

LOUISIANA RECOVERY AUTHORITY
Board of Directors Meeting
Baton Rouge Community College
Louisiana Boardroom; Louisiana Building
Baton Rouge, LA
Tuesday, February 12, 2008

DRAFT MINUTES

I. CALL TO ORDER

Dr. Norman Francis, chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:35 a.m. at the Baton Rouge Community College 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

Ms. Linda Johnson led the Board in prayer.

III. PLEDGE OF ALLEGIANCE

Dr. Francis led the Pledge of Allegiance.

IV. ROLL CALL

Ms. Fay Ayers called the roll.

Board Members Present:

Dr. Norman Francis, Chairman
Ms. Kim Boyle
Mr. John Brewster
Mr. Rene Cross
Ms. Donna Fraiche
Mr. Tom Henning
Ms. Sibal Holt
Dr. Alex Johnson
Ms. Linda Johnson
Mr. John T. Landry
Mr. Walter Leger
Mr. Chet Morrison
Mr. Sean Reilly
Mr. David Richard
Mr. John E. Smith
Mr. Dennis Stine
Senator Sharon Weston Broome

Board Members Absent:

Mr. Walter Isaacson, Vice Chairman
Rev. Harry Blake
Mr. Boysie Bollinger
Ms. Donna Brazile
Senator Joel Chaisson
Mr. Tim Coulon
Mr. James Davison
Dr. Calvin Mackie
Ms. Mary Matalin
Rep. Karen Carter Peterson
Mr. Virgil Robinson
Mr. Matt Stuller
Ms. Susan Taylor
Rep. Jim Tucker
Mr. David Voelker

Staff Members Present:

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| Mr. Paul Rainwater | Mr. Kimon Ioannides |
| Ms. Anita Anderson | Mr. Wil Jacobs |
| Ms. Fay Ayers | Ms. Kim Jupiter |
| Ms. Lynn Bankston | Ms. Robin Keegan |
| Ms. Krystle Beauchamp | Mr. Adam Knapp |
| Mr. Dave Bowman | Mr. Ty Larkins |
| Ms. Lindsey deBlieux | Ms. Kristen Parnell |
| Ms. Laura Deslatte | Ms. Marisa Robertson |
| Ms. JoAnn Early | Ms. Christina Stephens |
| Ms. Sandra Gunner | Mr. Kris Van Orsdel |
| Ms. Desirée Honoré | Ms. Alesia Wilkins-Braxton |

V. EXECUTIVE REPORTS

Chairman of the Board Report

Dr. Francis commented that the entire state was impacted by the hurricanes and the recovery will take more years than we originally thought. Faith, courage and hard work have brought us to where we are today; we have made great strides in recovery. We are building stronger, smarter and safer, and Governor Bobby Jindal has pledged his support to the recovery effort. Governor Jindal issued an Executive Order that provided more authority and responsibility to the LRA. We have a good working relationship with Mr. Mark Cooper, Director, Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP). We need to move the resources to the cities, parishes and the schools.

Dr. Francis introduced Mr. Paul Rainwater, the new Executive Director for the LRA.

Executive Director's Report

Mr. Paul Rainwater, Executive Director of the LRA, said he was excited to be here. He did not hesitate when asked if he wanted to return to Louisiana. There are many challenges remaining and we need to push through the shortcomings. We need to help the parishes and we will put together metrics so we can measure our progress. Governor Jindal is serious about recovery.

Mr. Rainwater congratulated Dr. Francis on being declared the *New Orleanian of the Year* by the Gambit Weekly. He congratulated Mr. Walter Leger and his son for saving three people when their boat capsized on Lake Pontchartrain. Mr. Tim Coulon was congratulated on his reappointment to the Superdome Commission. Dr. Alex Johnson will be moving to Pennsylvania, and he was thanked for his contributions to the Board. Mr. Matt Stuller was acknowledged for his crowning achievement as the King of the Greater Southwest Louisiana Mardi Gras Association.

In other good news, President Bush announced that New Orleans would be the host city for an International Summit scheduled for April 21-22, 2008.

Mr. Rainwater explained that he is now the Governor's Appointed Representative with regard to hurricane recovery. We will leverage the GOHSEP staff, so additional employees will not be needed. A management committee has been formed with the two agencies, and they will look at good ideas, implement them and ultimately speed up the recovery process. We are working together to get funding to the local communities.

Some of the New Orleans LRA staff has been embedded into the City of New Orleans to increase strategic planning capabilities. There will be some reorganization within the policy and implementation staff. The LRA and the Office of Community Development (OCD) Disaster Recovery Unit (DRU) will be combined into one recovery organization. Additionally, there will be a two-day meeting to discuss the Federal Emergency Management Agency (FEMA)/state relationship. Parish presidents will also be in attendance to discuss Public Assistance (PA) issues that they have experienced.

The Office of State Planning Task Force submitted their final report to the Legislature with key recommendations, including the need for a state planner. This is an opportunity for the LRA to take the lead in implementation of the Louisiana Speaks plan. The LRA is working with the Center for Performing Excellence (C-PEX) to take the plan statewide. Another recommendation of the Task Force was that the plan be implemented within two years.

The fisheries infrastructure grant program is in the process of going through the applications. The review panel will tour the impacted areas on February 13, 2008. Grant determinations will be announced shortly after the review panel finishes its evaluations.

The temporary housing transition is an unbelievable challenge, but we are working with FEMA to get people moved. So far, there has been an in-depth assessment of the residents, and we are working with the Louisiana Family Recovery Corps on this issue. FEMA is looking for funding in order to implement this program, and Memorandums of Understanding will be signed in the near future. We need to give the people the confidence that we are looking out for their best interests.

Mr. Rainwater announced that Ms. Melissa Landry and Ms. Desiree Honore have accepted positions elsewhere. He wished them both the best of luck, and thanked them for their efforts while employed at the LRA.

Mr. Chet Morrison welcomed Mr. Paul Rainwater aboard.

