

**Committee on Homeland Security and Governmental Affairs**  
**Ad Hoc Subcommittee on Disaster Recovery**  
**“GAO’s Analysis of the Gulf Coast Recovery: A Dialogue on Removing Obstacles to  
the Recovery Effort”**  
**April 12, 2007**

**Testimony of Dr. Edward J. Blakely**  
**Executive Director of**  
**Recovery Management**  
**City of New Orleans**

Senator Landrieu, Senator Stevens, and honorable members of the committee: I want to thank you for inviting me to testify before your subcommittee today. As you know, this is not my first experience with disaster recovery. I have been involved at some level in four other large-scale urban disasters: the Oakland earthquake; the Oakland Hills fires; the L.A. riots and earthquake; and the attacks of September 11, 2001, in New York City.

While the particulars of these situations differed, long-term recovery for each required an all-important combination of flexibility by the federal government, effective engagement by state government, and innovation by local officials and citizens.

This combination is all the more essential in New Orleans, where the scale of devastation and subsequent rebuilding dwarf that of any urban disaster in modern American history. Simply put, New Orleans is the only major city in the history of the nation to completely shut down in the wake of a disaster. Vital services collapsed. Eighty percent of its geographical area flooded. A mandatory evacuation was declared, and more than half of the city’s population is not yet able to return.

In New Orleans, we are not simply recovering from a natural disaster; we are rebuilding a major American city from the ground up. Thorough communication and partnership among the federal, state, and local levels of government is essential to successfully undertaking this enormous responsibility. It is equally important, however, that the laws intended to assist citizens as they rebuild their community are effective.

We applaud the efforts of Senator Landrieu and this Subcommittee, as well as beginning steps taken by the Homeland Security and Governmental Affairs Committee, to examine how the Stafford Act must be reformed to better address disasters of the magnitude experienced in New Orleans. As has been pointed out by Senator Landrieu and many other members of Congress, the Stafford Act’s current legal and policy framework does not match the emergency response and long-term recovery needs of catastrophic disasters such as Hurricanes Katrina and Rita. For example, we know that the nation does not yet have the capacity to shelter large numbers of people who have to be quickly evacuated from urban areas amid pending disaster. Nor are systems in place to comprehensively assist persons who are unable to self-evacuate because of age, income, disabilities or other restrictions on movement. Furthermore, in dealing with the disasters’ aftermath,

current federal rules for intergovernmental coordination, funding assistance, and long-term recovery are more suitable for small towns that are hit by tornados than for major metropolitan areas that are significantly destroyed by large-scale catastrophic disasters.

Nineteen months after Hurricanes Katrina and Rita, the inadequacy of the Stafford Act, as well as the inconsistency and lack of flexibility in FEMA's interpretation of it in these extraordinary circumstances continue to plague New Orleans and its rebuilding efforts. For example, project worksheets that define what FEMA will pay the city in reimbursement for its losses due to the hurricanes and flooding have been routinely underestimated. While we have worked with FEMA staff to create new versions of these PWs, the frequent rotations of staff to work with us has meant that we have continually had to begin anew with providing background and substantiation of our claims. In addition, FEMA's public assistance program functions only as a reimbursement process. Given the level of destruction in New Orleans, where more than 300 city buildings were damaged, it is not reasonable to assume that we would be able to make such substantial investments to be reimbursed later. FEMA has made decisions that would allow us to replace destroyed equipment such as vehicles with new products only to reverse it later. This lack of consistency further complicates what is already a challenging process of recovery.

#### Post-Disaster: Response & Recovery Planning

After a disaster, speed in establishing a template for recovery is essential. Few cities have a plan for recovery before disaster strikes, and there are few professionals in urban planning or any field prepared to provide guidance on how to do it. In New Orleans, Mayor Nagin began by dewatering the city and restoring essential services to every neighborhood as soon as possible. In addition, the Mayor and his administration exercised paramount fiscal responsibility in the face of unprecedented obstacles and complexity, avoiding bankruptcy, minimizing borrowing, and setting the stage for the City's financial recovery.

Mayor Nagin also took on the task of redesigning City government to meet the challenges of recovery. As a result of massive financial losses, Mayor Nagin reduced the City personnel by half. He also redesigned the City's management not only to deal with the disaster but to set the direction for the future.

In what has been one of the true success stories of the rebuilding process to date, the Nagin Administration and the citizens of New Orleans came together to conduct a comprehensive recovery planning process that is a model for ensuring public participation in disaster recovery decision-making.

Over the course of sixteen months, by convening regular neighborhood meetings and in consultation with leading urban planners from throughout the world, New Orleans citizens articulated a vision not merely for how to repair the City but also what New Orleans should be in the future. While giving returned citizens a voice in the city's future

was critical, so was reaching out and engaging thousands of citizens who remain displaced across over thirty states.

