

**Louisiana Recovery Authority
Board of Directors Meeting
House Committee Room 1
Baton Rouge, Louisiana
Wednesday October 21, 2009**

I. Call to Order

Mr. Walter Leger, member of the Louisiana Recovery Authority Board of Directors, called the meeting to order at 9:30 am in the House Committee Room 1 at the State Capital Building in Baton Rouge, Louisiana on behalf of the Chairman. Mr. Leger will stand in until the Chairman arrives. *(Notices to the public and new media of the time and place of ht meeting were given in compliance wit the Louisiana Open Meetings Law)*

II. Prayer

Mr. John Smith led in prayer

III. Pledge of Allegiance

Mr. John Smith led in pledge of allegiance

IV. Roll Call

Mr. Leger welcomed Rep. Harrison who was serving as Proxy for Speaker Tucker.

Board Members Present

**Senator Sharon Weston Broome
Mr. Jas Gill
Senator Nick Gautreaux
Ms. Pat LeBlanc
Mr. Walter Leger
Mr. Sean Reilly
Mr. John E. Smith
Rep. Joe Harrison
Mr. David Voelker**

Staff Members Present

Mrs. Lynn Bankston	Ms. Janice Lovett
Ms. Stacy Bonnaffons	Mr. Darin Mann
Mr. Dave Bowman	Mrs. Kristen Parnell
Mr. JC Ceaser	Mr. Paul Rainwater
Ms. Adrienne Duncan	Ms. Marisa Robertson
Ms. Amanda Guma	Mr. Eric D. Shaw
Ms. Sandra Gunner	Ms. Christina Stephens
Ms. Kimberly Jupiter	Ms. Angela Vanveckhoven
Ms. Robin Keegan	

Executive Reports

Executive Director's Report, Paul Rainwater

Mr. Rainwater traveled Washington DC September 29th for the US House of Representative's transportation and Infrastructure Committee hearing. The trip also allowed an opportunity to talk on settlement issues. Also, the issue regarding a lump sum settlement issues for the school system was discussed. He also spoke with FEMA to work with them on estimates on projects that are 1 million then they take the estimates given and use the numbers. Mr. Rainwater also noted that the Recovery School District (RSD) would save the federal government \$250 million if they did a lump sum on the Schools.

Mr. Reilly asked if we estimate anything under 1 million, what are the consequences if our estimates are wrong?

Mr. Rainwater answered that we have been right 99.9% of the time.

Mr. Reilly asked if \$4 billion is the spread on the items.

Mr. Rainwater responded yes it is including Charity Hospital.

Mr. Rainwater also went to Washington DC October 19 -20 and had meetings with the Office of Management and Budget, Department of Health and Human Services, Agriculture, Interior and Education.

October 15, 2009 President Obama visited New Orleans along with HUD Secretary Donovan, DHS Secretary Napolitano and Education Secretary Duncan. The President met with the Governor, visited Martin Luther King Jr School and held a town hall meeting at UNO.

Secretary Donovan was there with the LRA for the groundbreaking of BW Cooper Housing Projects. By moving \$13 million dollars around the LRA was able to close on BW Cooper

Mr. Rainwater noted that Secretary Donovan approved ACG letter and delivered the approval letter while he was in New Orleans. The ACG Cap removal will assist 20,000 LMI families. This is not a just sending out a check to families. This is a managed process and there are checks and homeowners and there must be a gap and manage. The total that will be spent here is \$630 million this will be a very focused and well managed program. Letters will be mailed out in the next month and then there will be monitoring following the mailing of the letters. Any high risk files will be given to non profits. Applicants who have already filed an appeal cannot re-appeal and the eligibility will be based on the applicant's income at the time the homeowner first qualified for ACG.

Mr. Rainwater then stated that the state has requested the dispute over funding for Charity hospital to be sent to arbitration panel and FEMA has 30 days and for a formal response and then the hearing should be held within 70 days of the response. The panel's decision is expected to come out in early 2010.

Regarding FEMA trailer deactivation, Mr. Rainwater gave the statistics that 1,467 households are in FEMA trailers, and there is 1 hotel/motel family who is receiving additional support. In the sales and donations program, 515 have been sold, 224 sales are pending, and 308 donations are pending. Also, the \$5 million dollar rapid re-housing us underway this is the safety net that was discussed with FEMA and

HUD. HUD has awarded 2,290 additional housing choice vouchers to the state for FEMA trailer residents in August.

Also, the Disaster Case Management Pilot Program (DCMP) was launched September 14, 2009. This program will serve 3,309 households that lived in FEMA subsidized housing just before the depopulation deadline.

Regarding Disaster Housing Assistance Program (DHAP) Case Management, 4,460 Housing Choice Vouchers have been issued. HUD made 1,205 rental payments to eligible families for the Month of October for families who are approved.

HANO/HUD has an October 31, 2009 deadline for conversion from DHAP to HCV. There are 1,800 families who are stuck in the conversion process. 1,493 case management commitment forms have been received. On October 6, 2009, there was a resource/enrichment frail for case managers.

