

**DRAFT, subject to revisions and/or amendments**

**LOUISIANA RECOVERY AUTHORITY**

**Board of Directors Meeting**

House Committee Room 1

State Capitol – Baton Rouge, Louisiana

Monday, February 12, 2007

**MINUTES**

**I. CALL TO ORDER**

Dr. Norman Francis, Chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:15 a.m. in House Committee Room 1 of the State Capitol, 900 North Third Street, 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**

Reverend Patty Snyder, University Presbyterian Church, Baton Rouge, Louisiana, led the prayer.

**III. PLEDGE OF ALLEGIANCE**

Dr. Francis led the Pledge of Allegiance.

**IV. ROLL CALL**

Ms. Angel Ellis called the roll.

**BOARD MEMBERS PRESENT:**

Dr. Norman Francis, Chairman  
Senator Diana Bajoie  
Mr. Boysie Bollinger  
Mr. Tim Coulon  
Mr. Rene Cross  
Representative Yvonne Dorsey  
Ms. Donna Fraiche  
Mr. Tom Henning  
Ms. Sibal Holt  
Ms. Linda Johnson  
Mr. John T. Landry  
Mr. Walter Leger, Jr.  
Dr. Calvin Mackie

**BOARD MEMBERS ABSENT:**

Mr. Walter Isaacson, Vice Chairman  
Ms. Dale Atkins  
Rev. Harry Blake  
Ms. Kim Boyle  
Ms. Donna Brazile  
Mr. James Davison  
Senator Don Hines  
Ms. Mary Matalin  
Mr. Chet Morrison  
Representative Joe Salter  
Ms. Susan Taylor

**BOARD MEMBERS PRESENT (cont'd):**

Mr. Sean Reilly  
Mr. David Richard  
Mr. Virgil Robinson  
Mr. John E. Smith  
Mr. Matt Stuller  
Mr. David Voelker  
Mr. Mike Woods

**STAFF MEMBERS PRESENT:**

Mr. Andy Kopplin, Executive Director	Mr. Wil Jacobs
Ms. Fay Ayers	Ms. Kim Jupiter
Mr. Dave Bowman	Ms. Robin Keegan
Mr. Miles Bruder	Mr. Adam Knapp
Ms. JoAnn Early	Ms. Melissa Landry
Ms. Angel Ellis	Ms. Kristen Parnell
Mr. Pat Forbes	Ms. Christina Stephens
Ms. Sandra Gunner	Ms. Alesia Wilkins-Braxton
Mr. Jeff Hebert	Mr. Carl Williams
Ms. Catherine Heitman	Ms. Natalie Wyeth
Ms. Desirée Honoré	

**V. READING AND APPROVAL OF THE MINUTES OF THE PRECEDING MEETING**

Dr. Francis called for a motion to approve the minutes of the February 12, 2007, meeting.

Mr. Landry made a motion to adopt the minutes, seconded by Mr. Leger. Without objection, the minutes were adopted by a vote of 17 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Bollinger, Mr. Coulon, Mr. Cross, Representative Dorsey, Ms. Fraiche, Mr. Henning, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Reilly, Mr. Richard, Mr. Smith, Mr. Stuller, Mr. Voelker, and Mr. Woods.

**VI. EXECUTIVE REPORTS**

**Chairman of the Board Report**

Dr. Francis made opening comments regarding the recovery progress and stated that the board's responsibilities are focused on the people being served. He further stated that all areas of the state must work together to accomplish the goal. On behalf of the LRA Board, he expressed gratitude to all the persons who have helped in recovery efforts.

**Governor's Report**

Dr. Francis stated that the governor would give her report upon her arrival later in the meeting.

