: 2007–2011 revenues

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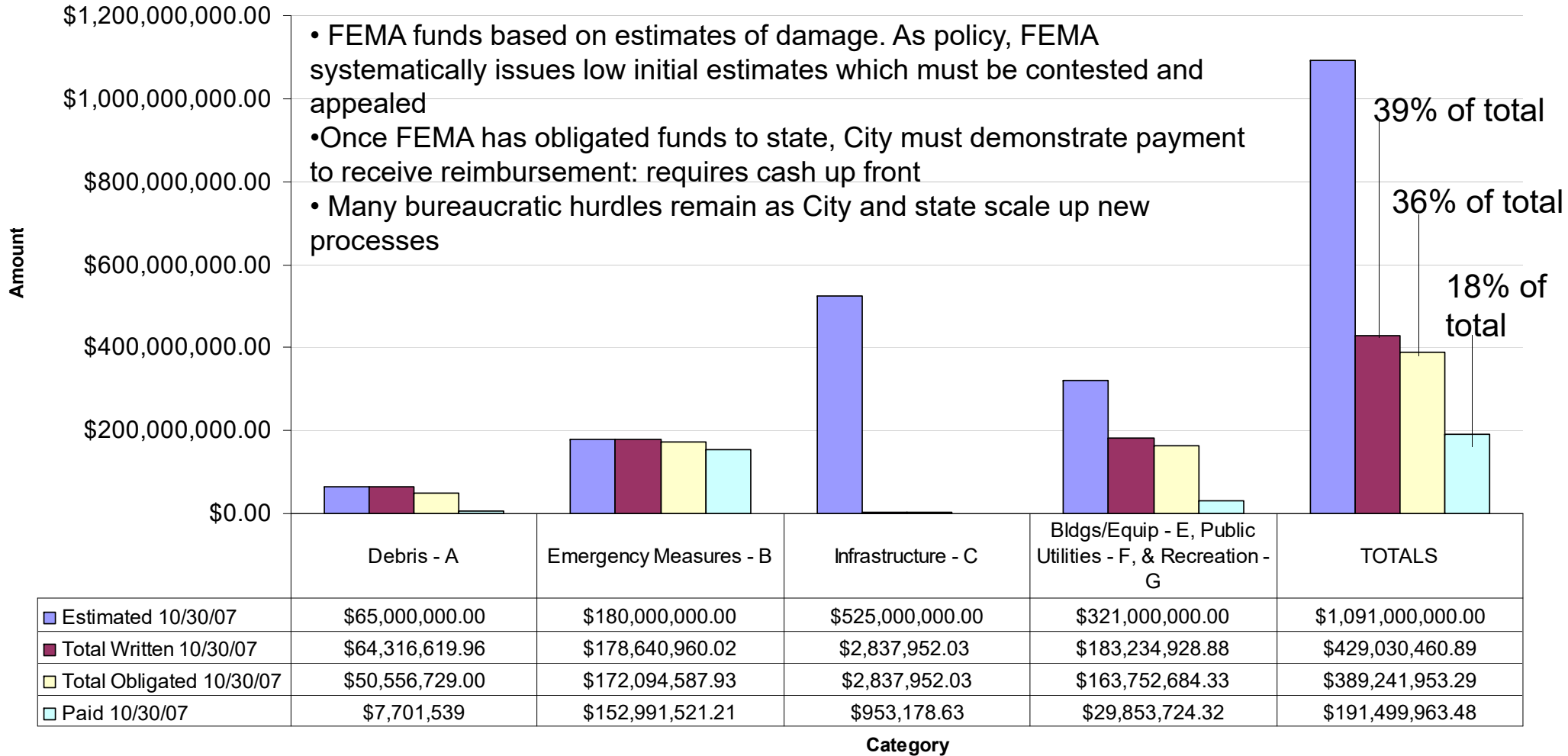




...And FEMA rebuilding funds have been slow as well

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Project worksheet latest status by category as of 10/30/07





Building a better New Orleans

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-
- Building permits issued from August 29, 2005 – September 30, 2007
 - Commercial permits 5,500, value \$1,671,316,030
 - Residential 65,543, value \$3,072,652,493
 - Certificates 7,928, value \$65,002,101

Total building permits 194,360 value, \$4,857,526,896

- Total demolition permits issued from August 29, 2005 – September 30, 2007
 - Demolition permits 10,239
- New construction August 29, 2005 – September 30, 2007
 - New single family 1,427, value \$198,413,561
 - New two family 315, value \$48,790,626
 - New commercial 427, value \$542,079,194

Total new construction permits 2,169 value, \$789,283,381

