

**LOUISIANA RECOVERY AUTHORITY**  
**Board of Directors Meeting**  
Louisiana State Capitol  
House Committee Room 1  
Baton Rouge, LA  
Wednesday, December 17, 2008

**DRAFT MINUTES**

**I. CALL TO ORDER**

Mr. Walter Leger, vice-chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:18 a.m. at the Louisiana State Capitol in House Committee Room 1 in Baton Rouge, Louisiana. *(Note: 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**

Speaker Jim Tucker led the meeting in prayer.

**III. PLEDGE OF ALLEGIANCE**

Mr. Walter Leger led the Pledge of Allegiance.

**IV. ROLL CALL**

Ms. Fay Ayers called the role.

**Board Members Present:**

Mr. David Voelker, Chairman  
Rep. Karen Carter-Peterson  
Mr. Jas Gill  
Mr. Tom Henning  
Mr. Walter Leger, Jr.  
Mr. Roy O. Martin, III  
Mr. Chet Morrison  
Mr. Sean Reilly  
Mr. John E. Smith  
Representative Jim Tucker  
Senator Reggie Dupre, designee for Senator Joel Chaisson, II  
Senator Edwin Murray, designee for Senator Sharon Weston Broome

**Board Members Absent:**

Mr. Rene Cross  
Mr. Andy Guinn  
Mr. Ray Lasseigne  
Ms. Pat LeBlanc

**Staff Members Present:**

Ms. Fay Ayers	Ms. Robin Keegan
Ms. Lynn Bankston	Mr. Ty Larkins
Ms. Krystle Beauchamp	Ms. Janis Lovett
Mr. Dave Bowman	Mr. Darin Mann
Mr. JC Ceaser	Mr. Sam Moore

Mr. Dillon Couvillon  
Ms. Kimberly Durow  
Ms. JoAnn Early  
Ms. Alexandra Evans  
Ms. Amanda Guma  
Ms. Sandra Gunner  
Ms. Dana Henry-Pitts  
Mr. Wil Jacobs  
Ms. Kim Jupiter

Ms. Kristen Parnell  
Mr. Paul Rainwater  
Ms. Marisa Robertson  
Ms. Christina Stephens  
Mr. Eric D. Shaw  
Mr. Kris Van Orsdel  
Ms. Angela Vanveckhoven  
Ms. Alesia Wilkins-Braxton  
Mr. Carl Williams

## **V. READING & APPROVAL OF THE MINUTES OF THE PRECEDING MEETING**

Senator Reggie Dupre offered a motion to approve the minutes of the November 18, 2008, LRA Board meeting. There being no comments or corrections, upon motion duly made and seconded by Mr. Sean Reilly, the following resolution was unanimously adopted:

### **Approval of the Minutes and Ratification of Actions Taken at the November 18, 2008, Meeting of the LRA Board.**

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**RESOLVED, that the minutes of the meeting of the LRA Board held on November 18, 2008, as presented at this meeting, are hereby approved and all actions taken by the Board presented at such meeting, as set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.**

*Voting: Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Murray, Reilly, Smith, Tucker and Voelker.*

## **VI. EXECUTIVE REPORTS**

### **Chairman of the Board Report**

Mr. Walter Leger stated that there was no Chairman's report and no Vice-Chairman's report.

### **Executive Director's Report**

Mr. Paul Rainwater, Executive Director of the LRA, provided a recap of the recovery challenges for 2008. He said there is a platform for the first Louisiana Cottage at Jackson Barracks in New Orleans. He explained that there had been some reliability issues with ICF data on the Road Home program, and that the LRA was working on the due diligence process with the U.S. Department of Housing and Urban Development (HUD). Payment of \$2 million in overtime charges is being withheld from ICF. The Road Home program is moving to a case management model for the more complicated applications. The LRA is still working on affordable housing and we are in the process of executing an action plan to address the affordability gap. He explained that recovery has one voice now that the Office of Community Development (OCD) Disaster Recovery Unit (DRU) and the LRA have combined, and that voice is the point agency for all recovery matters.

Mr. Rainwater presented the statistics for the Road Home program, with a total of 30,000 applications that closed in 2008. The cases that remain are the most difficult to close due to title and legal issues. There are over 1,400 active applications in the ICF appeals process; there are 2,100 total state appeals received, with 1,200 claims still in progress. So far, over 4,500 resolved appeals resulted in additional funds. It is presently taking an average of 95 days for the state-level appeals process, which usually takes 180 days. The addition of permanent appeals staff employees has helped to decrease the time to process an appeal.

Over 400,000 applicants in 53 parishes registered for Individual Assistance (IA) grants for damages caused by Hurricane Gustav; approximately 51,000 applicants in 20 parishes registered for IA grants for damages caused by Hurricane Ike. Housing remains one of the largest concerns, with almost 8,800 homes that sustained over \$10,000 in damages.

The Federal Emergency Management Agency (FEMA) has released new preliminary Digital Flood Insurance Rate Maps (DFIRMs) that show high risk flood zones, also referred to as V-zones. These maps, and an interpretation of a 1970s Executive Order, have resulted in FEMA's refusal to fund construction of new or replacement buildings in Cameron Parish that were affected by Hurricane Ike. Based on the new DFIRM maps, more than 80% of Cameron Parish is in a V-zone. Cameron Parish would like to appeal these maps and use the Advisory Base Flood Elevation (ABFE) figures adopted in 2006. The Louisiana congressional delegation has sent a letter to FEMA requesting a waiver to the Executive Order. The errors in the modeling techniques used to create the maps may impact several coastal parishes. Therefore, LRA, the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) and the Coastal Protection and Restoration Authority (CPRA) have requested that FEMA suspend the formal release of the preliminary DFIRM maps, and release all DFIRM base and model data so that it can be reviewed for accuracy.

