

**Louisiana Recovery Authority
Board of Directors Meeting
House Committee Room 1
Baton Rouge, Louisiana
Tuesday, September 22, 2009**

I. CALL TO ORDER

Mr. David Volker, chairman of the Louisiana Recovery Authority (LRA) called the meeting to order at 9:15 am in House Committee Room 1 at the state capital Building in Baton Rouge, Louisiana. *(Notices to the public and news media of the time and place of the meeting were given in compliance with the Louisiana Open Meetings Law.)*

II. PRAYER

Mr. Rene Cross led the Prayer

III. PLEDGE OF ALLEGIANCE

Mr. Rene Cross led the Pledge of Allegiance.

IV. ROLL CALL

Board Members Present

**Mr. Rene Cross
Senator Nick Gautreaux
Ms. Pat LeBlanc
Mr. Walter Leger
Senator Edwin Murray**

**Mr. Sean Reilly
Mr. John Smith
Speaker Jim Tucker
Mr. David Volker**

Staff Members Present

**Ms. Lynn Bankston
Ms. Stacy Bonnaffons
Mr. Dave Bowman
Mr. JC Ceaser
Ms. Adrienne Duncan
Ms. JoAnn Early
Ms. Amanda Guma
Ms. Sandra Gunner
Ms. Kimberly Jupiter**

**Ms. Robin Keegan
Ms. Janice Lovett
Mr. Darin Mann
Mrs. Kristen Parnell
Mr. Paul Rainwater
Ms. Marisa Robertson
Mr. Eric D. Shaw
Ms. Christina Stephens
Ms. Angela Vanveckhoven**

V. EXECUTIVE DIRECTOR'S REPORT

Mr. Rainwater thanked the board for their time. He noted that on August 20th there was a congressional field hearing on the Road Home Program. It was led by Maxine Waters and three other congressmen and they discussed the Road Home Program. Mr. Rainwater is also talking with Congresswoman Waters' office on some potential changes for the Road Home Program.

On September 29th Mr. Rainwater will attend committee meeting in DC FEMA public assistance with Eleanor Holmes Norton. At the committee meeting the FEMA arbitration panel will be discussed.

Also, Mr. Rainwater had a good conversation with Treasurer Kennedy, Senator Murray, and Speaker Tucker on the market place and saturation of subsidized housing. Mr. Volker and Mr. Leger also attended the bond commission. We are looking into doing a market study which will show the housing needs of the Greater New Orleans Area.

Mr. Rainwater showed a picture of Kristen Mitchell a Langston Hughes student. She named her class Cornell. She named her class after her teacher's alma mater. The idea is that the teachers talk to the students about attending college. Langston Hughes was the first school which was rebuilt after Katrina. It was up quickly largely due to the Recovery School District and Express Pay.

Other anniversary events were held around New Orleans. Mr. Rainwater noted that the tone now is more positive and now it is an understanding what happened and where to go from here and long term Community development.

For the Rita anniversary we will be attending the ground breaking on Chenier house in Cameron and has FEMA Funding. It is basically an AG extension complex. Chenier will be an example storm resistant building.

FEMA trailer deactivation is going well and we have not had any evictions to date and there is a large safety net regarding around Disaster Housing Assistance Program (DHAP) and around the deactivation process. To date we have 455 trailers sold, 284 pending, and 360 pending donations. HANO has opened up their Housing Choice Voucher program which is good so we can get people in the program.

Disaster Case Management Program (DCMP) which we tried to do back in January and did not work now we have kicked it off September 14th. Greater New Orleans Disaster Recovery Program (GNODRP) is the lead contractor on this program. The other 6 which were selected were United Way Greater New Orleans Area, RAI ministries, International Relief and Development, Louisiana Conference of United Methodist Disaster Response, and Lower Ninth Ward Neighborhood Empowerment Network Association (NENA).

Disaster Housing Assistance Program (DHAP) is currently serving around 9400 households. HUD Secretary, Shaun Donovan is briefed on this weekly and LRA housing staff is having housing outreach about 2500 families in the Lafayette, Lake Charles and New Orleans Area.

For Gustav and Ike recovery, the LRA has received 11 parish recovery proposals which accounts for 53% of the funding. Terrebonne, Cameron and East Baton Rouge are the three largest funded parishes. Terrebonne, St. James and Grant Parish have all been approved to date. We expect that the majority will come through in October.

The LRA staff has done parish outreach and had 8 separate meetings with parishes. Tonight I along with some of the staff will travel to Abbeville to meet with Senator Gautreaux and Rep. Champagne to discuss Parish issues. The LRA staff is also providing direct technical assistance to Cameron Parish.

The Agriculture Business Loan and Grant program has 808 applicants for the Farm Recovery Program and 62 applicants for the Agriculture Business Recovery Program. The Commissioner of Agriculture is working closely with these programs.

Public assistance update: Katrina \$4.3 billion has been paid out of the \$7.5 Billion which is available. Rita \$454 million paid out of \$580 million. Gustav \$343 million paid out of the \$514 Million. Ike \$53 million paid out of the \$110 Million. With Express pay pays are out and we are looking at a 5 business day turnaround. To date, we have processed about 8,000 requests for payment.

For Road Home covenant extensions, we will be allowing 1 year extensions and no more than 2 years so potentially can have 2 years and required by HUD to monitor the extensions and then if they cannot rebuild then we have to go in and recapture or find additional dollars through various programs.

Additional Compensation Grant (ACG) cap removal is in the beginning stages. We have research based on the action plan this would be a non substantial agreement. Basically, the cap removal will help 16,000 Low to moderate income families. We believe that the funding needed is \$300-\$500 Million. It still must be a homeowner in Louisiana and they cannot have received the \$150,000 maximum.

Mr. Reilly asked what the average grant was going to be. Mr. Rainwater responded that the average grant would be somewhere in between \$20,000-\$30,000.

Regarding Road Home Closings, HGI has 464 appeals remaining. At the state level we still have 68 each is averaging 60 days to complete. The Road Home Elevation program has served about 28,000 and has \$800 million dispersed. There are 29,000 constituents who have expressed interest in this program.

For the Road Home Hazard Mitigation Grant Program (HMGP) elevation program, we only have 50 folks on staff but we have an RFP which has been issued. If you look at the LRA/DUR staff we only have 150 and 50 members of the staff are in HMGP. We are adding staff with the Shaw group who won the contract and once they are added then we plan to get the payments up to 500 payments a month and \$15,000 as the average payment.

Louisiana Land Trust (LLT) has Mr. Leger as the chair of the LLT Board and Mr. Taylor heads the LLT. We appreciate their work with this. To date, 9000 properties have been disposed of and 900 will be transferred 900 as is because they can be rehabbed. Also, the total number of inspections is around 9800. As for Demolitions, 246 are completed with. 238 are under way. Our Goal demolish house and slab so

the property can be used. The land trust auction in Jefferson Parish was very popular and has been done in NOLA and it was very successful.

