

LOUISIANA RECOVERY AUTHORITY
Board of Directors Meeting
State Capitol - House Committee Room 1
Monday, July 30, 2007

DRAFT MINUTES

I. CALL TO ORDER

Dr. Norman Francis, chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:12 a.m. in House Committee Room 1 of the Louisiana State Capitol 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

Representative Joe Salter, Speaker of the Louisiana House of Representatives, led the Board in prayer.

III. PLEDGE OF ALLEGIANCE

Dr. Francis led the Pledge of Allegiance.

IV. ROLL CALL

Ms. Fay Ayers called the role. The presence of a quorum was noted.

Board Members Present:

Dr. Norman Francis, Chairman
Mr. Boysie Bollinger
Ms. Kim Boyle
Mr. John Brewster
Mr. Tim Coulon
Mr. Rene Cross
Mr. James Davison
Ms. Donna Fraiche
Mr. Tom Henning
Dr. Alex Johnson
Mr. John T. Landry
Mr. Walter Leger
Dr. Calvin Mackie
Mr. Chet Morrison
Mr. Sean Reilly
Mr. David Richard
Mr. Virgil Robinson
Representative Joe Salter
Mr. John E. Smith
Mr. Dennis Stine
Mr. David Voelker

Board Members Absent:

Mr. Walter Isaacson, Vice Chairman
Senator Diana Bajoie
Rev. Harry Blake
Ms. Donna Brazile
Representative Yvonne Dorsey
Senator Don Hines
Ms. Sibal Holt
Ms. Linda Johnson
Ms. Mary Matalin
Mr. Matt Stuller
Ms. Susan Taylor
Mr. Mike Woods

Staff Members Present:

Mr. Andy Kopplin, Executive Director
Ms. Anita Anderson
Ms. Fay Ayers
Ms. Lynn Bankston
Ms. Krystle Beauchamp
Mr. Dave Bowman
Mr. Miles Bruder
Ms. Laura Deslatte
Ms. JoAnn Early
Mr. Ramsey Green
Ms. Ann Guissinger
Ms. Sandra Gunner
Mr. Jeff Hebert

Ms. Catherine Heitman
Ms. Desirée Honoré
Mr. Wil Jacobs
Ms. Kim Jupiter
Mr. Adam Knapp
Ms. Melissa Landry
Mr. Ty Larkins
Ms. Kristen Parnell
Ms. Marisa Robertson
Ms. Christina Stephens
Mr. Kris Van Orsdel
Ms. Alesia Wilkins-Braxton
Ms. Natalie Wyeth

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

Dr. Norman Francis offered a motion to approve the minutes of the June 25, 2007, LRA Board meeting with one correction to the name of a New Orleans City Councilman. There being no additional comments or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of the minutes and ratification of actions taken at the June 25, 2007, meeting of the LRA Board.

RESOLVED, that the minutes of the meeting of the LRA Board held on June 25, 2007, as presented to this meeting, are hereby approved and all actions taken by the Board presented at such meeting, as set forth in such minutes, are hereby in all respects approved as actions of the LRA Board.

Voting: Bollinger, Boyle, Brewster, Coulon, Cross, Davison, Fraiche, Francis, Henning, Landry, Leger, Mackie, Reilly, Richard, Robinson, Salter, Smith, Stine, and Voekler.

VI. EXECUTIVE REPORTS

Chairman of the Board Report

Dr. Francis expressed his gratitude to Speaker Salter and his colleagues for providing additional funds for the Road Home program to address the shortfall while the LRA asked Washington, D.C. for additional funding. The Board will vote on a resolution to reallocate funds to make up \$1 billion in funding from Louisiana. The Jeremiah Group will make a presentation as well as several of the Task Forces, including a presentation on debris removal.

Executive Director's Report

Mr. Andy Kopplin, Executive Director of the LRA, stated that the LRA was putting together data for the anniversary of Hurricane Katrina to show where we were last year and where \$110 billion had been spent. These funds went into three pools: 1) rebuilding – “sticks and bricks”, 2) the National Flood Insurance Program (NFIP), and 3) disaster relief. Six billion had been spent on rebuilding in FEMA categories C–G as of the end of July, 2007. As of the end of May, 2007, \$13.5 was spent on NFIP and \$19 billion was spent on disaster relief. Additionally, the Corps of Engineers has spent \$1.5 billion on levees and \$1 billion had been spent on transportation. He said the citizens are starting to see the funds at work with 58% of the federally allocated funds of \$60 billion having been spent to date.

Mr. Kopplin said eight parishes were mainly affected by Hurricanes Katrina and Rita. Approximately 60% (\$4.2 billion) of the funds have been spent with six parishes utilizing most of the funding: Orleans Parish - \$2.5 billion; St. Tammany Parish - \$616 million; St. Bernard Parish - \$554 million; Jefferson Parish - \$157 million; and Calcasieu Parish - \$124 million. In addition to the FEMA Public Assistance (PA) rebuilding funds, other funding sources available to the parishes include community disaster loans, the Road Home program, the Low-Income Housing Tax Credits (LIHTC) program, bridge loans, Hazard Mitigation Grant Program (HMGP), small business grants, and the Louisiana Tourism Recovery program.

Mr. Tim Coulon asked the difference between funds spent and deliverables.

Mr. Kopplin stated that funds spent include money that has been spent and is eligible for reimbursement or funds that are actually in the hands of the individual or agency.

Ms. Donna Fraiche commented that half of the funding has made it into the coffers of citizens or government but much of the money was preallocated. She asked how much was discretionary funding because some board members will be going to Washington, D.C. soon to ask for additional funding. They are always asked why we need more funds when we have not spent what we already have.

Mr. Kopplin responded that the Stafford Act requires that funds be distributed equitably. Certain expenses such as outside appropriations, unemployment, education, and historic restoration are outside of the Stafford Act and are examples of discretionary funds.