Mr. Rainwater stated the Gustav/Ike Action Plan Amendment was approved by the legislature and submitted to HUD on October 19th. The 3rd Action Plan Amendment's public comment period ended on October 15th. The remaining \$100 million will be programmed in future amendments in response to unmet needs.

17 parish recovery proposals have been submitted for \$356.9 million which accounts for approximately 63% of all parish allocations. 8 parish plans have been approved with the largest Terrebonne Parish. The LRA staff has had over 200 meetings with local municipalities and parishes.

The Farmers Agribusiness Loan and Grant Program have had 1,143 applicants Recovery Program and 97 for the Agribusiness Recovery Program totaling \$119.8 million.

Rep. Harrison asked if there were demographics on where the farmers are located.

Ms. Keegan responded that farmers were throughout the state and there is a breakdown that will be given to Rep. Harrison.

Rep. Harrison stated that this is now cane season and farmers are still looking for funds.

Mr. Rainwater reviewed the statistics for Public Assistance Spending on Gustav and Ike which totals \$417 million for the first three quarters of 2009. For Katrina/ Rita the public assistance has been \$847 million for the first three quarters of 2009. The Express Pay has really speeded things up and the average day for business to be paid is 5.

Mr. Rainwater also stated that the Community Development Block Grant Spending has totaled \$837 Million in the first three quarters of 2009.

Mr. Rainwater stated that thus far the Road Home has disbursed \$8 billion dollars and the average award is \$64,000. The plan is to close the road home program April or May 2010. There are 16,604 processed HGI appeals, 16,301 resolved appeals and 303 remaining. For state Appeals there are 3,618 received 83 in progress and 2,927 closed or denied and 608 approved. The average state appeals case is lasting 60 days.

Mr. Rainwater then gave some statistics regarding Road Home Elevations: 29,715 homeowners are interested in the program, 29,040 elevation disbursements awarded for a total of \$841 million. He then

added that HMGP elevations are slower to get out. There has been about 2 million paid out. The contract has been awarded to Shaw and should kick into high speed in December.

Mr. Rainwater stated that the Louisiana Land Trust (LLT) has 9,930 properties scheduled for demolition, 778 structures transferred “as is”, and 9,878 inspections completed. Through the LLT Demolition program there are 390 substantially completed demolitions currently underway. There are also 353 closed or transferred properties, 28 scheduled to close and 700 with the title work completed.

Mr. Rainwater noted that the Small Rental Program was moving forward and that there were 5,879 active awardees and 1,313 rental closings and 2,201 rental units produced and of that 1,743 were affordable units.

Regarding the LIHTC/CDBG Piggyback Program, Mr. Rainwater added that they were putting out an RFP for a Market study of the Greater New Orleans Area. He also went through the piggyback statistics.

For the Alternative Housing Pilot Program, Mr. Rainwater stated that there were 119 completed Units with 59 in Jackson Barracks, 42 in Baton Rouge, and 18 on 6th Ave in Lake Charles. There are 236 under construction and 115 units not yet started. For the AHPP Case Management there are 4,000 letters being mailed to the highest priority households. As of October 20, 2009, 588 households have called the contact center and will receive letters. The second round of letters will be mailed October 26, 2009.

Mr. Rainwater spoke regarding blight and that there are 60,000 blighted homes in New Orleans and St. Bernard. He noted a Blight Remediation Program is needed to enable communities to remove, repair or rebuild structures. This would encourage businesses to relocated to vacant industrial space and also provide construction dollars matched to a particular LLT property. The neighborhood groups, non – profits or parishes will be the recipients of these grants.

For the Recovery School District (RSD) Mr. Rainwater spoke regarding their accomplishments. Currently, there are 35,000 children enrolled in schools in New Orleans. This number is estimated to reach 55,000 by 2016. 85 schools are being renovated or rebuilt. There is a joint master plan for School facilities in New Orleans which would cost \$1.8 billion to implement and phase 1 is funded at \$700 million. RSD has made a request to FEMA to combine funding for all phases into one lump sum of \$2 Billion dollars. This would save FEMA more than \$150 million on negotiation for individual projects.

Mr. Rainwater suggested that the board should adopt the minutes and move up the Resolution and then move to change the agenda.

Ms. Keegan began to discuss the drywall resolution. The Board had asked that the Action Plan Amendment be revised. Therefore now, the Action Plan Amendment states that the plan is to assist Road Home Applicants and then once a national recognized testing is developed and then there will be a program in place and we are monitoring and working with congressional delegation and local partners. Today, the LRA is asking the board to approve so we can go to public comment and if there are major changes we will come back and the Board.

Mr. Leger noted that for legal matters, the agenda must be moved. He move to amend the agenda to allow to go back to approval of the minutes and then to move up the Action Plan Amendment.

The Chairman asked for a motion to approve the minutes, Mr. Leger moved and Mr. Harrison seconded.

V. Reading and Approval of the Minutes of the Preceding Meeting

Approve minutes of 9/22/09 Board meeting

Roll Call was necessary to move the agenda.

