

**Louisiana Recovery Authority
Board of Directors Meeting
House Committee Room 1
Baton Rouge, Louisiana
Wednesday August 19, 2009**

MINUTES

I. CALL TO ORDER

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

II. PRAYER

Mr. David Volker requested that Mr. Paul Hillard Chairman of the Board of the National World War II Museum lead the prayer

III. PLEDGE OF ALLEGIANCE

Mr. Paul Hillard led the Pledge of Allegiance

IV. ROLL CALL

Board Members Present

**Senator Nick Gautreaux
Mr. Jas Gill
Mr. Tom Henning
Mr. Ray Lasseigne
Ms. Pat LeBlanc
Mr. Walter Leger
Mr. Roy Martin**

**Senator Edwin Murray
Mr. Sean Reily
Mr. John E. Smith
Speaker Jim Tucker
Mr. David Volker**

Staff Members Present:

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

**Ms. Sandra Gunner
Ms. Kimberly Jupiter
Ms. Robin Keegan
Ms. Janice Lovett
Mr. Darin Mann
Mrs. Alexandra Evans Norton
Mrs. Kristen Parnell
Mr. Paul Rainwater**

Ms. Marisa Robertson
Mr. Eric D. Shaw

Ms. Christina Stephens
Ms. Angela Vanveckhoven

V. EXECUTIVE DIRECTORS REPORT

Mr. Rainwater thanked Mr. Wilson and Mr. Chairman as well as the WWII members, and noted that it was the intention to have the WW II group present first, however quorum was not available so once the Speaker arrives we will have quorum and we will make the agenda adjustment then . The presentation will be lengthier due to the Katrina Update / Anniversary

Mr. Rainwater gave a Washington Update. He and Mr. Cooper went to Washington and gave about 17 briefings on different July 7-9th. We will From July 28-29 Mayor Nagin and Mr. Rainwater briefed HUD Secretary Sean Donovan and Congresswoman Maxine Waters on housing and Economic Development Issues. Spoke with Sec. Donovan on the Disaster Housing Assistance Program (DHAP). He also brought some staff to meet with Janet Woodka Federal Gulf Coast Coordinator and senior HUD staff members to discuss the Third Allocation which is restricted to Road Home. It is obvious that Congress has no intention to release the third allocation unless we have proved we have taken care of all of Road Home.

Also, in September we will bring to the Board an Action Plan Amendment to raise the cap of the Additional Compensation grants for Low to Moderate Income Households. This will affect 20,000 Road Home Families and will assist them to get into their homes. This is based on an analysis which will be brought to the board. HUD will have to support this and Mr. Rainwater is confident they will support this.

Mr. Gill asked how much money will be available when the cap was lifted. Mr. Rainwater stated between 400 and 600 Million. We will still have some dollars because of budget changes. There will still be opportunities to allocate money. This shows the dedication to the Road Home Program. The program should be up and running in 4 weeks and finished by the end of the year. HUD recognizes that there were people who received Road home Grants who had to use the money to survive and not rebuild their homes. The LRA staff and Senator Landrieu understand it as well.

Mr. Rainwater asked the Chairman to suspend his presentation because Senator Geautreau had arrived and take action to Move the WW II veterans up and he will complete after.

VI. ROLL CALL

Board Members Present

Senator Nick Gautreaux
Mr. Jas Gill
Mr. Ray Lasseigne
Mr. Walter Leger
Mr. Roy Martin

Senator Edwin Murray
Mr. Sean Reily
Mr. John E. Smith
Mr. David Volker

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

Mr. Volker stated that the Speaker would be present momentarily but quorum was available so Minutes were to be approved.

Mr. Volker moved to get the Minutes approved, and Mr. Leger seconded the Motion. There being no comments or corrections, the following resolution was unanimously adopted:

Approval of the Minutes and Ratification of Actions Taken at the June 16, 2009 meeting of the LRA Board

RESOLVED, that the Minutes of the LRA Board held on June 16, 2009, as presented at this meeting are hereby approved and all actions taken by the board presented at such meeting, set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.

Voting: Gautreaux, Gill, Lasseigne, Leger, Martin, Murray, Reily, Smith, Volker

Mr. Volker Motioned to amend the Agenda so the D-Day Museum would present first. Mr. Leger Seconded.

Final Approval of the amendment of the Agenda to allow the WW II D-Day Museum presentation to go before the Executive Director's Report.

RESOLVED, that the Board amended the Agenda of the LRA Board Meeting to allow the WW II Veterans to present first.

Voting: Gautreaux, Gill, Lasseigne, Leger, Martin, Murray, Reily, Smith, Volker

VIII. PRESENTATION/UPDATES

Presentation from the National World War II Museum

The Chairman thanked the WW II veterans for coming to the meeting.

Mr. Chairman thanked the D-Day and Jackie Clarkson (former LRA Board Member) for coming. Mr. Volker was a member of the D-Day Museum Board and served as Chairman of that board. He asked the presentation to please proceed. Mr. Volker introduced Dr. Gordon H "Nick" Mueller is the President of the Museum.

Dr. Mueller introduced Mr. Phil Satre who is the Chairman of the Board of the WW II Museum and Governor Pete Wilson, who is the immediate past chairman of the Board of Trustees, who is the Former

Governor of California, US Senator and notable speakers Mr. Paul Hilliard who is member of board of Trustees from Lafayette who is a WW II veteran, and Walt Ehlers, Medal Honor recipient.

Dr. Mueller also brought school children, New Orleans officials, Veterans, Museum trustees, and Congressional representatives and construction workers who have been working on our new construction. He also thanked the LRA for having them and listening to their request for funding. This is a representation of the past present and future.