Public Assistance (PA) for debris removal due to Hurricanes Gustav and Ike is over 50 percent complete. Reimbursements to the parish will start soon. There have been over 2,000 applications for 17,000 PA projects for Hurricane Katrina, with \$6.7 billion obligated and \$3.6 billion paid out. There were approximately 900 applications for 4,400 PA projects for Hurricane Rita, with \$552 million obligated and over \$400 million paid out. In the area of Education, PA for the Recovery School District (RSD) has over \$635 million obligated and over \$230 million paid out. St. Bernard Parish is doing a fantastic job with their PA funding and progress is being made in all of the most heavily affected Katrina/Rita parishes.

There have been over 34,000 homeowners who have expressed interest in the Road Home Community Development Block Grant (CDBG) elevation program, with 17,000 disbursements totaling over \$499 million. The goal is to pay out \$1 billion for CDBG elevations and to complete the program by June, 2009.

The Hazard Mitigation Grant Program elevation program has finished negotiations with FEMA. Every property requires a visit; match money has been found, but the process is slow. We are working on streamlining this process, and will need another request-for-proposal to leverage the contract strength. This program will not require any additional state employees.

The Louisiana Land Trust (LLT) has completed 4,000 environmental reviews in Orleans Parish and 3,700 in St. Bernard Parish. The properties will be transferred once a legal issue has been resolved. The City of New Orleans is reviewing its Cooperative Endeavor Agreement (CEA), and signature is expected within the next week.

Locations for 600 Louisiana Cottages have been identified. Jackson Barracks in New Orleans has one Louisiana Cottage, with a total of 91 units planned; 82 sites in Lake Charles have been secured and we are working with Baton Rouge officials on 42 infill sites. The next step in the Alternative Housing Pilot Program is to complete the environmental reviews and notification of residents to ensure the Cottages will fit in with the communities. The timeline for the program has increased, but we are confident that the deadline will be met.

Almost 3,000 commitment letters have been received for the Small Rental program, which will provide over 5,000 affordable rental units. There have been 59 projects awarded under the Low-Income Housing Tax Credit program, which translates to over 8,000 units.

The recovering Louisiana fisheries industry is set to receive \$9.75 million in CDBG funds to restore critically damaged infrastructure. This is in addition to \$19 million in CDBG funds received in March, 2008.

The LRA has set aside \$700 million in CDBG funds for the Long Term Community Recovery (LTCR) program. This program provides funds to parishes hardest hit by Hurricanes Katrina and Rita. The community process is being reviewed and parish projects must meet national objectives.

Governor Jindal has asked Mr. Rainwater to represent him at the announcement of the final site selection for two new hospitals to replace facilities heavily damaged during Hurricane Katrina. The CEA between the City of New Orleans and the state is being negotiated. The state will purchase the property, but there are some obstacles. The FEMA offer for reimbursement for Charity Hospital has been rejected and the state is planning to appeal the decision. We are working with GOHSEP and will wait for the new administration to take office before actually filing the appeal.

Secretary Steve Preston of HUD was on hand for the groundbreaking of a public housing redevelopment site in St. Bernard Parish. This will be a multi-million dollar, mixed income community that will be funded with federal grant money, tax credits and private investments. This is the first of four redevelopments to replace the "Big Four" public housing complexes that were damaged by Hurricane Katrina. Affordable housing continues to be one of our biggest challenges.

Representative Karen Carter-Peterson and LRA staff briefed the Presidential and Homeland Security transition teams and the congressional delegation on the issues the state has with FEMA Public Assistance, Stafford Act and CDBG funding challenges.

Our goals for 2009 include getting a final decision from FEMA on Charity Hospital, getting an extension for the Disaster Housing Assistance Program (DHAP), streamlining of the LTCR process, building up to 500 Louisiana Cottages, paying the remaining Road Home grants and transitioning to a case management model for the remaining cases, improving the hazard

mitigation program, building affordable housing and improving the Small Rental program. We will continue to work with the new administration to identify bottlenecks in HUD and FEMA funding and identify solutions so we can expedite recovery and rebuilding funds to the local governments.

Mr. Walter Leger asked about the obligated funds versus what has actually been paid for the public works projects and Charity Hospital.

Mr. Rainwater said there are over 1,000 Project Worksheets that are presently being revised. He agreed to provide Mr. Leger specific figures on what has actually been paid. He informed the members that a list of the unmet recovery needs was included in their binders. This list comprises our federal request from the congressional delegation for inclusion in the economic stimulus package. A number of these projects are ones that FEMA has not funded. This list may not be inclusive; we have asked the parishes, GOHSEP, the Louisiana Department of Economic Development (DED), and the Department of Transportation and Development (DOTD) for their input.

Senator Reggie Dupre commented that many needs still exist, and we need to learn from our mistakes. He asked why it was decided to go with a DOTD contractor for debris removal for state highways and a parish contractor for parish streets. People were moving their debris to a state highway so it would be collected. He asked why we didn't hire one contractor to do the entire job. He also asked if we were looking at subsidies for fisheries in order to encourage development of the industry.

Mr. Kris Van Orsdel, LRA Infrastructure Policy Director, explained that recovery funding for Hurricanes Gustav and Ike will be handled differently. There will be a coordinated effort between us and the National Oceanic and Atmospheric Administration (NOAA) on the distribution of the CDBG funds for fisheries. New strategies are being crafted in order to reduce operating costs.

Senator Dupre asked who would manage the funding that will be set aside for multifamily housing.

Mr. Rainwater pointed out that the funds would be pushed down to the parishes, with half of the funding going to create a competitive pool. We will work with the Louisiana Housing Finance Agency and OCD to manage the housing funds.