Mr. Sean Reilly welcomed the return of Mr. Rainwater. Mr. Reilly served on one of Governor Jindal's transition teams, and when they turned in their report, the Governor told them they had done a good job and gave them more work. We need to make sure that responsibility and authority match us, and the LRA needed more authority. Once the LRA takes over the PA process, there will be an additional \$3 billion for which they will be responsible.

Mr. Walter Leger noted that it has been 2-1/2 years since the hurricanes and we are still implementing programs and trying to make things happen. He thanked the governor for choosing Mr. Rainwater to take the place of Mr. Andy Kopplin. There is still a lot of work to

be done, and people are still in bad situations. We have an important job, and we take it seriously. We are administering the future of people's lives.

Ms. Donna Fraiche commented that it is fantastic to have Mr. Rainwater back at the LRA. She said a lot of work and money went into the design for where the Louisiana Speaks plan will be housed. She asked Mr. Rainwater to expand on this.

Mr. Rainwater explained that the Louisiana Speaks plan will be housed at the LRA, and that we will be hiring a Director of Planning to ensure that communities get their funding and that it goes to facilities using the new building codes. This planner will be the busiest in the nation.

Ms. Linda Johnson welcomed Mr. Rainwater back to the LRA. She noted that there had been some stumbling blocks, but she is glad to hear about the good relationship between the LRA and GOHSEP.

Mr. Rainwater pointed out that the Executive Order gave him fiduciary responsibilities. There is a framework with flexibility to implement the program. Some people previously at GOHSEP did not look for flexibility, but we are willing to take manageable risks as we move forward. The old policy required that invoices and Project Worksheets have a 45 day review. Now we will pay the invoice and then do the audit. The LRA has been working with the Legislative Auditor on some of the changes and they are helping us through the process to get the funding out quicker.

Ms. Linda Johnson stated that this is very important, and the implementation will now utilize a better process.

Mr. Rainwater commented that Governor Jindal is proud of the work that the LRA has done. We need one recovery organization to work with the citizens, and we want to make sure the citizens understand that we are accountable.

Dr. Francis informed the members that there was a Senate Local and Municipal Affairs Committee meeting in New Orleans on February 6, 2008, to discuss Road Home issues called by Senator Derrick Shepherd.

Senator Derrick Shepherd stated that he was happy to have the opportunity to work together. The Senate Local and Municipal Affairs Committee meeting was very informative and helped about 300 people. The days of adversarial meeting are in the past.

Senator Shepherd expressed concern over two matters. He pointed out that 15,000 people applied for the Road Home program before the deadline and they still have not closed. Also, there have been 5,900 applications to the Small Rental program, and only 520 commitment letters have been sent after Rounds 1 and 2. He said he is working with Mr. Calvin Parker with OCD on an implementation plan because the money needs to get to the banks. The lenders are not accepting the commitment letters.

Senator Shepherd commented that Mr. Al Blankenship of ICF is a man of integrity, but there seems to be a level of disrespect that is being experienced by the applicants. Senator Shepherd asked that understanding and respect be infused into the process. Conflict

resolution is another issue that needs to be addressed. People have not been informed that they need to send a follow-up letter once they check the box that they want to go to appeal. Additionally, the new case management system with the Personal Applicant Liaison (PAL) is a concern because each PAL has 100 files. He agrees with the overall system, but the case file number is too high. He would like to see each PAL with a maximum of 25 files to allow for follow up and accountability. Another recommendation was to hold the LRA Board meetings in New Orleans so the local governing authorities and the citizens can attend.

Dr. Francis thanked Senator Shepherd for his comments and agreed that it would be easier to hold meetings in New Orleans. The Senate Local and Municipal Committee meeting brought out the fact that ICF needs to work with the citizens.

Senator Shepherd commented that ICF should allow for walk-up assistance rather than requiring appointments.

Mr. Walter Leger thanked Senator Shepherd for his comments. He pointed out that Senator Shepherd has been active in attempting to get information for his constituents since the beginning of the program. The Housing Task Force has been meeting regularly and mostly in New Orleans. He added that the Housing Task Force includes members from the Citizens Road Home Action Team (CHAT), the Jeremiah Group, Mr. John Smith from the LRA Board of Directors, and other groups.

Ms. Sibal Holt said she lives in Rapides Parish, and she has heard that some people in New Orleans have received gold allocation letters that no bank will accept. She has heard only two people from her area say that ICF is working on getting them back to New Orleans; people in other parishes have been put in the background. She commented that she is frustrated because she cannot help people.

Senator Shepherd noted that it would be nice to have a recovery center in Alexandria where a supervisor could have authority to offer real assistance. This would alleviate the crunch of people that contact legislators and Board members.

Dr. Francis stated that Mr. Rainwater is aware that this is a management issue. We should be able to get the names and locations of all the citizens. Also, the Board needs to know when things are done.

Mr. Chet Morrison concurred. He suggested that the Board offer assistance in identifying bottlenecks and roadblocks, and come back and report some good news. The Board needs to be close to the front lines rather than getting information from the media. He asked for additional reporting on how individual tasks are accomplished.

Mr. Rainwater said the process needs to be decentralized, and we need a laser like focus on providing assistance to the homeowners. Senator Shepherd gave Mr. Rainwater a March 30, 2008, deadline to address some of the issues.

Dr. Francis explained to the members that there are action items for the Long Term Community Recovery program, the K-12 program, the St. Charles Parish recovery plan, the Road Home property disposition, and technical assistance for code enforcement. He stated

that we would allow for discussion on some of the action items; however, we would vote later in the meeting.

VI. COMMITTEE REPORTS AND ACTION ITEMS

Infrastructure Task Force

Increased Funding for the LTCRP

Mr. John Landry introduced Mr. Pat Forbes, Infrastructure Manager, Office of Community Development (OCD), Disaster Recovery Unit (DRU).