The following members were present:

Broome, Gautreaux, Gill, Harrison LeBlanc, Leger, Reilly, Smith, VoelkerVoelker

Mr. Leger then moved to adopt the minutes of the previous meeting. Mr. Smith Seconded. There being no comments or corrections, the following resolution was unanimously passed.

Final Approval of minutes and ratification of Actions taken at the September 22, 2009 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 by the LRA Board.

Voting: Broome, Gautreaux, Gill, Harrison LeBlanc, Leger, Reilly, Smith, VoelkerVoelker

VI. Action Items

Discussion, Public Comment and Consideration of Resolution for Action Plan Amendment Number 37 to address Contaminated Drywall

Mr. Leger moved to adopt the resolution which accomplishes what the Legislature asked the Board to accomplish. Mr. Smith seconded it with a comment.

Senator Broome asked for a confirmation that this program would help individuals in Road Home program?

Ms. Keegan responded that yes this will strictly be for Road Home recipients since there was limited funding.

Mr. Smith commented that last month there was discussion on funding test cases so that we might define how the mitigation could occur.

Keegan added that this Action Plan Amendment does not make that decision. This just makes the decision we can use these funds for drywall.

Mr. Gill asked about the methodology. What is going to be allocated in what direction and in what direction?

Mr. Rainwater responded that three weeks ago he went with Senator Julie Quinn to Washington DC to meet with people on Capitol Hill regarding this issue. Also spoke with Disease Control and there is no methodology at the moment on this. The LRA thought that this issue is important and the point of this is to raise awareness. This is a national issue. There is no way the \$5 million set aside is going to fix this and it is an international mess with the Chinese to even to file a law suit is around \$28,000. This \$5 million is just to repair homes. There was resistance and we have to verify that there is a process and we are waiting for the methodology and have the dollars approved so we can move once it can go out.

Mr. Gill noted that this is a place holder for a larger issue. Who is going to be held accountable in China for damage recovery? He supports this but notes it is vague.

Senator Gautreaux asked if the use of the Pilot program was scratched because of the issues.

Mr. Rainwater answered that yes it is being scratched because the state would be liable for this. So, as we wait for testing protocols because at this point we can fix a home but not the problem.

Mr. Gautreaux noted again that this federal trade policy. He also asked if any federal person taken the imitative and if there is a tariff that can be added on the Chinese to make our citizens whole so the people can be taken care of. Is there an update on what is going on?

Mr. Rainwater noted that for a federal update he met with Sen. Sessions, Sen. Whitehead, Sen. Landrieu and Sen. Vitter and other committee staff. They are all looking to file some sort of bill to allow law suits. This issue is more complex than the LRA.

Mr. Leger commented his firm was involved in these until the Legislature passed the legislation. Then he let them go, because of his involvement with the LRA. As Paul has observed and my litigation against the Communist Chinese and there is a history with his experience with China and almost everything we buy comes from China. In the past there are multiple items which have caused a health problem. This must be addressed at a Federal Level.

In 1988, Legislature passed products liability law which will hamstring the homeowners against the defective products. So there is a whole bunch of problems that the homeowners face.

There has not been a determination that this drywall is causing the negative health effects. So, this is a place holder for the funds for Chinese drywall and Road Home recipients. Hope that these funds can find the solution for the drywall.

Rep. Harrison since this is hazardous material? How is the disposal being handled?

Mr. Rainwater noted that it was hazardous material and it needed to be disposed of correctly.

Rep. Harrison also noted that Louisiana is now experiencing the shrimp problem from China as well and we are not doing anything on the anti dumping laws which are in place and no backing from the government. Last year 143 domestic pounds of shrimp were sold in the USA versus 1.6 billion pounds of Asian Shrimp. This does not protect the health of people in Louisiana or USA.

Mr. Leger added from what we understand is that domestic shrimp come from public waters and Asian shrimp come from cultivated waters with chemicals and we have exposure to these on imported shrimp.

Mr. Chairman asked for a vote. The following resolution was unanimously adopted.

Approval for Discussion, Public Comment and Consideration of Resolution for Action Plan Amendment Number 37 to address Contaminated Drywall

BE IT RESOLVED, the Louisiana Recovery Authority Board does hereby approve for public comment Amendment No. 37 to Action Plan Number 1 to provide \$5 million of Community Development Block Grant (CDBG) Funding to assist the Road Home Applicants whose homes are known to have contaminated drywall once a nationally recognized testing and remediation protocol is approved.

Voting: Broome, Gautreaux, Gill, Harrison LeBlanc, Leger, Reilly, Smith, VoelkerVoelker

VII. Presentation/Updates

- Update on Terrebonne Parish's Gustav Ike Programs, Mr. Michel Claudet, Parish President

Mr. Michel Claudet, the parish president of Terrebonne Parish introduced himself and informed the board that Terrebonne Parish was ground zero for Hurricane Gustav and then just 11 short days later Hurricane Ike caused losses of over 15,000 structures. He also showed some statistics regarding funding for Terrebonne including that Terrebonne received a total of \$123,270,148 in recovery funds. They are the largest funded parish followed by Cameron Parish.