Dr. Mueller noted that the Soloman Theatre and canteen restaurant are opening and viewed a slide show and a trailer of the Museum narrated by Tom Hanks. "Beyond all Boundaries" which will be shown every hour at the D-Day Museum in New Orleans.

Dr. Mueller noted that the Museum was on a 300 million dollar expansion since 2004, when congress designated them as the National World War II Museum for the Country. Despite the hurricanes and economic meltdown, the museum has managed to raise 100 million dollars in private and public funds; 43 million in private funds alone.

\$42 million is needed for the campaign to complete the pavilion. The push is to have this completed before all of the WW II veterans die and while momentum is high.

Dr. Mueller is requesting \$10 million dollars from the Louisiana Recovery Authority. This will be a 36000 sq foot pavilion which will be an exhibition of the WWII. It has been under design for four years. With the help of the LRA we will be able to begin construction in the Spring 2010.

The Board has raised 5.7 million since June and the request from the LRA will make it possible to receive tax credits. We expect to raise 2.9 million and then request market tax credits of 1.4 million and complete the first \$20 Million of the funding. The next 20 million will be funded in 2010 and 2011.

The Museum is "Shovel ready" and will attract visitors from all over the country 80% of the visitors are from outside AP press recently had Tom Hanks story on the media and received 35, 000 media pick ups in the first two weeks.

Construction will bring 554 jobs. The completion will bring over \$650,000 annual visitors, 430 permanent Louisiana Jobs, \$102.6 million per year in Economic impact, and \$12 Million in annual tax revenue to the state.

Dr. Mueller also has letters from Congressional members. We would like to announce November 6, 2009 that we will be building the pavilion. Dr. Mueller introduced R. Phil Satre, Chairman of the board.

Mr. Satre thanked the Chairman of the Board as well as the board for allowing him to address the Board. The museum has the ability tell the story of the War. The Board of trustees has 35 members who are from all around the county. It is an institution has kept the commitment to tell the story of WW II. This institution has also kept the commitment to New Orleans. The Museum has brought economic development which it promised to the city. It is a marketing arm for both the city and the state. We have

persevered through that. In July 2009, we exceeded pre Katrina levels of attendance. The Museum if given the funding from the LRA will be able to build the pavilion, will be able to succeed and the LRA will be proud to have been a part of it. He thanked the board and Governor Wilson was next to present.

Governor Pete Wilson thanked the Board for the time he is given to present to them. He is grateful to the city of New Orleans and the State of Louisiana for picking up the ball and creating a museum to honor this war. Steven Ambrose the founder of this museum and Dr. Mueller created this museum and we are indebted to them. The Museum appeals to the young. It would be a tragedy if the grandsons of those that fought in the war were not able to learn that “freedom is not free” and this museum is the educational tool which allows that. Freedom cannot be taken for granted by the bloodshed and sacrifice of Americans and the “greatest generation.” The mission of the museum is to teach the succeeding generations. The miracle of distance learning is seen through the internet, it will be possible for us to bring the museum to children in classrooms all over America. The audio and video tapes make this personal. There is an urgency to do so as soon as possible. We want the veterans who are left have the ability to experience this museum

Governor Wilson introduced two veterans who are among the many who are present today in the chamber. First he introduced, Mr. Paul Hillard who is well known in Louisiana and president of Badge Oil who is a World War II veteran who enlisted in the Marines at age 17. He flew in the Philippines campaign. He joined the museum board and is one of the most generous donors.

Mr. Hilliard noted that the War was the deadliest in history which killed 65-80 Million people. He is proud to be a part of the Museum. The museum tells the story of Victory of the fascist powers and will help to educate the population. Mr. Hilliard joined the military in 1943. In the period of 1940 -1946, one out of every four Americans wore a uniform. Mr. Hilliard and his wife have given money to build this first class facility. At the age 84, he is of the 15% left of the war veterans. He hopes to see this facility built and he also thanked the Board for their time.

Governor Wilson then introduced Mr. Walt Ehlers. He received the Congressional Medal of Honor for the D-Day invasion June 1944. He is the only living Medal of Honor Recipient from the Normandy invasion. He flew in from California to appear in front of you today. Governor Wilson then gave an account of Mr. Ehlers’ D-Day story.

Mr. Ehlers received a standing ovation from the Board and the attendees. He stated it is an honor to be here to represent the Museum. He then gave his account of the D-Day invasion as follows:

In June 1944 He was on an LCI (landing craft infantry) and was to be on the second wave. However, the first wave was pinned down on the beach and the second was sent immediately. He was a member of the extra squad on the headquarters boat. He was then put in a Higgins boat. He did not think that there was going to be much on the beach because the sky was black with airplanes and bombers and paratroopers. He knew that the paratroopers had landed and he was in the 18th infantry and the 16th infantry had already landed. He was not prepared for the devastation which he saw. The boat hit a sand bar, which was the about 100 yards to the beach and he walked in neck deep in water to the beach.

Mr. Ehlers then noted that he landed on the beach the “beach master” directed them. He was told to follow a path and we saw soldiers on either side that had been wounded and killed. There were two

torpedo men who were pinned down. He fired so they could blow the wire and then they moved up and he led them through the beach and moved through up a hill to a trench with the Germans and he fought and captured 4 Germans and saw pull charge men who were killed.

Mr. Ehlers was interviewed by Mr. Ambrose. He was there at the opening of the museum and was on stage with Mr. Ambrose, Mr. Steven Spielberg, and Tom Brockaw. He stated that there are people who believe we attacked Japan. It is so important to have a Museum like this to educate the future of America. There are so many D-Days which are all noted in the Museum (Africa, Sicily, Philippines). He stated that was proud to be here to represent the D-Day Museum.

Mr. Ehlers received a standing ovation.

Governor Wilson then closed out the D-Day presentation, and he noted that WW II was a defining note of our History and we sent our youth across the world to protect Freedom. He looks to the board for their help. He had his members put their hard hats to begin digging.