Mr. Pat Forbes presented the resolution to recommend the allocation of \$500 million of additional funding for the Long-Term Community Recovery Program (LTCRP) and \$15 million toward program delivery costs through the DRU, as described in Action Plan Amendment No. 19 to the first Action Plan and Action Plan Amendment No. 6 to the second Action Plan. He explained that he was prepared to discuss implementation. The Action Plan Amendments were opened for public comment in English. Translation into additional languages has not been completed, so the public comment period will continue for 10-15 days.

Mr. Forbes pointed out that the additional funding will be distributed among the most heavily impacted parishes based on a damage estimate formula what was approved at the February 12, 2007, LRA Board meeting. Initially, parishes submitted a prioritized recovery project list. The same conditions will apply for the additional funding, which require that the projects are selected in cooperation and agreement with the impacted municipalities; that the prioritization include broad-based community participation and approval; that the projects are consistent with the LRA's priorities and with regional plans; that the projects include direct benefits to the most affected municipalities and communities OR have the agreement from the elected officials of the most impacted municipalities; that the latest Advisory Base Flood Elevations (ABFEs) and the new statewide building code standards have been approved by the parishes; and, that each project propose a mitigation plan to minimize damage in the event of future floods or hurricanes.

Mr. John Landry informed the members that the coordinated synchronized plans already submitted by the parishes exceeded what was expected.

Mr. Forbes stated that the same CDBG and LRA rules will apply.

Mr. John Smith noted that St. Tammany Parish had submitted a comprehensive plan that exceeded the \$7 million allotted them originally. He asked if the parish will have to appear before the Board with another plan since the new St. Tammany Parish allocation will exceed \$26 million.

Mr. Forbes pointed out that the St. Tammany Parish plans submitted previously should suffice because more projects were included in the plan than the original allocation would cover.

Mr. John Smith asked if the parishes could proceed with projects.

Mr. Forbes said it would be up to the LRA and the Board. The OCD is ready to implement the program and to ensure that the CDBG funds are spent correctly. The planning function rests with the LRA.

Mr. Rene Cross commented that he thought the original lists submitted by the parishes had to be approved by the U.S. Department of Housing and Urban Development (HUD).

Mr. Forbes said that HUD approval was needed. OCD is presently working with the parishes on which projects will be eligible for the CDBG funding.

Mr. John Landry stated that the parishes would not be short of eligible projects.

Mr. Forbes informed the members that Vermilion Parish would not have an allocation in the additional funding.

Dr. Francis stated that the parishes would need to submit an amendment to their original plan that includes prioritization of the projects if they need to include additional projects.

Mr. Chet Morrison asked if OCD had entered into any contracts for implementation. He wanted to ensure that contracts include flexibility, performance measures, and penalties.

Mr. Forbes said they had been struggling for the past two months to get contracts approved. Two firms have been selected to provide services to ensure there are no capacity issues. If one consultant is not doing well, then another is already approved and working.

Mr. David Richard commented that we do not need more bureaucracy, but he encouraged public input into the prioritization of the projects in the parishes.

Dr. Francis stated that public participation is essential.

Ms. Donna Fraiche noted that we are adding funding and we just need to show the U.S. government that we have plans for the funding. The parishes will still have to come back for each specific project to get the CDBG funding.

Mr. Forbes stated that this was correct. HUD just wants to ensure that they do not have to have unused funding returned.

Dr. Francis offered a motion to approve the resolution to recommend the allocation of \$500 million of additional funding for the Long-Term Community Recovery Program (LTCRP) and \$15 million toward program delivery costs through the DRU, as described in Action Plan Amendment No. 19 to the first Action Plan and Action Plan Amendment No. 6 to the second Action Plan. The motion was seconded by Mr. Walter Leger.

Final approval of the Action Plan Amendments for the Allocation of \$500 Million Additional Funding for the Long-Term Community Recovery Program, plus \$15 Million for Delivery Costs Through the DRU, as Described in Action Plan Amendment No. 19 to the First Action Plan and Action Plan Amendment No. 6 to the Second Action Plan.

RESOLVED, that the Board accepts and approves the Action Plan Amendments for the allocation of \$500 million additional funding for the Long-Term Community Recovery Program, plus \$15 million for delivery costs through the DRU, as described in Action Plan Amendment No. 19 to the First Action Plan and Action Plan Amendment No. 6 to the Second Action Plan.

Voting: Boyle, Brewster, Cross, Fraiche, Francis, Henning, Holt, Alex Johnson, Linda Johnson, Landry, Leger, Morrison, Reilly, Richard, John Smith, Stine and Weston-Broome.

Increased Funding for K-12 Repair and Rebuilding of Damaged Schools

Ms. Linda Johnson presented a resolution for approval of Action Plan Amendment No. 19 to the first Action Plan to recommend the allocation of an additional \$47.5 million of CDBG funds to the Local Government Emergency Infrastructure Program for Primary and Secondary Education, increasing the funding to cover additional costs for FEMA-ineligible repairs and expenses to K-12 schools due to damage from Hurricanes Katrina and Rita. She explained that the funding would be allocated using a formula that was previously approved by the LRA Board in July, 2007.

Mr. Paul Vallas, Superintendent for the Recovery School District (RSD), New Orleans, and Mr. Ramsey Green, Budget Director for the RSD, thanked the Board and especially Ms. Linda Johnson for their efforts in getting funding to the schools in New Orleans. Thanks also went to Senator Landrieu for her legislation in Congress that addresses lump sum payments.

Mr. Vallas stated that Mr. Pat Forbes had been working with Mr. Ramsey Green from the trenches to get them the original allocation of \$90 million in CDBG funding. Also, the single payout structure is already advancing funds to the RSD. This will address some of their cash flow issues. He said the RSD initially reopened with a loan from the state and the Minimum Foundation Program (MFP) funding. He informed the members that the master plan would be completed within the next two months.

Mr. Ramsey Green presented some slides on the RSD capital budget funding sources, which include CDBG, FEMA and other sources. The RSD was the first school to receive any funding and they were awarded \$90 million. They are reassessing the project worksheet values as part of a re-versioning process.