For Small rental there are 5887 active awardees who have received a commitment letter. We have had 590 rental closings. We have started rental initiative program. We have Produced 2,000 units which 1500 were low income units. On the Piggyback program, there are 19 under construction and 7 in New Orleans. HUD Sec. Sean Donovan said he feels comfortable with the state partnership and continue too work closely with them.

For the Alternative Housing Pilot Program (AHPP), there were originally 500 units and now we are looking at 490 total units with 254 under constructions. 76 units have been completed with 59 in Jackson barracks and 17 in Baton Rouge. By the end of this program it will provide permanent housing. In New Orleans, there are 287 units with 100 Single Family units in Algiers to be completed March 2010. There are also 100 units which will be around the New Orleans Area with 27 additional units in Westwego and 60 additional units in the Treme Neighborhood. We are in the process of completing the environmental records and FEMA has stepped forward on this, so it should move much quicker.

Speaker Tucker asked if with AHPP, did we go out for developers or how did plan work on this?

Mr. Rainwater noted that the contractor is cypress group and they bid out the parts to subcontractors. To look back at the history of the project, congress passed a \$400 million dollar appropriation and FEMA put the rules together and called for states to submit proposals and it was an award for the state and the developers who put the deal together. There was a \$75 Million dollar award to state of LA and went to LHFA first and then per the request of Governor Jindal when he came into office, the LRA took over and moved it forward. The developer takes the bids.

Speaker Tucker is requesting a cost breakdown on the \$75 million dollars. Mr. Rainwater will provide for him and also noted that there are non profits such as habitat for humanity and Providence involved.

Speaker Tucker asked if these will be for homeownership or will they be rental.

Mr. Rainwater replied that some would be rental and some are for home ownership. It depends on the non-profit. In Baton Rouge we are looking at homeownership with the Resource Group.

Senator Murray asked Mr. Rainwater on the ACG grants, he has met with people in neighborhoods meeting s they are concerned. Beacon of hope has different ideas on how to handle this. Senator Murray wondered if Mr. Rainwater had spoken with them.

Mr. Rainwater noted that he had spoken with then and he also has testified 14 times before congress on this issue and talked to both Chairman Volker and Mr. Leger and the community on what needs to be done. The third allocation of money is to be spent on Road Home eligible activities. We have many needs in Louisiana, but the intent of the 3 billion is to be spent on Road Home and 51% of those funds on LMI homeowners. So if we can get dollars to this last group of people and then we can go back to congress and say we have done everything we can and then we can attack the blight issue. –We have asked Sen Waters and Senator Landrieu to use the last of the money for blight and neighborhood stabilization.

Senator Murray stated that he is in favor for people to complete their home. Some groups such as the Beacon of Hope thinks there is another way that we can do this to make sure that the money goes completing the homes.

Mr. Rainwater replied that one of the challenges of Beacon of Hope is that the neighborhood that they serve is not LMI. Senator Murray replied that the Beacon of Hope has expanded into LMI neighborhoods. Mr. Rainwater noted that we have approved \$20 million dollars for a nonprofit Pilot Rebuilding program to assist other households. The money for the Nonprofit came from Small Rental. The Third allocation is so narrowly allowed to certain items and it must be executed the way it was provided to us. Senator Murray agreed.

Speaker Tucker suggested that instead of giving more money to a homeowner who has done nothing. Is there a way that we can take the additional funds and directly put it towards demolition of the house?

Mr. Rainwater noted that speed is the determinate factor. The point was getting dollars out to the homeowners and thinks that verification steps will add time to the process. You must be a homeowner in the area to be eligible for the funds.

Speaker Tucker stated that if the homeowner received a grant and will receive more with this ACG cap removal then let's have the homeowner submit a bill for their demolition and then have checks cut immediately. Then we will be making sure that the blight issue will be resolved and the congressional needs will be met. Then we will be eliminating the people who have not rebuilt their homes but have spent the money on other things.

Mr. Rainwater agrees that he does not want to give money to households who are not redoing their house. Mr. Rainwater will get with the staff and discuss that thought.

Senator Gautreaux suggested is do the paperwork and at the closing you would hold a percentage of what it would cost to demo the home and that way they could not leave with all the money and then reinsure that they do not leave with the money and the home is not demolished.

Mr. Rainwater stated that the LRA does have a recapture process for those who do not abide by the covenants which state that the home must be rebuilt. The recapture process has been done

Senator Gautreaux had a resolution three years ago that sent the money which was to be held out and was sent to local banks then we could have held it in escrow. This was sent to congress and to Governor Blanco's office. Maybe it can be implemented now.

Mr. Reily stated that we can go back a few years in time and issue of speed trumped the rebuilding. The original program design called for an escrow because of this exact concern that folks would not be able to put the money into their house and the final decision was made by HUD to eliminate the construction draw down. We should learn from this now. In this next round we should look at the escrow, he believes we can sit with HUD and say that the point is Long Term Community Development and this issue today

is blight and not speed. The way to combat blight is to verify that these funds become bricks and sticks to rebuild people's homes.

Mr. Leger then stated that we are all too familiar with the discussion. We wanted banks to administer the program and the banks thought it would be difficult and did not apply to administer the program. Therefore, we constructed a program with HUD that the mortgage Companies and lenders would waive foreclosure and in return they would hold the money and disperse the funds as the improvements were made. This was approved by HUD, and then after grants were done and HUD pulled the plug and it was decided to pay the money out and the risk was where we are now. There is a study of who received grants and who is not completed and we do not have a clear indication because most of the homes which have not been rebuilt have not exceeded their covenant period. Then, HUD said if you want to withhold money and that is a rehab program and we have to do environmental which is expensive. We would like to see this HUD be a little more bendable on this. The trick is going to be identifying the ones with the shortfall and can use the ones who can use the shortfall of funds and ones who the LRA and HUD will have to recapture again.

Speaker Tucker stated that the worst Blight is in LMI in New Orleans and St. Bernard – and we are going to have egg on our face if we give them more money and same percentage has taken the money and not done anything with it. We need to implement safeguards out so we are not throwing good money to the bad.

Senator Murray added that it was a push out for the money. The mortgage companies were looking for the money. Now, it is a good time to go forward to make sure they are going to rebuild. People know which neighbors have the money and have not done anything to their properties.

Mr. Rainwater stated that if 12,000 checks by December or we can set up a plan that takes two year s to work through with the escrow and environmental. There are 282 days left of the LRA Board.

Mr. Reilly asked if we can get the environmental requirement out of the rules.

Mr. Rainwater replied that then the plan would need to go back to congress. Our office has seen much more progress when we are able to create programs within the rules.

Reilly stated that we can't expect people who are so close to now have to go through an environmental process, can we? Mr. Rainwater replied with, yes you can. Sec. Donovan and staff are wonderful but we can't change some things. The challenge is to see what we can do with the quickest program delivery but we can try to put checks and balances in the program and see where homeowners are in their completion and see what we can regulate and get money out at the same time.