## **Executive Director's Report**

Mr. Kopplin stated that four Action Plan Amendments were submitted to the Joint Legislative Committee on the Budget and ballots were mailed to the legislature and due by February 13. He further stated that three of the plans were approved by the committee and that the plan for the new charity hospital was amended. He stated that the national non-profit organization New Leaders for New Schools (NLNS) announced on February 5, 2007, that the organization would expand its operations into New Orleans. He provided an overview of the goals of NLNS. He stated that 12 parishes have adopted Advisory Base Flood Elevations (ABFE). He further stated that Lafourche and St. John the Baptist Parishes would not adopt an ABFE. He stated that Louisiana received \$59 billion of the \$110 billion of federal funding for hurricane recovery. He provided a breakdown of the funding categories. He stated that Mr. Leger had testified in Washington, D.C., that there was a net \$100 billion in estimated physical infrastructure loss, that Louisiana would receive \$40 billion in private insurance payments, and \$26 billion in rebuilding funds. He commented that there was a net loss of \$34 billion in terms of infrastructure damage, which would be calculated at \$20,000 per household of unrecovered losses. He further commented that Louisiana would need further federal assistance for the next decade. Mr. Kopplin provided an update on the status of having Louisiana's cost share waived for FEMA programs. He stated that there was \$1.1 billion of Hazard Mitigation funding available for Louisiana, which has not been approved by FEMA. He further stated that other issues presented to Congress were: to exempt federal tax penalties for homeowners who have received a Road Home award; to remove the requirement that homeowners use the Road Home award to repay SBA loans; to repeal the provision of the Community Disaster Loan Act that requires reimbursement to the federal government for community disaster loans; to allocate recovery funds based on actual damage; to provide additional crime prevention in New Orleans; to extend SSBG funds for one year; to work with Louisiana to supplement existing grant and loan programs and to provide tax relief to help small businesses fully recover; and to work with Louisiana on the master plan to protect our coast by starting the Coastal Impact Assistance Program as scheduled and passing the Water Resources Development Act. Mr. Kopplin provided an overview of the long-term community and regional planning efforts and stated that a more detailed report would be provided later in the meeting. He stated that work has been focused on making sure a program meets the needs of the community. He further stated that the website LA Direct was launched by the Division of Administration to provide users information on recovery expenditures by funding source and program. Mr. Kopplin provided a brief overview of the Road Home budget and housing update. He pointed out that a majority of applicants wanted to keep their homes. He stated that the Small Rental Property Program had launched. He provided an update of economic development issues. He stated that there was \$50 million in uncommitted infrastructure funds. Mr. Kopplin stated that more than \$1 billion in Public Assistance money had become eligible in the last six months. He further stated that there was \$865 million in newly approved infrastructure in the state. Mr. Kopplin stated that work was being done with the Louisiana Public Facilities Authority (LPFA) on a short-term bond issue for people to borrow for cash flow.

Ms. Fraiche asked about short-term cash available through the LPFA.

Mr. Kopplin responded that the LPFA would provide a presentation later in the meeting. He stated that there was a lot of work done by parish staff prior to getting a contract. He further

stated that the proposal would provide access to short-term cash and that once contracts were underway, advances could be made from the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP).

Mr. Woods asked about the \$300 million for rebuilding charity hospital and if the board would be able to review the business plan for the hospital. He asked about the affect of legislative action on decisions made by the board and asked about legislative members' attendance at board meetings.

Mr. Kopplin responded that the Action Plan Amendment for the hospital was subject to legislative vote and that President Jenkins had stated that the board would be able to review and comment on the business plan.

Ms. Johnson asked about eligibility in the Small Rental Program when repairs had been made to a structure. She also asked about the issue with seniors.

Mr. Kopplin responded that a person would be eligible if repairs had been started or completed. He further responded that FEMA requires a plan that does not allow forgiveness of the 40% penalty for seniors in order to use hazard mitigation money in the Road Home Program. He stated that HUD had approved Louisiana's plan and that HUD was the enforcer on a national level of federal fair housing issues.

Dr. Francis commented that the Stafford Act would have to be changed.

Mr. Henning expressed his opinion about the legislature and reiterated that the LRA Board should be given the opportunity to review and approve the business plan for the charity hospital.

Dr. Francis commented that the board's position had not changed. He stated that the \$74 million would be recommended to the governor and the legislature for land purchase and that the remainder of the funding would be provided upon receipt of the business plan.

Mr. Kopplin stated that the proposal was subject to legislative vote. He further stated that the legislature was essentially voting on whether the proposal should be in one or two parts. He commented that in every state the power of the purse was in the legislature and that the LRA would continue to make recommendations for Action Plans, which would require review and approval by the legislature. He further commented that the statute creating the LRA did not incorporate the powers of appropriation because constitutionally that power was given to the legislature. He stated that the constitutional authority for the power of appropriation was consistent across the 50 states. He further stated that comments of the board did not attempt to reinterpret the constitutional responsibility of the legislature.

A discussion ensued relative to amending the action plan for the charity hospital and whether an attorney general opinion was necessary.

Dr. Francis stated that the board had not formally requested an opinion on the issue and that if there was a member who wanted a formal opinion then such a request could be made.

## VII. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS

Dr. Francis recognized Mr. Landry for the Infrastructure Task Force report.

### a. Infrastructure Task Force

- i. **Discussion and reconsideration for final approval of a resolution on funding for Parish Recovery Planning Projects and an Allocation Formula by Parish**
- ii. **Public comments**

Mr. Landry asked Mr. Pat Forbes and Mr. Dave Bowman to provide information on the resolution for funding the parish recovery planning projects and on the allocation formula by parish.

Mr. Forbes stated that the resolution would provide \$200 million of CDBG funds for recovery projects in the most heavily affected parishes. The allocation would be made by damage estimates. He further stated that there were questions regarding the allocation formula and that the process had been reviewed for the past month. He explained that there had to be a definition of damage. He recommended that the formula provided at the last meeting of the board be approved. Mr. Forbes stated that the formula was most appropriate for allocating the funds.

Mr. Bowman commented that there would be a minimum cap of \$150,000. He stated that any amount less than \$150,000 would not be cost effective based on discussions with the Office of Community Development (OCD).

Mr. Forbes commented that the money would fund projects based on parish lists provided to OCD and the LRA.

Mr. Coulon asked about projects in municipalities and about recognition of project status by parish.

Mr. Kopplin responded that the resolution provided that as plans are developed by the parishes these funds would be distributed to the most affected municipalities. He commented that the formula was broad-based and fair.

