

Mr. Chairman, members of the committee, thank you for inviting me here to speak to you today about the City of New Orleans. To all the members of the Committee on Financial Services and The Housing and Community Opportunity Subcommittee, and especially our Louisiana delegation, thanks for traveling to our city and the Gulf Region to witness the devastation created by Hurricane Katrina and to discuss our path to recovery.

As you know, last August Hurricane Katrina devastated New Orleans and the Gulf Region forcing many people to flee, flooding thousands of homes and decimating many lives.

As a result, many of our neighborhoods were inundated with water for an extended amount of time which caused widespread destruction of homes and businesses.

We have since focused on bringing our citizens home, rebuilding our lives, and revitalizing our economy and our neighborhoods.

We are working with various planning groups, including the renowned Urban Land Institute and the U.S. Conference of Mayors' Institute on City Design, along with other experts, residents and business owners to determine how we can build a better, stronger New Orleans and retain our distinctive historic neighborhoods.

I have specifically charged the Bring New Orleans Back Commission with recommending a recovery blue print. Earlier this week, the commission's Urban and City Planning Committee unveiled their recommendations in a report and master plan for rebuilding New Orleans.

Their recommendations include the following principles:

- All citizens have a right to return and live in a safe environment
- Levee protection is the # 1 issue and will require a comprehensive upgraded regional flood protection system that includes coastal wetlands restoration
- An inclusive, open and equitable neighborhood planning process with planning districts is needed to determine appropriate development and redevelopment. This proposed process will begin immediately and be completed within six months
- Neighborhoods will work with planners to choose focus areas of redevelopment and will explore locations for community centers. These community centers may include schools, churches, cultural attractions, parks, and retail centers
- Multifunctional parks in every neighborhood can serve as part of an internal storm water management system as well as recreational and cultural venues

- City-wide and regional transit is integral to this plan---light rail, the recommendation, will also serve as a catalyst for development
- A reconstruction authority will direct and finance the public and private processes of rebuilding. It will be a separate entity with legal authority

A key part of the committee's report revolved around the Louisiana Recovery Corporation (LRC) concept proposed by Congressman Richard Baker and championed by this house committee. I want to again thank Congressman Baker and your committee for proposing an innovative solution that has great potential to help us meet our redevelopment challenge. The citizens and businesses of our city deserve stability and need hope restored to their temporarily chaotic lives in this post-Katrina world. The magnitude of our devastation requires the financial resources of the federal government. The corporation would be a major tool in the redevelopment toolbox.

This Congress has also begun placing additional tools within reach to help rebuild our city. Before adjourning at the end of the year, Congress appropriated \$11.5 billion in Community Development Block Grants (CDBG) for Gulf States affected by the multiple hurricanes that devastated the region. The money is to be distributed to the states through the US Department of Housing and Urban Development, with whom we have always enjoyed a strong working relationship. The State of Louisiana anticipates receiving up to \$6.2 billion of those cob funds. It is our hope that funds are targeted to the communities most affected on a formula basis that takes into account structures damaged or destroyed and the number of citizens displaced.

We also want to thank Congressman William Jefferson for his leadership and the additional rebuilding tools in the form of the Gulf Opportunity Zone (GO ZONE) Act that also passed during the last session. This important legislation gives businesses and individuals in those zones special tax incentives that will help rebuild homes and restart businesses.

These tools present a first offering of a means by which homeowners who otherwise would struggle with "hurricane induced negative equity" can explore options to make up the difference between what it would cost to rebuild their homes and the money available to them from insurance and other proceeds.

We hope to give homeowners choices about how and where to rebuild their lives and our community.

We've received the committee's recommendation, and although some parts are controversial, I look forward to going through the report with a fine tooth comb to analyze the data and each recommendation so that we can begin a very important phase in our rebuilding and revitalization of New Orleans.

I want to thank you again for inviting me to be here. New Orleans must be rebuilt and must be made a safe place to live, work and do business.

I am confident that by working together, we can achieve a common vision: a vibrant New Orleans with a thriving economy, prosperous citizens, and the chance to once again contribute to our great nation. Thank you.