



## **BACKGROUND ON GULF COAST RECOVERY AND NATIONWIDE DISASTER PREPAREDNESS AND RESPONSE EFFORTS**

Hurricane Katrina made landfall four years ago and became one of the most destructive disasters in our nation's history. Hurricanes Katrina and Rita took more than a thousand lives, displaced more than a million residents, inflicted major damage to nearly 300,000 homes, and wiped out hundreds of square miles of coastal land. Four years later, the Gulf Coast is still dealing with the aftermath of storms that exacerbated long-standing challenges in the region.

Since taking office nearly nine months ago, the Obama Administration has worked hard to provide residents of the Gulf Coast with the tools that they need to recover from the hurricanes, and to rebuild their lives and communities. The Administration is deeply committed to serving the needs of Gulf Coast residents by cutting through the bureaucratic red tape that has delayed assistance and improving coordination among federal agencies and with state and local partners who have too-often failed to collaborate over the past four years. As a result, more than \$1.5 billion in public assistance projects that had been stuck for years have been obligated since the start of the Administration. In addition, thousands of individuals who had been trapped in temporary disaster housing are on the road to self-sufficiency. The Recovery Act has provided critical resources to the Gulf to help with recovery and revitalization.

President Obama has also worked to improve disaster preparedness and response nationwide, so that the Gulf Coast and all other regions of the country are more resilient and better prepared in the face of future disasters of all stripes. This includes strengthening Federal emergency programs, enhancing emergency communications, improving disaster housing and shelter, and helping state and local governments, the private sector and individual citizens get better prepared.

### **Gulf Coast Recovery: Changing the Game on the Ground**

The Obama Administration has taken a different approach to Gulf Coast recovery, working to replace bureaucratic inertia with a commonsense approach that has made sure federal agencies are working together to achieve real results for residents.

**Shaking the Money Loose with a New Arbitration Panel and Public Assistance Teams:** To expedite recovery efforts, the Administration established a new arbitration process to review disputes regarding Federal Emergency Management Agency (FEMA) Public Assistance for Katrina/Rita projects in excess of \$500,000 in Alabama, Louisiana, Mississippi, and Texas. Established by working with U.S. Senator Mary Landrieu, the Arbitration Panel is an alternative to the current administrative appeals process. The neutral, third-party panels intend to settle

disputes – many of which have lingered for years – within 60 days. Already, some of the most difficult lingering disputes have applied for arbitration under this process. The Administration previously established two new dispute resolution teams in Louisiana. The Joint FEMA/State Expediting Team reviews requests for amending project worksheets where consensus has not yet been reached, and the Unified Public Assistance Project Decision Team expedites decisions between FEMA and Louisiana on disputed Public Assistance projects. These teams have resolved 76 projects, including fire and police stations, health clinics, libraries, and university buildings.

Since President Obama took office, FEMA has obligated more than \$1.4 billion in Public Assistance funds for Louisiana recovery and \$160 million for Mississippi recovery. These funds will help students get back into their schools, provide better fire and police services, improve sewer and water systems and build important infrastructure. Included in these obligations are \$59 million for projects that focus on debris removal and emergency protective measures and an additional \$165 million for public works and utilities. The Administration invested \$590 million in Louisiana's education system and over \$39 million in reconstructing and repairing Mississippi's public buildings. Louisiana also received an additional \$70 million for rebuilding its health care system, while Mississippi was able to apply over \$24 million toward the repair and reconstruction of its damaged roads and bridges.

**Moving Residents towards Self-Sufficiency:** When President Obama entered office, tens of thousands of Katrina/Rita victims were still receiving disaster housing assistance. The Administration has taken important steps to move these Gulf Coast residents towards self-sufficiency and long-term solutions:

