



“I’ve been preaching patience”

Randy Michaelson is the construction manager for NHS of New Orleans. After Hurricane Katrina, he remained in New Orleans as a dedicated citizen who intends to see this marathon of rebuilding to its end, facing a dearth of contractors and a surfeit of mold as thick as fur. In late 2005, Michaelson and interviewer Robert Santucci worked together in New Orleans to develop and certify mold-control protocols. Their interview took place in March 2006.

Interviewed by Robert Santucci

Robert Santucci: I hear you were doing a little drywalling in your home this past week. Randy Michaelson: I’ve been drywalling for the past couple of weeks. I get to spend a couple of hours on Saturday and maybe a couple of hours on a Sunday. With all the roof damage, the ceilings were all damaged. But I haven’t even started on the middle bedroom.

So even the rehab specialist is still working through hurricane damage in his own home? A whole lot of roofs going up. Lots of roofs. I think the big heyday for roofing was probably eight to 10 weeks ago, but there are still a lot of roofs going on. There are a lot of roofs damaged.

I remember flying over New Orleans after Katrina and I was sitting next to a lady who hadn’t flown very much and she said, “Oh look, everyone has a swimming pool.” And I said, “Ma’am, those are all blue tarps for their damaged roofs.” A day doesn’t go by, just in my neighborhood, that somebody isn’t putting on a roof. They were pretty expensive at first. I waited a good three or four months [after his insurance settlement] before I put on our own roof because of the cost involved. It was amazing. I was looking at putting on three roofs. One NHS client had a lot less damage and she paid \$12,000 for her roof replacement [immediately after the hurricane]. Three months later, my larger roof was

\$6,250; the roof down the street that didn’t need decking was \$4,900.

Are prices stabilized now? Absolutely. Prices for roofing are starting to stabilize. Many other trades are still way out of line, which is why I’m doing my own drywall.

What’s the plan for NHS of New Orleans for the short run, the next year or so? We’d like to get back into our main office. We are also going to maintain an office on the north shore [across Lake Ponchartrain]. We’re working on creating community centers. We’re looking at the rights to develop neighborhood centers where local residents can gather, relax, have coffee, have access to the Internet, and be able to relate to each other after a hard day of work.

Are these like little islands of solace? Why community centers when the housing units need roofs and drywall? People are shell shocked, and the neighborhoods need to rebuild community. The centers will help people rebuild their lives. We are also doing plenty on the rehab front. Just on owner-occupied rehab we have 70 requests for service now. Slowly but surely we are beginning to address those requests. The issue right now is cost. We have people who need work done, but they’re going to be paying a premium. We have a lot of contractors that don’t have workers. Our local contractor base was pretty much all wiped out. If you look at the way the city is laid out and where most of the blue-collar tradespeople lived, those neighborhoods were pretty much wiped out. That labor force is not back. That creates a difficulty. Before, we had 10 general contractors to work with. Right now, we’re working with three. And the big hold-up with the general contractors is the subcontracting work.

Which are the most difficult subcontractors to corral? The electricians right now. Everything that was under water has to be rewired, so every house



Photo by Donna Davilla

that had floodwater is going to need, at a minimum, all their outlets rerun.

So, have you been trying to get some extra help? It seems like you could use about 10 more rehab specialists. We'd like to have 10 more, but there are major financial issues involved. Any organization is going to have a hard time funding 10 new positions, especially those highly skilled positions like construction managers and rehab specialists. And for us, it is particularly difficult because we are not making a lot of money right now. We're not raising a lot of money right now. There are not many people offering to come in and fund these technical positions. We have received one grant to provide for one rehab specialist right away. We've developed a budget and a plan for 10, but with every plan and every budget, there has to be funding.

I reviewed an RFP for a very large number of rebuilding requests from the state of Louisiana. I can tell you that 10 rehab specialists is going to be a starting number for the expected rebuilding. I don't think we can do it all, Bob, but it would be nice if we had the 10 people on the ground. Right now, Louis Schneider (the other NHS of New Orleans construction manager) and I are pretty busy.

I bet. Especially rebuilding our offices, and then requests for services. Even from the real estate

development point of view, going out there to find sites and develop little neighborhood bases for redevelopment, there is a lot of work. All that work with two people right now is a challenge. The good thing is we started early. We have most of our rental housing up and running. I think we only have two rental units left that need some work. In one way, we're fortunate.

I need you to save one unit for me. (Laugh.) It's the owner-occupied stuff that we have to concentrate on. There are a lot of for-profit developers and real estate speculators that want to take advantage of the available opportunities. On the other hand, what do you do about the homeowner, the person who needs assistance to rebuild their own home? You're not going to have the for-profit developers coming in and assisting low- to moderate-income homeowners.

New Orleans is primarily made up of single-family and two-unit homes. Won't traditional rehab specialist services be in very high demand? Yes. Very much in demand right now. And just based upon our initial survey, we'll have to be very careful when we advertise services. We're putting out flyers. We have a call center. The more people who need help, the less effective we are becoming. People think they can get assistance, and then they find out that they're number 80 on the waiting list. Although it's seven months after Katrina, a lot of

folks are just now coming home to rebuild. We are expecting a deluge of requests in the coming months. It's going to be weeks, if not months, before we can get out and do something for them. So we've changed our delivery strategy a bit. We are doing preliminary assessments to see if we can expedite a rebuilding process. In some cases, an owner might need just a few things done. Maybe they only had two feet of water in their house. Instead of doing a full-blown work write-up, we can quickly refer them to a demolition contractor [to remove damaged drywall] and an electrician. It gets them to the stage where their home is cleaned up and they can start the rebuilding process. We just can't use our same old policies and procedures after the floods and be able to address the number of requests that we are getting.

I can't imagine how it's going to be when the floodgates of rebuilding funds open up and everybody is scrounging for the last 10 contractors in town. I think that the floodgates of funds, to a certain extent, have already opened up. The insurance money that is available in this town rivals all of the government assistance that you hear through the media. If the federal government is talking about investing \$10 billion, you've got to figure that the insurance industry has at least that much in settled claims. There is money available. Every day I am asked the question, "Do you know somebody who...?" It is a challenge. We have ongoing renovation and new construction projects. In most cases, we have been able to have the electrician go in, but we're at a standstill waiting for subcontractors. Your sub promises he'll be there tomorrow, and he doesn't show.

It's kind of a shame. All of sudden, contractors who had great reputations pre-Katrina are falling apart. They say they are going to be there and then they can't pull somebody off another job to get over there. It is hurting their reputations. The contractor-referral process is even getting difficult. All of a sudden, whoever your client or customer is, maybe it is an associate or a friend, and they ask you for a name and you give them a name of someone good. The next thing you know, they're saying, "He won't call me back." "He won't give me a price." "I haven't seen him." It's not they are taking any money from these people, they just are not able to respond in the time that most people would like them to respond. I've been preaching patience.

Yes sir. It's a hard time in the Crescent City. The people of New Orleans are resilient. We'll work it out. This is home.

Robert Santucci is the primary editor of the Construction and Production Management Programs of Study at Urban Renovation Consultants Inc. For three decades, he has shaped the development and project management departments of governments, community development corporations, and contractors. He is a member of the NeighborWorks® Training Institute faculty.