Mr. Leger stated that the moment that HUD imbedded with the OCD with 12 HUD reps and put together a program and we had met with bankers and mortgage and obtained the agreement that they would with hold foreclosure and all work was approved and then HUD pulled the rug out with environmental if you are going to do this. This shifted everything. We predicted that this day would come and it is here and we can be inventive and find some way to hold homeowners accountable. A 3 year covenant extension is a

difficult one for homeowner groups, but a requirement is a list of why it is not complete and proof of a permit in hand and maybe it will work but it marks out the absurdity of HUD regulations.

Mr. Rainwater stated we can create a hybrid program and we can identify the ones who have put dollars in their home and we will look at the program design.

Chairman Volker welcomed Tulane/ Louisiana Public Health.

VI. PRESENTATIONS UPDATES

Briefing on the Greater New Orleans Primary Care Access and Stabilization Grant (PCASG)

Mr. Clayton Williams, PCASG Director thanked the board for their time and is here to discuss affordable health care with LA Public health care. This group is responsible for administering the \$100 million dollar public health grant in the New Orleans Region to help build sustainable and high quality health care.

Ms. Karen DeSalvo, MD, Executive Director, Tulane Community Health Centers Chair, 504HEalthNet delivering the services to patients on the ground through PCASG.

POWER POINT PRESENATION.

Mr. Williams noted advancements over the past years since Katrina on how we have used Grant Money. We have tried to address with 25 organizations a long standing problem with access to health care at the primary level. This came to DHH and we are required to find a local entity to serve the public through Louisiana Public Health Institute. The money was made available to Region 1 to GNO area Grant is available Sept 07-Sept 10.

There are 25 organizations which provide outpatient primary and behavioral health care via 91 service delivery sites in a 4 parish region. There are different points of service in the region they are on the website. www.pcasg.org and www.gnocommunity.org.

Grant funds supplement other sources of funds for these sites. They are not dependent on the grant funds. Half of the 91 sites are primary care centers which vary from small offices 1-2 doctor centers to large 8-12 doctor centers. The others are mental health and substance abuse and school basic health centers and others.

Pool of grantees includes the vast majority of the “safety net” in region I. Last year, they provide services to 160,000 individuals and 45% were uninsured and 30% have Medicaid and the balance was split between Medicare and commercial coverage. All centers vary more urban areas receive more uninsured people

Goals of the program: 1. Increase the access to care on a population basis 2. Provide evidence based quality health care. 3. Develop sustainable business entities 4. Develop an organized system of care.

All Funds must be distributed by September 2010. Payments are made every 6 months to the providers. The Grant Funds are divided between grantees based on whom they serve. Populations are weighted according to insurance and type of services received etc so those with less coverage receive more money.

This is not a reimbursement they receive allocation which is allowed for certain expenditures. \$3.8 million is reserved for quality improvement based on the clinic's achievement of NCQA Patient centered medical home standards. 10% is reserved for clinics with approved pharmacy services.

For each 6 month period, there has been a 15% increase in patients served since March 2007. This leads to exponential growth and growth now up to 776 health care providers in the service delivery locations. The hours have increased and the delivery locations have increased from 67-91. It has increased access to care and more people getting the care that they need so they can be back and contributing to a healthy recovery. This leads to fewer are relying on emergency cares facilities.

As of June of this year, 13 organizations that represent 36 service delivery locations were recognized by NCQA as patient centered medical homes. We lead the country in the New Orleans area. Eight sites are NCQA Level Three. One Site is NCQA Level Two and 28 sites are Level One.

Neither federal or state reforms expected to expand coverage would take effect prior to the expiration of the grant in September 2010. Additional funding is required to avoid a dramatic loss of services established through this initial federal investment. So, there needs to be some set of offset some of the costs of the uninsured so the services can be implemented and in Sept 2010. This represents 40% of the capacity of keeping people out of the emergency room. We need funding 30 million a year for 5 years .

Dr. DeSalvo thanked the board for the opportunity to share with you all. Dr. Desalvo represents the service providers who are taking care of 160,000 patients. These providers are people who have been in the community for over 175 years to work to provide high quality health care and increasing accessible for less than \$600/year. This allows the providers to do their job and we are given money and are rewarded for quality.

Mr. Reilly thanked the presenters and is a huge fan of this program. We know what works well and this program needs to be highlighted. Before Katrina, we operated on the system that the ER was the place where uninsured received their primary care. Now, since this program has come into place, we have moved away from that and it is a victory and we need to talk about it and celebrate it. He asked Secretary Levine to give us a bite sized chunk that we can do something about such as this \$30 million dollar problem. He encouraged the board to look into this and see if we can do something. This I s a model should be embraced state wide. Thank You for the presentation.

Mr. Rainwater noted that the staff has researched some things and this is eligible under Public Services from HUD. It is something we can possibly do. This is a large issue and has been discussed.

Speaker Tucker noted if we put \$30 Million into this and then where would the next \$30 Million come from?

Mr. Rainwater noted that just basic research had been done on this and we would have to see if we could reallocate dollars.

Dr. DeSalvo added in that when the conceived this was in policy debate in Louisiana. Since then, we have been through the redesign collaborative and the waiver that the state's Medicaid and reallocation share funds and the thinking is that this program needs more than gap funds and more stable funds.

Speaker Tucker agrees with Dr. DeSalvo seems we see more budget gap issues come to the LRA board. Are we looking and that if DHH is not going to qualify this as a priority then why should we? We have limited funds – and we have more people coming for funds and we have to put into recovery projects in priority and those that need recovery dollars. This is a worthy project that maybe we can help in the budget process.

Mr. Leger stated that he has attended lots of events emotional and happy occasions over the past few years for example of Ruth Chris on N. Broad to Tulane as a primary center and good use of the property. Is that part of this program?

DeSalvo stated that is a part of this program. Though this is health care and it is also economic development and building and renovated and the 91 sites are in blighted neighborhoods and provide 800 jobs and workforce training in all public health and staff and an array of different areas.

Mr. Leger wanted to acknowledge Our Lady of the Lake who came to the rescue of St. Bernard. They have been given the funds to build a hospital. Question is that in your presentation there were about 55% of your patients are related to Medicare/Medicaid/private care and does that cover 55 % of the costs?

Mr. Williams answered that it does not represent our costs. It is more or less around 45% with out of coverage.

Mr. Leger stated that the needs are 30 million per year is what you need. Will universal health coverage help this gap?

Mr. Williams stated that this will help and take a slice out of the uninsured area if Medicaid goes up.

Senator Murray noted that the senate finance did the briefing from DHH and Alan Levine and he told us and we need the funds from the state or national level and it also sparks what health care can look like in the future.

LeBlanc asked that there were are 160,000 a year and that you are able to serve that population better and more cost effectively.

Mr. Wililams responded and they are receiving services that manage chronic disease and allow them to obtain a healthier lifestyle.

Ms. LeBlanc state this program came from recovery but it is a new form of Health Care Delivery and is there objective data to improve this so we can communicate this?

Mr. Williams stated that this is both. This is a model and it these services have to help all area. We have some data and there is an independent research team looking at this so there will be more information.

Mr. Cross asked what alternative you are looking at for this funding. Then does it reduce or close down?