Mr. Kopplin pointed out that the FEMA PA program will be 10 times larger at the end of the program than previously projected. This is due to incorrect damage ratings initially assigned by FEMA and the fact that Louisiana received four times more damage than Mississippi but less money than Mississippi received.

Mr. Kopplin explained that at the end of July FEMA had paid out as much money as was paid for the World Trade Center disaster. The Northridge earthquake was a larger disaster than the hurricanes; however, we will surpass that total by next year, and our rebuilding figures will continue to climb. He explained that the congressional delegation was working on getting additional funding to address the Road Home deficit and that there is \$400 million in hazard mitigation funds that have not been awarded.

Mr. Sean Reilly asked the average award amount in Mississippi and the number of Louisiana applicants that will be eligible for the Road Home program.

Mr. Kopplin stated the average award in Mississippi as of last month was just over \$70,000. He said the Housing Task Force report may address this later, but 38,000 grants had been paid out for the Road Home program in Louisiana. He added that Mississippi is at 13,000 grants with few of their Phase II homeowners having been served. Their Phase II is for low income families that lacked flood insurance, which may have changed within the past month, but was at less than 100 grants paid. The total applicant pool for Louisiana was predicted to be less than 40,000; however, FEMA damage assessments were incorrect, and until inspections are completed the total number of eligible applicants for the Road Home program will not be known. He added that many of the applicants sustained minor damage and will be deemed ineligible for the program.

Mr. Tim Coulon asked about the lack of progress with the HMGP funds.

Mr. Kopplin commented that the traditional HMGP program was to provide \$250 million in elevation grants. FEMA pointed out that this was not a recovery program, which is an important point. Some HMGP awards have been made for retrofitting and planning for public buildings. Jefferson Parish has some applications awaiting approval; however, the FEMA HMGP program is glacial. We continue to push for progress in Congress and our message to Capitol Hill is to appropriate the funds so they can be spent, but we need to fix the process. Presently there is \$1.1 billion available in HMGP grant funding, but we cannot use it.

Mr. Coulon stated that constituents do not know the difference between the funds and this is an important ingredient. He explained that most applicants have flooded previously and over 300 applications have been submitted for the HMGP elevation funds. The FEMA application process is lengthy and awards take longer and the LRA needs to monitor this closely to ensure applicants are dealt with timely as they have already been waiting for two years.

Mr. Kopplin agreed that the process was too slow.

Mr. Kopplin commented about the timeline for closings and said in August the Road Home program will start running out of the ability to offer grant letters equal to available funds. In mid-December, the program will run out of funds, including the \$1 billion contributed by the state of Louisiana. Senator Mary Landrieu is working to get Congress to authorize full funding of the remaining shortfall.

Mr. Kopplin provided an update on the LRA staff. Ms. Natalie Wyeth is leaving to join the Democratic National Party in Denver, Colorado, and Mr. Ramsey Green will be joining the Recovery School District in New Orleans. Ms. Melissa Landry will be the new press secretary. Mr. Tin-Yun Ho, a Harvard intern for the summer, prepared all the financial information for the meeting. Mr. Adam Knapp just returned from a Senior Executive program at the John F. Kennedy School of Government at Harvard University. Ms. Krystle Beauchamp has joined Mr. Jeff Hebert in the Planning Section, and Ms. Marissa Robertson came from Teach for America and has joined the staff to do Strategic Planning. Also, Ms. Anita Anderson is the new Constituent Services Director, and Mr. Ty Larkins is the new Single Family Housing Policy Director.

Dr. Francis asked Mr. Kopplin to make a presentation on the reallocation of the Road Home funds. He stated that a resolution will follow the presentation for the board to approve the reallocation, which will be followed by a presentation by the Jeremiah Group and then public comments.

Mr. Kopplin explained that the previous reallocation recommendation had been withdrawn and rewritten after discussions with several board members and the Jeremiah Group. He described the current reallocation recommendations as follows: reallocations from the Small Rental Property and Tax Credit Piggyback Rental programs totaling \$15.4 million; swapping state funds for the State Building Match and Ineligible Costs and the Medical Center of Louisiana New Orleans to free up \$577.5 million; additional reallocations of \$32 million from the Infrastructure program and \$2 million from Economic Development – the Small Firm Loan and Grant program; plus an additional \$373 million from the state for a total commitment of \$1 billion from the state to address the shortfall to the Road Home program.

Mr. Sean Reilly offered a motion to give final approval to the reallocation of CDBG funds to the Road Home Program. The motion was seconded by Mr. David Voelker.

Mr. Sean Reilly commended Dr. Francis, Mr. Walter Leger, and Mr. Andy Kopplin for making tough decisions. He commented that these gentlemen accomplished a lot on behalf of the citizens, made midcourse corrections, and reached out to groups like the Jeremiah Group to devise a workable solution for all.

Ms. Nell Bolton, representing the Jeremiah Group in New Orleans, commented that they had been working throughout the year to ensure that people can rebuild and to incorporate meaningful benchmarks in the ICF contract. She commented that homeowners should not be pitted against one another with the proposed cuts to the Road Home program. She stated the Jeremiah Group was initially opposed to any cuts and fought to get all funding restored; however, they compromised and support the new resolution as the cuts to the Small Rental Property program were decreased to only \$2.5 million.

Brother Don Everard, representing the Jeremiah Group, stated that he had been working with a social service agency over the past seven months to help resettle over 100 families and cover security deposits, and he had never found an affordable rental unit. He explained that “affordable” meant gross rent plus utilities and is not more than 30% of a family’s income. People have jobs but not enough money to rent an apartment and stated that there is a serious rental crisis in New Orleans. He commented that a health care worker with a \$40,000 income pays 37% of his salary which is close to affordable. A teacher with a salary of \$37,000 would pay 41% of his salary to rent; an artist/musician with an income of \$43,000 would pay 48% to rent; a policeman with \$31,000 income pays 49% to rent; a hotel/restaurant worker with a salary of \$17,000 would pay a whopping 86.4% of his salary to rent. These figures do not include senior citizens or disabled citizens.