As soon as Terrebonne Parish received the dollar amount which they would receive in Parish funding, the parish began public meetings. As a result there is a priority list for their \$123 million in parish projects including infrastructure projects, pollution control and sewage, housing economic development and recovery the most critical things which were addressed the levees and drainage which will use 75% of funds, the roads, building, sewage, housing, economic development.

Mr. Claudet also noted that there Parish also has an Alternative Project List which totaled \$51 million which was dwindled down from the \$1 billion in projects requested including urgent need, elimination of slum and blight on LMI and has to respond to damages from Gustav and Ike.

Terrebonne's plan was submitted in the first week of June which was the first parish plan submitted. Mr. Claudet noted that this plan will make Terrebonne a better parish for the residents.

In regards to housing, Terrebonne Parish is in need of 2,500 affordable owner occupied units and 1,500 rental housing units. Mr. Claudet added that there is \$10,000,000 direct state allocation for affordable rental and the parish as a result of the severe damage has received the proposal for the development of 335 affordable rental units. This award made to Coastal Phoenix for 3 oaks development. The first part is going to be commercial including a day care and we will be able to utilize the commercial areas for jobs. This is backed by agriculture loans and tax credits. This has been submitted to LRA and they commented and then the parish has commented back. The developer thinks we can have this ground breaking in 6 months.

Allocated \$5 million for owner occupied housing and there are 7 RFP's submitted and the conditional award is to be announced December 1st, 2009. There is a blue ribbon committee who is in charge of this which removes it from the political process. The templates have all been submitted.

For, the elevation of homes for first time homebuyer, the \$8,000 credit from federal government will be gone November 1st.

Terrebonne's infrastructure was substantially damaged from the flooding from Hurricane Ike. The parish will be doing drainage levee improvements through CDBG programs.

The parish has already issued the applications and levee plans and the parish is paying for engineering on their own. They are getting final applications after the preliminary was approved and the first levee project will be approved. The remaining levee projects will be about \$80 million. There will be a RFQ for engineers for the next projects.

Other infrastructure improvements are sewage, relocation of a juvenile facility and sewage and drainage improvements.

For Econ Development there will be a cold storage facility for fisheries and generator hook up and loans to storm affected business have been able to go to the local Economic Development TETA has helped over 200 businesses who applied for SBA and were turned away. The parish is excited on these funds.

Mr. Reilly thanked Mr. Claudet for presentation and noted that some of the infrastructure projects might be eligible for public assistance or hazard mitigation dollars?

Mr. Rainwater question is if the CDBG dollars can cross over with FEMA Public Assistance dollars. There can be pure CDBG dollars used here or a combo and it will be related to the storm. Mr. Rainwater suspects that all of the projects are CDBG projects.

Mr. Reilly asked if Terrebonne could have used HMGP funds.

Mr. Rainwater said that HMGP projects cannot create anything. There was a coastal protection plan that was submitted and it was denied by FEMA. HUD understands that levees are community development.

Mr. Claudet thanked everyone. Noted that some areas there are HMGP funds are in use.

The Chairman thanked everyone for their attendance.

Update on the St. Bernard Parish's Recovery, Craig Taffaro, Parish President

Mr. Taffaro thanked the LRA Board for having them to cover highlights of rebuilding. St. Bernard continues clean up and demolition. Now, St. Bernard is nearing the completion and has completed 8,500 demolitions and those families have relocated or are not in their homes. The Parish has between 1-200 commercial structures and they represent the largest blight challenges. The parish presses forward with demolition including the demolition of LLT properties and hopefully today will be a final vote in the LLT Board Meeting that will release \$20 million dollars for already completed demolition this will allow the contractors to be reimbursed for their work.

On the construction side, about 60% projects are complete including anything from drainage and sewage system, fire stations public buildings and an additional \$70 million for roads from FEMA.

On a recent trip to DC, there was testimony on public buildings and economic development, St. Bernard was able to highlight the challenges with FEMA though we have a good relationship with FEMA and GOSHEP. Also it was highlighted that there are not enough FEMA members assigned to the area for the amount of work to be done,

St. Bernard cautions that if New Orleans ramps up its pace in recovery then St. Bernard could be lost in the shuffle. In terms of the outcomes that are positive would be an advance funding because GOSHEP cannot release funding unless it gets into the smart link system. St. Bernard supports Mr. Rainwater in the \$1 million to release automatically and the local agencies to manage the projects and hold the responsibility and the risk.

The projects we have left are \$300 million more dollars. The Parish's cash flow is being funded by the bond issue to be able to move money around and allowed the largest public works project go into effect. The parish has consolidated the sewage and waste system at \$43 million. The parish continues to see housing adjustments and sees Mr. Tony Russell, from the TRO as very helpful.

Also on housing redevelopment, we have attempted to manage and stabilize the unstable market in the country. 70% housing stock is owner occupied 30% rental – this is a slight shift from pre storm numbers.

St. Bernard has a 4 year housing stock available on the market at an accelerated growth level, and we are continuing to try to stabilize the market. There are 450 vacant properties and archdiocese to rebuild their senior citizen facility. This creates an abundance of properties. There are not enough people to fill the homes.