Mr. Volker thanked the Museum for their presentation and opened it up for questions and comments.

Mr. Reily thanked the WW II Museum for their emotional and stirring presentation. Mr. Reilys' father was on the founding board and his brother is a current member. He stated the LRA programs recovery dollars and there is a wonderful symmetry and the LRA can help a national treasure and he is very comfortable to recommend using Recovery dollars for this venture. He thanked them for the educational experience that they provided.

Mr. Leger thanked the Board Members of the WW II Museum. Mr. Leger also has a connection. Both of his grandfathers served in the War and thanked the WW II members for being "heroes." He stated that the hurricanes have been the battle and which the people of Louisiana have fought. The LRA allocates federal funds which are restricted to housing and infrastructure and at the request of the Chairman; Mr. Leger moves to have the staff look in the Federal dollars especially in the Economic Development dollars for an allocation for a small area in Research or Educational. No other entity is more worthy of the dollars. He thanked the Board for coming to speak today.

Mr. Leger suggested to Dr. Mueller that the LRA has given about \$600 Million Long Term New Orleans Recovery effort, and Orleans, Jefferson, Plaquemine, St. Bernard all have funds that can be pieced together. He noted that the Board will find a way to help the WW II Museum.

Mr. Leger moved that we direct the staff find the funds to help the WW II Museum. The motion was seconded by Mr. Reily.

Approval of the Board to have the LRA staff members look into funding for the World War II D-Day Museum.

RESOLVED, that the LRA Board requests that the LRA staff look into possible funding for the World War II D-Day Museum

Voting: Gautreaux, Gill, Lasseigne, Leger, Martin, Murray, Reily, Smith, Tucker, Volker

There was further discussion by Senator Murray.

Senator Murray encourages all to go to the Museum. Senator Murray also noted Ms Clarkson's attendance today and former Speaker Hunt Downer who is not here today but played a large role in the creation of this museum.

Mr. Volker stated he loves the museum and his involvement with the Museum and hopes the funds can be found and the pavilion is built sooner rather than later. This must be done. He thanked all for their attendance and their travels to come and testify.

Mr. Volker asked for a 5 minute recess.

Federal Medical Assistance Percentage Update

Mr. Rainwater suggested to the Chairman that the rules be suspended so Secretary Levine could give an update on FMAP.

The Chairman agreed and welcomed Secretary Levine.

Dr. Alan Levine, Secretary of the Department of Health and Hospitals (DHH) stated he is here to review FMAP and answer questions. Due to Katrina and Rita, the FMAP drop off is the largest known. Other states have been affected by this but Louisiana is the largest at the moment. There was a 25 year review of FMAP and the next largest FMAP drop off was South Dakota back in 1990 and was ½ of the decrease that we are facing. Because of the storms the huge recovery expenditures have an impact on the state's per capita income. All sectors have seen a growth in per capita income.

If the per capita income goes up 42% in two years, three years after that your state's federal match for Medicaid drops similarly. It is a direct tie. Higher per capita income equals a lower federal Match. Louisiana will move from an 80% match this year to in December of 2010 when the stimulus ends Louisiana will go from an 80% match to 63% which is 17% drop and comes out to a \$700,000,000 loss and we lose the stimulus which is 368,000,000.

Beginning July 2010 Louisiana will lose 140 million of disproportionate hospital funding. This funds public hospitals. The combined impact is a 1.2 billion loss. The FMAP is the one to focus on since it is the largest and we believe directly a result of the storms.

Secretary Levine has met with Sen. Landrieu and the Governor. She is going to take this up to the legislature. He has also traveled to Washington and met with the Louisiana Delegation they are concerned and have signed onto letters to HHS (Health and Human Hospitals.) Secretary Levine also met with HHS and they informed that it must be a congressional fix. Senator Landrieu is taking control.

Secretary Levine has met with the provider groups to have them work with lobbyists and he has also hired lawyers to draft a bill. Florida, Alabama, Mississippi, Texas and Iowa have all been impacted by this. Those states could amend the bill to include them. This is relevant because there are representatives on the Finance Committee.

This is not a healthcare issue. There are no cuts that can be made to offset this problem. Large programs or a large amount of people will have to be cut from Medicaid as has been done in California. Louisiana's prescription drug program is \$550 million which is state and Federal. 70-80% is federal and to offset you would have to eliminate prescription drug coverage.

Secretary Levine will need you to contact people at some point and even make trips to Washington to speak loudly on behalf of this issue.

Mr. Reily stated that he will be as persuasive as they can. The other issues which are noted. The whole in funding for the New Orleans clinics this seems doable with the funds the LRA will allocate. Is there some way the LRA can be helpful in this? The LRA can be helpful.

Secretary Levine stated we have a three year 33-35 million grant for Primary care access and stabilization and we have 91 clinics who are serving about 150,000 about 40,000 are mental health visits. This is a huge impact. The state is number 1 in the country in moving into certified medical homes. When that money goes away it will be a problem for the clinics and the hospitals. The waiver which was sent to DC will move some funds for this program. However there are not many waivers which are being looked at in DC at the Moment. The grant expires October 2010 and along with everything else I am not sure what you all can do.

Secretary Levine is open to discussions regarding this and the grants go through his office of primary care.

Senator Murray asked about the stimulus dollars and how can Louisiana ask Washington for help and blast them as well. Especially when Washington is in the middle of the health care debate, why would they sign a waiver on anything?

Secretary Levine stated the waiver actually helped us because the waiver delayed the actions of HHS to come and collect the disallowances.

Senator Murray asked how long had the Disallowances been around?