With support from the Rockefeller Foundation and the organization America Speaks, this citizen planning process culminated in a series of “Community Congresses,” in which thousands of New Orleanians came together via a virtual town hall meeting spanning more than a half-dozen cities nationwide to share ideas for New Orleans’ recovery and rebirth. For the first time since Hurricane Katrina, New Orleanians displaced across the nation were together with their fellow citizens back home.

As these processes neared completion, the Mayor conferred upon me the high honor and responsibility to join his leadership team and develop a strategic recovery process to turn these rebuilding plans into reality.

Since January, my staff and I have been reviewing plans and proposals from businesses, community leaders and professional planners. My team and I have been able to turn to the information produced through these processes into a recovery strategy. On March 29, 2007, Mayor Nagin and I unveiled a recovery strategy that is consistent with citizen desires across broad segments of the community.

We based our strategy on five principles that have been embraced by the public:

1. **Continue the healing and consultation:** The trauma of the disaster will remain for many years, so it is necessary to continue a process where people can see, feel and participate in the recovery. The strategic recovery process that we are implementing builds on our citizens’ hard work and will continue to empower them to assist in implementing recovery projects and programs for years to come.
2. **Insure safety and security in all neighborhoods:** The levee breeches made all of our citizens feel unsafe regarding the capacity of the levees to be their sole protection. No one can be sure where the next storm will come from or who it will hit. The recent tornados revived the trauma of arbitrary weather patterns. We will have to make all neighborhoods safe with internal safety measures beyond those flood protection systems built by the U.S. Army Corps of Engineers. This will mean new urban design strategies. But we also have to ensure that all neighborhoods experience a reduction of violence in all its forms. To feel safe, one must have a good school, access to comprehensive health care and freedom from exposure to crime.
3. **Build 21<sup>st</sup> and 22<sup>nd</sup> century infrastructure:** It would not be good or smart to replace New Orleans’ infrastructure as it was. To meet the demands of the future, modern infrastructure -- from water and sewer systems to fiber optic cables and strategies to manage the threat of global warming -- must be installed throughout the City. As we are designing neighborhoods to reduce the risk of flooding, we must anticipate the risk of rising sea levels and storms of increasing strength to

make New Orleans a model of the “future-proofing” that all coastal cities will require.

4. **Diversify the economy:** Tourism and related service-oriented jobs comprise one of the largest sectors of New Orleans’ economy. While many new opportunities are opening up in construction and manufacturing, the future of the City and region lie in international trade, bio-medicine and digital technologies. Building the infrastructure, institutions and incentives to attract these industries will create jobs not just for today, but for tomorrow as well.
5. **Design a sustainable settlement pattern:** Our neighborhoods and commercial areas must be designed to meet several challenges. We must rebuild strong enough to deal with the vagaries of nature but also smart enough to attract and retain the brain power that will be the backbone of the next century.

### The Recovery Strategy

We will rebuild the City by taking advantage of the unique formula that has made New Orleans such a richly diverse and beautiful City: that is, by restoring its essential neighborhood character. A city like New Orleans already has a very strong and excellent urban fabric, with distinct character in each of its neighborhoods, well laid-out streets, beautiful green spaces and a unique architecture. We have to build onto this fabric or risk laying incompatible new over well-functioning old. As I often have said: New Orleans has good bones.

Therefore, we set several criteria for selecting 17 Target Recovery Areas to catalyze the City’s revitalization. We looked for areas of the City that:

1. Are highly visible and represent historical commercial or civic urban centers within the City
2. Possess or are capable of incorporating existing infrastructure and vital services
3. Are capable of harnessing both public funding assistance as well as private-sector driven projects
4. Are conducive to being redeveloped using “clustered” mixed-use development patterns that situate residential properties in close proximity to commercial and public development.
5. Represent areas that can be rebuilt safely utilizing hazard mitigation strategies, including home elevation and levee and public space enhancement.

We divided these 17 areas into three categories:

- **Rebuild zones** require extensive investment to recover
- **Redevelop zones** need substantial urban revitalization to act as epicenters for recovery

- **Renew zones** are places where recovery momentum is already underway through local initiative, or that have not been badly damaged such that small investments will stimulate strong returns

These areas all have one thing in common: they are located at the traditional nodes of commercial traffic and provide opportunities for citizens to locate where the City can provide, in the near term, the combination of civic services and safety they want and deserve.

We will start by identifying the partners in the public and private sector that can take on a challenge of this scale and work with locals to implement it. With our partners, we will develop and present residents with a variety of alternatives for returning to their homes safely. We will pursue creative elevation strategies, such as the elevation of entire neighborhoods, which may be more effective and efficient than for individuals to build elevated structures on their own to different heights along the same street. We will allow neighbors to swap their current properties for newly elevated areas across the street or nearby. We will identify land for the swaps by using properties already in the City's possession, such as previously blighted or abandoned properties that the City can legally claim or unused school sites. These settlement strategies will keep neighborhoods intact but provide safety at a lower cost. Overall, this will result in neighborhoods that are safer, sustainable, and accessible.