One of the HMGP, buyout program challenges is commercial demolition. There has been a stall and closings were delayed due to an interpretation of FEMA guidance. This was resolved. 49 out of 180 properties in village square area which is the largest blight area. The resolution has been made that post Katrina purchases will be based on post Katrina appraisals not the purchase price plus receipts. This means that the 49 closings will have to be reappraised and if that is less than what it was closed on then they will have to refund money or parish will have to pay difference to HMGP. However, the parish is not in the position to pay back money and we will seek the legal remedies on how to pay back on a closed property when guidance was followed.

The LLT system properties and lot next door program is under way and have mailed about 500 letters and they are returning at a rapid pace and we have the slabs that have to be removed before conveyance. There are over 400 slabs removed and the projected completion is late spring 2010. The parish is hopeful that the technicalities in the lot next door will be handled with Mr. Taylor. Through this program, we have released \$167,000 for administrative costs.

Locally, in St Bernard Parish Chinese drywall has become an issue. Parish officials have worked with the assessor and he has agreed to reassess properties with Chinese drywall damage. They appear to place them under homestead exemption level and allows for a tax relief. Also, the parish will be asking the LRA Board to expand their first time buyer program and soft second to mortgages those who have Chinese drywall damage and it is consistent with the goal of the program and it is money that needs to be used and is readily available.

As for, CDBG programs there has been \$91 million allocated to St. Bernard parish most of this money is in play in long term recovery projects including open air market for seafood and farm veggies, water plant, revitalization for Arabi area, and greatest single portion is for a hospital to service district. George Cavenack and Wayne Landry who is the chair of hospital service district are both here to speak on behalf of the Hospital Service District. Mr. Taffaro then turned over microphone to Mr. Landry.

Mr. Landry stated that he appreciated the opportunity to come today and to help rebuild a hospital which is a greater good for society. On the health and welfare department, St. Bernard is in trouble. Part of the revitalization problem for St. Bernard is that there are no health care facilities.

Currently, St. Bernard serves the most east parts of New Orleans, the ninth ward, and part Plaquemines through a clinic in trailers and they need a hospital. This hospital will be an economic engine for the parish. Without it the parish is doomed and for people to come and bring families back to the parish they have to be safe with three items: schools, levees and hospitals. The CDBG grants are the most natural fit for this project. The parish has used 45% of CDBG allocations on this hospital and there is a problem the hospital complex has two components the hospital and the medical office building. The parish is \$10 million dollars short, and the parish is in need of this project. St. Bernard cannot move forward without a medical complex. The parish cannot attract Doctors to the area without the infrastructure to work out of. The hospital is 103,000 sq feet and the other building is 60,000 sq feet. During design, the parish did not put any office space in the hospital because it is \$320 per sq ft to build in the hospital and in the attached building it is \$120 per sq ft.

The parish will have some New Market Tax Credits (NMTC) and this evening the parish will select a New Market Tax Credit Consultant. The parish will use the CDBG money combined with NMTC to stretch it out further. Also, small problem is that part of the funding package involves some capital out lay funds in level 5. There is a small portion in level 1 funds and by December of this year we have our blueprints and we cannot because we cannot put the bids out for the contractors.

Mr. VoelkerVoelker asked how much of the funds were in Level 5.

Mr. Landry answered that it was \$14 million.

Voelker then asked if the state will not move these funds.

Mr. Landry answered that they were working with the state on moving it up. There may be some things that can be done.

Mr. Voelker stated that basically the parish needs bridge loan.

Mr. Landry noted that that is a second problem but first is \$10 million. The second thing is \$5 million is needed to put the contacts out to bid. Money was allocated for storm drains but the hospital is more important and therefore the parish will be deficient in other programs.

Mr. Leger noted that in early stages the LRA Board developed a budget which included housing, economic development and infrastructure. There were long term planning dollars to be distributed based on damages and losses. The greatest amount went to Orleans and then to St. Bernard and that was the \$91 million. At the time it was asked through FEMA'S EF 14 for each affected parishes for a long term plan. St. Bernard was the most aggressive plan and had been unable to allocate any of the dollars because of immediate infrastructure needs such as waste water and sewage needs. In the beginning of the history of this hospital it was small and then became bigger and bigger and a private hospital came in and the storm hit and the private hospital did not come back now there are 5 out of the original 74 doctors. The private entity said they would spend the money and therefore the Board did not think they needed the funds and then the private hospital backed out and so now this money has to be spent on the hospital rather than the other projects.

Mr. Voelker asked if the LRA can help.

Mr. Rainwater responded that he thought we could move the dollars and have been working with Angele Davis to see if this can be done.

Mr. Landry that will help the parish come December. However, the extra money is still needed

Mr. Rainwater noted that the Louisiana Legislature passed a resolution that requires LRA to reallocate dollars to the most damaged parishes – based off of what Mr. Rainwater has seen there is \$400 million for the hardest hit parishes. Senator Landrieu has been an advocate to get these dollars to the parishes. So, we can begin to advocate to do something with the \$400 million as soon as congress releases.