Ms. Fraiche asked if Orleans Parish had opposition to the formula.

Mr. Bowman responded that the mayor's office had been contacted and there was no opposition to the process.

Ms. Fraiche stated that Orleans Parish had not obtained final approval on the unified plan and asked if there would be aspects that could be funded through the allocation formula.

Mr. Forbes responded that there was language in the Action Plan Amendment and the resolution which would provide for the funding.

Mr. Voelker commented that there would be changes to the Orleans Parish unified plan but that the plan should work with the overall plan.

Mr. Bollinger asked for an explanation of the formula as related to project approval.

Mr. Forbes responded that the parish would submit a list of projects and through the formula would be able to fund that amount for the project. He stated that the LRA would ensure that the projects were consistent with the regional plan for rebuilding.

Mr. Landry made a motion, seconded by Mr. Reilly, to adopt the resolution as follows:

**The LRA Board directed the LRA and OCD staff to develop and publish for public comment the Action Plan Amendment for the allocation of \$200 million of CDBG funds for the implementation of long-term community recovery projects in the most heavily affected parishes to address long term community recovery needs, including but not limited to the economy, environment, housing stock, public safety, education, health care, and transportation.**

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**THEREFORE BE IT RESOLVED, that the LRA Board does hereby approve the Action Plan Amendment for the allocation of \$200 million of CDBG funds for the implementation of long-term community recovery projects in the most heavily affected parishes to address long term community recovery needs, including but not limited to the economy, environment, housing stock, public safety, education, health care, and transportation.**

**BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend that the funding to be provided under this Action Plan Amendment be distributed among the most heavily impacted parishes based on a damage estimate formula.**

**BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend that the allocation be made under the following conditions:**

- (1) The parishes, in cooperation and agreement with the impacted municipalities within their boundaries, select and submit projects to the LRA that address their local recovery needs;**
- (2) The local project prioritization must include broad-based community participation and approval, as indicated by inclusion in a broadly accepted recovery plan, public meeting and/or input opportunities, Council or Police Jury resolution, or other such mechanism; and**
- (3) The projects prioritized by the parishes and local communities must be consistent with the LRA's priorities and with regional plans, as determined by the LRA.**
- (4) The projects prioritized must include direct benefits to the most affected municipalities and communities OR have the agreement from the elected officials of the most impacted municipalities.**

- (5) That the funding be provided for projects in parishes and municipalities that have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
- (6) That the funding be provided for projects in parishes and municipalities that have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
- (7) That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

**BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend the Louisiana Parishes Allocation Action Plan Amendment for Disaster Recovery funds to the Governor and the Louisiana Legislature for approval.**

Without objection, the motion was adopted by a vote of 18 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Bollinger, Mr. Coulon, Mr. Cross, Ms. Fraiche, Mr. Henning, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Reilly, Mr. Richard, Mr. Robinson, Mr. Smith, Mr. Stuller, Mr. Voelker, and Mr. Woods.

**b. Human Services Task Force**

Dr. Francis recognized Dr. Mackie for the Human Services Task Force report.

- i. Discussion and consideration of a resolution on funding for reallocation of SSBG funds**
- ii. Public comments**

Dr. Mackie provided an overview of a resolution, which would reallocate unused or returned Social Services Block Grant (SSBG) funds to the Louisiana Family Recovery Corps. He introduced Mr. Raymond Jetson, representing the Louisiana Family Recovery Corps, Baton Rouge, Louisiana.

Mr. Jetson distributed two handouts, which provide an outline of the proposal for use of the funds. The handouts are attached to these minutes as "Exhibit A",.

Mr. Kopplin commented that the unused or returned funding was from the following sources: \$1.4 million would be reallocated from the Department of Social Services (DSS) and \$2.1 million from funding originally to the LSU Medical Center. He stated that there may be additional funding from Department of Health and Hospitals.

Dr. Mackie stated that the resolution amount should be amended to reflect the correct amount of \$3.5 million.

Mr. Bollinger asked about oversight for the funding.

Mr. Jetson responded that programs were already in place to provide services for reestablishment of homes. The funds would be used to further support and expand the services currently provided to citizens.

Mr. Kopplin stated that the Louisiana Family Recovery Corps has a contract with the Department of Social Services. The approval of the resolution would allow an additional \$3.5 million to be added to the contract.

Mr. Voelker asked about administrative costs.

Mr. Jetson responded that administrative costs were from six to six and one-half percent.

Mr. Kopplin pointed out an error on the first page of the resolution and stated that the \$80,000 amount under the Department of Health and Hospitals should be corrected to \$80 million.