Secretary Levine stated that they were around for 10 years however they were actually going to begin collecting them and so the waiver really helped them. On the subject however they were actually going to begin collecting them and so the waiver really helped them. On the subject of healthcare reform, Secretary Levine and Governor have never not welcomed the Medicaid stimulus money. On the FMAP we are not asking for more we are asking them to not take away what we have.

Senator Murray stated that we are sending mixed messages out. Why are we only talking to Senator Landrieu why are we not talking to Senator Vitter?

Secretary Levine stated that the whole delegation is working on this but the political reality is that Senator Landrieu's party is in the majority and she is spearheading the movement. She is going to be a key vote. Also the secretary clarified that the whole delegation is on board.

Mr. Rainwater noted that the Governor asked Senator Landrieu to take control and she will be the driver. The delegation meeting is next week and this will be discussed.

Secretary Levine noted that the whole delegation is on board and they are all on board with Senator Landrieu because of her position in the Senate.

Mr. Gill is referring to the chart and assumption that the income is growing we need to get an idea of what the economics will really look like. He is not sure that this reflects the reality. The gap could be larger. He suggests we look at the data further.

Secretary Levine stated that the bill noted that if there is a federal disaster in your state and your per capita income spikes then the department would set aside the routine calculation and keep you on the same projector. How do you take out the effect of the storms? There is no way to do this because one dollar is hitting all industries. The bureau of economic analysis did not change calculations but stated that they attribute much of Louisiana's growth to the hurricane. This was positive for us because the HHS (Health and Human Services) wanted to say it was from the amount of low income people left New Orleans.

However this did not argument from HHS did not stand because there was an increase in Medicaid and the median income was not effected it went up. Louisiana is the second highest rate of poverty in the state. State Secretaries always believed that this is a flawed formula and should be based with the poverty level. Now that there are more states than just one affected by it there is a chance that this will be changed.

Mr. Leger asked to have the per capita income clarified. If per capita income would have continued to grow instead of the drop and then a shot up after Katrina would that be similar to the rest of the country such that the FMAP would not have caused a significant adjustment?

Secretary Levine confirmed Mr. Leger's question.

Mr. Leger then asked if the per capita income had dropped relative to the rest of the country we would have receive a larger match.

Secretary Levine confirmed this question as well.

Mr. Leger then asked because of the stimulus package we received an increase on top of an increase for the short period?

Secretary Levine stated that the stimulus allowed us a hold harmless on the money.

Mr. Leger then asked how did this compare to other states?

Secretary Levine stated yes, but if you note how large the drop would have been the stimulus helped us because of the hold harmless. The stimulus has helped in terms of Medicaid. The timeline: Now our FMAP is at 72% and it would have dropped this October to 77% and then in October 2010 when we drop to 63% and then three months later we lose the stimulus. So in the interim it has helped.

Mr. Leger stated now we have allocated and spent 10 billion of CDBG and another 20 billion from insurance have artificially flooded the economy. Another issue is that we do not have the extra money as other states such as Mississippi have to move around. The LRA did prioritize 300 Million to medical corridor in New Orleans with LSU and whomever else is going to be involved and a commitment have this in New Orleans. It sounded like two months ago that the deal was done and now it is undone. There is not a more important thing than this facility not for medical needs but for economic needs.

There is fear that this deal is past the point of no return. No special interest groups and private entities should block it. This must be done. I encourage you Secretary Levine and the Governor to get involved and to get this done.

Speaker Tucker stated that he agrees that this is the most important decision for this state. He also stated that there has been no one who has been more involved than Secretary Levine to work for a solution. He believes that the issues will be addressed fairly shortly. On the graphic, when the budget was passed what was the percentage we passed for the 2009-2010 budget?

Secretary Levine stated that for the first three months it was 71% and then moves to 67% in October 2009 for the rest of the year. The plan was to take the stimulus and make an expected budget. The stimulus was given in February 2009 and the budget was due in March 2009 which did not leave much time. So Secretary Levine estimated how much stimulus was received and estimated how much was needed depending on expenditures. The legislature went the conservative route and took half of the stimulus which Louisiana expects to receive and we are spending all of the money but it freed up the state general fund and moved that money to another pot of money which will be used in the Budget beginning July 2010. This was important because the whole will be filled. There was a conference call after session in early July where states and CMS. There was a place in the stimulus where states could not put stimulus money in a rainy day fund. Louisiana interpreted this as we are putting the money during the stimulus but not immediately. However, the call indicated that you have to spend it immediately. Louisiana spoke loudly on the call and said that it was not fair to change this after all of the budgets were discussed.

There is a dispute and a worry that if they send auditors out they could find that Louisiana is using the money the wrong way. However, there will be several states that are having this problem.

Speaker Tucker thanked him and said this comes into play with the allocations but we are fighting an uphill battle with the Feds and requested Secretary Levine to map out a worst case scenario for both the LRA and the legislature. That will effect what we will decide.

Secretary Levine stated he is currently working on this through their budget.

Mr. Volker requested to move the Briefing of the New Orleans airport up next.

Briefing on the New Orleans Airport

Mr. Dan Packer, Chairman of the New Orleans Aviation Board thanked the Chairman and is here to mention three critical life safety supports of the airport. The airport is funded by the City of New Orleans but its benefits are mostly accrued to the City of Kenner and St. Charles Parish. There is about \$600,000 which goes to the City of New Orleans and millions which go to Jefferson and St. Charles Parishes. This is the flagship airport out of the 60 airports in Louisiana. Louis Armstrong Airport is at the center of the economic triangle between Slidell New Orleans and Baton Rouge.

Passenger facility charges are the main source of funding. We have 300 Million planned to be spent in the next years. During Katrina it served as triage center where over 27 babies were delivered.

Katrina was the worst type of Entergy black out. The onsite generation was not sufficient for the needs of the airport at that time. The utility building will cost about 17 million and will supply 1/3 of the building with power. The building will house generators and ventilation and emergency water supply.