- **Providing Families with Permanent Housing Support:** When President Obama took office, 30,500 families receiving temporary rental assistance were facing immediate termination. On February 20, 2009, President Obama approved a transitional close-out Disaster Housing Assistance Program that was coordinated through the Department of Housing and Urban Development (HUD) and nearly 200 local housing authorities across the country, with FEMA support and funding. This program was intended to ensure that the families would not experience undue rent burden while phasing them toward more permanent solutions like HUD's Housing Choice Voucher (HCV) Program. The voucher program allows a family to rent housing from a private landlord and generally pay no more than 30 percent of annual adjusted income. HUD and local housing agencies continue to transition households into more permanent options at an accelerating pace and are continuing extensive outreach. For the limited number of households who applied for an HCV, but had not gone completely through the process of getting a permanent lease, HUD and FEMA provided a limited extension of housing assistance through October 2009. Families who are not eligible for the HCV program will be targeted for assistance by state and local programs such as the Rapid ReHousing Program operated by the Louisiana Recovery Authority.
- **Transitioning People Out of FEMA's Temporary Housing Unit Program:** The Administration took a critical step in early June to expand the alternatives available to the approximately 3,450 households then still residing in FEMA temporary housing units such as trailers and mobile homes. The Department of Homeland Security (DHS) and HUD,

working with state and local partners, provided \$80 million in new HUD housing vouchers, new DHS resources for case-management, and an emergency measure that reduced the purchase price of eligible mobile home units to as little as \$1. Since announcing these steps, roughly 1,300 additional households have transitioned out of FEMA's temporary housing program.

**Closing Funding Gaps in Permanent Housing Projects:** Immediately after Hurricanes Katrina and Rita, states impacted by the storm were given additional Low-Income Housing Tax Credits (LIHTCs) to rebuild affordable housing. Unfortunately, the mortgage crisis depressed the market for these credits, threatening permanent housing projects across the Gulf. The Recovery Act appropriated \$2.25 billion across the country for the Tax Credit Assistance Program, a grant program to provide funds for capital investments in affordable housing projects that have been stalled because of the decline in the market for LIHTCs. HUD further allowed these credits to be re-allocated to new projects in the event that an existing project has stalled or failed. Gulf Coast states have tens of thousands of units under development through such LIHTC projects. In addition, Louisiana's Small Rental Property Program was retooled to provide advanced payments or gap financing to landlords struggling to rehabilitate their rental property. With over \$94 million in awards, this program has rehabilitated more than 2,065 rental units.

**Addressing Blight:** HUD clarified that Neighborhood Stabilization Program funds used to help communities struggling with the foreclosure crisis, could also be used to redevelop demolished and vacant properties for housing purposes. In New Orleans alone, there may be up to 68,000 abandoned, unoccupied, or blighted properties which could now be restored using this program.

**Cracking Down on Corruption and Inefficiency:** The Housing Authority of New Orleans has been plagued with mismanagement for a number of years. Housing Secretary Shaun Donovan decided that HUD must go above and beyond usual steps. He announced a new leadership team that will take charge of HUD's efforts to repair the city's housing agency. David Gilmore will lead the team. He brings nearly 40 years of experience in public housing, and won national recognition for restoring the nation's worst performing housing authority in DC. HUD also announced the creation of an advisory panel that will provide counsel to the receivership team.

**Helping Local Governments:** In March 2009, Homeland Security Secretary Janet Napolitano announced that FEMA proposed an amendment to its Special Community Disaster Loan regulations to allow local governments that received Hurricanes Katrina and Rita loans to apply for debt forgiveness if their local government revenues were insufficient to meet their day-to-day operating budgets.

**Improving Storm Protection:** The Administration is committed to providing a safe and secure levee system for all of the residents of the City of New Orleans. The Army Corps of Engineers is in the midst of the largest civil works project in history, a \$15 billion hurricane protection system that will provide 100-year flood protection for greater New Orleans. The Corps is more than one third through construction of the improved system, and the Administration is committed to keeping these projects on track:

- To date, over 220 miles of levees and floodwalls have been repaired and restored to pre-Katrina levels of protection. The levees that overtopped, eroded, and failed as well as the flood walls that were breached during Katrina have been rebuilt to stricter standards and are fortified so that they will withstand a 100-year storm surge.
- Storm surge protection has been installed at Lake Pontchartrain and multiple pump stations have been installed or updated around the perimeter of the city that provides 100-year protection. In addition, some levee armoring has been installed to make the levees more resilient.
- The Army Corps continues to study barrier islands and coastal restoration along the Gulf Coast. Congress appropriated \$439 million to restore islands along the Mississippi Gulf Coast that serve as the first line of defense against hurricanes there.

