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Mississippi's Recovery After Katrina Holds Lessons for Policy Makers

By CAMPBELL ROBERTSON AUG. 28, 2015

GULFPORT, Miss. — Hurricane Katrina did not directly hit New Orleans, which flooded because of levee failures. Mississippi, it walloped.

When the hurricane roared in from the Gulf of Mexico, it crushed pretty beachfront towns like Pass Christian and Waveland under a 28-foot surge and wrecked the cities of Gulfport and Biloxi, ripping up the Port of Gulfport and tossing around the floating casinos. It spun off tornadoes, wreaking destruction far from the coast. All told, 238 people died in Mississippi, an appalling number but one mostly overshadowed by the far grimmer toll in New Orleans.

Now, it is easy to see the rebuilt and the missing: the empty lots where stately beachfront homes once stood and the new civic buildings in otherwise modest coastal communities. The population on the coast has rebounded but shifted inland somewhat, driven by safety concerns and flood insurance costs.

New Orleans may have gotten most of the attention, but the experience here may be just as instructive for those debating the weighty policy questions raised by the nation's costliest natural disaster: what a 10-year recovery truly feels like, how to split up resources between grand ambition and pressing reality, and who is ultimately deserving of government help.

"Let me tell you, it wasn't easy some days," said Tommy Belk, who has lived for nearly all of the past 10 years in a trailer with enormous holes in the roof, the scars left by Hurricane Katrina. On rainy days here among the pines, 15 miles from the Gulf, Mr. Belk, 51, hauled in garbage bins to catch the downpour. Sometimes it worked.

On July 4, Mr. Belk received a new trailer through a state program. He was among many whose wait for post-Katrina housing only recently came to a close.

That he received the new trailer at all traces back to one of the more controversial episodes of the recovery, and one that is in some ways still unfolding. In 2007, Haley Barbour, then the governor, set off a tempest when he requested that \$600 million of federal disaster relief be directed toward renovating and expanding the Port of Gulfport, a project long on his wish list. Activists, lawmakers and some federal officials balked, saying the money was intended for housing.

But the Barbour administration insisted that housing needs had been overestimated and were being fully met — at least by the state's determination. The state's definition of need arose from pledges Mr. Barbour made to Republican members of Congress in 2005, when he was lobbying for disaster assistance that would eventually reach \$5.4 billion.

Many lawmakers were deeply skeptical of compensating thousands of homeowners for housing damage, Mr. Barbour said on Thursday, recalling those negotiations. Compensation for homes destroyed by storm surge was one thing, flood insurance being the government's business, but critical lawmakers were dead set against giving aid to people who, in their minds, should have been insured against wind damage.

"It was an issue that constantly came up," Mr. Barbour said. "We were told expressly that was a precedent they were not willing to set, for the simple reason that it would discourage people from buying homeowners' insurance."

Mississippi's initial housing assistance was limited to people who had insurance but whose homes were damaged by storm surge. This plan required waivers of United States Department of Housing and Urban Development rules directing that such grants be spent mostly to help low-income residents. Programs were later expanded to include many poor and uninsured homeowners and renters, but, unlike in Louisiana, continued to exclude wind damage — the more likely problem for people who lived in less affluent areas farther inland.

With the housing programs coming in under cost, Mr. Barbour asked to direct the unused money toward restoring and expanding the port, an aim the state called "crucial to the economy and the long-term recovery." In its proposal, state officials projected 2,586 permanent maritime jobs by 2015.

HUD reluctantly acquiesced. And civil rights groups filed suit.

"Every year starting in 2007, we pointed out big groups of people left out of the existing programs," said Reilly Morse, the president of the Biloxi-based Mississippi Center for Justice. "Their houses deteriorated further and further, so people who started living in half their house would end up living in just one room."

Eventually, Obama administration officials began to exert pressure as well, but, Mr. Morse said, Mr. Barbour remained resistant to any changes.

But in 2010, as part of a deal with the federal government, Mr. Barbour agreed to reallocate \$132 million to aid poor and uninsured homeowners regardless of how their homes were damaged. With this agreement reached, Mississippi's post-Katrina housing efforts ultimately came to be seen as a success. Under the new program, 5,200 homes were repaired or replaced, including Mr. Belk's. And because of other programs, there is considerably more subsidized housing on the coast than before Hurricane Katrina.

The grand goals for the port are another story. According to its most

recent federal filing, the port has roughly 470 fewer jobs than it had at the time of Mr. Barbour's 2007 request. Of the 1,300 direct new jobs the port is supposed to have created, it can claim 99. Less than half the money has been spent.

To be sure, renovating a port is a complicated enterprise, and the initial goals were quite lofty.

"Had it worked quicker, everybody would be saying, 'What a magnificent thing,' "said Gerald Blessey, the Biloxi city attorney.

But litigation thwarted part of the plan, a major tenant of the port unexpectedly decamped to New Orleans, and the grandest hopes for expansion were dashed when, in the post-earmark era, Mississippi could not obtain the funding to deepen the port's ship channel. Mr. Barbour's successor as governor, Phil Bryant, ordered ambitions scaled down and directed the port to focus on finding jobs, even those not in the maritime industry.

Mississippi officials now say the target number of 1,300 new jobs will be met by 2019, a new deadline recently agreed to by HUD, which is pressing the state to penalize the Mississippi State Port Authority if the goals are not met. The port has picked up some new tenants, celebrated the opening of an on-site hotel, and begun in earnest the work of expanding its footprint.

"From the time that we've actually started construction, we're moving very rapidly," said Jonathan Daniels, the port authority's executive director.

Indeed, a dozen cranes can be seen from the beach now, saluting the casinos that have fought their way back from storm and recession, the lots still empty in the old working-class neighborhood of East Biloxi, the bustling downtown of Gulfport and, miles to the north in the piney woods, a brand new trailer with a satisfied occupant.

"It's so nice to have a roof," Mr. Belk said.

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