Mr. Vallas added that they faced incredible challenges in getting the school buildings back up to speed. The priority is to modernize classrooms this year. The schools may be old buildings, but the classrooms will be updated. The additional funding will allow them to continue to upgrade their classrooms, and help to accelerate the capital projects.

Mr. Sean Reilly thanked Mr. Vallas and Mr. Green for their presentation. He asked how the LRA Board could help.

Mr. Green responded that the Board had already helped. The Governor's Authorized Representative worked with GOHSEP and the Legislative Auditor to get the RSD a line of credit.

Dr. Alex Johnson asked if the funds already allocated had been used for the five new schools that are to be located in the council districts.

Mr. Green explained that this is part of their Quick Start program. There will be one project worksheet for all of Quick Start, and they will pay for as much of those five schools as possible with the FEMA funds. If there is a deficit, then they will use some of the CDBG funds.

Dr. Alex Johnson stated that we need to rectify what we are going to do. We have only been discussing coverage of FEMA-ineligible costs for repairs rather than discussing building new schools. Dr. Johnson offered an amendment to add the word "rebuilding" to the resolution in the fifth paragraph where we refer to the usage of the CDBG funds for the repair "and rebuilding" of primary and secondary schools. There was no objection to the amendment.

Mr. Rainwater noted that normally this action would require a change to the Stafford Act, but thanks to the legislation by Senator Landrieu we have some flexibility. We are looking into rebuilding some police and fire stations this way.

Ms. Linda Johnson offered a motion to adopt the resolution to approve Action Plan Amendment No. 19 to the first Action Plan to recommend the allocation of an additional \$47.5 million of CDBG funds for K-12 repair and rebuilding of damaged schools that are FEMA-ineligible. The motion was seconded by Mr. Sean Reilly.

Approval of the Resolution to Request the Approval of an Action Plan Amendment for the Allocation of an Additional \$47.5 Million of CDBG Funds to Cover Additional Costs for FEMA-ineligible Repairs and Rebuilding of K-12 Schools due to Damage from Hurricanes Katrina and Rita.

RESOLVED, that the Board accepts and approves of the Action Plan Amendment for the allocation of an additional \$47.5 Million of CDBG funds to cover additional costs for FEMA-ineligible repairs and rebuilding of K-12 schools due to damage from Hurricanes Katrina and Rita.

Voting: Boyle, Brewster, Cross, Fraiche, Francis, Henning, Holt, Alex Johnson, Linda Johnson, Landry, Leger, Morrison, Reilly, Richard, John Smith, Stine and Weston-Broome.

Resolution to Approve St. Charles Parish Long-Term Community Recovery Plan

Ms. Krystle Beauchamp, LRA Assistant Planning Director, explained that \$198.9 million had been allocated to the parishes through December, 2007. The proposed total for St. Charles Parish is \$305,968, which will bring the parish total to \$199.3 million. The only parishes that have not submitted their long-term community recovery plans are East Baton Rouge and Livingston parishes.

Mr. Robert Brew, representing St. Charles Parish, commented that St. Charles received more wind damage than flooding and they are recovering quicker than their neighbors. An influx of new citizens has strained the infrastructure. He said their priorities include repair to the East Bank water intake structure; construction of a West Bank hurricane protection facility; establishment of a regional transit system; and, an enhanced community behavioral program.

Ms. Donna Fraiche asked a jurisdictional question. If plans are submitted to the LRA and the Coastal Protection and Restoration Authority (CPRA), then who has the authority to approve the plans?

Mr. Brew commented that he was aware of the plans, but was not sure about the specific details.

Ms. Fraiche added that we are trying to coordinate all the plans, but what if they do not fall under our jurisdiction.

Mr. Rene Cross explained that coastal projects will not be handled through the LRA Board. The Corps of Engineers would handle funding for such a project if it falls under a matching program.

Mr. Brew noted that St. Charles Parish is seeking additional funding from several sources.

Mr. David Voelker explained that the CPRA has Louisiana's Comprehensive Master Plan for a Sustainable Coast that is going through the public comment phase until March 3, 2008. If there is a project that is not in this plan but should be, then it needs to be submitted as a comment before the official submittal.

Mr. John Landry offered a motion to give final approval to the St. Charles Parish Long Term Community Parish plan. The motion was seconded by Mr. Sean Reilly.

Final Approval of the St. Charles Parish Long-Term Community Parish Plan.

RESOLVED, that the Board hereby accepts and approves the St. Charles Parish Long-Term Community Parish Plan.

Voting: Boyle, Brewster, Cross, Fraiche, Francis, Henning, Holt, Alex Johnson, Linda Johnson, Landry, Leger, Morrison, Reilly, Richard, John Smith, Stine and Weston-Broome.

Housing Task Force Report

Resolution on Road Home Property Dispositions

Mr. Walter Leger commented that we would receive a briefing on the status of the Louisiana Land Trust (LLT), and discuss a resolution for approval of an Action Plan Amendment No. 20 to the first Action Plan on Road Home property disposition and the redevelopment process.

Mr. Leger noted that the LLT was created by the Legislature to receive properties in the Road Home program that selected Options 2 and 3.

Dr. Nadine Jarmon, LLT Executive Director, introduced Mr. Raymond Allen, Deputy Director of Operations, and Mr. Terry Walton, who were present with her at the witness table.

Dr. Jarmon said she first came to Jackson Barracks with only three employees; now the LLT has nine employees and a seven member board, and they have three vacancies. After ICF closes on a property, then OCD/ICF turn the properties over to the LLT. She said the LLT portfolio currently consists of 5,154 properties in 23 parishes.

Ms. Linda Johnson referred to some properties listed in East Baton Rouge and Iberville Parishes. She asked if these properties were the actual properties in the program or if they were the address where the people are currently living.