Mr. Williams noted that some centers will close and some will contract there services and not be able to provide the same services. We want to get the most value of services and they are operating efficiently and we are matching them and creating the Medicaid expansion and we are left with a gap and it has been filled. Without relief we are going to have to scale back and we are going to have more in the ER and missing work because they are not as healthy and not getting the care they could receive in our centers. It will not be immediate but it will trickle in and there will not be money to have doctors's in the clinics because they are not funded –

Dr. DeSalvo stated that 3rd party payers and patients do pay unless they are so poor that they cannot pay. It is a sliding scale

Mr. Chairman thanked the presenters for their presentation and stated that the Board will look for funds.

VII. READING AND APPROVAL OF THE MINUTES OF THE PRECEEDING MEETING

Mr. Reilly moved to approve the minutes and Senator Murray Seconded. There being no comments or corrections, the following resolution were unanimously adopted:

Approval of the minutes and Ratification of Actions Taken at the August 19, 2009 meeting of the LRA Board.

RESOLVED, that the Minutes of the LRA Board held on August 19, 2009 as presented in this meeting are hereby approved and all actions taken by the board presented at such meeting, set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.

Voting: Cross, Gautreaux, LeBlanc, Leger, Murray, Reilly, Smith, Tucker, Volker

VIII. PRESENTATIONS

FEMA Update on Community Disaster Loans (CDL)

Mr. Rainwater introduced Mr. Mark Landry Deputy Director for Programs, FEMA and Gail Tate also with FEMA. Tony Russell is in Mississippi and sends his regards for not attending the meeting.

Mr. Mark Landry stated that due to Hurricane Katrina, community's tax base was depleted by displacing taxpayer and leaving others unemployed. The Essential services such as police, medical personnel, teachers and firefighters were still needed. These costs were not eligible for Stafford act funding from FEMA's Public Assistance Program.

FEMA's traditional CDL program capped at \$5million per individual loan and was too small to meet the needs resulting from this catastrophic disaster.

Congress responded to the need by passing the Community Disaster Loan Act of 2005. This authorized 1 billion for "Special Community Disaster Loans" to assist local governments in providing essential services. The total approved was \$999.9 Million and the total disbursed was\$821 million. These Loans do not have to be paid Nov 2010, they are 5 year loans.

In 2007, congress authorized FEMA to be able to can remove the loans if in 3 year period following the disaster, the operating budgets of the local government are so low they cannot repay.

We cannot forgive all CDL and FEMA has regulations which were published which included loan forgiveness procedures and requirements.

The public comment period ended on June 2, 2009. Once these comments are adjudicated, FEMA will issue the final regulation establishing forgiveness. To date FEMA has received over 100 comments during public comment period. FEMA is looking to February 2010 for the regulations to be published. Until then, FEMA cannot begin accepting forgiveness applications or begin forgiving loans until the final rule goes into effect.

This update is short and concise. This is the latest and most accurate information. This is not actively manages at the Transition Recovery Office but I can relay it to headquarters.

Senator Gautreaux asked if the \$650,000 was the Mandeville pay back and Mr. Landry confirmed it was.

Mr. Leger asked if there were any other comments or questions and thanked the FEMA team. Mr. Leger is now acting as Chairman since Mr. Volker had to leave

Presentation by Sturdy Built Homes, LLC of Gramercy on Katrina Cottages

Mr. Leger introduced Ms. Dawn Taylor and Mr. Tim Fontenot, General Manager of Sturdy Build Homes.

Mr. Fontenot stated that Sturdy build homes started in late 2006 after Katrina and Rita. And objective to play a meaningful role of rebuilding and benefits the local economy and to address the glut of rebuilding. At the time national companies were coming in one by one and taking the spot light and we are the only company of having successful in the small arena.

Our Company bought a small building in Gramercy which is an extremely effective location to ship all the way from Lake Charles to New Orleans to Mandeville. We are able to get help at a good rate and economic rate has been substantial.

We design and manufacture wood frames for homes and many different methodologies on how to reinvent the building process and we put in place a system that is well proven all across the country. In

addition to the fabrication of the framing components we also provide windows and all other aspects of the process. After the slab is poured, we move on site and completely see home the home to the “blacked in” stage. We work in partner with the builder/developer. We would always be bidding as a sub contractor. We have a framing license and we can supply a turnkey package and it simplifies the process. Unlike the others, we allow design flexibility. We are not modular we have flexibility and we can hit all areas single family homes, multifamily homes and light commercials and affordable housing.

Some success stories began in mid 2007 – 2008 We completed town homes in Marrero which were contracted by providence Gibbs Construction and other developers. We fabricated all structural elements for the 100 town homes and they rented out in 30 days. We also provided all materials in New Orleans East for Cornerstone Elderly housing. It was a 64 unit project by Ploche construction. We also provided the components and labor for CJ Pete project 440 apartments and 112 buildings.

Many projects start off behind the time curve because of delays and we able to move quickly. We operate in all weather since we are in the factory which allows us to make up some time restraints. In the future we are looking to participate in upcoming projects. We have bid for Katrina Cottages and we have bid to this project. We do not build steel so we were out for some of the Katrina Cottages. We have word that through insight builders we are going to do the construction in Lake Charles and we are looking forward to working with you. In addition there are others we are bidding out and we are trying to participate in Lafitte and Treme projects.

The list of advantages is when you work with us you have the advantage of having a frame which is built correctly and we can put quality controls on the project. We take a generic set of options we take blue prints in a draft system and pieces are cut and assembled and controlled by computer generated drafts. Everything is built to code and spec and roof trusses and built on tables and guarantees you will have wind resistance.

We use the highest quality of materials and exact same materials in affordable and custom homes. We also have the benefit of green construction because of the environment we build in and there is much less waste material.

The houses appear correct and the homes will not lose character in the architectural design. We adapt to a blueprint and not have them adapt to us. We can build 3-4 buildings a day and we appreciate the opportunity and look forward to working with you and the local businesses.

Senator Murray stated that he made noise on local business and this is a prime example of this. He wanted the board to hear their success.

IX. ACTION ITEMS

Discussion, Public Comment and Consideration of Resolution for Gustav/ Ike Action Plan Amendment 3

Mr. Rainwater stated that there was \$1 billion which was received from HUD and \$800 Million has allocated, and \$212 million is out there for unmet needs. We are going to hold \$100 million for FEMA public assistance and state match. We would like to create a municipalities program for small parishes

with \$30 million for FEMA eligible repairs, drainage, bridges and roads and other things. We are working with the Louisiana Municipalities Association on this project. This is intended for small municipalities who did not get money and were passed over by FEMA.

Additionally we are working on a first responder interoperability program for \$22 million dollars. We are working with GOSEP in particular Brad Mitchell on this project. The purpose here is to fill gaps and to give money to communities to help with some of the radio workings when the radio does not work we will fix it and be prepared for the next emergency.

Mr. Reilly asked if it will open architecture.

Mr. Rainwater answered that yes it will be 700 mega hertz and open architecture.