Also, we are updating the aircraft rescue and firefighter station which will cost 10.3 Million. The FAA standards have changed on their requirements and the Airport needs to be up to these standards.

Lastly, the Airfield lighting Vault must be updated. For some reason the vault was put on the outside of the fence and we need to move it and update the lighting controls for the entire airport. It will cost 3.5 million dollars.

Senator Murray requested an update on the progress of the airport since the storm.

Mr. Packer stated that in 2005 before the storm, the airport was at 10 million passengers and currently we are at 8 million. Therefore the airport is working at 80%. However it is a different population than before. Now there is more of a working travel coming in and out of the airport than a leisure travel. Though as the tourism industry comes back we believe the numbers will change.

Mr. Reily asked Mr. Rainwater if there is a pocket we can use here. Clearly the Utility building we can use.

Mr. Rainwater stated that the LRA is going to bring the Board a report on each project and their budget in September so the Board can take a look at where the funds are being spent. This way dollars can be reallocated and create a list of projects we can incorporate. Speaker Tucker mentioned earlier and the resolution was passed that any extra dollars can be spent in the top six damaged parishes so the economic development fund we have not touched on 40 million. After looking at all of the programs such as Small rental and long term Community Recovery Program, we can then come back with some priorities of where to spend money.

Mr. Reily stated that it seems logical to spend funds to have the ability to keep the airport open during a natural disaster.

Mr. Rainwater agrees with Mr. Reily and believes that some of the projects should be able to fit into recovery dollars.

Speaker Tucker wonders is there an opportunity for a FAA match of some sort with these projects.

Mr. Packer has already vetted these projects to the FAA and the airport is at the end of the rope. The FAA is more focused on the mechanical part of the airport.

Speaker Tucker then asked if the DOTD stimulus dollars could be used for this.

Mr. Packer has been to the above departments and has not received anything.

Speaker Tucker then questioned the lighting vault's location on the outside of the Fence and the cost effectiveness of just moving the fence to include the vault.

Mr. Packer stated that the airport makes the lighting vault work however it needs to be fixed and the controls are antiquated. He agrees with Senator Tucker that it would be cheaper to move the fence to include the vault but the Vault needs to be updated.

Mr. Gill stated looking at the allocations of the funds how much is needed for emergency preparedness and how much is for everyday business use and how much is for future growth planning, and how much of this is lack of maintenance and repair because of lack of funding.

Mr. Packer stated that the standards have changed for the FAA and these changes are to make the airport better. The utility will make it better and faster. One contract has been awarded (firehouse) due to the change of standards. Katrina showed us what the airport was capable of and it was a success during the storm and it also showed what needed to be changed.

Mr. Gill stated to look at the operating business model so that the airport is not in this predicament in the future.

Mr. Packer stated that the airport is comparable to most other airports of its size and the airport will make these changes regardless of where the funding comes from. The operating model is based on passenger facility charges which are a standard operating model for most airports.

Mr. Leger stated much of the money has already been allocated and some that can be adjusted but are restricted by HUD. He also asked Mr. Rainwater to look to see if the utilities could be allocated to Hazard Mitigation. Also, we need to see what available funds there are. Again the constant complaint is that there is not enough money for Economic Development from the Federal Government. For example the Zyphers' Complex had over \$1 million dollars worth of damage from the Federal Government's use of

the facility. Counsel has advised as we can bill the government for their usage which has not been done. He also stated that the city of New Orleans and Jefferson Parish and other surrounding parishes have large amounts of money and wonder if the airport has gone to the parishes.

Mr. Packer stated he has gone to the parishes and has a close relationship with them will continue to talk and ask however it is uncertain on the opportunities.

Mr. Leger suggests to also look into Gustav and Ike Funds as well.

Mr. Packer stated that they have billed the Federal Government for all of the funds they could.

Mr. Reily stated that Mr. Rainwater does not believe that Hazard Mitigation will work on this project due to the nature.

Mr. Rainwater agreed with Mr. Reily but did suggest that there is a generator project through DHH and GOSEP which could possibly help on that end.

Mr. Packer stated that the utility building will be hardened and elevated so therefore it might be a possibility to look into Hazard Mitigation. .

Mr. Rainwater agreed.

Mr. Rainwater recommends we suspend the rules and vote on the action items which then will call for a roll call.

Mr. Reily moved to suspend the rules. Mr. Leger Seconded the motion.

IX. ROLL CALL

Mr. Volker stated it has been moved and seconded to suspend the rules and we will have a roll call.

Roll Called Board Members Present

Mr. Nick Gautreaux

Mr. Jas Gill

Mr. Ray Lasseigne

Mr. Walter Leger

Mr. Roy Martin

Senator Edwin Murray

Mr. Sean Reiley

Mr. John Smith

Speaker Jim Tucker

Mr. David Volker

X. ACTION ITEMS

Resolution to approve Action Plan Amendment 2 for 2nd Allocation on Hurricane Gustav and Ike

Mr. Rainwater stated that Ms. Keegan would explain the details however he reminded the board that the plan is already executed. We received a \$438 million allocation from HUD and Mr. Bowman has worked

with FEMA and HUD. The total allocation is \$1 billion dollars. We submitted for the 800 Million. The approval today is the technicality of the 628 million. Terrebonne parish's plan has been received and reviewed. The top 10 parishes and focused on them. The Agriculture commissioner is allocating his plan. There was \$ 54 Million dollars allocated to Agriculture. They are spending them down. It is important to get this approved.

Mr. Leger motioned to move forward to vote on the Action Plan Amendment 2 for the 2nd allocation of the funds for Hurricanes Gustav and Ike. Senator Nick Gautreaux seconded the motion.

Final Approval of Action Plan Amendment 2 for 2nd Allocation on Hurricanes Gustav and Ike.