Mr. Reilly asked who ultimately is going to own the hospital.

Mr. Landry stated that St. Bernard parish will own the hospital.

Mr. Reilly commented that this will be a true traditional community hospital. He also asked if the hospital district will find a way to levy of the operating costs.

Mr. Landry noted that most have to have an ad valorem tax for operating budget, because it will not suffice on it is reimbursements from insurance.

Mr. Reilly responded thanks to you for not asking the state.

Mr. Tefarro stated that the goal of St. Bernard is to be self sufficient. The parish lost their entire tax infrastructure and they are attempting to push forward on our recovery and it has been a bait and switch on this and we have robbed one plan to pay another.

Mr. Reilly noted that St. Bernard was penalized because they were a private hospital and now you will be eligible for funds Public Assistance and personal belief that this is the most sustainable model. Mr. Reilly would like to make this happen.

Mr. Voelker stated that he does not believe that there has been fair treatment of St. Bernard.

Senator Gautreaux asked how much money?

Mr. Landry stated that 17 million and the parish has \$3 million and \$14million in category 5. At this point the parish can have this complete the end of 2011.

Senator Gautreaux noted that right now if the parish has priority 5 and it is based on cash flow. They might allow projects to bid out and then they would cash flow it for you think Paul can handle that for you.

Mr. Landry noted that other problem is that hospital can be complete in 2011 but we need to start now and the parish is ready to come with the ad valorem and it will impact the whole parish.

Mr. Leger noted that St. Bernard is the victim of being overly aggressive and the LLT is having a meeting today to take up one major issue and that is the funding of the demolition of LLT properties in St. Bernard. They demolished everything and St Bernard went ahead and did it and the LLT will be reimbursing the parish for the demolition.

Presentation from Midland Branch Rail, Sen. Gautreaux, Eddie Gaspard , Elton Kennedy

Mr. Kennedy noted that the Midland Branch rail and the Mill in Vermillion Paris are the issues here. Mr. Kennedy introduced Mr. Gaspard and stated that Midland Branch furnishes all rice for domestic rice and we ship by rail all over the state and the money is here and this mill is great for Louisiana and Vermillion parish. The problem is there is a rail from Abbeville to New Iberia and it is in dire need of work and it will allow the rice to ship to Memphis to be able to ship.

Mr. Kennedy noted that there are two issues with the rail. First the rail is old, dilapidated and in constant derailment. Secondly, without the rail the mill will no longer exist.

Mr. Gaspard noted that the class 1 rail it has derailed 15 times in the past year. The Hopper car comes off of the rail. The distance this rail travels is 22 miles from Abbeville to New Iberia and when the derailments occur the customers lose service. When Rita hit, it moved the tracks off of its base, and then Ike shifted the foundation and that is where the problem lies. We know that the Riviana rice process is moving from Houston to Memphis and that is about 80% of what we put out and we would like to be able

to load to capacity with Super Hoppers and load to full capacity and right now we are 90% of capacity and it is because of the tracks if we can increase this to a class 2 track then we can increase to 100 % capacity. There are better rates for a Super Hopper. Then we could lower the transportation costs to around 12% and we can compete with Arkansas. Currently Louisiana is \$1.68 per hundred weight and Ark is \$1.00 per hundred weight.

Mr. Voelker asked why we are so more expensive.

Mr. Gaspard stated that they have class 2 and they can put more rice in their carts.

Mr. Voelker asked who this rail serves besides the rice industry.

Mr. Gaspard noted that Coastal Chemicals use the track as well as Creole Vinegars.

Senator Gautreaux noted that it is the survival of the mill also that is at stake here. This is the domestic mill and Rivana buys in 29 parishes of the state of Louisiana and they have chosen to be domestic and what is important is that this is \$75 million that comes in to Louisiana with the upgrade should have a 40 % increase and another \$30 million in Louisiana.

Mr. Voelker asked how much does the new rail cost.

Mr. Gaspard responded that it will cost \$8.3 million

Sen. Gautreaux noted that the payback for this new rail is 5-7 years.

Mr. Gaspard noted that the payback is without increased volumes.

Mr. Reilly asked if once in New Iberia you have class 2 to Memphis.

Mr. Gaspard answered yes.

Mr. Kennedy noted that the mill has serviced the area for 100 years.

Mr. Voelker asked Mr. Kennedy and Mr. Gaspard to help build a case for LRA funding or legislature funding .

Mr. Kennedy stated that the LRA could justify funding since the damage came from the hurricane.

Sen. Gautreaux noted that this is Rita damage and it can be proven. This is economic development in the Vermillion and Iberia Parish area. The deterioration of the rail system is from the water the biggest issue is the economic issue. It is a survival of domestic issue and it feeds the United States. The largest issue is the economic issue. LSU AG did a study limited to Vermillion Parish.

The LSU Agriculture representative noted that it does include the other parishes. The number used actually is conservative and a lower amount of acreage and the state production average per acre production.

Sen. Gautreaux noted that Vermillion has 20 million acres that has not been planted and they have not been able to plant on and there is potential to grow more.