Ms. Keegan stated that regarding Economic Revitalization there has been the business loan and grant program similar to the one under Katrina and Rita. We are still working on design issues and we will also be able to fund start up businesses under HUD guidelines and economic revitalization, as well as damaged buildings and innovation grant program to give to Grocery stores and other entities loans.

The Pilot Comprehensive Resiliency program, frame work has been put in place and HUD has put \$312 million dollars as a competitive grant for states and they have challenged the states to do resiliency planning so they are smarter and stronger to rebuild. We have added this to the G/I allocation to spend our dollars to show HUD we are building and so then we can compete for this grant in the future and some of the items we are looking at and would be available are planning code enforcement at local level and education regarding elevation and hardening and other items which will make them safer. The other piece is being able to support communities which have been damage damaged and optional relocation. We are working with other funding groups as well as working with local parish officials and state officials.

Mr. Van Orsdel stated –fisheries program is requesting to have 5 million added to the \$27.3 Million which is already set aside for fisheries. As the board knows, the shrimp industry is in bad shape and the Governor has created a Shrimp task force to address the needs of the Shrimpers. There must be strategic changes made with the shrimpers also being allowed choice.

When there is storm then no landing fish for a period of time and they are not able get the market share back and the technology we have is reflective of 1985. We are looking to create a gear and technology program and help them to purchase the gear and this will also be able to purchase a net which would add to fuel reduction. Also, allow coastal communities to provide funding for private entities when they are impacted by a storm.

Mr. Cross would like the board to note that he has worked with Mr. Van Orsdel on the recovery efforts and we are so far behind it has not recovered and the money is desperately needed.

Senator Murray moved for a motion for approval on the Intended distribution of the third allocation of Gustav and Ike Funding. Mr. Smith seconded the motion. Since there was no further discussion, comments or changes, the motion carried unanimously.

Final approval of the Resolution for Gustav/Ike Action Plan Amendment Three.

RESOLVED, that the Board approves the resolution for the Gustav/ Ike Action Plan Amendment Three.

Voting: Cross, Gautreaux, LeBlanc, Leger, Murray, Reilly, Smith, Tucker

Mr. Reilly noted he had recently been to Venice and Cocodrie and noticed that the areas seem to be doing better. Is there a reason for that?

Mr. Van Orsdel noted that it is just how the clean up went and how the focused they are in that area.

Mr. Cross noted that the population is not back and the parish is trying to get the infrastructure back up. In all of the business in lower Plaquemines, they do not have people to run businesses. All of the need will be met soon with schools, hospitals, and even a grocery store. People are reluctant to put one down there because there is not a permanent population.

Leger added that in every storm the shrimp are the first hit they are impacted significantly. We are still clearing water ways from Katrina and the disability also is the international market is being flooded with Chinese shrimp and cost more for the shrimper in Louisiana and harder for him to make money.

Mr. Van Orsdel noted that there must organized fleet. In 1985 Louisiana controlled the market. Now, we are only 10% of the marked and we must change. Everyone is willing to get together and help.

Senator Gautreaux asked if the program is going to be divide according parishes or will it be one program? Will it also be limited to Louisiana fisherman?

KVO – The gear technology it is geared towards vessels so the vessel must be registered in Louisiana and you must have a Louisiana License. The money will go to parishes based on allocation of damages and where the landings and the licenses are?

Senator Gautreaux asked what happened if they did not open up after Katrina.

Mr. Van Orsdel noted that the allocations are pushing down into the parishes. The plan is to get into those industries so they are not shuttered again. The parishes know who needs to be restored. Gear will be done individually

Discussion, Public Comment and Consideration of Resolution for Action Plan Amendment number 37 to include Contaminated Drywall in Non Profit Rebuilding Pilot Program

So, this action plan was going to take the \$5million dollars for contaminated drywall and run it through the Nonprofit Pilot Rebuilding Program which is run through LHFA and the challenge is we do not know if LHFA will accept this. Therefore this \$5 Million could go to Non Road Home Applicants.

The LRA then wrote HUD a letter questioning if we could drywall constituents with the concern of duplicate benefits. HUD will consider this as an unmet need and not a duplication of benefits.1

Therefore, we need to amend the resolution and we will take the \$5 Million out of the Small Rental and it will be run through the (Disaster Recovery Unit) DRU and not through (Louisiana Housing Finance Authority) LHFA. Therefore, the LRA needs an Amendment to the resolution

Mr. Leger stated the Board will need a motion to amend the resolution if that is State will allocate 5 million to rebuild homes with contaminated drywall. He requested Mr. Rainwater to state the amendment.

Mr. Rainwater stated that the amendment would read that the State will allocate another 5 million to RH to rebuild homes with contaminated drywall.

Speaker Tucker motioned and Mr. Smith seconded. Then there was discussion on the matter.

Mr. Cross stated that his concern is that the problem in Road Home program. Are there other alternatives on the remediation on this drywall??

Mr. Rainwater stated that part of what this Action Plan Amendment is doing opt responding to the request from the Legislature to reallocate \$5 Million dollars to this issue. This is a much bigger problem than the LRA can handle. We are going to be briefed and work with the task force in Washington D.C. Our goal is to help get your walls back up however we will not be liable for any thing here. This is a triage situation that we are trying to get help to the victims. We are working with the Louisiana Home Builders Association (LHBA) and we are trying to help and fulfill the Legislature's intent in this request.

Mr. Cross asked if there any funds available for a research pilot program or demonstration and set aside 500,000 for a model/demo home.

Rainwater noted that there is a potential for this.

Mr. Cross noted that there might be other options.

Murray asked about the available to Road Home and Non Road Home? How are we going to regulate this?

Mr. Rainwater noted that in the first and second allocations we can spend it on recovery issues and that is where this falls and so we have some flexibility on this.

Senator Murray questioned how the applicants would be selected if they are not in the Road Home?

Mr. Rainwater noted that his is just for public comment and it will go out for Public Comment and then there will be a plan.

Mr. Leger noted and asked to move and accept as friendly amendment

Mr. Rainwater stated that this was originally to be in the Non Profit Pilot Rebuilding Program and then they did not want it so the LRA is going to need some additional time on this item.

Mr. Cross asked that we put in the resolution to have a half of a million dollars to research and a demonstration home?

Ms. Keegan suggested that the wording could be added into the resolution however no dollar amount since the dollar amount was unknown.

Senator Murray stated that this items should be differed this until next month

Mr. Rainwater noted that this needs to be put out to public comment and then we can create a better plan. Take the resolution and it will come back.

Mr. Leger noted that Speaker Tucker Moved and it was seconded by Mr. Smith to accept a friendly amendment that the resolution must come back to the board which would change the end of the second paragraph remove with out and add with a additional full board review. As amended the resolution stands before the board.

Mr. Smith asked if there was any idea on how many RH participants are impacted by Chinese Drywall?

Mr. Rainwater noted that we can do more outreach. The office takes calls and information. The Nonprofit Pilot Rebuilding does not exclude drywall. On the Road Home side we need to some survey to see who is effected by and we think now that HUD will let us touch it and we are still trying to figure it out. Our goal is to get it to the constituents who have gutted their homes.