Reverend Elmo Winters, representing the Jeremiah Group, said his daughter is a second grade school teacher who had to move six times looking for affordable rent. She finally settled in Jefferson Parish where she is paying \$700 monthly for an efficiency apartment. People are committed to returning to New Orleans, but it is difficult without affordable housing.

Reverend Otto Duncan, representing the Jeremiah Group, commented that he had been working since February, 2006, to restore some rental units at Canal and Claiborne to help those who are looking for affordable housing. He developed quite a waiting list of those with urgent needs and he asked the Board to help those in need.

Reverend Jaime Oviedo, representing the Jeremiah Group, explained that rental housing is at a crisis level. He thanked the Board for their vote on the new reallocation, but commented that it does not fix the housing situation. He added that the Jeremiah Group has 60 sister organizations through the Industrial Areas Foundation that are based both locally and across the United States.

Dr. Francis thanked the presenters from the Jeremiah Group for being in attendance and for working with the LRA Board and staff members. Their comments reaffirmed how critical the housing program is, and the number of renters and the lack of public housing has exacerbated the problem. He stated that people with money cannot find rental units and it is almost impossible for lower income citizens. He pointed out that we were criticized for the amount of funding that was put into housing originally, but the comments today have reaffirmed that we were correct in what we were trying to do. He said he hopes more funds will be coming.

Mr. Kopplin echoed the comments of Dr. Francis with regard to the Jeremiah Group and their constructive comments. It was clear that high rents would be forthcoming. He said we need to rehabilitate pre-storm poor quality housing into rental units. He had recommended to the Legislature that \$866 million be allocated for small rental housing; \$587 million for the piggyback program; \$70.5 for supportive housing, for a total of \$1.54 billion in block grants for rental programs. Low income tax housing credits were added for \$3.2 billion, but the cost of construction and insurance is so high we are producing fewer units. He estimated 30,000 units will be built with this funding, but they were hoping to have 45,000 units.

Mr. Kopplin pointed out that construction and groundbreaking would occur the next day on another piggyback development which will provide 209 mixed affordable housing units. He explained that the second round of the Small Rental Housing program would also end the next day. He wants people to understand that there are significant amounts of funding coming, but that funding is not enough and it cannot get to the citizens soon enough. The greatest single threat for the rental programs is that there would be no more Congressional aid for homeowners. Round 3 of the Small Rental Housing program is scheduled to start in September, 2007, but this program may be scrutinized if additional funding does not materialize from Congress for the Road Home program.

Mr. Leger thanked the Jeremiah Group for its work. He said he first met with them several months ago and they had met several times. Now Ms. Nell Bolton of the Jeremiah Group has been appointed as a member to the Housing Task Force. He pointed out that when Senator Fields wanted to abolish the LRA the Jeremiah Group came out in opposition. The LRA continues to fight for additional funding for the Small Rental and Piggyback programs.

Mr. Leger commented that the July 29, 2007, Times Picayune had run an article written by Chairman Powell on Governor Haley Barbour and that their emphasis had not been on work force. He pointed out that Louisiana had delivered three times the funds and grants to our

citizens than has Mississippi. Additionally, Mississippi's interest in the working poor has not been great, but Louisiana is criticized at every step. He asked the representatives from the Jeremiah Group to come to Washington, D.C. to help us present to Congress a true and accurate picture of our status.

Mr. David Voelker said his grandmother had a saying: "Together you are stronger than goat milk." He commented that he is looking forward to going to Washington, D.C. with the Jeremiah Group and working together with the leadership.

Mr. Sean Reilly asked about the execution of the small rental program and whether the demand is exceeding the supply.

Mr. Kopplin stated that the first round of the Small Rental program went well and we are vigorously working to close loans. There were some wrinkles with the banks and landlords and some issues still need to be resolved. The process is taking longer than we would like, but we are working with landlords so they can borrow against their gold letter to keep rents affordable. The end of Round 2 of the Small Rental program has been extended to the end of July, 2007. This has been an evolutionary process; the banks were learning the process during Round 1, so there have been fewer hiccups in Round 2. He pointed out that \$440 million has been awarded in piggyback funds across the state and there was a closing in June at the American Bank at 200 Carondelet that will provide affordable housing in downtown New Orleans. Congress has extended the tax credit program by two years and we will continue pushing to get more projects up and running. The first units opened will have a great demand for their units, but there continues to be problems with insurance costs, availability, and permits.

Mr. John Landry said he had received a call about LRA-sponsored housing symposiums on well-built modular homes. One manufacturer has homes rated to withstand 140 miles per hour winds, but when the homes get to New Orleans, the inspectors require the removal of the plumbing and wiring. He asked if anyone had experienced this problem.

Dr. Francis stated that he didn't think there were many modular homes in New Orleans, but we would take this as a message of caution.

Mr. Kopplin said he would check into this situation.

Mr. Walter Leger called the question.

Ms. Lucinda Flowers, representing the Unity of Greater New Orleans and the Louisiana Supportive Housing Coalition, stated that they are a collaborative of over 60 housing agencies that are working on ending homelessness. She explained that there is a great need in New Orleans and Jefferson as homelessness has doubled since the hurricanes. There are very few resources available to the homeless and the disabled and they are looking for a cost effective way to address the situation. She thanked the board members for restoring the funding and reiterated the need for affordable rental housing. There is a workforce crisis, but people cannot come home if they do not have a place to live.

Once again, Mr. Sean Reilly offered a motion to give final approval to the reallocation of CDBG funds to the Road Home Program. The motion was seconded by Mr. David Voelker.

Final Approval of the Resolution to Reallocate CDBG Funds to the Road Home Program for Homeowner Assistance Grants to Resolve the Projected Shortfall in the Program Budget.