Senator Ed Murray asked the exact figures needed by the Recovery School District (RSD) and the Orleans Parish School Board (OPSB). He also asked about the \$150 million FEMA offered for Charity Hospital.

Mr. Rainwater said \$74 million in PA is needed for the OPSB to repair their schools. There is another program that covers some of the FEMA-ineligible costs for repair to the schools. As for Charity Hospital, we have 60 days to appeal the FEMA reimbursement with the Project Worksheets attached. This first appeal goes to FEMA Region 6 and must be accompanied with three studies and a narrative explaining why we need more funding. FEMA then has 60 days to respond to our appeal, and then we can do an oral appeal in Washington, D.C. with a FEMA Director. Then FEMA has 60 days to respond.

Senator Murray asked if that was when we could proceed with the purchase of the property.

Mr. Rainwater noted that the Office of Facility Planning and Control is proceeding with the property purchase.

Senator Murray said Washington is looking for projects that already have architectural plans and are ready to go to construction. He asked if Washington or the Governor makes the decision as to what projects are selected.

Mr. Rainwater said we have a list of projects that includes timelines. We are working with the New Orleans Sewerage and Water Board on some of their projects. The congressional delegation and the Governor will jointly decide what projects are selected; however, the delegation will look to us for recommendations.

Senator Murray asked if local governments had provided any input.

Mr. Rainwater noted that we were working with the City of New Orleans and newly-elected Congressman Cao.

Representative Carter-Peterson commented that many parishes and municipalities are happy to have the recovery funds sent directly to the local governments so there will be no new layer of bureaucracy. She pointed out that recovery workforce training still has a balance of \$10 million and asked the eligibility requirements.

Ms. Robin Keegan explained that the workforce training program was structured so the funds go to a consortium that includes representatives from local community colleges and intermediaries. The only funding criteria are that it be used for businesses within six designated sectors. We are in the process of working with the Louisiana Workforce Commission to devise a three-month, six-month, and nine-month construction program.

Representative Carter-Peterson asked about the balance remaining in the Small Firm Loan and Grant program.

Ms. Keegan noted that the Small Firm Loan and Grant program is being administered by the Louisiana Department of Economic Development, and a second round of grants is expected before July, 2009.

Representative Carter-Peterson asked what was being done to address homelessness in New Orleans.

Mr. Rainwater commented that we were working with the Department of Health and Hospitals (DHH) on this issue, and an allocation of 1,600 Permanent Supportive Housing (PSH) vouchers have been allocated for New Orleans.

Mr. Jas Gill asked if there was data available or effectiveness testing to gauge workforce development and whether people are finding employment. He also asked about people's ability to maintain their housing so it won't fall into disrepair.

Ms. Keegan stated that all programs contain monitoring and evaluations as required by HUD. She offered to provide a summary to Mr. Gill, and cited the new building codes as an example of building safer, stronger and smarter.

Mr. Gill suggested that local revenue plans be part of the set up of any program.

Mr. Rainwater pointed out that Cameron Hospital survived Hurricane Gustav because it was rebuilt using the new building codes. He said we had to ensure local revenues were available before funding was provided. Another consideration is fire stations, fire ratings and sustainability, which is part of the “connectivity” of recovery.

Senator Dupre explained that coastal parishes have several requirements for regulatory permits from the Corps of Engineers, levee districts and the Department of Natural Resources. This bureaucracy needs to be discussed with the Louisiana congressional delegation when discussing federal stimulus and waiver language.

Mr. Rainwater informed Senator Dupre that we had met with HUD and FEMA about their regulations.

Speaker Jim Tucker remarked that blight was a growing problem in both Orleans and Jefferson Parish. People want to return and rebuild but are surrounded by blight. This is a major problem, and he asked if there was a solution.

Mr. Rainwater responded that blight is a challenge. We started with an aggressive goal for demolitions in Orleans and St. Bernard Parish, but we needed FEMA Public Assistance first for health and safety demolitions. FEMA agreed to economic development demolitions; however, these were stopped because some people felt this set a precedent, which slowed progress. The Louisiana congressional delegation is aware that we need to remove blight that existed prior to Hurricanes Katrina and Rita; however, additional funding is needed.

Speaker Tucker asked how we make the blight determination. Several properties could have been rehabilitated prior to the hurricanes, but not afterward.

Mr. Rainwater commented that we have to show that the properties were damaged by the hurricanes in order to qualify for funding.

Ms. Keegan noted that Hurricanes Gustav and Ike added challenges to blight removal; however, we are working on one inclusive list.

Speaker Tucker asked if the LRA was looking at additional uses for unused funds.

Mr. Rainwater explained that we would address this with the new administration, and that we have been talking with FEMA about moving some of the funds.

Mr. Leger said parish leaders had expressed some concern about infrastructure projects and not utilizing all available federal funds. There was \$400 million in sewerage rebuilding costs that were not included in the New Orleans recovery funding, and New Orleans is assuming

that they will get this in new funding. Other parishes, such as St. Bernard Parish, used their long term recovery funds to rebuild their sewers, but they do not want to be left out.

Mr. Rainwater said Capitol Hill understands the situation, as does the New Orleans Sewerage and Water Board, who needs \$800 million. He noted that we had separated out projects that existed prior to Hurricanes Katrina and Rita. Most parishes are 90% complete on spending funds received for recovery from Hurricanes Katrina and Rita.

Mr. Leger observed that progress is being made. The demolition program in St. Bernard Parish is a tremendous success. St. Bernard Parish previously had 13 schools, but currently it only has three, and Chalmette High School will now be one of the most technologically progressive schools in the nation. Many people criticized the Road Home program, but many people are home again due to this program.