Mr. Leger stated that we have attempted to pin point how many in Louisiana and some indication maybe only 1,000 homes. Now, we find that at least in litigation it is all over the country and up the east coast and there is not a handle on this at all at this time and we have to figure out how do we develop a solution.

Mr. Smith agrees and we have paid out hundreds of millions of dollars and now we have them moved out of their house which adds a blight threat here. This \$5 Million is a drop in the bucket and one thing we need to focus on and we need to see how many have were in the Road Home Program and were impacted and then try to develop a plan that will help this and provide significant additional dollars. We are going to then end up with more blighted housing. This needs to be for only Road Home Participants.

Dr. Jimmy Guidry over at Department of Health and Hospitals is keeping a list and we can cross check the Road Home list.

Senator Gautreaux noted that the biggest issue is that this is a federal trade policy issue and congressman and senators in the state and in the south should ban together to put a tariff on the drywall to help damages. There are many people in a law suit. These people should not be eligible because they are

taking care of it privately and they are going to have to eventually pay the government back if they receive our funds.

Mr. Rainwater stated that the Legislature required us to do this and we are required to do this and we want to get out from under this since this is a much larger problem then we can deal with. In regards to the law suits we would handle them no differently than insurance payments relative to the Road Home Process and someone who settle up after this.

Mr. Leger stated that we can create a subrogation effect to get back and we can recover the money. Mr. Leger noted that Motion as amended all in favor. Motion Carries.

The LRA Board accepts a friendly amendment that the resolution regarding Contaminated Drywall must come back to the board for review.

RESOLVED, the board accepts a friendly amendment that the Resolution regarding Contaminated Drywall must come back to the Board for review and Approval

Voting: Cross, Gautreaux, LeBlanc, Leger, Murray, Reilly, Smith, Tucker

Discussion, Public Comment and Consideration of Resolution for Action Plan Amendment Number 38 to Change the Local Government Infrastructure Program

Mr. Rainwater stated that this is a request that we move from \$40 million dollars from primary and secondary education to Local Government Infrastructure Program. The reality is that primary and secondary education is not moving as fast and we need to move over the funds and then we will get the money from the budgets later and see where it is needed. The local infrastructure project has been given to Sewage and Water board and Cold Storage is an example of this.

Motioned by Senator Murray and seconded by Speaker Tucker. With no further discussion needed, the motion carries unanimously.

Final approval of the Resolution for Action Plan Amendment No. 38 to Change to Local Government Infrastructure Program

RESOLVED, that the Board approves the Resolution for Action Plan Amendment No. 38 to Change to Local Government Infrastructure Program.

Voting: Cross, Gautreaux, LeBlanc, Leger, Murray, Reilly, Smith, Tucker

X. CDBG BUDGET PRESENTATION AND DISCUSSION

Based on the resolution required the LRA to come to the board and present an accounting of the budget. There is a 45 page documents which lays out everything. Part of the job of the LRA is to allocate dollars

where they should to speed recovery and we need to do this before July 2010. Before then, these will be sent over to the Division of Administration.

First , the 3 allocations funding are \$13.4 Billion Community Development Block Grant (CDBG) funds from HUD for recovery, a \$4.2 Billion second allocation from HUD and \$3.0 Billion which was limited to the Road Home program. A total of \$10.4 Billion dollars was allocated for the homeowner program. When you link that to the FEMA public assistance money it is between \$7 Million and \$10 Million dollars a day.

For the homeowner assistance program, 95% of our dollars have been expended. For the low income tax credit 38% dollars are expended, for the Small Rental Program 16% of the dollars has been expended. The Homeowner rehab programs will be up in October and there will be a report brought to you then. Building code enforcement is at 97% expended.

On Road Home, 124,000 applicants have been awarded in total 8 Billion. The Average award is 64,000. New Orleans has received \$3.7 Billion in Road Home Assistance. Jefferson Parish is at \$1.2 Billion and St. Bernard is almost \$1 Billion. Piggyback can be completed in November 2010; pending congress extends items and allowances on tax credits

Mr. Reilly asked if there was a demand to absorb the housing.

Mr. Rainwater noted that there was going to be a market study done.

Ms. Keegan noted that there are 58 projects are under contract with developers who have done the applications with the state and LHFA and they will be going to the bond commission including homeless area of 42 units. They are the last three that have to go to the Bond Commission. 19 are ready and 11 completed and 12 in New Orleans and the demand is a real question –rentals are renting in as short time and small rental 100% lease and piggy back is 75%. The demand question is a real question. 20% are for Permanent Supportive Housing

Mr. Reilly asked is the program over committed and do you have the demand to use the dollars is there demand, and is there an absorption in the market?

Ms. Keegan noted that a market study and RFP would be done and released in 2 weeks and we know time is of the essence and it is important in the state and how we move forward and how we recover the housing in the market.

Mr. Reilly then asked about the contractual obligations if we decide to reallocate the funds.

Mr. Rainwater asked Mr. Thomas LaTour to come up and give the answer, but he was assuming that the numbers were based on a Market Study that was initially done. If we find these are not needed then we can back out of them

Mr. LaTour with the Office of Community Development, we cannot get out of the contracts. It is not really an option.

Mr. Rainwater stated if we don't get place and service dates and extensions then they are going to fall out before they are in place. We want to make this work and move things around and what does it mean to have a contract if there is no financing

Mr. LaTour notes that the state entered into 58 contracts with developer when the developer puts it all together then we close. If there is not demand then we don't think banks or community will invest in these projects. Mr. LaTour is pushing as far and fast that we can with the end result is workforce housing and some will fall out because there are no loans if the banks and investors believe they are not needed. However if they believe they can use this then that will shake out a lot of the projects.

Mr. Reilly asked if then look at the balance and take then \$360 Million and do something else and we could do if we track if project by project.

Mr. LaTour noted that we are going to run into the problem of the place and service deadline running out. We could lose 2/4 of New Orleans

Mr. Reilly stated that we should be in favor of this and in opinion the date is the artificial and the more is the need and demand.

Mr. Rainwater added that this is why we are requesting the market study will handle this and we all need make sure we are making the right decision based on the study so we as a delegation we can see if what the right thing to do is based on a Market Study. We support the extension and we are at a different place than the developers. There is a project Meadows in Lake Charles and the deal is falling apart. Do we take the deal and put it back together and the market might not be able to bear it. It also more verifies a study.

Senator Murray these projects just don't fall off they try to get the financing and the big thing is the extend date on the bonds and credits so they are feasible. Mr. LaTour, are you sure we cannot get out of these?

Mr. LaTour noted that we could not.

Mr. Rainwater added that the tax credit is the issue here and that it is not on the agenda if the Bond Commission until the market study is done. Not sure what this does to the contract.

Mr. LaTour noted that the deals which go before the bond Commission do not go do not have place and service deadline and it is only on the piggyback program. It is 42 unit homeless permanent supportive housing area. Only on the 9% GoZone credits.