RESOLVED, that the Board hereby accepts and approves the resolution to reallocate CDBG funds to the Road Home Program for homeowner assistance grants to resolve the projected shortfall in the program budget.

Voting: Bollinger, Boyle, Brewster, Coulon, Cross, Davison, Fraiche, Francis, Alex Johnson, Landry, Leger, Mackie, Morrison, Reilly, Richard, Robinson, Smith, Stine, and Voelker.

VII. COMMITTEE REPORTS AND ACTION ITEMS

Long Term Community Planning Committee Report

Ms. Donna Fraiche informed the Board members that there was a resolution in their binders outlining the reallocation of \$3 million in CDBG funds from the Technical Assistance activity category to the Planning activity category for local funding.

Ms. Donna Fraiche offered a motion to give approval to the reallocation of \$3 million of CDBG funds from the Technical Assistance activity category to the Planning activity category and to authorize LRA staff to work with the Office of Community Development to develop an action plan amendment consistent with this resolution for public comment. Mr. John Smith seconded the motion.

Approval of the Resolution to Reallocate \$3 million of CDBG Funds From the Technical Assistance Activity Category To the Planning Activity Category and to Authorize the Development of an Action Plan Amendment for Public Comment.

RESOLVED, that the Board hereby accepts and approves the resolution to reallocate \$3 million of CDBG funds from the Technical Assistance activity category to the Planning activity category and to authorize the LRA staff to work with the Office of Community Development to develop an action plan amendment consistent with this resolution for public comment.

Voting: Bollinger, Boyle, Brewster, Cross, Davison, Fraiche, Francis, Alex Johnson, Landry, Leger, Morrison, Reilly, Richard, Robinson, Smith, Stine, and Voelker.

Presentation of the Vermilion Parish Community Recovery Plan

Mr. Chris Theriot, Vermilion Parish Administrator, Vermilion Parish Policy Jury, presented the Vermilion Parish Community Recovery Plan. Mr. Theriot said he worked with the mayor's office, the police jury, and the municipalities in devising their recovery plan.

Everyone worked together. There was no bickering and the money was easily divisible as everyone agreed on the recovery efforts. He said they will use these funds as a “step up.”

Mr. Gene Sellers, Vermilion Parish Engineer, commented that they had used charrettes to involve everyone in the creation of the plan. He added that the funds to be allocated to Vermilion Parish will not pay for two projects and asked for additional funding should any become available.

Dr. Francis thanked the presenters.

Ms. Donna Fraiche said Vermilion Parish had categorized their projects as long-term and short-term and included cost estimates. She stated that this is the way to rebuild safer, stronger, and smarter, and safety was a premier part of their plan. She added that the town of Erath had become a national beacon for community planning. Ms. Fraiche commended the Vermilion Parish citizens for a job well done.

Mr. John Landry offered a motion to give final approval to the Vermilion Parish Community Recovery Plan. The motion was seconded by Ms. Fraiche.

Final Approval of the Vermilion Parish Community Recovery Plan.

RESOLVED, that the Board hereby accepts and approves the Vermilion Parish Community Recovery Plan.

Voting: Bollinger, Boyle, Brewster, Cross, Davison, Fraiche, Francis, Henning, Alex Johnson, Landry, Leger, Morrison, Reilly, Richard, Robinson, Smith, Stine, and Voekler.

Update on Louisiana Speaks Plan

Ms. Donna Fraiche introduced Mr. Jeff Hebert, LRA Planning Director, and Ms. Boo Thomas, Center for Planning Excellence, President, who will update the members on the status of the Louisiana Speaks plan.

Mr. Jeff Hebert stated that Mr. Sean Reilly was instrumental in presenting the Louisiana Speaks plan to various areas of the state as part of the outreach portion of the plan. The top ten priorities have been identified and a rail study is underway, as well as a second printing of the Louisiana Speaks plan. Representative Cheryl Gray authored House Concurrent Resolution No. 229, which establishes a Task Force to study the creation of the Office of State Planning (OSP). HCR No. 229 was approved by the legislature and requires the Task Force to complete a study by February 15, 2008. The idea was to institutionalize the champions group and have a transition task force that meets weekly.

Ms. Boo Thomas commented that she is pleased with the progress and the goal is keep the plan alive because it is the best in the nation.

Mr. Jeff Hebert pointed out that the Louisiana Speaks plan is 96 pages and that 26,000 citizens cast ballots on what should be included in the plan. He is working on summarizing the plan into approximately eight pages that are easily digestible to send out to the citizens.

Mr. Hebert commented on some of the top priorities of the plan. We want to provide guidance for the transfer of properties with the Road Home Corporation; to spur community development; and to do a feasibility study on the rail proposal from Baton Rouge to New Orleans. We need better data on the number of riders, land use, feeder service, local transit services in the communities, and acceptable travel times. Additionally, we are looking into creative financing, such as tax increment financing, and other ways to implement the rail proposal.

Dr. Francis asked about the timeline for the rail project.

Mr. Hebert responded that we want to get the request for proposals done so recommendations of feasibility can be done within three to four months.

Mr. Tim Coulon asked if we had taken advantage of information provided by the Regional Planning Commission (RPC).

Mr. Hebert replied that we were getting information from the Department of Transportation and Development and the RPC which will be reviewed by an independent firm who will determine the best options available.

Mr. Coulon stated that a great deal of information had already been prepared and provided.

Ms. Donna Fraiche explained that the rail project had gotten the most excitement and attention, but some of the data needs to be updated. She commented that there is \$500 million in CDBG funds that have not been earmarked, but we need to have hard data. She added that we need to get the gubernatorial candidates on board to ensure continuation of this effort.

Mr. Sean Reilly said Louisiana Speaks is a building program that will continue for 20–30 years, no matter who is governor or president. He met with the Louisiana delegation in Washington, D.C. including gubernatorial candidate Bobby Jindal. The message to them was that the plan is the citizens' plan and it is not owned by any organization. The goal is to meet with the other gubernatorial candidates to let them know this is a tool that can help them with transition.