Dr. Jarmon explained that these are the actually properties. She said the two main parishes affected are Orleans and St. Bernard Parishes, followed by Plaquemines, St. Tammany and Jefferson Parishes. There is a gap between the time of closing and the time the properties actually arrive in the LLT portfolio.

Mr. John Landry asked the timeframe of the gap.

Dr. Jarmon responded that LLT is working with OCD and ICF on this matter. Sometimes it takes two months and sometimes it takes longer. The LLT is having trouble getting the closing documents, but they are working to address this issue.

Mr. Sean Reilly pointed out that there are other gaps, such as the gap between the time LLT has the property and the time the property is handed over to the local entity. He expressed concern that the New Orleans Recovery Authority (NORA) will not be ready to accept properties, and the Board needs to be aware of this. We do not want to transfer a mess to NORA.

Mr. Paul Rainwater commented that the LRA is working with NORA on the rules of engagement and how we should move forward. We are looking at innovative ways to turn properties over quickly.

Dr. Francis stated that we need to move quickly; it costs to maintain the properties.

Dr. Jarmon explained that an internal issue is the Action Plan Amendment required by HUD before they can dispose of the first property. She said that Jefferson and Orleans Parish plans have been approved, and the LLT is looking at May, 2008 for the transfer of the first property. She added that their initial assessment of some of the properties has uncovered many problems, such as properties that have been unkempt for a long period of time. Also, the accuracy and timing of the information from ICF needs some work. They have found people still living in the homes after closing, some properties still have FEMA trailers with residents at the property, and there have been over 40 addresses that do not exist. The LLT is working with the Road Home program to resolve data, information, acquisition and ownership issues so we can move forward.

Dr. Jarmon stated that there are two issues with demolitions. They are hoping to get FEMA to pay for the demolitions, as well as for the Increased Cost of Compliance (ICC). LLT does not control either of these, and they are working with FEMA to see if additional funding is available. Demolition is the largest dollar item in the LLT budget.

Ms. Donna Fraiche asked if the LLT knows which Options 2 and 3 properties are coming to them, and when the properties will be coming.

Dr. Jarmon replied that they are outsourcing this activity, since this will only last for three to five years. The LLT is getting ready to let contracts, with options for a one-year renewal. She added that the number of properties has vacillated. Initially, they were expecting a total of 20,000 properties; however, they are now anticipating between 11,000 and 15,000 properties. It is expected that all closings will be completed by September, 2008.

Dr. Francis pointed out the complexity of LLT's role. It is like a football game, and we have to make sure we keep our hands on the ball.

Senator Derrick Shepherd asked about getting people to sign the ICC form at closing to allow FEMA to take care of the demolitions. He said he would offer legislation if there is a problem with the titles. He is aware that NORA will handle the properties received from LLT in Orleans Parish, but what about the other parishes? Also, are neighbors getting the first right-of-refusal?

Ms. Kim Boyle noted that the LLT has an extreme problem beyond keeping grass cut. She explained that some properties look like a jungle, and she expressed her concern with environmental issues and liabilities at the end of the program. We need to make it clear for the record so expectations will be realistic with regard to the timelines. She suggested that we get a monthly report on NORA and their financial capabilities to accept the LLT properties. NORA must have all the resources it needs in order to take on the responsibility of these properties.

Mr. Leger offered a motion to approve Action Plan Amendment No. 20 to the first Action Plan which provides internal procedures and redevelopment policies in order to provide parishes and the LLT with guidance for the disposition of properties acquired as part of the state's disaster recovery efforts. The motion was seconded by Mr. John Smith.

Mr. Leger explained that St. Bernard Parish has more properties that were 100% destroyed, and their resources are stretched to the limit, but they are moving forward. He said it is significant that only 5,000 properties have been turned over to LLT. He explained that this is because ICF had goals to meet, so they did the easiest closings with Option 1. He asked what will happen when NORA drops 5,000 properties on the market. That is why we developed this plan on how to dispose of the properties. There are some factors involved with the revenues once the Parishes sell the properties. The parishes want the program revenues, but flexibility must be allowed. He explained that the overgrown properties will be the challenge. The LLT is trying to set the standard for what should happen in the local communities.

Mr. Sean Reilly asked about CDBG allocations and if those proceeds would be returned.

Dr. Jarmon commented that they are working through this because the LLT was initially a 501(C)3, but there is no longer a grant agreement. They have received a loan from OCD.

Mr. Adam Knapp interjected that the funding came through as a loan for the program delivery costs and for maintenance. This is a direct allocation of the Road Home and is treated as a cost to the program until the property goes to the parish.

Ms. Fraiche asked if there is a map that shows which properties belong to LLT and which properties are still in private ownership.

Dr. Jarmon pointed out that they just rolled out a database. Also, NORA has a database for both LLT and the Road Home by parish. The LLT is working in collaboration with NORA, and they are in the process of implementing a data sharing agreement.

Ms. Fraiche asked about building code enforcement. She's received many comments about the difficulty of meeting the new building code. She asked if anyone was addressing legal issues.

Dr. Jarmon commented that they are trying to bring all the players to one table. The LLT is working with Orleans Parish to use as a model, but there are two issues: they do not want to have to pay property tax and there is difficulty in meeting the new building codes.

Dr. Francis closed the discussion. He went back to the motion to approve Action Plan Amendment No. 20 to the first Action Plan.

Final Approval of Action Plan Amendment No. 20 to the First Action Plan, Which Provides Internal Procedures and Redevelopment Policies in Order to Provide Parishes and the LLT with Guidance for the Disposition of Properties Acquired as Part of the State's Disaster Recovery Efforts.

RESOLVED, that the Board hereby accepts and approves Action Plan Amendment No. 20 to the first Action Plan, which provides internal procedures and redevelopment policies in order to provide parishes and the LLT with guidance for the disposition of properties acquired as part of the state's disaster recovery efforts.

Voting: Boyle, Brewster, Cross, Fraiche, Francis, Henning, Holt, Alex Johnson, Linda Johnson, Landry, Leger, Morrison, Reilly, Richard, John Smith, Stine and Weston-Broome.