LSU Agriculture representative noted that if planters increased their crop then they would go from 4.2 million to 6 million hundred weight. And that would take more acreage to produce.

Mr. Reilly asked who owns the Rail Road.

Mr. Gaspard responded that Louisiana Delta Railroad.

Mr. Voelker asked if they have spoken with the LRA on the economic impact on this.

Mr. Rainwater noted that the LRA is developing and \$40 million for economic development and there is a 60 day period – and submit the application process. It fits with the econ revitalization.

Mr. Voelker noted that the largest part of this project was protecting the jobs.

Mr. Smith asked if the rail owned by private company that has revenue where are they in this equation.

Mr. Gaspard noted that they will not get any increased revenue because they agree and they agree they will reduce the track costs with our volume increase and that will lower the \$1.68. Everyone in the community is pitching in to reduce the cost.

Mr. Smith noted that there are two other companies: Costal chemical and Creole Vinegar. How will the rail affect them?

Mr. Gaspard stated that he is not sure how that will affect them.

Mr. Smith noted that this is a much broader issue.

Senator Gautreaux noted some statistics in the rice industry.

Sen. Gautreaux also responded that they will not increase the rates.

Mr. Gaspard noted that they were the rail's largest customer and their customers pay the shipping. They make \$313 per hopper at about 100 hoppers a month. They will not get any more revenue.

Mr. Voelker asked how long they contract was with the Rail Company.

Mr. Gaspard noted it could be stretched for 5 -10 years.

Mr. Gill noted economic project and tie the railroad to do better than Arkansas and you know where you freight needs to be. You need to get a contract that matches the pay out and keep the jobs and supports the economy and there is an answer and we assure we are better than Arkansas response and assures that the existing customers have the protection.

Mr. Gaspard noted that they have heard LMD and UP on they are willing sign a contract if we get the funding for this rail project.

Mr. Gill believes that the rail company needs to see the ability to have the price drop.

LSU Agriculture representative noted that it would be an additional \$40 million dollar impact form the mill with this new hopper. Right now the Mill is at \$28 million – and over a 30 year time period is per

year is 2.2 million and go to capacity 2.5 on the mill alone and the farmers is increased revenue is \$1.8 million per year capacity \$2.56 million. So about a \$5 million increase.

Sen. Gautreaux noted that Mr. Kennedy is in the state of Louisiana and he invests here and this is something the LRA should support.

Post Disaster Mental Health Update and Briefing on Community Mental Health Workers Training, Ben Springgate, Director, REACH NOLA

Dr. Springgate is the head of REACH NOLA which is a mental health and joint effort to train mental health in the aftermath of the storms. Dr. Springgate is here to talk regarding the mental health issues from the storms. Also, Dr. Springgate is here to discuss the human recovery from the storms.

1/3 adults in South Louisiana have depression and Post Traumatic Stress disorder which lead to joblessness and Suicide rates are twice as high in Greater New Orleans now. Fewer than 20% of people receive appropriate care for new mental health problems after Katrina and Rita.

RAND Corporation knows that effective post hurricane medical health care can be delivered, if service capacity is improved. The current numbers 33% are affected suggest that our regional capacity is not enough. We need to bring in additional providers. The quality needs to be broadened and trained locally.

REACH NOLA Mental Health Infrastructure and Training Project builds capacity for the region's mental health providers by offering training to improve care for depression and PTSD.

This was funded by American Red Cross and since 2008 we have trained nearly 350 health care providers (Doctors, therapist, social workers, case managers, health workers, etc).

American Red Cross is getting out of the business. With the other funding we can continue until mid 2010 and this is a long term problem.

Tulane/RAND community health workers training institute – the institute will be able to train 100 community health workers and working with agencies and this will continue to support mental health recovery and will build out more public health. There have been surveys with local workers and work with schools hospitals etc regarding this.

In order to meet the needs we need about \$2 million dollars through 2010 so we can help more and increase training and rapid recovery.

Community Health Workers (CHW) training institute will train and build needed skills for today's health workforce for both GED and high school grads and offer employment throughout Southeast Louisiana. For this \$1.5 million dollars needed.

Mr. Voelker asked if there were any questions.

Mr. Gill noted that there is definitely a need for this.

Mr. Rainwater asked how much total Dr. Springgate was looking for.

Dr. Springgate responded that \$3.5 million was needed

Mr. Rainwater asked when will the money be needed.

Dr. Springgate noted that August 2010 is when the program ended.

Mr. Leger noted he is surprised that it is only 30 % with mental health. is that something that is not unique to us here?

Dr. Springgate noted that these programs are benefits on our returning vets from Iraq and Afghanistan and we have numerous clients who have this as well. The VA is not sufficient and it helps them as well – and the proportions are higher in other devastated communities as well.

Mr. Gill noted that the Governor's Advisory Council on Disability Affairs (GACDA) mental health presentation refer to finding that there are higher rates of mental disorders among adults since Katrina and Rita. Such increasing trend in mental disorders will impact the children in an adverse way in the years to come. Thus positives steps need to be taken as an intervention now to prevent negative economic impact and higher social costs.