RESOLVED, that the Board approves the Action Plan Amendment 2 for the 2nd Allocation of funds from Hurricanes Gustav and Ike.

Voting: Gautreaux, Gill, Henning, Lasseigne, Leger, Martin, Murray, Reily, Smith, Tucker, Volker

Discussion and Consideration of Resolution to approve Lafourche Parish Road Home Property Disposition Plan

Ms. Keegan stated this is the last Parish which needs to be approved for the Property Disposition Plan under Louisiana Land Trust. The Parish Plan is submitted on how to dissolve the properties.

Speaker Tucker asked for some additional detail on the plan.

Ms. Keegan stated that the plan is to dispose to local neighbors in the "lot next door" , the parish will keep some and there is a requirement for affordable housing of 24%. Mike Taylor can elaborate if needed. Also they may choose to auction off after.

Speaker Tucker asked why they were not Auctioning off immediately after the lot next door after the success in Jefferson Parish. He has argued for this auction process since it was so successful. Rep Tucker questioned if other parish plans should be modified.

Mr. Mike Taylor, Louisiana Land Trust stated they have discussed this and expand the model and auctioneers are available to maximize the return to the parishes. Plaquemines will do the next Auction and Louisiana Land Trust (LLT) will handle the auctions by sealed bids. However after Jefferson Parish success, this will be brought to other parishes.

Speaker Tucker stated the interesting fact is that there is no minimum bid unlike Orleans Parish where there is an appraisal and a minimum bid. Is this correct?

Mr. Taylor confirmed that this was correct. Every parish develops its own plan and it directs how the properties are disposed. Orleans has the stronger Lot next door and developments with nonprofits and for profits. There will be an auction at the end.

Speaker Tucker asked how long the lot Next door has been in place in Orleans Parish

Mr. Taylor stated that it has been in process for months and trying to work with neighbors who are owners. As demolition process revs up, NORA is contacting more neighbors.

Ms. Keegan informed Speaker Tucker that there was an RFP done to have the Lakeview properties dine and it was wildly successful. The properties has a purchaser, however they must be demolished to avoid environmental regulations.

Speaker Tucker stated we had missed the deadline on the environmental.

Ms. Keegan noted that was the specific environmental from HUD and the no action insurance was not extended for Orleans Parish.

Speaker Tucker believed that was the same environmental.

Ms. Keegan noted that it was a different process. Environmental from CDBG is just looking to see if it is known how the process will be used if the properties were not demolished first. So they have to be demolished first.

Mr. Tucker stated his concern is that there are 60,000 homes which do not have power that did the day of the storm. The problem with New Orleans is you do not know what is going on in each neighborhood and this is where the auction process would be beneficial and would get the economy up and running. In Lafourche, the auction should also be looked at due to its success in Jefferson

Ms. Keegan noted that there is concern on the Blight problem of the 60,000 homes in Orleans Parish and St. Bernard. We have asked for the ability to use the 3rd allocation to help this property. Also, there are only 4000 4500 which LLT owns which are out. The LLT can lead.

Speaker Tucker noted if a process could be in place for the 4500 properties in the next 12 – 18 months through auction.

Ms. Keegan noted that NORA has 1000 properties ready go to they just need to be demolished and Mr. Taylor is working on that.

Mr. Taylor agrees with the auction model.

Speaker Tucker noted that Lakeview was nervous on what the properties were going to auction off for. Therefore Jefferson should be an example and calm any fears. Should move faster

Mr. Leger stated he is Chairman of LLT and would like to compliment the LLT on a very complicated situation. It is really the local government's decision and there is a different situation in St. Bernard and Orleans who have about 8000 total properties and Jefferson which had a small section of maybe a couple of hundred. In St. Bernard, the parish can take the properties and Green spacing them around canals, expand playgrounds. Then they will move to the lot next door and then the decision is auction. Then NORA and St. Bernard are watching to see what the impact of putting these properties on the market. However the fear is there might need to be different approaches to each neighborhood.

The LLT is the guiding light on properties in neighborhoods. Also, the 50,000 The LLT has seen the impact of the Road Home Properties in these neighborhoods. Most of the option 1 homes are waiting to be rebuilt. The Adjustment of the compensation gap of the Low to Moderate Income homeowners should also help this situation. The staffs of the LLT and LRA are watching closely so we can get these homes rebuilt. The covenants state that there are three years for an owner to be in the house. Some are running out of time. The real issue is where are the gaps? And what are the gaps? And how can the homes fixed?

Mr. Rainwater stated that the third allocation will cover the gaps.

Speaker Tucker said the sooner we get out of property owner business it is the better. Speaker Tucker would like to see this be handled quicker and the auction method used.

Senator Murray stated that NORA and LLT are doing a great job. The properties are much being upkept.

Mr. Volker moved to approve the Lafourche Parish Road Home Disposition Plan. The motion was seconded by Senator Edwin Murray.

Final approval of the Lafourche Parish Road Home Property Disposition Plan

RESOLVED, that the Board provides final approval of the Lafourche Parish Road Home Property Disposition Plan.

Voting: Gautreaux, Gill, Henning, Lasseigne, LeBlanc, Leger, Martin, Murray, Reily, Smith, Tucker, Volker

XI. CONTINUED EXECUTIVE DIRECTORS REPORT

Mr. Rainwater is now continuing the executive Report.

August 17, 2009 Secretary Napolitano and Craig Fugate and Janet Woodka that SUNO that an additional 32 million will be given to SUNO, which was a goal for the anniversary last year it was decided.