Resolution on Reallocation from Technical Assistance to Code Enforcement Activities

Mr. Leger introduced Mr. L. Curtis McCarty, Administrator for the Louisiana State Uniform Construction Code Council, and Mr. Shyam Choudhary, Senior Project Manager for the Louisiana Institute for Building Technology and Safety (IBTS).

Mr. Curtis McCarty explained that in January, 2007, they awarded IBTS a contract to assist those affected by storms with code enforcement. This funding has been instrumental in the recovery effort.

Mr. Shyam Choudhary stated that it is a requirement of the law that a home must meet the new state codes. Many of the parishes did not have the staff to issue permits and perform home inspections. The number of certified inspectors have doubled and tripled, but the work continues in 11 parishes. Four parishes stood out as needing additional assistance: Orleans, St. Bernard, Terrebonne and Plaquemines, so the recovery efforts would not slow down. He asked that the Board members approve the resolution to reallocate \$1.7 from Technical Assistance to the Building Code Enforcement Program.

Dr. Francis pointed out that IBTS really needs \$5 million. Mr. Rainwater is working with OCD on eligible sources of funding for IBTS.

Mr. Dennis Stine asked how the other parishes were handling permits and inspections.

Mr. McCarty explained that there are two other funding sources for other areas of the state that are distributed to those who are not part of the recovery program. Funding was given directly to the departments so they could be sustained. The entire state is working towards this effort. He is trying to educate people, but some departments have been reluctant to issue permits. The goal is for the state to be in the code business.

Mr. John Landry said there were concerns about the permitting process for modular homes. They were certified, permitted and then certain inspectors were harassing the homeowners. He asked if this situation has improved, and whether modular homes were on their radar.

Mr. McCarty stated that education is key. Inspectors and manufacturers have to understand what we are dealing with. There have been questions from all over the state as to how modular homes are being regulated.

Mr. Landry recommended a training seminar so everyone will be informed.

Mr. Choudhary said national monitoring is an issue for HUD, and they are involved and aware of the federal, state and local requirements. IBTS has been working with Mr. McCarty when there have been misunderstandings, but there will be a meeting in the next couple of weeks to address the issue further.

Mr. Landry commented that he wanted to be invited to the training session. There has been a disconnect between the City of New Orleans and the Sewerage and Water Board.

Dr. Francis added that there has also been an increase in the number of modular homes.

Ms. Sibal Holt said she is a contractor and she only has one inspector. She has never been contacted with information on the new codes. She said that the builders should have the information on the new codes before they go into effect.

Mr. Choudhary explained that IBTS tried to educate the contractors in the 11 parishes affected by the hurricanes. The Department of Public Safety is in the process of letting a training contract for training of contractors in several cities. These training sessions will be free of charge.

Ms. Holt asked if she would be contacted through the Licensing Board.

Mr. Choudhary said the contractor will advertise the training sessions.

Ms. Holt stated that the Contracting Board, the Homebuilders Association, and the Association of Builders and Contractors should all be involved.

Mr. Rainwater said some funding had been set aside specifically for contractors, and we will have to track this as we go through the process. He said we are working with the Homebuilders Association, but we need to reach out to the contractors.

Dr. Francis commented that enforcement was a monumental step for Louisiana and for the inspectors and the contractors, so there is some understanding of the costs and dissemination of the information on the building code.

Mr. Walter Leger offered a motion for approval of Action Plan Amendment No. 21 to the first Action Plan for the reallocation of \$1.7 million in CDBG funding from Technical Assistance to the Building Code Enforcement Program. The motion was seconded by Mr. John Smith.

Final Approval of Action Plan Amendment No. 21 to the First Action Plan to Reallocate \$1.7 Million of CDBG Funds from the Technical Assistance Budget to the Building Code Enforcement Program.

RESOLVED, that the Board hereby accepts and approves the Action Plan Amendment No. 21 to the first Action Plan to reallocate \$1.7 million of CDBG funds from the technical assistance budget to the Building Code Enforcement Program.

Voting: Boyle, Brewster, Cross, Fraiche, Francis, Henning, Holt, Alex Johnson, Linda Johnson, Landry, Leger, Morrison, Reilly, Richard, John Smith, Stine and Weston-Broome.

Dr. Francis recessed the meeting at 12:40 p.m. for lunch.

The meeting was reconvened at 1:20 p.m.

The Louisiana Speaks documentary was shown to the members.

Dr. Francis thanked the Board members who participated in the LA Speaks program.

VII. AGENCY STATUS REPORTS

GOHSEP

Dr. Francis welcomed Mr. Mark Cooper, GOHSEP Director, and Mr. Mark Riley, GOHSEP Assistant Deputy Director Disaster Recovery. Dr. Francis said we need help and he is looking forward to making a first-class operation.

Mr. Mark Cooper remarked that he comes to Louisiana from the Los Angeles County Fire Department. He is looking forward to working with Mr. Rainwater and the LRA. He said we will continue to work together to improve the recovery process.

Mr. Mark Riley explained that the mission of GOHSEP is to lead the disaster recovery efforts of the state of Louisiana through effective administration of recovery and mitigation programs for the benefit of its citizens while maintaining the highest standards of customer service. He said their customers include the states, local, governmental, private and nonprofit entities and the people that they serve. GOHSEP is comprised of three primary sections: disaster recovery, homeland security, and emergency preparedness. Governor Jindal designated Mr. Rainwater as his Governor's Authorized Representative (GAR) in the execution of the two programs with FEMA: the Public Assistance (PA) Program and the Hazard Mitigation Grant Program (HMGP). GOHSEP has 43 permanent state employees located primarily in the Joint Field Office in downtown Baton Rouge.

