



U.S. Department of Housing and Urban Development

Washington, DC 20410

Written Testimony of Earl Randall, III

New Orleans Field Office Director

U.S. Department of Housing and Urban Development

Hearing before the Committee on Financial Services, Subcommittee on Housing and Insurance

on

“New Orleans: Ten Years After the Storm”

Friday, November 6, 2015

Good morning, Chairman Luetkemeyer, Ranking Member Cleaver, and Members of the Committee. My name is Earl Randall, III, and I have been Director of the Department of Housing and Urban Development's (HUD) Field Office here in New Orleans for the past two years. We are grateful for the Chairman and Ranking Member's leadership in calling for this hearing and your interest in seeing our recovery progress this morning during the tour. If I may, I would also like to give a special acknowledgement to Ranking Member Waters for her presence here as she maintained her interest in New Orleans' recovery effort over the past decade. Thank you for inviting me to be here today.

Community Development Block Grant – Disaster Recovery

Hurricane Katrina and its aftermath created unprecedented destruction along the Gulf Coast and inflicted a human toll of more than 1,800 lives. Over the last 10 years, investments made through HUD's programs have had a major impact on the recovery in the Gulf region. The Department has worked closely with state and local leaders, and effectively managed nearly \$20 billion delivered through the Community Development Block Grant Disaster Recovery (CDBG-DR) Program to help the region recover from Hurricanes Katrina, Rita and Wilma. Hurricane Katrina has forever changed New Orleans and the Gulf Coast. The post-recovery chapter of HUD's relationship with New Orleans builds off the substantial recovery of the past 10 years, and now focuses on how to make New Orleans and the Gulf Coast communities - and the residents of every neighborhood - successful in the 21st Century.

At the time of Hurricane Katrina, I was HUD's Community Planning and Development (CPD) representative for Shreveport and Bossier City. Immediately after Katrina made landfall,

I was asked by the Field Office Director to coordinate HUD's on-the-ground responses to the devastation caused by Katrina. One of my first official duties was to coordinate a Congressional field hearing here in New Orleans, so I have come full circle to be on the witness panel today to discuss HUD's role in the recovery.

In my role with HUD over the past decade, I have had a first-hand opportunity to watch how CDBG-DR funds were the driving force in the recovery, filling funding gaps and providing flexibility that caused the community to carefully think through recovery plans and how best to meet its specific recovery needs. In Alabama, Mississippi and Louisiana, CDBG-DR dollars were used by states to ensure that they were able to develop holistic recovery plans to ensure recovery across the spectrum of housing, infrastructure, and economic development needs.

The \$19.7 billion CDBG-DR contribution to the recovery in the Gulf from Katrina, Rita, and Wilma included:

- \$11.6 billion in compensation to homeowners;
- \$2.7 billion for other housing rehabilitation;
- \$1.7 billion for infrastructure and public improvements;
- \$1.3 billion for economic development and tourism; and
- \$2.4 billion for other activities.

Public Housing

To this point I have discussed HUD's post-Katrina investment in terms of CDBG-DR funding. The second major aspect of HUD's recovery work in New Orleans has been the redevelopment of the four big public housing developments: C.J. Peete, B.W. Cooper, Lafitte,

and St. Bernard. Hurricane Katrina displaced 3,000 families who lived in those buildings. Public housing in New Orleans pre-Katrina was a dense development that was isolated from the community. There was high poverty, high crime, lack of services and amenities, vulnerability to flooding, low education and lack of opportunity. The Housing Authority of New Orleans (HANO), after consulting with and obtaining approval from HUD, decided to demolish and rebuild these developments to be more resilient to future floods, and to create communities of opportunity.

The funding sources for this endeavor included HUD's and HANO's \$200 million investment, Go Zone tax credits of \$250 million and FEMA's investment of \$20 million. I am also proud to note that CDBG-DR provided an additional \$115 million at a critical time, when other funding sources became less stable as the financial crisis unfolded in 2008 and 2009. Two of the transactions, Columbia Parc and Harmony Oaks, went to final closing in December of 2008. Many of the remaining projects were closed in phases in 2011 and 2013 while others are scheduled to close. Today, four new mixed-income developments are a vital part of community life in New Orleans. These are mixed-income developments with both public housing and non-public housing units that include market-rate units and units dedicated to permanent supportive housing. They are an example of public-private partnerships, and include a mix of uses, including retail recreation, education, and technology. The new buildings are safer from floods and attractively designed; they are built with green building requirements, and are built with accessible units for all. HUD's investment is having a broader impact on neighborhood revitalization, greater resilience, improved amenities and housing for working families.

HUD is going beyond public housing with the Iberville/Treme Transformation. We are not just focused on buildings – in fact, we are redeveloping the neighborhood with a \$30 million

HUD Choice Neighborhoods Grant. This will be a historic restoration that will meet the needs of the local population, such as expanding access to fresh foods, job opportunities, and quality early childhood education. HUD's investment spurred an additional \$53 million in private investment to date, and there is over \$1 billion in private neighborhood investment planned.

I want to reiterate that, despite the success stories, the job is not over. There are still miles left on the road to recovery. As a New Orleans native, I am proud of the work that has been done and the lessons that we have learned about providing quality housing for all, developing mixed income communities, leveraging private investment, and building resilient communities of opportunity. The remainder of this journey will continue to bolster the City of New Orleans' recovery, and can serve an example of redevelopment across the country in the wake of major disasters.

Thank you again for the opportunity to testify at this hearing today. I look forward to your questions.