August 20, 2009 Senator Maxine Waters will be down to discuss the FEMA arbitration panel. It is an Independent panel which will be binding. Any project over 500,000 is eligible for the panel. Charity will be the first for the arbitration panel. The state and FEMA will present the information and the panel will make a decision in 60 days. This is will be the answer. Also the sewage and Water board might go ahead. FEMA will publish the procedures on August 31, 2009

1700 households are still in trailers. There have been no evictions. 408 trailers have been sold and there is a rebate. Amanda Guma has a very good relationship with FEMA.

A safety net was created for Rapid Rehousing with DSS for \$7 million. \$5million dollar contract was given to HANO to assist them to provide case management. Stimulus dollars have been used \$26 million and we having housing vouchers utility assistance which allows trailer homes to be targeted.

DCMP (Disaster Case Management Pilot Program) 9.5 million received from FEMA. 3000 households will be served. The RFP will launch late this month.

2 Housing outreach fairs were held in July and 14 will be held in August. The staff hopes to reach out to over 800 families

Mr. Rainwater briefed Secretary Donavon on the Disaster Housing Assistance Program. The secretary understands it is moving slow. The closeout will be extended out for two months. There are safety nets in place with DSS. It will aid thousands of families as they move to permanent housing.

On Gustav and Ike, HUD approved Action Plan Amendment 1 on July 24, 2009. The second Action Plan Amendment was approved by the Board today and will go to Joint Budget next Month. 10 additional parishes will receive funding.

3 Parishes have submitted plans. Terrebonne has been approved. Cameron Parish has a partial approval. Currently, the office is in the process of reviewing Vermillion Parishes proposal. 40 Cooperative Endeavor Agreements have been approved 13 have been approved by Office of Contractual Review.

The Coastal projects have been approved and there has been a first round of screening.

The Agriculture projects are very popular. There are 434 applications which are in. The farmers are excited of this.

Parish outreach is very high. The staff is reaching out weekly in 53 parishes to have them understand the issues and how the dollars can be moved.

For Gustav \$502 Million obligated and \$312 paid out and for Hurricane Ike \$89 obligated and \$48 million has been paid out. For Katrina and Rita in the first quarter of 2009, \$224 million was paid out and \$373 million in the second quarter bringing the total to \$617 Million as of June 30, 2009.

Express pay is up to \$775 Million. When the invoice hits it is paid in 5 days. It is a huge difference in cash Flow. We have processed 3,830 RRF's from January to June 2009.

CDBG put out \$485 Million in the first quarter of 2009 and \$185 million in the second quarter.

Road Home Data there are 124,504 closings and 7.9 billion disbursed the average award is \$64,055. From Jan – June 3000 closings and transitioned to the new contractors and 464 million dollars. The appeals process has been changed and this has made a large difference.

5000 out of the 16000 closings were the correct amount. Appeals were opened again and HUD has advised to keep the program running and to stick with it.

29,715 homeowners are eligible for the elevation program, 28,831 elevation disbursements have been awarded and \$834.9 million has been distributed.

HMGP Elevations we have 22,660 interested applicants and 14,182 files being worked. There are 66 homeowner mid-point payment made totaling \$1.23 Million. Environmental have been slow and the first real construction project is Saenger Theatre. It is moving slow.

Louisiana Land Trust Demolition Program has put together demolition bid packages. There are 153 demolitions complete in St. Bernard, 48 complete in Jefferson, and 9 complete in Orleans.

For the Small Rental Program there are 5,851 active awardees with 889 rental closings with a total rental award amount of \$73.35 Million which produced 1,439 affordable units.

LIHTC/CDBG Piggyback Program has awarded 57 projects total for \$596 Million and created 8,165 units. From January – June 2009 9 developments were completed and 1,260 units were produced with 598 of that being affordable. As of August 14th there were 11 developments completed for 1,525 units produced with 738 of them being affordable.

For long term Community Recovery Program from January – June 2009 in Orleans there have been 22 projects for \$112 million. In Vermillion there are 8 projects for \$7.6 million. In Iberia there is 1 project for \$615,667.00. Also Washington parish has 2 projects for \$2.2 Million and Tangipahoa has 1 project for \$625,000. Lafourche has 1 project for \$750,000; Jefferson has 9 parishes for \$12.7 million; St. Bernard has 2 projects for \$46 million; Plaquemines has 1 project at \$1million dollars. Calcasieu has 1 project at \$5.3 million dollars; and Cameron Parish has 1 project at \$3.8 Million. As of August 14th the total Long Term Community Recovery Program is \$422.9 million

Alternative Housing Pilot Program has 287 Units in New Orleans (100 in Algiers, 100 on infill sites over the area, 27 single family homes in Westwego, and 60 in the Treme Neighborhood); 42 Units in Baton Rouge, and 82 Units in Lake Charles.

Jackson Barracks has 93 Single Family Units which will be completed by August 31, 2009.

Senator Gautreaux noted that the Disaster DCBG funds Caddo Parish received 438 Million. He assumed this is a mistake.

Ms. Keegan confirms that that is a mistake and it is for Calcasieu Parish.

Chinese Drywall Update

Ms. Keegan, Mr. Richard Gray from the Office of Community Development, Randy Noel and Mr. Kothe all will report on Chinese Drywall.

Senate Bill 167 the LRA was asked to agree to put 5 million in Chinese Drywall. The Action Plan Amendment is not ready we hope to have it for the September Board Meeting. Chinese Drywall is a serious problem which is affecting the health of numerous families. There are serious questions on how it is tested and remedied.

Mr. Randy Noel from the housing task force, notes that there are families who are having Katrina II. The Homeowner association found this in 2006. The National Homebuilder Association has a Chinese Drywall task Force. Mr. Kothe is the president of this task force.

The Bill is for at least 5 million this will not cover the tip of the project. Remediation which is being done in Florida is costing at least \$100,000-\$125,000 per home. All material has to be removed to the bare walls and then putting it back together. It is a timely thing. China is not helping with the problem.