### **Improving Gulf Coastal Restoration Planning with New Interagency Working Group:**

Restoring the resiliency of the Louisiana and Mississippi Gulf ecosystems and economies is important to the Administration. The Gulf Coast is a unique ecosystem, with national significance, and plays a crucial role in the nation's economy. The Mississippi Delta poses unique economic and environmental challenges; the subsidence of wetlands and the erosion of barrier islands are longstanding problems that threaten the Gulf Coast. Rising sea levels are a byproduct of climate change that will exacerbate these threats. President Obama has established a new interagency working group to coordinate and promote restoration and resiliency of the Gulf Coast. The group will enable Federal agencies, working with State and local governments and other regional stakeholders, to come together and develop a strategy to increase both the economic and environmental resiliency of the region. It is hoped that this effort will serve as a pilot project that can demonstrate the tangible impact of coordinating restoration efforts, adapting to a changing climate and increasing the health and resilience of coastal ecosystems across the country.

**Serving our Veterans:** On June 10, 2009, the Department of Veterans Affairs (VA) dedicated a new 65,000 square foot benefits office in downtown New Orleans. The regional office delivers benefits and services to more than 300,000 Louisiana veterans and their families. The VA continues to move aggressively forward with the million project to replace the VA medical center in downtown New Orleans. In addition, the VA just awarded contracts worth more than \$153 million to build new health care facilities and expand existing services that provide care to veterans in the Biloxi, Mississippi area.

### **Improving Disaster Preparedness and Response Nationwide**

President Obama has not only worked to fix long-standing bureaucratic barriers to recovery, he has also taken steps to enhance the resilience of the Gulf Coast and the nation as a whole. A resilient nation can adapt to changing conditions as well as withstand and rapidly recover from disruption due to emergencies.

**Strengthening FEMA:** President Obama named Craig Fugate as head of FEMA. Fugate has 25 years of disaster management experience at the state and local level, having headed Florida's Division of Emergency Management. He is recognized across partisan lines for his exceptional

qualifications, and President Obama has said that he is, “confident that Craig is the right person for the job and will ensure that the failures of the past are never repeated.” Katrina made apparent the fact that business as usual will not work in dealing with a catastrophic disaster. In his initial months at FEMA, Fugate has begun to address the need to be prepared for catastrophes that might overwhelm traditional response and recovery architecture. Fugate is working to ensure FEMA better partners with federal, state and local government agencies as well as the private and volunteer sectors – to identify new approaches to deal with a range of possible events, including anthrax or other biological attacks, large-scale destruction or contamination across a wide geographic area, or another catastrophic hurricane.

**Improving Temporary Disaster Housing and Sheltering:** The President has supported increased options for temporary housing in the event of a disaster. In May 2009 FEMA unveiled seven new prototypes of units currently being field tested at FEMA’s National Emergency Training Center. The units represent the latest in factory-built housing, meeting rigorous specifications for air quality and will be evaluated based on range of use, livability, and cost. FEMA has established a Joint Housing Solutions Group that includes FEMA, HUD, and the National Institute of Building Sciences. The Administration has also worked to improve FEMA’s National Shelter System, a coordinated nationwide database of emergency shelter information with thousands of profiles of potential shelter resources. The improved system includes an enhanced GIS mapping function that will allow emergency management professionals to see -- in real time -- shelter locations, critical infrastructure, and geospatial elements.

**Enhancing Emergency Communications:** The Obama Administration has worked to improve the Disaster Emergency Communications Division to better integrate and coordinate federal government disaster emergency communications services and capabilities at the national, regional, and local levels. In addition to building communications capacities during emergencies, this division assists in the development of emergency communications plans; supports standards and technical advancements; and conducts training and exercises of emergency communications procedures.

**Improving Preparedness Across Agencies:** The Administration has supported states through a range of national preparedness efforts managed by FEMA and through public health and medical preparedness efforts managed by the Department of Health and Human Services (HHS). FEMA and its Federal partners, provide funding assistance to states, urban areas and transportation authorities under 14 programs to bolster national preparedness capabilities and protect critical infrastructure. The all-hazards initiatives incentivized by these programs run the gamut from interoperable communications to citizen preparedness. They also provide essential funding to first responders and emergency managers. These programs have provided nearly \$72 million for Louisiana, \$14 million for Mississippi, \$22 million for Alabama, and \$246 million for Texas this year.