Voelker thanked Dr. Springgate and noted that the LRA will look at this.

Mr. Leger then noted that the Board should defer the report on piggyback until next month and the chairman agreed.

**NORA Louisiana Land Trust Update, Richard Montleigh and Ommeed Sathe,
New Orleans Redevelopment Authority**

Omeed Sathe stated that this presentation will be an update on NORA designated about the parish recipient and working with the city. NORA is a Quasi public agency and their mission to promote redevelopment at the neighborhood level. NORA is the recipient of 4700 properties.

Mr. Sathe then went over some project maps of blighted areas.

Mr. Sathe noted that OC Haley Blvd was the historic African American merchant community. It is heavily blighted but now has the Dryades YMCA and merchants and business association NORA is going to build their office in this area and thanks to construction funding from the LRA and tax credits NORA will use their lease to act as a credit worthy place for small community business. Other map is all of the commercial buildings in that area and with the approval of SHIPPOI and the Bond Commission this will go up at the end of the year. This will bring vitality. Beyond the anchor development, there will be other projects on the Boulevard.

NORA is assisting 4 restaurants are moving the boulevard with local start ups and this will reduce blight in the area. Muses is there as well 300 units for sale and this will integrate commercial and residential and blight remediation.

Mr. Sathe stated that another example of the projects which NORA is a part of is Pontchartrain Park and Gentilly Woods. These two historic subdivisions will include the first African American suburban style neighborhood, 18 hole golf course which is a Joseph Bartholomew design and tennis courts NORA will play a part in the revitalization of the baseball fields in that area. The residential housings will be there and the 1st will be there in December. These models will be a lead platinum bill with a \$0 Entergy bill here and some others will be lead silver which is 50% reduction in the Entergy bill. The project is moving quickly. The houses are be elevated by terraced up and helps with the elderly and eliminates steps and the challenge is that the elevation is not available for LLT properties which is a massive challenge.

Development partners are reaching out to option 1 families who have not rebuilt to get together a package to get it together and have 25 people prequalified for the plan.

NORA purchased Gentilly woods shopping mall has been purchased and it is one of the first major purchases. We have issued the RFP for redevelopment. There is a council to review to do this and we expect to announce the award in 30 days.

Lot next door program has been very vital to the city's recovery. Owners with homestead exemption have first right of refusal to purchase at fair market value. Due to elevation we are working with the LLT to get it demolished as soon as possible. There have been signed 250 purchase agreements and very popular.

The Growing home program provides incentives for immediately removing the blight on the property through a fence and greenery and this works and it adds value and makes it more appealing. This program is very active in ninth ward and 40 homes under construction and dealing with make it right and NENA and PRC and this allows us to bring families to get in.

Lakeview phase II has had a modified auction for buyers of single lots only. Silent sealed bids and there were requirements and sold over 150 properties in 1 day worth over \$6 million. There were 224 offers.

The Gentilly Project Home Again is building 150 new energy efficient homes and giving them to families in exchange for storm damaged properties and using NORA and LLT properties for the funding and the next phase of these is under construction.

Algiers there is a partnership with Algiers Development District to identify the commercial properties hindering the area's continued revitalization.

The LLT over 700 purchase agreements have been signed and 150 closings. The pace of closings will pick up due to demolitions being complete. The first closings were sent over in March. There should be over 1000 in 3-6 months. In a year New Orleans Real estate market does 1200 market sales usually so this is a good record for NORA.

Mr. Sathé then switched to the impediments of NORA. There is a general lack of funding. NORA has not been given any funds and we had to reposition the staff and slowed us down. Also lack of funding and there is a soft second and the banks are reluctant to fund and the LRA is funded \$3 million for initial funding

NORA needs resources. Part of the issue is construction costs have increased and increase in insurance basically adds \$50,000 insurance to each home and it has brought it to a stop in New Home construction. Families that can afford a \$150,000 home but can't get in.

On the blight side there were some legal Impediments. There have been two favorable rulings on lower levels however title insurance companies are not writing title on blighted properties until the Supreme Court rules on this and it does not affect LLT but does hit blighted properties.

The full review has been done with all of these properties and new construction can be built.

There are no funds for elevation for LLT properties. FEMA only wanted to assist original owners in the elevation. NORA needs to elevate these properties and we are working with Mr. Rainwater and Ms. Keegan and Senators Landrieu and Waters to try to get FEMA to understand.

There is individual and project help and now the need is the neighborhood help and investments need to be there and NORA thinks that we need to invest in the neighborhoods. The belief is that is the key and adding multi sector focus on these issues.

Mr. Voelker asked if there were any questions.

Mr. Leger asked what percentages blighted properties are not related to hurricane damage?

There is an estimate of 30,000 blighted properties before the storm and now 60,000.

VIII. Unfinished Business

There was no unfinished Business

IX. Public Comments

There were no public comments

X. New Business

There was no new Business

XI. Announcements

There were no announcements

XII. Adjournment

The Chairman adjourned the meeting at 12:15pm