Mr. Riley informed the members that Hurricane Katrina was the largest disaster in the history of the United States. FEMA funding for Hurricane Katrina has already reached \$30 billion. GOHSEP currently manages 11,000 PA projects valued at \$2.4 billion. He said you cannot use "ordinary" rules for Hurricane Katrina due to the magnitude of the damages. Mr. Riley said there are 15 key FEMA and state policy issues that will be addressed in the upcoming two-day summit.

Mr. Riley remarked that GOHSEP currently manages hazard mitigation grant programs valued at \$1.78 billion. This is in addition to the \$250 million traditional HMGP funding for 243 projects in 52 parishes.

Mr. Walter Leger asked about a \$29 million anticipated unused allocation.

Mr. Riley explained that this funding was allocated to the parishes for their use. They can submit applications for reimbursement.

Ms. Donna Fraiche referred to 22 FEMA designated parishes. She asked if GOHSEP is responsible for all FEMA funds for the entire state.

Mr. Riley stated that GOHSEP manages the designated funds for HMGP purposes in Louisiana.

Dr. Francis asked for examples of some of the project applicants.

Mr. Riley mentioned the RSD, St. Bernard and Orleans Parishes.

Dr. Francis asked if the \$500 million already reimbursed was for Orleans Parish.

Mr. Riley commented that the \$500 million represents the entire state of Louisiana.

Mr. Leger asked if the police and the universities had to submit individual applications.

Mr. Riley explained that the Orleans Parish School Board and the universities are all individual applicants.

Dr. Francis stated that the close working relationship between the LRA and GOHSEP is good news. Coordination, cooperation, dissemination, and working together will determine how quickly we move on the recovery.

Mr. Kris Van Orsdel, LRA Infrastructure Policy Director, commented that we need to make the system efficient. We need to continue to work on systemic issues. Our working together the past six weeks has already resulted in progress. There are 34% of the C-G rebuilding projects that are in the process of being rebuilt. The rebuilding is happening in Cameron and across the state.

Ms. Fraiche asked if the PA program was a reimbursement program.

Mr. Riley pointed out that there is an advance program. He said he will provide a briefing on that program at the next meeting. In order to minimize the risk to the state on the close-out process, funds have to be spent correctly. If not, the funds will be de-obligated and will have to be repaid. The documentation is reviewed prior to the issuance of the funds.

Mr. K.C. King remarked that he is a victim of Hurricane Katrina. He asked if OCD was going to address its part in the HMGP.

Mr. Rainwater said that OCD, LRA and the governor's staff had discussed this program this week. OCD is getting ready to send out the requests for proposal (RFP) for a contractor to manage this program. Not all the decisions have been made, and FEMA has announced some exceptions on retroactive eligibility. The next step is to develop the plan.

Mr. King wondered how the implementation details would be handled. He noted that Mr. Riley had mentioned safety as a first thought in his presentation; however, if you go to Orleans Parish you see a horrendous failure of leadership and an unshared vision of what safety means. People are rebuilding at grade, 4-feet up and 10-feet up, but there is no shared vision. Category 5 levees will not be built in our lifetime, and people's homes are their last line of defense. You cannot elevate a home that has already been built. Population has been lost due to failure to act. He said the Board is thrilled to have the HMGP funds, but what safety has this bought? How much potential was realized? What did we lose? He said we need to see the metrics on neighborhoods.

Office of Community Development – Disaster Recovery Unit

Ms. Suzie Elkins, OCD Executive Director, said she was asked to give an overview of all the programs administered by OCD. She remarked that she has been with the Division of Administration for over 25 years. The Housing Program is under OCD, and they have spent \$6.2 billion so far. Another \$955,000 was spent to survey homeowners. They received over 229,000 applications for the Housing Program, more than anyone ever expected. There have been 132,000 option letters sent, 115,000 homeowners have been transferred to closing with over 98,000 closings actually held. When the RFP was sent out, they did not know what they were getting into. It was initially thought that the Road Home Program would be a three year program, but they will be finished in two years. She said there had been questions about what comprises ineligible and inactive applications. In the inactive category, 52% of the applications are elevation only applications; 6% are zero-grant awards; and 1% are at the request of the applicant. As for the ineligible applications, many are duplications and some of the applicants never made an appointment.

Ms. Elkins explained that in November, 2007, HUD requested specific designations, so an Action Plan amendment was developed. The Board approved this amendment this morning. The LLT and OCD worked together on a template for the parish plans to make it easier on them. They also met with several parishes on their redevelopment plans.

The Capacity Planning Program deadline is February 15, 2008, and only Orleans Parish has submitted an application. The Office of Contractual Review just released an amendment to the Capacity Planning Program today. The Cameron Parish application is awaiting a signature and the Terrebonne Parish application is being processed. She mentioned that OCD has data sharing agreements with several parishes. OCD is also working with LLT to streamline their process, and they hold a weekly call to discuss ongoing issues.

The nonprofits Association for Community Organizations for Reform Now (ACORN) and the Southeast Louisiana Legal Services have been providing counseling. ACORN has provided assistance to over 1,300 households. This is winding down, but many homeowners are stuck in the process due to special problems.

Ms. Elkins stated that the Small Rental Program has provided over \$23 million to the citizens. The Piggyback Program has provided \$24 million, and there has been \$581 million that is working with the GO Zone Program. Credits will create 15,000 units subsidized with Piggyback funding. Contractors have been awarded 5,900 rental units, and construction is underway on 2,200 of those units. There have been some problems with public housing units, which have resulted in some delays.

Dr. Francis commented that there is \$3.2 billion in potential funding for housing.

Ms. Elkins commented that a second round of funding for the Small Rental Program will be announced later. There were two parishes that were underserved. This program was originally crafted for “mom and pop” units, but this has proven to be the most challenging program to administer due to federal regulations. She pointed out that Mr. Calvin Parker, OCD Multi-Family Housing Manager, is having problems getting banks to issue loans against

the gold letters. Many applicants did not submit the documentation needed. She said 90% of the funding went to small-unit owners; however, some funding was set aside for new owners.