HHS provides support through several major programs. The Hospital Preparedness Program enhances the ability of hospitals and health care systems to prepare for and respond to bioterrorism and other public health emergencies. The Early Warning Infectious Disease Surveillance program improves disease surveillance capabilities. HHS’s Centers for Disease Control and Prevention provides Cities Readiness Initiative funding to enhance health

emergency preparedness for major cities. These programs have provided \$15 million to Louisiana, \$11 million to Mississippi, \$16 million to Alabama and \$69 million to Texas this year.

**Practicing for the Worst:** On May 4, 2009 President Obama participated in a hurricane “tabletop exercise” with members of his Cabinet and senior White House staff. This intensive exercise, which examined strategic decisions, roles and responsibilities for a major storm, will enable senior Federal officials to take swift action in the event of a catastrophic hurricane. In addition, in April 2009 the Centers for Disease Control & Prevention created and executed “Atlantic Wrath”, a simulated hurricane scenario, which has allowed state and local partners to exercise large-scale disaster planning and response.

**Getting All Hands on Deck for Preparedness:** Responding to a hurricane is a team effort – and all Americans have a role to play. Just as local, state and federal governments respond to disasters; it is every citizen’s responsibility to be prepared – not just for hurricanes, but for every emergency. The President continues to encourage every American to get prepared before incidents occur and to visit Ready.gov to get information on how best to be prepared, including developing a basic emergency supply kit that includes items such as water, food, an all-weather radio, a flashlight, and a first aid kit; making a family emergency plan; staying informed of local developments; and learning about community emergency plans.

**Improving Long-Term Recovery:** At the President’s request, the Secretaries of Homeland Security and Housing and Urban Development are co-chairing a Long Term Recovery Working Group composed of the Secretaries and Administrators of more than 20 departments, agencies and offices. This working group will examine lessons learned during previous catastrophic disaster recovery efforts and areas for improved collaboration between federal agencies and between the federal government and state and local governments and stakeholders. The effort also will review federal disaster recovery programs for efficacy and review methods to build capacity within state, local and tribal governments as well as within the non-profit, faith-based and private sector. An intensive stakeholder outreach effort during October and November, 2009, involving State, local, and tribal government representatives, as well as a wide array of private and private non-profit organizations, will inform these efforts.

### **Other Key Investments in Gulf Coast Revitalization**

**Making Additional Investments in Infrastructure:** In July, the first phase of new twin spans of Interstate 10 opened between Slidell and New Orleans. The most expensive single public works project ever undertaken in Louisiana, the new 5 1/2-mile bridge will replace the old I-10 spans that were badly damaged by Hurricane Katrina. Construction on new jail facilities for Orleans Parish is now slated to begin in October 2009, and the Orleans District Attorney is moving back to its permanent office space for the first time since Hurricane Katrina. Sixteen schools have reopened in Orleans and St. Bernard Parish in the last year and the first, newly constructed school, Langston Hughes Elementary, a LEED certified school, will open in New Orleans in August.

**Bolstering Criminal Justice:** The Department of Justice is committed to ensuring that federal, state, and local law enforcement agencies jointly leverage resources to combat violent crime in the Gulf Coast. The New Orleans Violent Crime Task Force commenced operations in April 2009. The Task Force, headed by the Federal Bureau of Investigation, is comprised of representatives from the New Orleans Police Department, the Jefferson Parish Sheriff's Office, the Kenner Police Department, the Louisiana State Police, the St. Bernard Parish Sheriff's Office, the Bureau of Alcohol Tobacco, Firearms and Explosives (ATF), and the Drug Enforcement Administration. This Task Force leverages federal and local law enforcement resources and focuses on the shootings, aggravated assaults, and murder occurring most frequently in the 1st, 5th, 6th, and 7th Police Districts of New Orleans.