Dr. Mackie made a motion, seconded by Mr. Reilly, to adopt the resolution, as amended, as follows:

**To request the Louisiana Recovery Authority Board to approve and recommend to the Governor and the Louisiana Legislature for approval a plan to reallocate \$3.5 million of unused or returned Social Services Block Grant (SSBG) funds to the Louisiana Family Recovery Corps.**

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**THEREFORE BE IT RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend that \$3.5 million of unused or returned Social Services Block Grant funds be reallocated to the Louisiana Family Recovery Corps.**

**THEREFORE BE IT FURTHER RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend that the Social Services Block Grant Reallocation plan be sent to the Governor and the Louisiana Legislature for approval.**

Without objection, the motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Bollinger, Mr. Coulon, Mr. Cross, Ms. Fraiche, Mr. Henning, Ms. Holt, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Reilly, Mr. Richard, Mr. Robinson, Mr. Smith, Mr. Stuller, Mr. Voelker, and Mr. Woods.

Dr. Francis recognized Ms. Katie Baudouin, Director of Public Policy, Louisiana Association of Nonprofit Organizations, Baton Rouge, Louisiana, for public comment.

Ms. Baudouin stated that the deadline for spending SSBG funds is September 30, 2007, and that the organization was working to assist with the extension of the deadline through federal year 2008 to ensure the effective utilization of the funds. She requested that the LRA support DSS with the request for an extension of the deadline.

Dr. Francis commented that the LRA Board was in total support of that endeavor.

**c. Economic and Community Development Committee**

Dr. Francis recognized Mr. Stuller for the Economic and Community Development Committee report.

- i. Discussion and consideration of preliminary resolution on program income from the Small Firm Loan and Grant Program**
- ii. Update on the roll out of the Economic and Workforce Development programs**
- iii. Public comments**

Mr. Stuller provided an overview of a resolution for the Small Firm Loan and Grant Program, which would provide for an Action Plan Amendment to allow repaid loans in the program be returned to the lenders contracted to implement the program.

Mr. Kopplin commented that without approval of the resolution and Action Plan Amendment that the ability to re-loan money would not be available.

Ms. Robin Keegan, LRA staff, provided clarification about the program.

Mr. Kopplin stated that the resolution should include the statement relative to submittal to the governor and legislature for approval.

Dr. Francis recognized Mr. Dennis Manshack, representing Enterprise Corporation of Delta, Baton Rouge, Louisiana.

Mr. Manshack testified in support of the resolution and provided comments on inequities for eligibility in the grant and loan program.

Ms. Marianne Lewis, Vice President, Second Wind NOLA, New Orleans, Louisiana, submitted a card to provide comments, but was not present.

Mr. Stuller made a motion, seconded by Ms. Holt, to adopt the resolution, as amended, as follows:

**To request the Louisiana Recovery Authority and Office of Community Development to develop and publish an Action Plan Amendment recommending to the Governor and Louisiana Legislature a modification to the Small Firm Loan and Grant Program to allow repaid loans in the program to be returned to the lenders contracted to implement the program. Currently, repaid loans are returned to the State's disaster Community Development Block Grant (CDBG) recovery program for reallocation by the LRA, Governor, and Legislature. This amendment will allow these loan funds to continue to operate as an economic tool for these impacted communities.**

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**THEREFORE BE IT RESOLVED: that the Louisiana Recovery Authority Board does hereby approve the development of an Action Plan Amendment to modify the Small Firm Loan and Grant Program to allow repaid loans in the program to be returned to**

**the lenders contracted to implement the program for a specified period of time (depending on the nature of the non-profit under CDBG regulations).**

**THEREFORE BE IT FURTHER RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend that the Action Plan Amendment to modify the Small Firm Loan and Grant Program be sent to the Governor and the Louisiana Legislature for approval.**

Without objection, the motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Bollinger, Mr. Coulon, Mr. Cross, Ms. Fraiche, Mr. Henning, Ms. Holt, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Reilly, Mr. Richard, Mr. Robinson, Mr. Smith, Mr. Stuller, Mr. Voelker, and Mr. Woods.

Mr. Stuller commented that there was a long-term program that has had difficulty getting started and has \$68 million available. He stated that there had been discussion in committee about moving the funds in the Small Firm Loan and Grant Program. He further stated that more information would be provided in the upcoming months about moving the money into the program to help businesses throughout the damaged area.

Ms. Keegan commented that the long-term program would be launched with a portion of the funding with four banks prior to consideration of moving the funds to another program.

Mr. Kopplin stated that Ms. Keegan and Mr. Michael Hecht have done an excellent job with getting the program started.

Mr. Landry asked about assistance for boat owners that had boats damaged during the hurricanes.

Mr. Forbes responded that the Louisiana National Guard has volunteered and a feasibility study has been requested for clearing and retrieving the boats. He stated that a request has been made for the Coast Guard to be funded at the same level of funding provided to clear the navigable waterways of Alabama and Mississippi. Louisiana had not been given the same level of debris removal for navigable waterways.

Dr. Francis asked Mr. Forbes to follow-up on the issue.

## **VI. EXECUTIVE REPORTS**

Dr. Francis recognized Governor Blanco for her report.

### **Governor's Report**

The following is the context of Governor Blanco's remarks:

"Good morning. I'm here this morning to share good news from Washington, DC. I traveled to Washington last week to secure commitments from the new Congressional leadership. I brought them an agenda – you should all have a copy – of 10 quick steps the 110th Congress could take to boost Louisiana's recovery.