## **VII. UPDATES/PRESENTATIONS**

Mr. Walter Leger introduced Ms. Tina Horn, Administrator for Cameron Parish. Also present with Ms. Horn were Mr. Lonnie Harper, Ms. Jennifer Jones, Mr. David Minton and Dr. Joseph Sayhada of Lonnie G. Harper and Associates.

### **Cameron Parish DFIRM Map Appeal**

Ms. Tina Horn stated that new maps issued in the 1980s increased elevations, which the parish fought. This ultimately resulted in getting the elevations lowered. Cameron Parish worked with FEMA on the models used, which were relatively new at the time. Now, new elevation maps have been published, and the parish feels there is enough discrepancy in the data used to determine flood zones, also known as V zones, that they are going to fight again. This time around, the government-hired consultant did not work with the parish personnel. This fight is necessary in order to sustain many of the communities in Cameron Parish.

Ms. Jennifer Jones, representing Lonnie G. Harper and Associates, commented that FEMA is using these new maps to determine eligibility for housing, and 83 percent of Cameron Parish is now in a V zone and ineligible for rebuilding. An Executive Order from the 1970s and the Code of Federal Regulations (CFR) prohibits the placement of temporary housing in V zones. They have also lost their disaster assistance without the opportunity to appeal the new maps. Unfortunately, this is not just a problem for Cameron Parish.

Ms. Horn commented that it appeared as if FEMA was trying to move entire coastal communities. She said she felt as if FEMA was making up the rules as they went along. FEMA has requested the status of projects, and funds will be de-obligated for any project that is less than 50 percent rebuilt.

Mr. David Minton, representing Lonnie G. Harper and Associates, pointed out that there were glaring errors in the preliminary DFIRM maps, which reduced the A zones, added stricter construction requirements, and reduced funding and federal assistance to V zones. Several errors were found in the topographic model and wave/height analysis differs from the airborne Light Detection and Ranging (LIDAR) survey elevations. Additional differences are seen in the asphalt and ridge measurements, and the marsh information differs by up to six inches.

The Mermentau River is shown wider on their model than its actual width. The Dune command line used to model structures, such as levees or seawalls, was omitted in the Wave/Height Analysis for Flood Insurance Studies (WHAFIS) model, and there were several other discrepancies and inconsistencies between the three models used. (Advanced Circulation Model [ADCIRC] was also used.)

Mr. Walter Leger asked the reason for the omissions, and whether the errors were intentional and consistent.

Ms. Tina Horn interjected that the mistakes would not have been made if FEMA had worked with the parishes.

Mr. Lonnie Harper pointed out that most of the contractors were not familiar with the area.

Ms. Jones said the CFR requires FEMA to work with the parishes on the floodplain maps.

Mr. Sean Reilly added that it seemed as if FEMA was using preliminary maps versus adopted maps.

Mr. Chet Morrison stated that we should vehemently oppose the new maps because they impose a death sentence on the communities. Also, the parish should have had the opportunity to review the information contained in the maps. He cited an instance where Los Angeles was grandfathered into some areas that were designated as V zones after an earthquake, and suggested that we try to do the same thing.

Mr. Jas Gill commented that each model contains several components. He asked if the limitations were based on worst-case scenarios and whether mitigation efforts to prevent future coastal erosion were included in the models.

Dr. Joseph Suhayda, representing Lonnie G. Harper and Associates, explained that the maps did not capture current conditions. He said the coast is dynamic and is not captured in the FEMA models.

Mr. David Voelker said he felt it was in FEMA's best interests to draw the maps the way they did, but the parishes need to be involved.

Representative Karen Carter-Peterson remarked that the Orleans Parish floodplain maps were delivered on November 13, 2008, and that there was a 15-day timeframe for comments.

Mr. Minton gave an in-depth explanation of the analysis. He concluded by saying there was improper application of the input data and inconsistent elevation data. The information in all three models should match; however, none of the models match what is on the ground. In addition, the omission of data cannot be explained. He said the models need to be calibrated and the input data needs to be studied in order to ensure the risk is correct.

Mr. Morrison commended Lonnie G. Harper and Associates for their work and outstanding data that was presented to the Board members.

Mr. Rainwater informed the members that a letter had been written to FEMA Director William Peterson from the LRA, GOHSEP and the Governor's Director for Coastal Activities expressing our displeasure and disagreement with the DFIRM maps. The state agencies are unified in their opposition to the maps, and we will assist Cameron Parish in their fight.

Mr. John Smith asked if there was any actual flood data available for the V zones.

Mr. Harper reported that prior to Hurricane Ike, 12 gages were deployed to measure water depth every 2/10ths of a second, and wave heights were also measured. This data has not yet been published. The United States Geological Survey also deployed sensors prior to Hurricane Ike, and he suggested that this new data be used to fix the models.

Mr. Rainwater pointed out that the new hospital in Cameron Parish was located in a V zone; however, it did not flood during Hurricane Ike.

Mr. Tom Henning stated that some people do not want Cameron Parish to rebuild. We cannot continue to build like we did previously; however, the parish can rebuild to the new building codes and survive, and the hospital is proof of this. He asked how the LRA Board could assist Cameron Parish.

Ms. Jones said they could use funding. FEMA has had years to prepare their models and the parish only has 90 days to respond. She reiterated that everything that was elevated, even structures on the beach, survived the hurricane.

Mr. Leger asked if the 90 day response period had already passed.

Ms. Jones pointed out that the 90 day response time starts January 20, 2009. She said students from South Cameron High School are now attending class in Lake Charles, which is an hour away, and FEMA refuses to pay for temporary schools in Cameron Parish.