NAHB is forming a test to see if a home has it. If there is “Made on China” on your house, then according to the marketplace your house is worthless. There needs to be a test to verify the drywall. Also, funding is

needed to then move the family out of the home and complete the 60-90 day project of reconstruction and remediation.

LAHBA (Louisiana Home Builders Association) is working on a solution for Louisiana. \$5 Million is not going to dent this problem. The drywall was used because of the demand due to the hurricane. We believe we might have 3800 homes as a guess that have Chinese Drywall. DHH is soliciting the numbers and they have had around 500 calls.

Mr. Ray Kothe stated that the taskforce talked to remediation experts then, congress mandated the CDC, EPA and Consumer Protection Safety Commission to create testing which was to be in place two months ago. Mr. Kothe met with Senator Nelson from Florida and Senator Landrieu and they have formed a caucus. The CPSC report had some holes and the task force came up with a 15 items for the CPSC to check for. There is not a protocol for testing or remediation. The congressional delegation is going to push it through. He is waiting on a response for this.

Mr. Volker asked how large the problem was.

Tampa had the largest import followed by New Orleans and then Virginia. 22 States have complained of the problem. However Louisiana has a significant amount of homeowners who were not builders who used the product will need the most assistance. There were about 890 complaints registered nationally.

Mr. Leger asked of the calculations on the entry through the Port of New Orleans.

Mr. Noel stated 3800 homes' sheetrock came through the Port of New Orleans.

Mr. Leger asked the Chairman to have Mr. Becnel who is an attorney give some light on the situation.

Senator Murray asked how the issue came to the LRA. So, the \$5 Million includes the remediation and living costs.

Mr. Rainwater noted that the LRA became involved because the issue came up to help Road Home applicants who have the dywall. Therefore, the LRA set up \$5 Million. This was put in the legislation and the LRA is looking into how to help the situation.

Senator Murray stated that some Mortgage Companies and Insurance Companies are paying for the removal and remediation of the drywall due to the inspection process which occurred during the rebuilding of the homes. Is this large scale

Mr. Noel stated that insurance companies mostly jumped on "pollution exclusion" there are some companies who are having help for them. The mortgage companies are forbearing some payments since they have a stake in the home.

Mr. Kothe noted that there is some commercial buildings as well.

Mr. Noel noted this is largely found in the suburbs of New Orleans of St. Tammany and Jefferson.

Mr. Leger noted that The LRA has spent Federal dollars and it is pertinent to see if there is any way the LRA can help them to get into their house.

The chair recognizes Mr. Becnel the attorney who is involved in the litigation nationally on Chinese drywall.

Mr. Becnel states that the defense attorneys say it is a \$15 Billion to a \$25 Billion which is nationwide. Mr. Becnel represents people all over Louisiana who have it everywhere. There is evidence that there are whistle blowers who knew the sheetrock was contaminated. He has had toxicologists in the homes he represents. The health implications are horrific. The distributors, homebuilders, and manufactures will be put out of business. There are trials set for January.

The Chairman asked what Mr. Becnel wishes of the Board to do for him.

Mr. Becnel is asking the Board to let these people have money to get the kids and the families out of the home to avoid a health crisis. The toxicologists are noting these implications.

Mr. Volker noted that Mr. Becnel would like the Board to allocate funds to have people moved out of their home.

Senator Murray asked if there was a state by state breakdown of the \$15-25 Billion

Mr. Becnel noted that there was not.

Mr. Leger noted that he believes that the money we have is limited to Road Home Recipients. Therefore if Mr. Becnel could get those numbers to the board it would be appreciated.

Senator Murray asked if Mr. Becnel could track this.

Mr. Volker asked if he could bring some additional information on the homes so the board can then go to HUD and asked for the funds.

Update from the Southwest Task Froce

Ms. Keegan noted there was a meeting in June. There was a request on the continued the debris removal which Mr. Van Orsdel is more familiar with the issue. The resolution here is to have the staff work with the Texas and Mississippi colleagues

Mr. Rainwater noted that Marine Debris is the problem area. There is some progress in Cameron parish. The challenge is delineating between what is Ike debris and what is Rita debris. The federal agencies allocate to the agencies to remove "Ike" debris and not "Rita" debris. The hold is to make sure that only hurricane money is spent to recover hurricane damage.

Mr. Van Orsdel stated that we are pushing to FEMA, and we are going to use some CDBG dollars to "prove the need". GOSEP is working closely on this. The state is divided into Regions and it is been pushed to FEMA to clean all the areas together.

Mr. Gill worried on the drywall and believes there needs to be a definition on the problem and the grant standards and procedures to check the responsibilities. There needs to be much more education on this. The health implications are staggering. The whole issue needs to be looked at.

Senator Murray recalled if the Road Home had inspected the homes then there would be larger implications. However, since *was* changed then we do have some moral duty to help these people.

Mr. Leger noted that the banks would have been responsible. However now there is now some foreclosure. Also a comment on Mr. Gill's note that there must be facts and the facts must be proved.

Mr. Noel noted Hydrogen sulfide, Carbon disulfide and Strontium are the components. The EPA has tested this. There is coal power plant which kicked off the ash is used to make the drywall. It is attacking the metals and the key is the air conditioner coils are the key if they go out. Then the chance is large.

Senator Murray noted that it was going to be hard to find anyone in China to serve with papers and how is there accountability.

Mr. Noel noted that Noff a German company worked with the Chinese on this and we are looking into the 4 plants with them.

XII. UNFINISHED BUSINESS

There was no unfinished business.

XIII. NEW BUSINESS

There was no new business.

XIV. PUBLIC COMMENT

There were no public comments

XV. ANNOUNCEMENTS

There were no announcements

XVI. MEETING ADJOURNED

Meeting is adjourned at 12:45 pm.