I'm pleased to say that my meetings could not have been more successful. If we were talking baseball, last week was a Grand Slam. I've been assured by the new Leadership in the House and the Senate that the help we've been asking for is coming our way and coming our way soon.

I'd like to complement Walter Leger, Andy Kopplin and Natalie Wyeth for their work in Washington last week. Walter, I heard firsthand from the Chairman of the Financial Services Committee that your testimony before his Committee was informative and on target. You gave real suggestions of actions Congress can take to remove the federal red tape holding back The Road Home dollars. Thank you.

The Katrina-Rita Recovery Agenda I proposed to Congress is comprehensive. In most cases, the items on our agenda are not new – we've been asking for most of them for over a year. What IS new is the commitment from Congress to act on our agenda. I secured commitments from Congress to speed up our recovery by:

- Reopening public housing as a transitional measure;
- Cutting the federal tape that prohibits us from touching \$1.2 billion dollars in hazard mitigation funding. This funding is intended to go to homeowners as part of The Road Home program;
- Exempting The Road Home awards from federal tax penalties; and
- Ending the federal requirement that The Road Home grants be used to repay SBA Loans.

House Financial Services Committee Chairman Barney Frank pledged to me that public housing would be reopened in New Orleans. The Chairman also committed to me that he would do everything in his power to lift the federal red tape holding back The Road Home dollars. Both the House and Senate Leadership echoed his commitment.

I also secured a commitment from Senate Majority Leader Harry Reid and from Speaker Pelosi to lift the federal red tape by reforming the Stafford Act. Congress is committed to reforming the Stafford Act this year, and they are depending on the suggestions from my team to guide their efforts.

Reforming the Stafford Act will not only give us the flexibility to more efficiently distribute federal recovery dollars as we bring back the Gulf Coast, but it will better prepare the nation in the preparation for and response to the next catastrophe.

Next, I secured a commitment that will speed up the process of getting critical infrastructure money into the hands of our communities and local governments.

Congress has agreed to remove state matching requirements for federal assistance grants, just as they did after 9-11 and Hurricanes Andrew and Iniki.

Waiving the 10% non-federal cost share will free up over \$700 million dollars for the state to invest in critical infrastructure needs. It will also free up countless administrative hours of burdensome federal paperwork. This is huge. Both the House and Senate leadership assured me that we would see this move – most likely in an Omnibus bill – prior to Easter.

The Congressional Leadership also promised me they would take quick action to repeal the Vitter provision in order to allow the forgiveness of Community Disaster Loans. Historically, over 90 percent of Community Disaster Loans have been forgiven. Many of our communities are still struggling with a reduced revenue base, and they deserve to be afforded the same opportunities for relief.

Next, I secured a commitment from Chairman of the Senate Finance Committee, Max Baucus, and Chairman of the House Transportation and Infrastructure Committee, James Oberstar, to move the WRDA bill. This means an estimated \$2.5 billion dollars for Louisiana's levees and coastal protection systems. I have heard that more than 20 percent of the WRDA bill is targeted solely towards Louisiana. I expect this bill to move before Easter.

Further, Chairman Oberstar committed to me in front of more than 100 members of Congress that he would close the MRGO. I told him we needed it done with all deliberate speed, and my team will be working with him on this issue.

My team will be working closely with both Chairmen and their staffs on Army Corps issues. We need to make sure that the Army Corps interacts with Louisiana in a way that is in concert with – and not against – state plans.

Next, the Chairwoman of the House Small Business Committee, Nydia Velasquez, agreed to work with us to bring urgent relief to our small businesses. I asked her to do everything in her power to supplement existing grant and loan programs. I'm sending Michael Hecht from our Economic Development Department back to Washington next week to testify before her Committee, and to work with her staff as they shape legislation.

I also asked Chairwoman Velazquez and Congressional Leadership to work with us to extend the GoZone placed in service deadline, and to extend and expand the Renewal Communities.

I'm confident we will see additional relief for Small Businesses heading our way.

Congress assured me they would look into extending the SSBG Supplements Funds that are so important to critically needed services. An extension would help us to continue to provide for mental health, child welfare and other important services. I believe we will see some form of assistance out of Congress specifically addressing our need for mental health services.

Congress also agreed to work with us to find ways to curb crime in New Orleans. I suggested the provision of additional COPS grants to help the city. However, the President's budget that was released last week virtually eliminates the COPS program. Whether it's through COPS or another vehicle, I believe we can find a way for Congress to help supplement our efforts to combat crime.

Finally, Congress agreed to work with Louisiana and other coastal states on comprehensive insurance reform legislation. We discussed in some detail the concept of a federal insurance backstop. My team will continue to work closely with the Congressional leadership to develop a comprehensive insurance solution that addresses Louisiana's concerns.

As you can see, we can look forward to good news coming out of Washington this spring. Although it was the coldest of weeks in Washington, Louisiana could not have received a warmer welcome in the halls of Congress. The 110th Congress is serious about helping the Gulf Coast Recovery. I'm confident we will all benefit from a strong partnership with this new Congress.

Thank you."

**d. Housing and Community Development Task Force**

Dr. Francis recognized Mr. Leger for the Housing and Community Development Task Force report.