Mr. Hebert stated that the second printing of the Louisiana Speaks plan was underway and is expected within two weeks. There are only six copies left from the first printing.

Dr. Calvin Mackie asked the status of the Katrina Cottages.

Mr. Hebert responded that the funding for this program was awarded in February, 2007. Negotiations have begun to get the committed funds transferred from FEMA to the state of Louisiana. He pointed out that the Louisiana Housing and Finance Agency (LHFA) would be implementing the program, and that LRA would oversee the policy.

Mr. Kopplin said the governor asked LHFA to implement the program, and they will negotiate with Cypress Cottages and FEMA. The LRA Chief Financial Officer and Executive Counsel have pushed to get this program moving forward.

Dr. Calvin Mackie asked the status of affordable housing.

Mr. Kopplin commented that the houses are in production but the contract has not yet been signed due to a problem with FEMA. Installation sites have been identified in Vermilion, Lake Charles, and Jackson Barracks.

Ms. Boo Thomas asked for help from the LRA Board in meeting with all of the gubernatorial and legislative contenders to discuss the Louisiana Speaks plan.

Mr. Tim Coulon said he had attended a Blueprint Louisiana meeting last week and thinks that plan and the Louisiana Speaks plan coincide. The two plans were discussed in New Orleans the previous week. He asked how this all fits together and the agenda for the next four years.

Ms. Donna Fraiche explained that the Louisiana Speaks plan emanated as a recovery plan and Blueprint Louisiana is overreaching and deals with a political agenda. Our focus is on recovery, levees, and the environment.

Dr. Francis stated that we will all work together to contact candidates. He said very few states have the opportunity to do something like this and it is important to complete the rail project to show that we can complete the remainder of the projects in the plan.

Mr. Dennis Stine said the significance is that this will be ongoing for 20-30 years. There have been several good plans like Vision 20/20, but generally a new administration wants to have their own plan and the previous one gets shelved. He emphasized that the Louisiana Speaks plan is the people's plan and we need to get this message to the candidates. He pointed out that the Office of State Planning under Governor Buddy Roemer was mostly directed toward the Office of Facility Planning and the Division of Administration, but Louisiana Speaks goes beyond administrations and needs to be long lived.

Environmental Task Force Report

Mr. Tom Henning said there was initial confusion as to whether FEMA or the Corps of Engineers was in charge. If questions arose, we would have to go through the Public Assistance (PA) process. The LRA staff found out that Mississippi and Alabama had a different program with a mission statement where the entire state was being cleaned up so they did not have to go through the PA process, which has a lot of red tape. He said we would ask for a mission statement to streamline the cumbersome process with marine debris cleanup.

Mr. Kris Van Orsdel, LRA Infrastructure Policy Director, said the state waterways need to be cleaned up and we are working on a solution. The focus in Mississippi and Louisiana has been on cleaning waterways south of Interstate 10. The National Oceanic and Atmospheric Administration (NOAA) provided assistance by mapping the waterways and identifying debris so these can be posted as hazards to navigation. Louisiana has a huge marine economy and we need to be on safe water; we need to know where the debris is so we can prevent

injury. This is an immediate need and we need a mission statement versus a PA process. We are already one year behind Mississippi.

Mr. Van Orsdel pointed out that he went to the people who knew the answers when addressing the problem; he went to the fishermen and to Louisiana State University (LSU). Habitat restoration moved some funding and we got support from LSU and civic organizations. There is a significant amount of storm debris in waterways and the force of the hurricanes moved the bottoms of the waterways requiring complete new mapping. FEMA has been implying that the marine debris has been cleaned up, but Hurricane Rita moved all of Cameron Parish inland by 18 miles. Fishermen know where debris is located but they have not been able to communicate this to sportsmen. A buoy was placed in one waterway to mark where an 18-wheeler is sunk.

Mr. Van Orsdel stated that FEMA needs to grant a mission assignment and NOAA needs to identify and post debris fields that are updated weekly and sent to the Coast Guard for monitoring. Fishermen are helping with this project. We desperately need the maps that show where the debris is located in the waterways and FEMA needs to pay for it. Congress recognized in October, 2006, that all previous maps are inaccurate. Some shipping channels have been cleaned but all waterways need to be mapped and the debris must be mapped and removed.

Mr. Van Orsdel explained that a resolution would be presented today to replicate the Mississippi model where the costs born by the local governments are to be reimbursed. We need to confirm that the Louisiana Department of Wildlife and Fisheries funds for debris removal have been reallocated to habitat restoration and the fishing industry. He said the \$24 million in the second supplemental appropriation is not enough to survey the entire state. FEMA has the capability to pay for the survey which has not been done since 1820. The supplemental funding will only provide for surveying of 1,000 miles of coastline.

Mr. Kevin Savoie, representing LSU Sea Grant, Lake Charles, Louisiana, said he participated in a program 1-1/2 years ago to identify and mark hazards. The large obstructions were removed in December, 2006, but the unseen hazards remain. People lost their nets at the beginning of the shrimp season. One fisherman got struck or hung up on 65 obstructions; he provided the coordinates to Mr. Savoie and they were put into a GIS program so a map could be created. Mr. Savoie went out and located the hazards based on the coordinates. The storm surge forced houses and industrial items into the lake and fishermen will not go there anymore because it is too dangerous. The oystermen are also having problems. Mr. Savoie said they need the support of the NOAA survey to identify the hazards for the commercial and recreational fishermen as well as funding to clean up the debris.

Mr. David Richard asked who paid for the removal of the obstructions.

Mr. Savoie responded that the Louisiana Department of Natural Resources has an obstruction fund.

Mr. Richard asked what was removed from the Sabine Refuge.

Mr. Savoie replied that hazardous materials were removed.

Mr. Richard asked if there were any maps of the Mermentau or Intercoastal Waterways.