#### Strategic Partnerships for Recovery

A key strategic institution in this process is the New Orleans Redevelopment Authority (NORA). NORA will be the repository of an inventory of blighted and abandoned properties throughout the City. NORA will use the resources of the City to provide the seed capital for rebuilding neighborhoods, beginning with projects in the Target Recovery Areas, through a series of infrastructure and blight bonds. NORA's work will be supported by City programs and services, schools and other civic institutions that will align their priorities and investments to ensure these projects work quickly and well.

To ensure coordination across the many Parish agencies and entities, the Mayor has asked me to chair the newly formed Orleans Parish Recovery Advisory Committee. Through this Committee, we will coordinate our programs with those of the Housing Authority of New Orleans (HANO) so that federally subsidized housing programs are in sync with other neighborhood and citywide recovery efforts; with the various state and local entities responsible for public, private and parochial schools in New Orleans; and with the Sewerage and Water Board, city departments, hospitals, universities, levee districts, sheriffs' office, transport and development authorities, and others.

To support this important and challenging work, federal resources will have to be organized to require that strategic, integrated and consistent recovery initiatives become the mandate for the vast array of federal funds available. The President's representative and Federal Coordinator for Gulf Coast Rebuilding, Chairman Don Powell, is tasked with this responsibility.

Finally, the Office of Recovery Management plays a key role in the City itself and with state and federal agencies. FEMA, the Louisiana Governor's Office of Homeland Security & Emergency Preparedness and the Louisiana Recovery Authority have established or will establish co-located offices with us. We are working with the U.S. Army Corps of Engineers to develop strategies for managing and mitigating risk. The Recovery School District and the Orleans Parish School District will conduct joint facilities planning with us to ensure that public schools anchor the new cluster arrangement and provide the cornerstones of neighborhood recovery implementation efforts.

### What We Need to Make our City Whole Again

Our needs have been well articulated by Mayor Nagin, Senator Landrieu, and other members of the Louisiana Congressional Delegation.

First, we need to insure that the physical safety of citizens is guaranteed. We must require and empower the Corps of Engineers to learn the lessons of Katrina and develop a systematic rather than piecemeal approach to providing world class hurricane protection and flood control. They must have the authorization and funding to complete the studies and implement the plans that will be based on that science.

Second, the Stafford Act should distinguish between "catastrophic" and "major" disasters. Presently, the Stafford Act has an established term for "major disaster," which by virtue of its severity and magnitude, qualifies the event for "major disaster assistance." However, as witnessed in the wake of Hurricanes Katrina and Rita, it is evident that when a disaster simultaneously impacts thousands of square miles and virtually shut-down entire metropolitan areas, a separate designation is required to adequately respond to an event of such magnitude.

A "catastrophic disaster" designation should be established based on total population displaced, residential property damage, and the scope of failure of critical infrastructure and other vital services. FEMA's regulations for assistance would then be adjusted accordingly, including up-front funding in lieu of existing reimbursement schemes. Further, a "catastrophic disaster" designation would extend disaster assistance deadlines; extend the 100% reimbursement time frames for emergency work; expand grant program assistance; and make provisions for fast-track, interest-free delivery of operational funds to critical local agencies that support disaster response, recovery planning and strategic coordination.

In moving forward, there already exists federal precedent for establishing separate procedures for catastrophic disasters, by virtue of Homeland Security Presidential Directive (HSPD)-5, and its establishment of a "National Response Plan" (NRP) that is invoked for a declared "Incident of National Significance." When the Secretary of Homeland Security declares an "Incident of National Significance," as was done for Hurricanes Katrina and Rita, the NRP is triggered to ensure that federal-state-local

emergency response coordination is consistent with the larger-scale event. A similar approach is strongly recommended for better guiding FEMA's response and long-term assistance to catastrophic disasters of similar severity and magnitude.

The State of Louisiana has asked that the 10 percent match requirement on FEMA Public Assistance funding for Katrina and Rita be waived. We concur, but it is essential that the CDBG funds currently allocated by the State for that match be distributed to local governments immediately and proportionately based on the LRA's damage estimate formula.

Finally, FEMA needs to use the discretion already inherent in the Stafford Act to make decisions that will help rather than hinder the recovery of New Orleans and the region. They need to follow the directive of the Administration to "do what it takes" (and what they have been given the resources by Congress to do) to rebuild one of America's most beloved and culturally distinctive cities – New Orleans.

As massive as the task before us may be, New Orleans is on the road to recovery. I look forward to lending my experience and my expertise to make the recovery and rebuilding of the great City of New Orleans -- the soul of America -- the most important work the American people will do in this first decade of the 21<sup>st</sup> Century.