Ms. Horn explained that Cameron Parish recovery planning has been halted. She said the parishes learned how things were done after Hurricanes Katrina and Rita, but it seems as if the rules are changing every day since Hurricanes Gustav and Ike.

Mr. Gill asked if the FEMA model had been challenged and whether there were alternative remedies other than not to build. He asked if there was something that could be done with funds from the Department of Natural Resources that would be in semi-compliance. He said we need barriers on a national level in order to protect the strategic oil reserve.

Mr. Harper said the models should include structures and bumps in the road that will help to reduce the storm surge. We have the capability to look at this, and we need to correct the imperfections in the models so the 100-year storm risk can be determined correctly. Cameron Parish presently functions as protection to Calcasieu Parish.

Senator Ed Murray asked if other coastal parishes will be affected by the new DFIRM maps. If so, we need to make a financial commitment to all parishes that will be affected.

Mr. Rainwater said there is an appeal process, but we need to continue to push back. He said the President could sign an Executive Order allowing the parishes to continue without using the DFIRM maps.

Senator Murray asked that we prepare a resolution asking the President to rescind the Executive Order from the 1970s that is being used by FEMA to interpret the use of DFIRM maps.

Mr. Sean Reilly offered a motion to amend the agenda. The motion was seconded by Mr. David Voelker. Members voting in favor of amending the agenda were Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Morrison, Murray, Reilly, Smith and Voelker.

Mr. Reilly stated that procedural fairness is on our side, and that we need to fight the use of the DFIRM maps with lawyers, guns and money. A resolution is a good start; however, we need to form a committee of the Board to look at litigation and political remedies, and to push for a fundamental change in policy.

Ms. Horn interjected that they do not want to do away with the maps; they want to work with FEMA on the creation of the maps.

Senator Murray offered a motion that the LRA Board request the President to suspend the Executive Order from the 1970s with regard to DFIRM maps, and direct staff to propose a budget to fund the effort to fight the use of the DFIRM maps. The motion was seconded by Mr. Tom Henning.

**The LRA Board Directs Staff to Prepare a Resolution to the President Requesting the 1970s Executive Order on DFIRM Maps be Rescinded and Directs Staff to Prepare a Budget for Engineering, Litigation and Other Costs to Fight the Use of DFIRM Maps.**

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**RESOLVED, that the Board hereby directs staff to prepare a resolution to the President requesting the 1970s Executive Order on DFIRM maps be rescinded and directs staff to prepare a budget for engineering, litigation and other costs to fight the use of the DFIRM maps.**

*Voting: Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Morrison, Murray, Reilly, Smith, Tucker and Voelker.*

Ms. Jennifer Jones offered a friendly amendment to suspend the use of the DFIRM maps rather than rescind the Executive Order.

Mr. Leger recognized Ms. Charlotte Randolph, Lafourche Parish President, and Mr. Michel Claudet, Terrebonne Parish President.

Ms. Charlotte Randolph stated that she had received their maps, but no public hearings had been held.

Mr. Michel Claudet pointed out that they were ground zero for Hurricane Gustav and they were also impacted by Hurricane Ike. The map data is inaccurate, and the maps need to be suspended and redone correctly by FEMA.

Senator Murray offered a motion to change the resolution to request that the President suspend the use of DFIRM maps and direct staff to propose a budget to fund the fight.

Representative Carter-Peterson requested that the resolution be sent from Governor Jindal to President Bush by Friday, December 19, 2008.

The motions were seconded by Mr. Tom Henning, and then were seconded unanimously by all the Board members present.

**The LRA Board Directs Staff to Prepare a Resolution by December 19, 2008, to the President Requesting the Suspension of the Use of DFIRM Maps and Directs Staff to Prepare a Budget for Engineering, Litigation and Other Costs to Fight the Use of DFIRM Maps.**

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**RESOLVED, that the Board hereby directs staff to prepare a resolution by December 19, 2008, to the President requesting the suspension of the use of DFIRM maps and directs staff to prepare a budget for engineering, litigation and other costs to fight the use of the DFIRM maps.**

*Voting: Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Morrison, Murray, Reilly, Smith, Tucker and Voelker.*

**Louisiana Department of Agriculture and Forestry**

Senator Dupre offered a motion to amend the agenda to allow Louisiana Department of Agriculture and Forestry (LDAF) Commissioner Mike Strain to make a presentation to the Board of Directors. The motion was seconded by Mr. David Voelker. Members voting in favor of amending the agenda were Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Morrison, Murray, Reilly, Smith, Tucker and Voelker.

Commissioner Mike Strain reported to the members that there were three storms over a one-month period resulting in continuous rain at harvest time. The rain and high winds caused a \$1 billion loss at the farm level. The losses include 60 percent of the rice crop and 75 percent of the sweet potato crop. At the same time, the costs for grain, diesel and fertilizer increased. The farmers are assessing their damages. Typically, the farmers had minimal insurance. The Farm Bill was late coming out of Washington, D.C., but farmers were required to have insurance, and had to sign up and pay a fee to be considered for the Farm Bill. The bottom line is that farmers need money or the entire farming industry is at risk. We need to get funds into the farmer's hands immediately. Bankers cannot loan additional funds to the farmers because they have not been paid on previous loans.

Commissioner Strain pointed out that he had gone to Washington, D.C. requesting aid, but he was unsuccessful. He plans to return to Washington after the first of the year to meet with the new administration to request funding. The Farm Bill is supposed to be a safety net for the farmers, but they need CDBG funds now for a loan program at a low interest rate in order to keep the farm infrastructure and capital in place.

Mr. David Voelker asked how the farmers would qualify for the CDBG funds.

Commissioner Strain replied that the LDAF is in the process of developing this, but the parameters would be a grant loan in \$100,000 increments, with the payback of \$80,000 at below-market interest rate if the farmer will replant and continue to operate.