- i. Update on the Road Home Program for Homeowners and Rental Development**
- ii. Update on the Road Home Corporation**
- iii. Public comments**

Mr. Leger provided an overview of his testimony in Washington, D.C. He stated that the audit conducted by HUD did not produce negative results. He introduced Mr. Mike Spletto, representing the Road Home, for an update on the program.

Mr. Spletto provided an update on the Road Home program. He stated that approximately 108,000 applications have been received and more than 75,000 appointments have been completed. He further stated that obtaining access to hazard mitigation funds has inhibited the program. There has been approximately 38,000 benefits calculated of which 30,000 letters have been received by the applicants. Regular meetings are held with ICF and the governor's office. A majority of applicants should be at closing by December 2007. Title searches are being conducted. There have been 43,800 files started and 21,000 completed. Attorneys have 14,000 title searches to sign. There have been 44,000 offer letters mailed and 6,214 have been returned. He stated that the number one priority was regarding completion of option letters. The next set of option letters would have more detail about closings. ICF has a new resolution team and have streamlined the system to handle resolutions. There are 908 closings scheduled at this time. New policies and implementation strategies have been discussed. Mr. Spletto stated that work has been done with lending institutions to ensure that families have quick, easy access to money to pay contractors.

Mr. Leger asked if the rules and regulations were available on the website.

Mr. Spletto responded affirmatively.

Mr. Voelker asked about the amount of time from the option letter to the closing.

Mr. Spletto responded that if the dollar amount is accepted, all options have been chosen, and the applicant was not eligible for the affordable compensation loan, there should be a 24-48 hour turn-around and the letter can be transferred to closing. He further responded that if a title search has been completed, the letters are sent to the bank, and the time period would be from several weeks to 31 days. He stated that policy was being reviewed with the LRA staff to change how receipt of subordinations is handled. The time period could be from two to five weeks provided there are no problems.

Ms. Holt asked about safeguards for accepting money and going into resolution.

Mr. Spletto responded that there are safeguards specifically written into policy and provided an overview of the process.

Ms. Holt asked about disbursement of funds to the homeowner from the bank.

Mr. Spletto stated that policy provides that funds be disbursed to the bank. He further stated that the homeowner would show documents that repairs are completed and a check would be issued.

Ms. Holt asked if businesses follow the same process.

Mr. Kopplin responded that there was considerable debate regarding Road Home disbursements. There have been negotiations with the banks that the money could not be used to pay arrearages nor to pay off a mortgage. He stated that the policy was to make sure that the money would be used to rebuild. The program was created that way to make sure that people were not taken advantage of by the banks. He further stated that small businesses would receive the first grant of \$10,000 and, after three months, would receive a second grant after proof had been provided that the business was viable.

Ms. Holt asked about the proof a business had to provide to obtain the second grant.

Ms. Keegan responded that receipts and operating expenses would have to be provided.

Mr. Spletto stated that several changes were made in an attempt to streamline the process.

Ms. Fraiche expressed her concern for poor people that have succession issues and cannot afford to clear up the title. She asked if closing costs could be included in part of the contract to assist these individuals.

Mr. Carl Bockley, representing First American Title Insurance Company, responded that there were nonprofit entities contracted that provide several services without a charge. He stated that there should be more advertisement about those services.

Ms. Fraiche asked if assistance would be provided to obtain documents that were lost during the storm.

Mr. Bockley responded that there was assistance available but that there were restrictions on where law can be practiced.

Mr. Landry asked whether an application could be tracked online.

Mr. Spletto responded that an individual could not track an application online. He stated that information could be provided about an application by calling the Road Home office.

Mr. Landry asked about hazard mitigation and grant money.

Mr. Spletto responded that a family could not receive more than \$150,000 total in funds. He stated that there was confusion when elevation is required. He stated that an individual can apply for additional funds for elevation if that individual had insurance.

A discussion ensued relative to elevation requirements.

Mr. Cross asked about the housing authority's view regarding parishes that do not have a base flood elevation.

Mr. Spletto responded that the policy states that if a parish considers the home more than 51% damaged and the home is located in a flood plain, the parish determination is used and there is a requirement to elevate. The Road Home determination is used if there is not a determination of damage by a parish, which stated that if a home is more than 51% damaged and the home is in a flood plain, elevation funding can be granted.

Mr. Kopplin stated that the old flood map was the best map to use in Plaquemines Parish.

Mr. Reilly asked if Chase was the default disbursement bank for applicants that do not have a mortgage.

Mr. Spletto responded that Chase volunteered to be the default disbursement bank and that there has been outreach to other banks for participation.

A discussion ensued relative to bank issues.

Dr. Francis recognized Mr. K. C. King, Mr. Ray Broussard, and Ms. Rosalind Peychaud for public comments.

Mr. K. C. King, representing the Citizen's Road Home Action Team (CHAT), New Orleans, Louisiana, presented a request to the board for adoption of a bill of rights for applicants of the Road Home Program. Mr. King distributed a handout, which is attached to these minutes as "Exhibit B".