Another initiative is Technical Assistance funding for local providers. They have a knowledgeable staff that is working with the small “mom and pops” and the banks on direct-lending programs. OCD is also working with the Department of Social Services to address homelessness with emergency shelter grants administered by HUD; over 2,500 families will be served with this program. Building on this success, another program is being launched to assist those facing eviction from their FEMA trailers and those youth that are about to “age-out” of foster care. Two million is available for repair and restoration of homeless facilities. Work is also underway on homeless shelters in New Orleans.

Some funds from the Bridge Loan Program were spent on tourism and workforce development. Workforce recovery is moving smoothly. Training is being provided to the sectors identified by the LRA. OCD needs additional staff for monitoring and to help with the financial system. The Small Firm Loan and Grant Program provided interest-free loans over three timeframes. Approximately 12% of these received default notices, and some funding was returned.

Dr. Francis asked the net percentage of defaults on the loans.

Ms. Elkins said 12% was the number of defaults that have been turned over to the Attorney General for collection. They are successfully recovering funds on some of the defaults.

Mr. Mike Taylor, DRU Director, said it is not unusual to see this number of defaults.

Mr. Walter Leger asked Ms. Elkins for a written report of the information that she presented.

Ms. Elkins commented that they send a quarterly report to HUD on the funding spent and the beneficiaries. She will forward that report to Mr. Leger.

Mr. Leger asked about the Small Rental Program, and why only 500 applicants out of the total 5,900 had received funding.

Mr. Calvin Parker explained that there are 530 commitments for the Small Rental Program. There are 2,200 commitments for piggyback units.

Mr. Leger asked if the gold letter is bankable.

Mr. Parker stated that they were hoping that this would be the case; however, there are issues with the borrowers and their track records.

Ms. Elkins added that the banks are being stricter with loans due to the economy.

Mr. Parker commented that those who are “bankable” are getting through the process. We may have to put some of the CDBG funds at risk to help some of the other homeowners.

Mr. Leger asked if we were caught in a trap due to federal red tape.

Ms. Elkins explained that the lending agencies are out of our hands.

Mr. Parker pointed out that the applicants have to go through them once the work is completed. This would be like OCD being a bank, but with federal regulations. Some people will always need a direct loan.

Ms. Elkins noted that they are investigating other options to make the gold letters bankable.

Mr. Parker said the owners of small rental units have to have a finished unit before they get any funding; it is not like the Road Home Program.

Ms. Elkins remarked that Senator Shepherd asked for two things: walk-in service and the number of homeowners assigned to a PAL. OCD is working on both of these issues.

Mr. Leger asked the location of the holdup. He said part of the problem is the narrow definitions in the HUD regulations. This is one of the biggest frustrations.

Ms. Elkins mentioned that there have been over 20 audits of their offices. They have designated space for the auditors because the auditors are always there. The OCD programs are transparent. There have been no major findings, but valid issues have been identified. They know there are problems and they are working on resolutions. It is time for them to start concentrating on the unique cases and the appeals.

Dr. Francis noted that the age of an application is an important factor.

Mr. Mike Taylor said they are continuing discussions on how to make the process quicker. Now they are going from mass production to piece work.

Ms. Fraiche thanked the nonprofits for their immediate response with legal assistance for the poor. She asked the status of the contract with Southeast Louisiana Legal Services. There are still many applicants who need legal services.

Ms. Elkins responded that they have limited funding. They have asked ICF to pay for some of these services, and they are trying to find additional funding for Southeast Louisiana Legal Services.

Mr. Taylor stated that this issue would be resolved within the next 10 days.

VIII. UNFINISHED BUSINESS

There was no unfinished business.

IX. PUBLIC COMMENTS

Mr. John Albano, representing himself, submitted a witness card, but had left the meeting prior to being called to speak.

Mr. Mel Jimenez said he was present to speak on behalf of his 81-year old sister, Maria Jimenez. They are co-owners of a house, and were notified in December, 2007, that they were scheduled for closing with First American Title. They asked the interviewer to confirm their grant amount, and there was a mistake. They requested a correction, but the interviewer suggested that they proceed with closing. They went to an adviser who could not figure out why First American Title was using the incorrect amount. Now their file is officially listed as inactive. They requested an appointment to clarify this situation. While waiting for this appointment, they received a yellow letter with corrections to the grant amount, which they took to their appointment. They are still waiting to hear back from the Road Home. Mr. Jimenez said he is concerned about other applicants who cannot get corrections to their grants.

Dr. Francis asked Ms. Suzie Elkins and Mr. Mike Spletto to speak with Mr. Jimenez.

Ms. Barbara Key, representing ACORN Housing in Baton Rouge, Louisiana, explained that some Road Home clients have called ACORN about losing their home or having to sell their home to pay the mortgage. The Road Home has told them they would be considered at the end of the program if there is any funding remaining, but for now they are considered inactive. She wanted to know if that was an accurate statement, Also, many people have liens against their property, and the title company has informed them that they need to clear the title on their own by going through a lawyer.

Mr. Walter Leger commented that there have always been three options from the beginning of the program. They reserved the possibility that if there was funding at the end of the Road Home Program, then others may be considered. If the owner applied for the program, then they should still be in the program. If the homeowner is told otherwise, then something is wrong. There are many different situations. As for the title companies, there has to be a clear title. Many people say they have nothing to do with the lien, but they do need legal assistance in getting their title cleared. This underscores the importance of providing legal services to the poor.

Dr. Francis stated that the title is the key to homeownership.

Ms. Donna Fraiche said we need to continue to provide funding for legal providers. There are nonprofit providers of legal services for civil issues available through grants.

Dr. Francis remarked that ACORN is a very well known organization and they do good work. He thanked everyone for being present at the meeting.

X. NEW BUSINESS

There was no new business.

XI. ANNOUNCEMENTS

There were no announcements.

XII. ADJOURNMENT

The meeting was adjourned at 3:12 p.m.

Respectfully submitted,

Paul Rainwater
Executive Director

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Date approved: _____