Mr. Sean Reilly suggested that the Commissioner get the terms in writing from HUD and FEMA with regards to the use of CDBG funds for “rebuilding” and “replanting” versus replacing losses.

Mr. Kris Van Orsdel, LRA Infrastructure Policy Director, stated that LRA staff members have been tasked with the development of the Hurricanes Gustav/Ike Action Plan component pieces. The Farm Bill is still a year away, and we are trying to find something to fill the gap for the farmers.

Commissioner Strain said this is a critical time period. Older farmers have assets, but the younger farmers will not be able to bounce back from these losses.

Senator Murray asked how much funding was designated for farming.

Ms. Robin Keegan said \$30 million was the first third of the allocation for agriculture; however, she was unsure of the total allocation.

Senator Reggie Dupre interjected that he thought the total agriculture allocation was \$54.7 million. He said he would be pleased to get farmers to replant and fishermen to get their nets back in the water.

Commissioner Strain commented that economic development and jobs are at risk. When the Farm Bill was being written, it was never anticipated that storms would devastate most of the state’s crops at harvest time.

Mr. Walter Leger reported that he had been to Washington, D.C. several times to request funding, but congressmen from Oklahoma, South Carolina, Colorado and California had opposed every request. He testified before Congress when they did not want to reimburse our state for wind damages. They said our damages were caused because federal levees broke. He then asked Congress why Mississippi received funding, since they don’t have levees.

Commissioner Strain remarked that they refer to one particular Congressman from Oklahoma as “Dr. No”. He mentioned that the farm disaster could happen to other states, and we need to fix the law.

## **Discussion of Revisions to Small Rental Program**

Mr. Wil Jacobs, LRA Housing Policy Director, stated that the Small Rental program is a reimbursement program where applicants are reimbursed at the end of the program and once all the repairs had been completed. Many landlords do not have the financing to finish the repairs to their units and cannot get their awards. We are working to make sure the applicants can get through the program, but lenders are reluctant to honor the commitment letters. We are proposing CDBG direct funding through a traditional construction direct funding rehabilitation program. We want to ensure that people have enough funding to complete their renovations, and we need to get the funding to the community as soon as possible. The new program is expected to be implemented in the first quarter of 2009.

Mr. Sean Reilly said these seem to be common sense corrections to the program, which had strong accountability and safeguards against abuse. The Small Rental program was one of the more promising programs for Louisiana's recovery, and the proposed changes do not seem drastic.

Mr. Jacobs noted that the program structure, basic philosophy and goals remain the same. He commended OCD staff on their outreach to the applicants, who are doing everything possible to ensure the awardees get through the program.

Mr. Roy Martin asked if forgivable loans were available and whether any nonprofit organizations were lending assistance. He asked if this was considered taxable income to the grantees if the loan was forgiven.

Mr. Jacobs explained that this program was a priority for small landlords who owned units prior to the storms. The landlords charge lesser rents to the occupants in order to participate in this rehabilitation program, so they are losing income.

Senator Ed Murray asked if the requirement remains that the landlords had to own units prior to the hurricanes.

Mr. Jacobs pointed out that the second round of the Small Rental program was expanded to include those who purchased rental units after the storms; however, those who owned units prior to the hurricanes were given priority. We are serving the current applicants, and the intention is to serve everyone who has applied for the program. No new applications are being accepted at this time.

Speaker Jim Tucker asked if the pre-storm owner preference would continue if another round of grants was opened. He also asked if there was a cap per property.

Mr. Jacobs said another round of grants is open for discussion with the Board of Directors and the Housing Task Force. There is a cap based on the income of the household tenants. This is not a gap program, unless the unit was owner-occupied where the rental units are calculated at the same rate as the property owner. The awards may not be sufficient to complete renovations, so we are considering raising the cap based on the size of the units and the associated costs.

Speaker Tucker questioned whether a market study on housing needs had been done. This should be completed before the Small Rental program is expanded.

Mr. Jacobs noted that we know the number of available rental units, but we do not have a grasp on the demand, as this is difficult to determine.

Mr. Paul Rainwater remarked that HUD subsidized some of the rentals, and we don't have all of the data. We are reworking the program and we have a goal of 5,000 affordable rentals, but we are not close to that figure.

Speaker Tucker expressed his concern that we may be bringing more units online than is needed. Rental costs are not decreasing and we need to conduct a market survey or we may create units that are not rentable due to the lack of demand.

Mr. Jacobs pointed out that over 60,000 rental units were damaged or destroyed in Hurricane Katrina. Some units have been repaired through private sources, but we are only addressing a minor portion of that population. People are starting to return to New Orleans, and we need to provide more affordable housing options.

Speaker Tucker reiterated that we need do to a market study to determine the demand. He asked about the financing for the program. We need to ensure sustainability.

Mr. Jacobs said that conversations had taken place with the financial institutions on limited guarantees. He said he felt the banks have an interest in the program.

Mr. Rainwater commented that we bring ideas to the Board, but we are not trying to grow state government. He is opposed to the market study, especially since we are in the middle of a housing crisis. The earliest this study could be done is February, 2009.

Speaker Tucker stated that the housing bubble could be severe. The New Orleans Housing Authority has a huge backlog of properties that needs to be addressed, and funding for moving forward has to come from somewhere.

Representative Karen Carter-Peterson agreed with the need for a market study, but noted that eradication of blight is essential for rebuilding neighborhoods. She said there are 31,000 existing DHAP units; she asked the affordability of these units.

Mr. Walter Leger explained that DHAP units have free rent.

Mr. Martin asked about the upkeep of the rental units. He expressed his concern over the units becoming blighted properties in five years, and suggested that this be a requirement of the program.

