



AFL-CIO Announces \$1 Billion Housing and Economic Development Program to Rebuild Gulf Coast

The AFL-CIO today announced a \$1 billion Gulf Coast Revitalization Program to build badly needed affordable housing, spur economic development and create family-supporting union jobs in Gulf Coast communities devastated by Hurricane Katrina last year.

A year after the hurricane, little has been done to reclaim the destroyed neighborhoods and businesses in much of New Orleans and other parts of the Gulf Coast. Some of the worst-hit areas, such as New Orleans' 9th Ward, are eerily vacant. Thousands of residents who were evacuated to other cities and states still are unable to return to the Crescent City because there are no jobs to support their families, no schools to educate their children and no homes for them to live in.

The AFL-CIO investment is the first major infusion of private capital into the Gulf Coast since last summer's hurricanes. In the absence of meaningful help from the federal government, the AFL-CIO project is expected to open the door for other substantial investments in rebuilding the area.

Under the Gulf Coast Revitalization Program, investments by the AFL-CIO's [Housing Investment Trust](#) (HIT), [Building Investment Trust](#) (BIT) and Investment Trust Corporation (ITC) will produce housing for low- and moderate-income working families and provide mortgage loans, good jobs and revitalization of the hospitality industry as well as health care facilities in New Orleans and other Gulf Coast communities. The investments are expected to generate nearly 6 million hours of union construction work and result in \$1 billion in development activity over the next seven years.

The seeds of the Gulf Coast Revitalization Program were planted last fall when AFL-CIO President John Sweeney asked HIT, BIT and ITC to develop a plan to rebuild the devastated communities.

At a New Orleans press conference this morning announcing creation of the Gulf Coast Revitalization Program, Sweeney said the AFL-CIO is committed to making sure the city is rebuilt and that working people are able to reclaim their lives:

We are determined to help give the economy of New Orleans a boost as we create good new jobs as well as housing and boost commercial redevelopment.

Housing, good jobs, good public schools, health care and a stable transportation system are as essential to the future of this city as the dikes and levees, and we will work until they are all restored.

To pump employment opportunities into the area, the AFL-CIO [Building and Construction Trades Department \(BCTD\)](#) is establishing a Gulf Coast Workforce

Development Project to train workers for family-supporting jobs in the construction industry, BCTD President Edward Sullivan announced this morning. The BCTD project also will build a stronger union presence in New Orleans and the Gulf Coast region, while providing job skills training for residents wishing to return to the area.

Sweeney said the AFL-CIO is committed to the Gulf Coast project because of workers such as bus driver Oliver Armstrong, Avondale shipyard worker Thomas Conrad and teacher Gwendolyn Adams, all of whom joined him at the press conference. “They are not only representative of the people of this community who’ve suffered so greatly, they are working hard to rebuild New Orleans. It’s for them and others like them that we are undertaking this great initiative,” Sweeney said.

Adams, a member of the United Teachers of New Orleans-AFT, lost her job when the city closed many of its public schools. Conrad, a member of the Iron Workers, was forced to evacuate to Texas and then move from city to city before coming back to his New Orleans apartment. Armstrong, a member of the Amalgamated Transit Union, was forced to evacuate his family. He’s back now, but his wife had to get a job in Houston and he commutes between the two cities.

“I asked [the workers] to stand with me today because they are the people who are vital to a strong, rebounding New Orleans. Public school teachers, shipyard workers, transportation workers—like firefighters and police, these are the people who must have homes and a strong community to which they can return,” Sweeney said.

The AFL-CIO last week took the first step toward providing affordable housing in New Orleans by joining with [Providence Community Housing](#)—a group including the Catholic Charities of the Archdiocese of New Orleans, Christopher Homes and three community development corporations—to submit a proposal to the city of New Orleans for redevelopment of 196 city-owned abandoned properties in the historic Tremé and Tulane/Gravier neighborhoods. Over the next seven years, the AFL-CIO will invest \$250 million to finance the construction of housing for 5,000 to 10,000 working families.

“Labor plays a vital role in the social and economic life of our community” says Robert “Tiger” Hammond, president of the Greater New Orleans AFL-CIO. “What Katrina destroyed, we will help to rebuild. Our neighborhoods have been destroyed, our citizens scattered, but our spirit and resolve are strong. This is a great program for this city, our communities and our workers.”

Other groups working with the AFL-CIO Gulf Coast Revitalization Program include the Southeast Louisiana Building and Construction Trades Council, Enterprise Community Partners, Massachusetts Institute of Technology School of Urban Studies and Planning, NeighborWorks, Providence Community Housing, Tulane School of Architecture and the Resource Foundation.

AFL-CIO Gulf Coast Revitalization Program

- **Multifamily Housing:** HIT will provide \$250 million in direct financing for the production or rehabilitation of affordable housing. The goal is to build or renovate 5,000 to 10,000 homes in New Orleans and other Gulf Coast communities. This investment is expected to leverage an additional \$150 million from other sources.
- **Commercial and Economic Development:** BIT will invest \$100 million for commercial real estate development—focusing on hotels and other projects that create construction and service jobs—in New Orleans and other Gulf Coast cities. These investments are expected to leverage an additional \$150 million. The ITC also will explore the feasibility of alternative housing solutions, such as manufactured and modular housing.
- **Health Care and Hospital Facilities:** HIT and other partners are exploring \$100 million in investments in health care facilities and hospital construction to address the shortage of health care facilities in the region.
- **Home Ownership:** HIT will designate \$250 million to enable union members and public employees to purchase homes throughout the region. HIT also will work with local groups on innovative home-ownership programs for low-income families, such as limited equity co-ops and the Section 8 program.
- **Long-Term Commitment:** ITC has leased office space in downtown New Orleans where experienced staff will work with the city and other labor, financial and community organizations throughout the Gulf Coast region to carry out the investment program.

by [James Parks](#)

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