Mr. Savoie commented that the waterways are lined with debris and whenever there are heavy rains, water washes in more debris.

Mr. Richard asked about rack lines.

Mr. Savoie said it is everywhere.

Mr. Richard said the point of all his questions is there are thousands of acres with rack on private land. There are about six boats on one piece of land, and offshore there are tanks that were deposited into the marshes and lakes. He explained that there is debris all over the waterways and the Stafford Act does not provide for removal of debris on federally-owned land. There was a direct appropriation from Washington, D.C. to remove debris from the federal refuges because this was not covered under any federal program. Now they need to pay for debris to be removed from private land.

Dr. Francis commented that it is amazing that most damage is still in Louisiana when Mississippi and Alabama have been cleaned up.

Mr. Richard pointed out that over 4,000 tanks are still missing. (Mr. Henning interjected that most of them are in the ship channel.) Mr. Richard said this is a serious issue and it needs immediate attention.

Mr. Van Orsdel said Mr. Savoie and a grass roots group were used to pinpoint the debris coordinates because NOAA needed to know. Louisiana has two large ports and vessels come in and out as do shrimpers and fishermen and the waterways must be clean. He thanked Mr. Leo Richardson of the Lake Catherine Civic Association for coordinating the effort and getting the resources together.

Mr. Leo Richardson, representing the Lake Catherine Civic Association, said he could provide an urban face for the problem as they share some of the same issues as Mr. Savoie. He lived outside the levee system which is unique to New Orleans. He said the storm surge went over the land bridge into the lake and then back out again. Over 1,400 buildings were submerged and now the only thing in a nine mile area is pilings. NOAA ran out of money and is no longer mapping the area. This is a danger to the community, a hazard to the environment, and a deterrent to economic development and commerce. Fishermen have to go further in order to get back into business. The leaching of chemicals and pesticides will increase until they reach an unacceptable level. Access is limited to fishermen and residents can no longer swim.

Mr. Richardson said the real impact is on the fishing industry, both commercial and recreational. They are now down to 65 or 70 boats. One company used to ship 1 million pounds of roe a year to the Far East. The overall impact has been a 50% decrease in fisheries and the land value has decreased by 25%, while prices have risen. He thanked Gagliano Coastal Environments for their help in providing a GIS mapper.

Mr. Peter Gerica, representing the Lake Pontchartrain Fishermen's Association, said he hung in a tree for seven hours during Hurricane Katrina. He said trees, sailboats, a fishing boat, containers, tanks, cars, and trucks are in the water. It's a debris field. The shrimp season closed two weeks ago and he had damaged the bottoms of two of his boats. It is impossible to work or even go fishing. Someone is going to get hurt and they need help with debris removal.

Mr. Wayne Gagliano, a commercial fisherman, stated that he is worried about what is under the water. He has lost several items and it costs him to replace these things. He cannot get to the areas where he wants to fish.

Mr. Gary Bauer, representing the Lake Pontchartrain Task Force, said everyone who replaced the boats they lost during Hurricane Katrina have sustained damages to the new boats. Major damage is being done and only one boatyard is open to do repairs and no machine shops are open. This is a desperate issue and they need help with marine debris removal for the commercial fishermen.

Mr. Chet Morrison commented that Terrebonne and Lafourche are in the same situation, and personal injury is of the utmost urgency. Economically, it is more efficient to move the debris now as it will only become more monumental the longer we wait. We need a sense of urgency.

Mr. John Smith said the problem has been well publicized. This is a major problem in St. Tammany Parish as well. There are waterways where residents have not been able to get their pleasure boats out of dock for two years. We need to influence FEMA to do the right thing.

Mr. Rene Cross stated that he has a recreational dock in Venice and those who use drag nets encounter obstructions all the time. If a boat runs into a pipeline they can get reimbursed by the company, but there is no reimbursement for this type of debris. He said Venice used to be the number one fishing destination in the country and the economic impact of this problem needs to be considered. The commercial fishermen are the only ones doing anything about the problem and we need to get the message to Washington, D.C.

Mr. Rusty Gaude, representing the Eastern Coastal Parishes and the LSU Sea Grant, said he has been working with FEMA on the waterways that were mission staples. The remaining waterways will be addressed by NOAA, which will include the floodgates. He said he got a six-foot gash in the side of his boat last Saturday and now he is out \$40,000 plus the time he will miss in the harvest sector. We need a level playing field between Mississippi, Alabama, and Louisiana. He stated that we need to identify the debris and get it picked up and this must follow in quick sequence because the debris does not stay in one place.

Dr. Francis asked what it takes to get FEMA to take action.

Mr. Kopplin explained that he and Mr. Kris Van Orsdel had met with GOHSEP and FEMA on July 27, 2007, to discuss our requests and we hope to hear back from them within a week. FEMA agreed that it is their responsibility but they need to take the lead.

Mr. Bill Kappal, representing Coastal Environments, Inc., said his company had conducted a survey of commercial and recreational fishermen to assess the impact of submerged debris on the fishing community. The data centralized around health and safety to commercial and recreational fishermen. Large areas of water bodies are off limits and this impinges on recreation and the revival of the entire area. He said we need to get the debris cleaned up.

Mr. Tom Henning offered a motion to give final approval to the resolution requesting FEMA completely fund the Louisiana Marine Debris Removal Program through a 100% mission assignment. He pointed out that the Environmental Task Force had approved the resolution. Mr. Rene Cross seconded the motion.

Final Approval of the Resolution Requesting FEMA to Continue to Work With the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) In An Expedited Manner and Completely Fund the Louisiana Marine Debris Removal Program Through a 100% Mission Assignment.

RESOLVED, that the Board hereby accepts and approves the resolution requesting FEMA to continue to work with the GOHSEP in an expedited manner and completely fund the Louisiana Marine Debris Removal Program through a 100% mission assignment similar to Mississippi.