Dr. Francis asked that Mr. Leger present the information to the task force for review.

Mr. Leger commented that an additional right should be added for the right of the people of Louisiana who experienced damage to receive a proportionate fair allocation of funding from the federal government in order to have sufficient funding to meet the rights.

Senator Bajoie asked how often the task force met.

Mr. Leger responded that the task force had not met in several months.

Senator Bajoie suggested that a meeting be held to address these issues.

Mr. Leger stated that a meeting was scheduled.

Mr. Ray Broussard, representing himself as a Road Home applicant, New Orleans, Louisiana, provided comments regarding the slow process of the Road Home Program.

Mr. Leger recognized the staff of the LRA and commented that the staff was working very hard to address the issues and assist applicants through the difficulties of the situation.

Ms. Rosalind Peychaud, Executive Director, Neighborhood Development Foundation, New Orleans, Louisiana, testified regarding the amount of time that has passed without money being provided to the communities that sustained damage.

Dr. Francis commented that there was a multitude of regulations that had to be contended with to solve the problems associated with the disasters. He commented that the LRA has been open to suggestions. He stated that solutions to the problems were welcome. He further stated that the impression was being given that there was a way to work through these issues in a faster manner. He reiterated that the federal government was underestimated regarding all the requirements to follow to recover from the disasters.

Ms. Tisha Allen, representing the banking community, New Orleans, Louisiana, provided comments relative to assistance that can be provided by banks.

Mr. Leger continued his report. He stated that the Road Home Corporation, an entity created by the legislature to receive title to the properties that were transferred, would be working with the LRA regarding planning and turning over properties to local redevelopers. He further stated that more information would be provided as developed.

## **VIII. LUNCH**

*Dr. Francis recessed the meeting at 1:13 p.m. for lunch. He reconvened the meeting at 2:02 p.m.*

## **IX. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS**

Dr. Francis recognized Mr. Cross for the Coastal Protection Committee report.

### **e. Coastal Protection Committee**

- i. Presentation of the draft Coastal Master Plan from the Coastal Protection and Restoration Authority (CPRA)**
- ii. Public comments**

Mr. Cross presented the draft of the master plan for coastal Louisiana. He introduced Ms. Sidney Coffee, Chair of the Governor's Executive Assistant for Coastal Activities, to provide information on the plan.

Ms. Coffee stated that the master plan integrated coastal restoration with hurricane protection and would be critical to the long-term planning efforts of the state. The plan will take several decades to implement and will cost approximately \$50 billion. Changes in the coastline will guide implementation of the plan. She stated that the plan was a conceptual plan to provide an idea of levee alignments. She further stated that the Coastal Protection and Restoration Authority (CPRA) was mandated to put together a master plan. She introduced Mr. Jon Porthouse, representing CPRA's integrated planning team.

Mr. Porthouse provided an overview of the master plan through a slide presentation, which is attached to these minutes as "Exhibit C". He stated that once all approvals are given, the plan would be submitted to the legislature on April 30.

Mr. Cross commented that there were time constraints to have a plan before another hurricane hits the coast.

Dr. Francis inquired about the first steps for implementation.

Ms. Coffee responded that there were ongoing projects that have started that will be integrated with the master plan.

Ms. Fraiche asked about cost associated with prioritization of projects.

Mr. Porthouse responded that cost was not a factor in prioritization. He stated that projects which focused on highest protection were priority.

Mr. Richard stated that the implementation phase should include a directive that federal agencies implement the plan.

Ms. Coffee responded that there would be difficulty directing a federal agency to implement the plan. She stated that the state does not vote on expenditure of federal money and that Congress would have to require the agencies to cooperate with the state.

Mr. Stuller reiterated the position of Mr. Richard with regard to federal agencies.

**g. Infrastructure Task Force**

Dr. Francis recognized Mr. Landry and Mr. Kopplin for the Infrastructure Task Force report.

- i. Update on the FEMA Public Assistance Program progress**
- ii. Public comments**

Mr. Kopplin stated that additional staff from GOHSEP would be placed in New Orleans and decision-making staff would be placed in all parishes to speed up the public assistance process. He further stated that the Louisiana Public Facilities Authority (LPFA) would provide information on the bond issue.

Mr. Jim Parks, LPFA, introduced Mr. Mark Tessier, representing Hattier, Sanford, and Reynoir, LLP, and Mr. Bob Phelps, representing Cypress Capital Corporation.

Mr. Parks provided a brief overview of the participation of the LPFA on the bond issue.

Mr. Phelps provided a brief presentation of the program which would anticipate the future receipts of the FEMA public assistance grants for the public entities and private, nonprofits in the public assistance line.

Mr. Kopplin commented that work would be done in cooperation with the LPFA and the parishes to identify the project worksheets that would qualify for these bonds.

**h. Long Term Community Planning Task Force**

Dr. Francis recognized Ms. Fraiche for the Long Term Community Planning Task Force report.

- i. Report on New Orleans planning activities and the Mayor's Office of Recovery**
- ii. Update on the Louisiana Speaks Regional Planning polling process**
- iii. Public comments**

Ms. Fraiche introduced Dr. Edward Blakely, Executive Director of Recovery Management, New Orleans, Louisiana.