Mr. Jacobs noted that quality control checks are a requirement, and property owners must be in compliance. The units are affordable for those at 80 percent of the average mean income (AMI), so renters should pay no more than 30 percent of their income. In New Orleans, the AMI for a family of four is \$29,000.

Mr. Reilly mentioned that we should challenge our assumptions and look at the demand. He requested that data be presented to the Board at the next meeting on how much funding has been put into the program, how many units are available, and where we are with the remainder of the funds. We need to do the market study and see if there is a better use for the funds.

Mr. Leger commented that \$75 million had been shifted from the Small Rental program into a first time homeowner program, which is just beginning. This needs to be an indicator in the market study.

Mr. Reilly suggested we look at supply and demand when doing the market study, because the needs are different in Lake Charles than in New Orleans.

Mr. Leger noted that the funding was allocated based on damages, and the majority of the damage to rental properties was in New Orleans.

Mr. Rainwater interjected that Plaquemines Parish has no small rental units, and we are looking at the individual parishes to determine the needs. We have not been productive when it comes to getting the funding to the landlords and we need to make some changes.

Mr. John Smith asked if we needed to amend the action plan for the Small Rental program.

Mr. Rainwater replied that the Action Plan will not have to be amended, but we did want to get the Board's input.

Mr. Smith noted that the missing ingredient is the financial institutions.

Mr. Donald Vallee, previously of the Landlords Association, testified that the incentives were developed for those who were afraid to re-enter the market, to drive down the rental costs, and it was done as an incentive program in order to get around the red tape. The formula was based on 3,600 landlords, and it was suggested that the funding be awarded in two phases so changes could be made.

Mr. Vallee stated that the market study needs to be done so we can identify the sustainable neighborhoods, the income levels of those who have returned and those who may return, and the sizes of the families. OCD has worked diligently to get people through the Small Rental program, but we need to do the market study and involve the local governments. The fair market value has been driven up, and taxes and insurance are additional costs that need to be considered.

Ms. Jessica Vonegas, representing Unity of Greater New Orleans, testified that there is a significant need. Over 32,000 families have been displaced, and 8,400 are using hotel vouchers. Unity receives thousands of calls per week regarding housing needs, and they agree that there is a need for a housing study.

Mr. Leger pointed out that landlords would rather rent at the higher market rates than deal with HUD requirements and potential criminal penalties.

## VIII. ACTION ITEMS

### **Final Approval of Action Plan on Hurricanes Gustav and Ike**

Mr. Paul Rainwater informed the members that the Gustav/Ike Action Plan was taken to the local governments, and meetings were held with those parishes that were impacted. If the Action Plan is approved today, the next steps will be to go before the Joint Legislative Committee on the Budget for approval and then to HUD for approval. This Action Plan allows the state and local governments to draw down administrative funds. The funding will be allocated to the parishes based on damages. The first allocation of \$438 million will be used to address specific needs: \$30 million for agriculture; \$15 million for coastal restoration; \$15 million for fisheries; \$46 million for housing; \$309 million to the parishes, and \$21 million for local and state administration.

Mr. Dave Bowman, LRA Research and Special Projects Director, said the allocations were based on unmet housing needs and concentrated damages. The allocations were based on unmet housing needs in 19 states minus the funds allocated based on need. This same formula was used for the parishes using the Small Business Administration (SBA) figures minus the FEMA payment to equal the damages. Terrebonne Parish will receive 21 percent of the \$309 million allocation, as well as an extra \$10 million for an affordable rental allocation. The parishes can use some of their allocations for additional housing needs, but HUD has mandated that 10 percent of all funding be used for housing.

Mr. Rainwater noted that the total allocations could be adjusted based on HUD's interpretation, and the new administration could also tweak the figures. Another impact to the funding is whether the state's cost share will be 90/10 or 75/25.

Mr. Bowman said the parishes are eligible for PA and some IA funding from FEMA. The first allocation formula did not include PA, but the second allocation will, so more states will be eligible for the FEMA funding, which will result in Louisiana getting even less.

Mr. Sean Reilly asked if the LRA was mandating rules for spending of these funds.

Mr. Rainwater explained that we learned some lessons from Hurricanes Katrina and Rita, so we are going to let the parishes be creative and work with nonprofits; however, the parishes will have to come to the LRA with specific projects for the Gustav/Ike funding.

Ms. Robin Keegan said the Action Plan had gone out for public comment, and these comments will be incorporated into the plan. We are now asking HUD to turn on our grant, and once we have HUD approval, we will begin the application process with the parishes. State agencies and federal funds will be monitored. Most of the Gustav/Ike Action Plan has to do with grant administration, delivery and technical assistance. There are set asides for affordable housing. Some public comments from the City of New Orleans and other entities focused on preexisting damages; however Congress precludes us from using funds for this, but we have requested a waiver. We need the Board's approval to move forward with the process so we can get the grant turned on and the parishes can receive their funds.

Senator Reggie Dupre asked what the next step is after HUD approval. He also asked if the parishes could be reimbursed for funds used from their emergency contingency funds.

Mr. Rainwater said the next step after HUD approval is to go to the parishes to start working through the allocation process. There are things that are being done while we wait for the HUD approval. Urgent need is one criterion for reimbursement of funds used during the storms. FEMA will only pay a portion, and if the funds were used for construction then you have to adhere to the Davis Bacon Act, which has lots of strings attached. We will work with the parishes on this.

Mr. Chet Morrison offered a motion to provide final approval of the Action Plan to create disaster recovery programs designed to assist the state in recovering from damages and losses caused by Hurricanes Gustav and Ike. The motion was seconded by Senator Reggie Dupre.