Voting: Bollinger, Boyle, Brewster, Coulon, Cross, Davison, Francis, Henning, Alex Johnson, Landry, Leger, Mackie, Morrison, Richard, Robinson, Smith, and Voekler.

Dr. Francis said the comments we received show that we cannot wait, but we need to act quickly and address the marine debris situation now.

Healthcare Committee

Ms. Kim Boyle said she had been working with Ms. Donna Fraiche and Mr. Miles Bruder on the testimony that will be submitted to the congressional delegation on August 1, 2007. Her message will be that the medical center should be rebuilt in partnership with the VA hospital. Several Board members have written letters supporting the joint venture, which is critical to quality health care for the citizens of south Louisiana. There is a high level of consensus on the importance of this hospital to the health care community.

Mr. Boysie Bollinger said he agrees that this is a critical need, but asked about the role of the LRA with regard to the hospital.

Ms. Boyle explained that the LRA is a policy making organization and we make statements about developments to the region. The joint hospital proposal is a key priority to the United New Orleans Plan and the recovery of New Orleans.

Mr. Tim Coulon stated that he received a copy of a spreadsheet from Chairman Don Powell, Federal Coordinator of Gulf Coast Rebuilding, which shows health care allocations to the state. He said he knows that facilities are losing up to \$5 million per month. We need to devise both a short-term and a long-term solution to the health care crisis in south Louisiana.

Mr. Kopplin explained that we were unable to get the Department of Health and Hospitals to provide specific amounts that were provided to facilities, but they are running with deficits. The LRA Board of Directors passed a resolution last month supporting the joint venture.

Mr. Walter Leger commented that the VA hospital needs to be in downtown New Orleans in partnership with the LSU Health Science Center and we should not waiver from this position.

Mr. Boysie Bollinger said he did not want to give the impression that we are not in support of the joint venture, but he had read about a business plan that questioned the size of the Charity Hospital in downtown New Orleans.

Ms. Boyle stated that the size of the hospital will be addressed another day, and agreed that several people have concerns about the business plan. The issue at hand is to get the joint venture proposal to go forward in downtown New Orleans.

Mr. John Landry pointed out that the VA had talked about building in Florida, and we want the facility to be in Louisiana.

Dr. Francis thanked Ms. Boyle for her report and wished her well in Washington, D.C.

He recognized Representative Cedric Richmond as being present.

Dr. Norman Francis recessed the meeting at 12:30 p.m. for lunch. He reconvened the meeting at 1:15 p.m.

Economic and Workforce Development Committee Report

Mr. Kopplin explained that he would be giving the Committee report because Ms. Robin Keegan was out ill. He said the Board of Regents had reviewed all the applications for the Research Commercialization and Educational Enhancement Program. The requests totaled \$88 million, all of which have been awarded and distributed.

Education Committee Report

Mr. Ramsey Green stated that Superintendent Paul Pastorek set up a facilities team and has hired several people. As for the phases of rebuilding, the schools that were the least damaged got band aids. Phase II for school year 2007-2008 is to reopen an additional 16 schools by this fall, for a total of 70 open schools at the beginning of the school year. Phase III is for quick-start construction with five schools to be identified within the next 30 days and ground-breaking by the end of 2007. Phase IV is the Long-Range Master Facilities Plan.

Mr. Green stated that he had been working on getting the kitchens working and the restrooms repaired because the basic needs have to be provided. For many of the students in New Orleans, the only hot meal they receive is at school. The bathrooms are 75% repaired and at the end of 2006-2007, there was only one operational kitchen at Clark Senior High School. Five additional kitchens were then brought online and meals were being delivered to the

schools. An agreement was made with the Department of Health and Hospitals for a massive kitchen, and at the beginning of the 2007-2008 school year, there will be 11 kitchens open.

He pointed out that a key element to the quick-start recovery of the schools is community input. The evaluation criteria were developed cooperatively by committees led by the New Orleans City Council members, Orleans Parish School Board (OPSB) members and the Recovery School district. The goal is to have one new school per council district, and public proposals will be submitted for the specific school sites. The proposals will be submitted through the OPSB and council members and decisions will be made on the strength of the proposals.

Mr. Virgil Robinson asked the lead time for building a new school. He said many of the schools are beyond repair.

Mr. Green stated that it takes a long time to build a new school. He said the quick-start phase and the Long-Range Master Facilities Plan are incorporating funding concerns and the status or condition of each school.

Mr. Tim Coulon asked if design-build is being used for the new schools.

Mr. Green replied that he was not sure but he would check and get back to Mr. Coulon.

Dr. Alex Johnson asked if there is a bad school in each council member's district and how is the new school in each district going to be decided.

Mr. Green commented that every district wants a new school and all areas need new schools. This is just the beginning. The Master Plan will address the bigger campaign geographically.

Dr. Johnson pointed out that we should look at need versus council district.

Dr. Calvin Mackie expressed his concern over the complexities with FEMA funding. He said it bothers him that funds are being set aside to build one new school and asked where funding would come from for repairs to all the other schools.

Mr. Green said the specifications have yet to be determined, but demographics will be considered. He said the master planners were looking at where the FEMA funds would be distributed, but they do not want to limit the long-term decisions.

Dr. Mackie asked about schools in the Recovery School District (RSD) as they will eventually revert to the OPSB.

Mr. Green pointed out that the OPSD and the RSD are working together and they have a joint plan.

Dr. Mackie commented that he had only seen signs for the RSD and none for OPSD.

Ms. Phyllis Landrieu, President of the Orleans Parish School Board, said she had not seen any signs for OPSD. She said they are working with the RSD and that the OPSD is responsible for the debt for all the schools. She said she was concerned about funding for an early

childhood center that will be housed at one of the schools that was not seriously damaged. The OPSD had come before the LRA Board in January, 2007, requesting support and funding. This program assessed and addresses issues from birth to five years of age and the major focus is to improve the children through the educational process. The parents will also be in educational programs. She said they went away in January thinking they had the LRA support for funding, but she was mistaken. She said they are close to going out to bid but discovered that they only get \$17 million in the Orleans Parish educational pool. They cannot go forward until they know they have funding.