**Strengthening Health Care:** In the aftermath of Hurricane Katrina, thousands of health professionals left and have not returned to Greater New Orleans. To assist with this basic need for providers, the Centers for Medicare & Medicaid Services provided/provides funding for incentive payments to support recruitment and retention of primary care doctors, mental health providers, dental practitioners, pharmacists, registered nurses and allied health professionals and technicians. In addition, the Health Resources and Services Administration (HRSA) provided \$14.5 million in fiscal year 2009 grant support to five health center grantees in the New Orleans area, including a new health center grantee to support a new access point that will serve approximately 11,900 individuals.

**Supporting Schools:** President Obama's 2010 budget included \$30 million for counties in Louisiana, Mississippi and Texas that were impacted by the storms. Funds could be used to improve education through such activities as replacing instructional materials and equipment; paying teacher incentives; constructing, modernizing, or renovating school buildings; beginning or expanding Advanced Placement or other rigorous instructional curricula; starting or expanding charter schools; and supporting after-school or extended learning time activities.

**Economic Development:** Since the beginning of April, the Economic Development Administration (EDA) within the Department of Commerce has announced over \$35 million in grants to help Gulf Coast communities recover from Hurricanes Katrina, Rita, Ike, and Gustav.

#### **Directing Recovery Act Funds to the Gulf Coast**

The American Recovery and Reinvestment Act is providing significant resources to the Gulf Coast states.

- Over \$3.4 billion in Recovery Act funds have been announced for **Louisiana**, of which over \$2.9 billion have been made available, to date;
- Nearly \$2.5 billion in Recovery Act funds have been announced for **Mississippi**, of which nearly \$2.1 billion have been made available, to date;
- Nearly \$3.4 billion in Recovery Act funds have been announced for **Alabama**, of which over \$3.1 billion have been made available to date; and,
- Over \$17 billion in Recovery Act funds have been announced for **Texas**, of which nearly \$14.2 billion have been made available to date.

Recovery Act funds are providing support to communities and individuals while also supporting the region's infrastructure and creating and saving jobs in critical areas like education and law enforcement. To give just a few examples:

- **Health Care:** The Gulf Coast has received additional Federal grants as a result of the temporary increase in the Medicaid Federal Medical Assistance Percentage. Of this amount, Louisiana has received approximately \$643 million, Mississippi has received \$392 million, and Alabama has received \$451 million. Moreover, the Recovery Act is providing critical funding for medical research in the region. To date, Louisiana State University, New Orleans Campus, for example, has been awarded more than \$6 million in National Institutes of Health grants for research.
- **Education:** Nearly \$1.3 billion in Education funds have been announced for Louisiana, of which over \$1 billion have been made available. In Mississippi, over \$908 million in education funds have been announced, of which nearly \$740 million have been made available.
- **Housing:** Louisiana is receiving \$26.6 million of Recovery Act funds through HUD's new Homeless Prevention and Rapid Re-housing Program, of which \$24.8 million has been obligated. This program helps stabilize families who are at risk of becoming homeless and quickly provides housing to those who are currently homeless. Further, nearly \$21.9 million for HUD's new Tax Credit Assistance Program for Mississippi has been obligated. These Recovery Act funds allow state housing finance agencies to resume funding of affordable rental housing projects across the nation while stimulating job creation in the hard-hit construction industry.
- **Criminal Justice:** Through the Recovery Act, the Administration has made state and local law enforcement assistance available to the Gulf Coast states to fund the hiring of police officers; strengthen state and local law enforcement agencies, and state sexual abuse and assault coalitions; and for other projects designed to protect the public safety. This includes \$366.6 million in Byrne Justice Assistance Grant allocations to states and localities and \$157.9 million in COPS Hiring Recovery Program grants to 173 law enforcement agencies to provide for the hiring (or rehiring) of 867 police officers throughout the region, \$22.8 million in Violence Against Women formula grant awards, and \$18.1 million in assistance for victims of crime.
- **Coastal Management:** The National Oceanic and Atmospheric Administration is providing \$7 million of Recovery Act funding to restore vulnerable marsh habitat along the Louisiana coastline in Myrtle Grove and Grand Isle, Louisiana. In Mississippi, nearly \$2.6 million in Department of Agriculture funding will go towards projects supporting floodplain easement, a voluntary program to help protect landowners from repeated flood risk and save taxpayer dollars at the same time.