Speaker Tucker noted that the roundtable was very good on bond issues and by September 30, 2009 we wanted an accounting on where things are and where things are going to be spent and what has spent and what can be reallocated because things have changed from 2006. Now, infrastructure, blight and

Economic Development have direct effect now. The legislature called for the evaluation and understanding with the concern which goes along with Mr. LaTour's concern and now it is a bigger issue and do we have a market is the bigger question. Those are the questions we need the market study to answer and should we support the place and service extension and we want to avoid the collapse and that is the concern of the Legislature.

Mr. Leger added in that connection in the early days we viewed housing as an Economic Development and now we reached a point that we need to reevaluate and see. Immediately after the storm the housing rented for more and now the market has stabilized. We have reallocated to rental to become homeowner program area and that was wiser than funding Rental Programs. We don't want to artificially lower them and there are a lot of considerations and no the least is there have been numerous publications that are targeting New Orleans as the fastest city which is kind of artificial and the market study is necessary and thorough.

Mr. Rainwater stated that is what we want to with this study and get the real answer from this study.

Reilly noted he wanted to follow up on the Speaker that and the purpose is to see what the expenditure should be and to find every dollar we can to fix the blight situation and see where there is more exact and heard the date by September 30th what is to be done. So, would like to see the exact numbers.

Mr. Rainwater noted that we can provide the funding. The other part is going to take longer than September 30, 2009. There were bundled contracts and we are trying to unbundle them.

Leger stated that Mr. Reilly touched an issue of Blight and several factors are helping with this including the Road Home Option 1 and the other is LLT and the transfer parishes back and the LLT are virtually all in St. Bernard. They are kept up and cleared and next door and you have untouched properties and also the properties that were blighted before the storm that are now more severely impacted and we can help attack that problem it directly relates to Economic Development. In New Orleans there are 60,000 blighted homes.

Senator Murray noted that there is testimony in terms of unfilled jobs at 13,000 because there is lack of affordable housing and that is not scientific study and it is a whole discussion and we need to see what we can do regarding this.

Small Rental program is expended at 16%. Brad Sweazy will come up here to discuss Small Rental. Originally the RH sent out commitment letters to go to the bank and the banks did not land on the letters and those are not contracts.

Mr. Sweazy noted that there are two levels and the commitment letters are binding and they land lord who is working on the property and they would expect we would pay and that does not mean that there will be some that do not come through though.

Mr. Leger noted that once the landlords will get cash if they rebuild and rent to low income but they can get out of the contract if they want to and they can then rent at market rates.

Mr. Sweazy stated that we could not make some changes until ICF was out of the picture. Since ACS has been on board (April), they brought 35% of the production and it will spike more. We can send more money and help the rentals and those that are almost done and the initiative is more of a rehab for those who have not been able to get off the ground

Mr. Leger asked if most of the \$507,000 most of it is committed.

Mr. Sweazy noted that it was and that they will know more in the next coming months and \$507,000 is worst case scenario here.

Mr. Rainwater said there is the question of do we let a program like this run until 2010 or 2012 and maybe then talk to the owner and see if they can finish the project.

Mr. Leger asked if there was a time commitment on this.

Mr. Sweazy responded that there is a 190 day limit once the commitment letter is out. We gave the times to allow participants to participate in the initiative before recapturing funds.

Mr. Reilly asked if there will be any funds in excess on this project?

Mr. Sweazy noted that \$70 million maybe available for this excess.

Rainwater stated that we are trying to help them get there rentals and receive the funds.

Mr. Leger asked if right now we could not shift \$100 Million funds from Small Rental if we needed.

Mr. Rainwater commented that there might be \$40-\$50 Million available to shift, but the \$300 Million is a different question

Ms. Keegan noted that Mr. Sweazy is doing outreach for these Rental Programs.

Senator Murray asked if the 190 day time period was through ICF or new Committals If most are from ICF are they in default now?

Mr. Sweazy confirmed that they are in default now.

Senator Murray noted that these are either the ones who complied and have been reimbursed or the ones who are defaulted?

Mr. Sweazy noted that he is correct.

Mr. Leger added that we need to know what the numbers are.

Mr. Rainwater added that there are not 5,087 awards. We are struggling on how to undo this confusion. There is a commitment letter and then conditional award.

Mr. Sweazy added that commitment letters they are being signed daily and it is a fluid process.

Mr. Rainwater noted that it is a difficult process and there still ones who cannot commit.

Mr. Sweazy offered to present a track so the board can see this when they are executed.

Rainwater stated that just as these they drop off, then we can create a pool with the unused funds.

Mr. Leger added that the Housing task force was meeting in October and they would discuss rental issue.

Reilly stated that this program has really dragged and could be deemed a failure if we took a look back at it. He also asked if this program has done good things.

Mr. Rainwater added that this Program has done good things such as producing 2,000 units 1,500 affordable units produced and that they have asked HUD to give more time for small units. If we have left over dollars in this program then this it will be going to fixing the blight problem.

Ms. Keegan added that some Small Rental funds were reallocated to homebuyer programs and do date \$ 40 Million program is under way and finance authority of New Orleans has \$27 million and they have made commitments to the \$27 Million and asked the city of New Orleans to add \$10 million to complete the waiting list and it is very successful. There is also a soft second that is tied to Louisiana Land Trust (LLT) and it is signed with the finance authority of New Orleans. We are working on the funds so that they will move quickly with NORA.

The Nonprofit Pilot Rebuilding Program awarded 8 contracts in August and the purpose to get the program running soon through the LHFA. We look forward to bring more info to the board soon

The Housing Development loan fund and it is being run by LST enterprises and we are working with them. This is for new construction. The Local building and code Enforcement expired June 2009.

There is \$26 million in continual care in 2009 and there is also money for homeless structure construction and low income and work with DSS and with the help of the Legislature, we put another \$5 Million as safety net for the Disaster Housing Assistance Program (DHAP).

The dollars provide services to the families in the Permanent Supportive Housing Vouchers are part of the Supportive Housing plans. There is about \$72 Million in this fund. These are not able to be reallocated.

Mr. Reilly asked if we have contracted with firm just have not started on this Supportive Housing Plan?

Mr. Rainwater answered that was correct. The program was just launched 4-5 Months ago

Mr. Rainwater continued with the Long Term Community program. Pat Forbes has approved \$436 Million dollars here. The Goal is to have 75% of the funds expended by December 31, 2009.

The key our dollars are secondary here and they help fill a gap. For primary and secondary education we have allocated and 31 school reconstruction projects for a total of \$128 Million. There is a deadline for school district to submit requests for funding by December 31, 2009.

Mr. Rainwater stated that through Local Government \$15 Million has been given to the Sewage and Water Board (SWB) and cold storage and \$5 Million to blight removal and \$5 Million in St. Bernard and we have spent 2% of the funds however on some projects are working on with the local governments and that is causing the hold up.

Mr. Forbes stated that all funds for fisheries have been allocated for a total of \$28.14 Million. There are 4 projects which have been approved and a matter of building the items out they are in Plaquemines Parish, Jefferson Parish, Terrebonne, Orleans St. Bernard and Cameron. Cameron is at the front but it have had struggles because they have private for profit entities as partners and we are trying to get the seafood processing process closer to the fisherman. For the most part it is moving. There are obstacles with fisheries such as wetland permits etc it is not that much different from other profits.