Dr. Blakely provided an overview of the citywide recovery plan and distributed a handout of his slide presentation, which is attached to these minutes as "Exhibit D".

Mr. Kopplin commented that there were several programs in process with funding that work with the plan.

Dr. Francis thanked Dr. Blakely for his presentation and offered the support of the LRA Board.

Ms. Fraiche provided a brief update on the Louisiana Speaks outreach campaign.

**i. State Legislative update**

Dr. Francis recognized Mr. Reilly for the state legislative update.

- i. Update on insurance report and other recovery-related legislative agenda issues**
- ii. Public comments**

Mr. Reilly provided an update on legislative items for the upcoming session. He stated that there were five priority items for recovery which should receive consideration of state surplus dollars. Those items are:

- 1) The state's obligation on Category A and B match.
- 2) LPFA will require start-up funding for the program presented.
- 3) Contribute to the parish pool.
- 4) Louisiana Family Recovery Corporation.
- 5) Coastal Protection and Restoration Authority Master Plan.

Mr. Reilly stated that Paragon would be hired to study the feasibility of a single state cap fund for Louisiana.

Dr. Francis commented that many decisions had to be made by the legislature in the upcoming session.

## **X. UNFINISHED BUSINESS**

There was no unfinished business.

## **XI. PUBLIC COMMENTS**

The following public comment was submitted for the record by Mr. Harvey Reed, Disaster Relief and Recovery Coordinator for the Federation of Southern Cooperatives/LAF:

### **"\$20 Million Dollars CDBG Allocation**

February 08, 2007

Development of a sustainable Louisiana Fishing Communities after Hurricanes Katrina and Rita. It is important that innovative collaborations flourish among those in the fishing industries to help restore its role in having the second Port of Landing in the United States. These CDBG Funds should help enhance marketing opportunities and employment for those who lost property and facilities during these hurricanes.

In order to help move this process quickly, a financial process/program should be put in place to help existing businesses and fishing concerns. We have a crucial role in fostering communication and collaborations amongst those who underrepresented. A strong mechanism needs to be in place before this initiative takes place to reach those who are underrepresented. We must ensure that underrepresented groups in the Louisiana Fishing Industry have improved access to the CDBG Funding. Individual Outreach Centers should make a concerted effort to include under represents groups in obtaining these Funds. Funding should base upon needs and necessity not political affiliations.

Each Outreach Center should strive to implement strong communication and the utilization of other Fishing organization reach those fishing communities that have never been approach in the past. Grants should identify a hard-hit region and/or thematic set of activities and address how they will be undertaken. The contractor should establish and/or expand connections between those in the fishing industries and organizations to help conduct this outreach to the underrepresented population.

Although an Outreach Center may work to foster demonstration applications programs consistent with the LRA Goals, its primary role should be catalytic, not programmatic. For example, funds might be used to organize Town Hall Meetings that can provide opportunities for those with language barriers to have a complete understanding of how these CDBG Funds are to be administered. But would not be used to enrich those who already have the capability to obtain funding from other sources. Because this only delay the process and limit those who really need the funding to get back to work.

We must provide pedagogical expertise and guidance for the administering of the CDBG Funds to the underrepresented. Translators should hire to help expedite this process in those communities who have never experience this type of funding process after the worst disaster in our Nation's History. And we should have those who speak English to those who suffer with literacy problems. These factors should address in order for those individuals to receive the funding. This process is equally important to help save an industry that is suffering and could be extinct before we ever had a chance to save it.

We are asking the LRA Board of Directors consider our Plead to have these CDBG Funds be made available to the License Louisiana Fishermen, Processors, Suppliers and Dock Owners for either Start-Up Capital, Replacement/Repair of Boats, Inventory, Docks and “Gap Collateral” for borrowing money from other Financial Institutions. This process can our State and Nation that we have done something very positive to help the Nation’s Second Largest Fishing into a “new breathe of life”.

We are proposing the following \$20 Million Dollar CDBG be administering in the following manner:

- \$11 Million for Boat Replacement or Collateral for new purchases.
- \$1 Million for Retrieval of Boats from Storage.
- \$5 Million for Replace of facilities/docks.
- \$2 Million for Gear/Equipment Replacement.
- \$1 Million for Contractor’s Fee which includes:
  1. Bilingual Printing of Application and Translators
  2. Outreach (Bilingual) and Literacy Support.
  3. Staff to help with processing
  4. Case workers to visit applicants.
  5. Advertising.
  6. Town Hall Meetings.
  7. Surveys.

On the behalf of the Louisiana Fishing Industries and Support Businesses, we are asking that the LRA Board of Directors accept our Public Comments and use them for the betterment of our Region and State.

Thank you."

## **XII. NEW BUSINESS**

There was no new business.

## **XIII. ANNOUNCEMENTS**

There were no announcements.

## **XIV. ADJOURNMENT**

The meeting was adjourned at 3:57 p.m.

Respectfully submitted,

Andy Kopplin  
Executive Director

/ae

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