Mr. Walter Leger asked if the HUD allocation for this plan is different than the formula used for Hurricanes Katrina and Rita. He also asked if the 10 percent housing allocation was for the uninsured.

Mr. Bowman pointed out that insurance is not considered in the formulas, and FEMA damage estimates are not being used when determining the allocations. The SBA figures out how much it will cost to rebuild a house, but SBA inspections will not be conducted on all homes.

Mr. Leger remarked that HUD figures have no basis in reality.

Mr. Rainwater explained that we are using the HUD methodology so we can go back to Congress to request additional funding.

Mr. Jas Gill asked for clarification as to what losses occurred in Louisiana. He sees two sets of data: one says insured losses of \$8 - \$20 billion and another says \$2.5 - \$5 billion in losses. He wants to connect the dots.

Mr. Rainwater said the challenge is to decentralize the planning process so the connecting of the dots will happen at the local level. A detailed plan will emerge over the next 30-60 days.

Mr. Morrison said we need to reinforce with the parishes that they know where the dots need to be connected.

Speaker Jim Tucker commented that he thought the LRA was created specifically to oversee the recovery from Hurricanes Katrina and Rita.

Mr. Rainwater explained that Governor Jindal directed the LRA to manage the Gustav/Ike recovery. The state has the responsibility to manage the federal funds, so the LRA will continue to be active in the recovery. The Gustav/Ike Action Plan is an expedited process compared to Katrina/Rita.

Speaker Tucker asked if there was any retainage issue until a clean audit is received.

Mr. Rainwater explained that we are looking for ways to speed up the process to get the funds out to the communities quickly. Checks and balances will be incorporated into the process.

**Final Approval of the Action Plan to Create Disaster Recovery Programs Designed to Assist the State in Recovering from Damages and Losses Caused by Hurricanes Gustav and Ike.**

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**RESOLVED, that the Board provides final approval of the Action Plan to create disaster recovery programs designed to assist the state in recovering from damages and losses caused by Hurricanes Gustav and Ike.**

*Voting: Carter-Peterson, Dupre, Gill, Henning, Leger, Martin, Morrison, Murray, Reilly, Smith, Tucker and Voelker.*

**IX. UNFINISHED BUSINESS**

There was no unfinished business.

**X. PUBLIC COMMENT**

Mr. K.C. King, representing the Citizens' Road Home Action Team, asked who was responsible for risk communication. People are rebuilding without regard for risk. We need to make sure the DFIRM maps are correct, but safety needs to be first. He said it was incumbent on the Board to keep the individual citizen's safety at the forefront. No one is communicating risk to the citizens who are rebuilding at grade.

Mr. Leger said this was debated in October, 2005. We provided guidelines, but FEMA withheld elevation grants until recently. The DFIRM maps are an issue of safety because the data is incorrect, but the FEMA ABFEs do not contain the best data either.

Mr. Reilly pointed out that FEMA provided the ABFEs. Some parishes requested risk planning and management consultants were provided to those parishes. Our programs are voluntary and homeowners must make their own decisions. The people have to request the elevation funds. The communication of risk has to come from the local zoning and permitting groups because the Board does not have that power.

Representative Carter-Peterson observed that elections and disasters do not mix. She said this is a time when elected officials have to make tough calls, and it is irresponsible to lead people to think that a community will come back when we know the significance of the risk. So far, we have not had that type of leadership. We need the correct science so we know clearly where people can live and rebuild.

Mr. King commented that the Board accepted the challenge for Cameron Parish and their fight with the DFIRM maps. He is rebuilding this time, but there is no long term investment in his community, and he will not rebuild after the next storm.

Mr. Leger added that no one had returned to his neighborhood. A risk analysis was done, but the data is not yet available.

Mr. Morrison stated that lots of information is provided at the Board meetings, but it's an individual's choice when it comes to risk.

Mr. Leger noted that those who chose to return and are at high risk are those who are least able to relocate due to resources.

Ms. Dominique Duval-Diop, representing PolicyLink, reiterated some concerns. She urged staff to address the needs of those who are less capable and most vulnerable. She asked that we go beyond the required 10 percent allocated for housing needs, and suggested that we create incentives. She expressed her concern about accountability of the parishes, and recommended that we consider the parishes' expertise and capacity to manage such programs. There are still needs remaining from Hurricanes Katrina and Rita. She asked that the unallocated funds from the Road Home program be used to address unmet housing needs by utilizing innovative solutions. She suggested we target neighborhoods and work with the nonprofit organizations.

Dr. Shondra Crawford, representing Unity of Greater New Orleans, testified that she is concerned about housing vouchers getting to those who are most in need. A proposal was presented in September, 2008, that showed New Orleans would get 56 percent of the permanent supportive housing (PSH) vouchers. New Orleans suffered 70 percent of all damages from Hurricane Katrina, and 81 percent of rental units were damaged. The voucher allocation percentage does not align with the damages received.

Mr. Rainwater explained that the PSH funding is coming from HUD, and the appropriations language is focused on Go Zones. This is typically a six-month process, but we are committed to speeding up this process.

Representative Carter-Peterson stated that she was happy to hear that people are working together, but she wants the program to move forward while trying to work out the disparity issue. We need to get people off the streets and into housing.

## **XI. NEW BUSINESS**

Mr. Jas Gill suggested that we look into the issue of what materials are being used in rebuilding. Everyone has gone to building "green", but many of these materials have no validated science behind them. He does not want this to discourage the use of Louisiana products, and he asked that we assess the impact to industry in our state by building green.

## **XII. ANNOUNCEMENTS**

There were no announcements.

**XIII. ADJOURNMENT**

The meeting was adjourned at 1:55 p.m.

Respectfully submitted,

Paul Rainwater  
Executive Director

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Date approved: \_\_\_\_\_