Mr. Cross asked if some of the contracts drop out because they cannot get with non profit on board.

Mr. Forbes stated that only one project has been lost one the local government pulled sponsorship and some issues juggling private partners. For the most part we are through.

Mr. Cross then stated that the program was looking to move forward and Mr. Forbes commented that at the moment there are no issues.

Ms. Keegan stated that on Economic Development there was the Louisiana Bridge Loan Program for \$10 million which was launched immediately after the storm. The LRA Board approved the program and moved \$30 Million into the program. Then the board then launched the Small Firm business recovery grant and Loan program to help local businesses who had comeback and were known as second responders who helped the first responders. This program helped them recover and to date we have served 4,000 businesses and we have run 2 phases of the program and we hope to run a 3rd phase. We have also run technical assistance to these businesses and we want to verify they were ready to face the new economy.

In terms of Recovery Work Force Training, we put \$38 Million into consortiums and local tech colleges were paired with and business leaders brought training and workforce together. It also allowed training to lead into workforce placement. To date there are 6,029 who have completed the trained and 2786 who have been placed.

\$28.5 Million dollar tourism and marketing program was launched right after the storm. It gave 11 parishes' funds to showcase that they were ready and open for business and a large portion went to New Orleans as well as a large portion to the state. This program ended in December 2007.

Research / Commercial Educational Enhancement Program began in 2007 the intent was to focus on Economic Development with an emphasis on stabilization of higher education institutions to be able to retain faculty because of the loss of them to other universities with better research facilities and to date we have had great success and we have 90 patents which are pending 164 faculty retained and attracted by funds for 900 students. That completes the budget report.

Speaker Tucker stated that there are deadlines on the piggyback programs by LHFA and we will receive a list of these. We will need to look at these because of issues of the marketplace. He appreciates the hard work however the resolution asks for a number. When can we get a number that will allow this board to make some policy decisions?

Ms. Keegan responded that Goal to the staff is December 2009 and there are some issues like place and service date which may take longer. We will come back to the Board in October with better deadlines.

Speaker Tucker asked if LHFA has extended the deadlines on the Piggyback programs.

Ms. Keegan responded that she knows that for the LRA programs we have been watching deals due to the credit crunch to make sure they can close.

Speaker Tucker responded that with the idea to recapture the money to move into the Blight program and others, we need to have a conversation with LFHA to better monitoring on the programs.

XI. UNFINISHED BUSINESS

There is no Unfinished Business

XII. PUBLIC COMMENTS

There was a card for public comment from Dore Boutte with Churches supporting Churches who is not present at the meeting anymore.

Christine Roberts, Local Initiative Support Corporation (LISC)

Next, for public Comment is Christine Roberts with Local Initiative Support Corporation (LISC). LISC is a financial capital institution which provides funding and technical assistance to spur rural developments. Ms. Roberts stated that LISC has invested \$120 million since 2006 into the area and she is here to express her concern of the bond commission and reallocating resources in the investment.

Today, there are inconsistent policies to reallocating funds at this time. Given the current Market situation this comment is very unsettling to LISC. Today, there are 2 requests of the LRA. First, we request the LRA Board to adopt clear policies and second, we are here to support to the piggyback program and housing in New Orleans. There is a demand for housing in New Orleans.

LISC wishes for constant policies from the State Louisiana so that investors will be confident in this market. The fear is that without policies their investors will erode and bond authority and tax credits to will create cash and we will not see success if we cannot get investors on board. Then LISC will make choices to invest in other markets.

There is a confidence that there is a market for affordable housing in New Orleans. This is the largest discussion which occurs at lending roundtables. The market is the number 1 priority and for now and into the future.

LISC does not believe that now is the time to lose confidence in the LRA policies or action plans. We see deals which are able to close in Orleans Parish. Our partners are working with the private investors and know they go through the ringer to allow these deals to close.

Urge decision makers to see these investments. Deferral of these projects would be a shame. We think that if it will not get approved then the money will be moved to other places and we would like to express concern.

Speaker Tucker stated the bond commission is not going to put on hold anything that is in process which has bonds and credits. The Market study is the only thing that is holding those projects with CDBG funds. All but three are through the Bond Commission.

LaTour stated that there were 5 and 1 approved this month and 3 on hold they are on hold. The three are GCHB Esplanade, GCHB MLK and Douglas and Andry sustainable Apartments.

Tucker stated that in the policy there were deadlines which were put in effect by LHFA and they were extended for many reasons. If LHFA does not extend any further, this is policy that everyone knew that there was a chance for that to happen.

Ms. Roberts agreed with this statement.

Mr. Leger thanked Ms. Roberts, and asked if she has data on the Market the LRA would appreciate it.

Ms. Roberts does have some and would like to send it to the board.

Amber Sealey, Renaissance Neighborhood Corporation

Ms. Sealey stated that Renaissance Neighborhood Corporation is a subsidiary of Volunteers of America and do mixed income developments. They hold two piggyback awards. I had a deal which was discussed at the bond commission.

LFHA has recaptured resources from deals which failed to go forward. Those funds were reallocated to deals which are two to three years therefore some of the deals have not had enough time, and are trying to get the new deals done in this market. Not all deals are equal in the timeline.

If Blight is the concern, then not all piggyback programs address blight, however some do. Last week we were approved at the bond commission of rehab of a gently neighborhood and one of the issues was to remove the blight and move towards to neighborhood recovery. Funds which are allocated do contribute to Neighborhood Recovery.

Also, the programs developers participate in the state, we take this piece of a paper from the state as a truth. if the private sector has any reason to begin questioning the money or the validity of the piece of paper from the state then that will become a large issue.

Speaker Tucker asked how long has it been since the last reallocation of credits?

Ms. Sealey responded that the funds were recaptured in August 2008 and were given in out in January in 2009. Therefore some of the funding was only eight months old and have closed.

Jessica Venagas, Unity of Greater New Orleans

Ms. Venagas thanked the Board and commended their amazing job and works with Unity of Greater New Orleans. The Board assisted with Unity receiving 3,000 vouchers and this commission has worked diligently to work with the homeless. However there is still demand for these programs. There are still people on the streets and in abandoned homes and they are living in unsafe conditions. The piggyback dollars are part of our process to development for our programs. They impact the resources we need in the city and we understand we made for 3000 units and we are also dependent on making sure the tax credits move forward.

We made a commitment to use the vouchers to get to the hardest hit through this development.

There is going to be a need to reallocate these dollars and we know that 90% went to home ownership and 10.5% went to rental and of that 10.5% a small piece went to deeply affordable and that is who Unity targeted. If these funds are reallocated then it should go to rental opportunity because Unity has such limited funds.

XIII. NEW BUSINESS

There was no new Business

XIV. ANNOUNCEMENTS

There were no announcements

XV. ADJOURNMENT

Mr. Chairman motioned for adjournment and Ms. LeBlanc seconded. Meeting Adjourned at 12:45 pm.