Dr. Francis stated that they had spoken about this. He thought the OPSD would go to the Education Committee, who would then make the recommendation for assistance to the full LRA Board of Directors.

Mr. Green pointed out that in January, we did not know how much each parish would receive in CDBG funding, and the needs were not clear. He said the Education Committee thought the early childhood center was a great idea; however, the funding has been moved around and the needs are substantially higher than originally thought. There are two efforts underway to get additional funds from Senator Landrieu and another senator. The LRA has some funds in reserve but these funds have not been allocated.

Dr. Francis asked if \$17 million was the estimate.

Ms. Landrieu explained that she thought it was a more generous amount at that time but now the funds have been divided by eight parish school systems.

Dr. Francis asked the timetable for the opening of the early childhood center.

Ms. Landrieu said the opening was originally planned for September, 2007, but now it has moved to January, 2008. The original estimate was \$4.8 million but vandals damaged the building where the center was going to be housed.

Mr. Kopplin stated that we would schedule a meeting with Ms. Landrieu. He added that part of the conversation is the joint planning effort described by Superintendent Pastorek. He said Mr. Green needs to coordinate this and the OPSD is really two school districts within one and it may not be possible to locate an additional \$4.5 million.

Dr. Mackie said that is why he brought up the partnership earlier. He keeps hearing about the RSD and not the OPSD when it is really just one school district.

Mr. Green pointed out that the CDBG allocation was divided as if these two were two separate districts. He said he will work with both the RSD and the OPSD on the funding issues.

Mr. Virgil Robinson stated that this is an opportunity to change the fabric on New Orleans and the schools are the answer to the problem.

Dr. Mackie said research shows that reaching children between 0 and 5 years of age provides the greatest payback and he is behind this project 100%.

Dr. Francis commented that the RSD and the OPSD need to look at their priorities and that timing is critical. He suggested that Mr. Green and Ms. Landrieu meet with Ms. Linda Johnson as soon as possible.

Audit Committee Report

Mr. Virgil Robinson said Ms. Desiree Honore would provide the report on the events from June 21, 2007 until now.

Ms. Desiree Honore said that LRA is a member of the Fraud and Investigations Task Force. There have been 3,200 contractor fraud complaints and 120 arrests have been made. The Attorney General is moving forward with prosecuting these cases. There are monthly reports from KPMG which provide a snapshot of investigative matters. There are approximately 10-15 matters per week involving damages, evaluators and improper influence. The pre-storm value of homes is the biggest issue. KPMG is also running anti-fraud efforts and they have decided that there is no organized effort to defraud the Road Home program.

Ms. Honore stated there have been a series of reports by the Legislative Auditor, most of which concern ICF deliverables. The Office of Community Development (OCD) is working with ICF to address these concerns. The deadline to apply for the Road Home Program is July 31, 2007, and we hope to pin down the total number of applicants so the program shortfall can be determined. The policy change approval process was the subject of one Legislative Auditor report and the LRA is working with OCD to streamline the process. Another issue which has been addressed was compliance with the travel policy set forth in the ICF contract.

A new report was just published that addresses problems with the resolution process. The recommendation was for ICF to develop a formal process which would include a quality control/quality assurance process. This audit covered the time from December, 2006, until April 1, 2007, and included several duplications during the process. The report recommended a change from individual tracking to a case management process. The average time for the resolution process was 111 days, with 87% of the applicants in resolution expressing dissatisfaction, stating they were especially dissatisfied with the amount of information they received. The OCD has been assigned this finding, and they are looking into adding an aging element to the process. She said that ICF is moving to a case management process and commended them for working through their issues.

Mr. Robinson thanked Ms. Honore for her report. He expressed his concern about a potential surge in fraud complaints as a result of the Road Home Program running out of funds.

Ms. Honore explained that Inspector General Donohue reported that there was a tremendous amount of contractor fraud after the events of September 11th. He offered his assistance in obtaining additional funding from Congress.

Mr. Walter Leger asked if anyone from the U.S. Department of Housing and Urban Development (HUD) had said that our fraud protection was too severe.

Mr. Robinson said HUD was complimentary of our process, but the powers-that-be changed the process and it is now more susceptible to fraud.

Mr. Leger commented that he had looked at the audit reports, and ICF had stated that there were 82 policy changes. He said many of these changes were not policy changes but were in fact procedural changes because ICF was not doing the procedure correctly. These changes were held up as policy changes, but most were favorable to the homeowners.

Ms. Honore pointed out that many of the policy changes never came before the Board.

Mr. Tim Coulon asked if the 111 day time frame was for contract resolution or if it was from the time of application until closing.

Ms. Honore responded that the 111 day time frame is just for the resolution process. The longest time for an applicant to be in the resolution process was 220 days.

Mr. Kopplin stated that the Governor had asked the U.S. Attorneys for their reactions on lifting the anti-fraud measures. He said Mr. Jim Letten, Mr. David Dugas, and Washington, D.C. had responded that we should leave the anti-fraud measures in place.

State Legislative Committee Report

Mr. Sean Reilly thanked Ms. Lynn Bankston for her efforts with the legislature. The proposed legislation to abolish the LRA never came off the calendar. There were some “wins” on planning and coastal restoration, and the building codes came under fire but survived. The legislature did a responsible job. He said that the Louisiana Speaks Plan had recommended the abolishment of the Insurance Rating Commission, which passed the legislature. He expressed concern that the budget did not reflect recovery as more of a priority; however, many projects for recovery were funded.

Mr. Boysie Bollinger asked about the business plan costs and the number of beds included.

Ms. Lynn Bankston explained that the VA hospital was included in the business plan.

Mr. Landry said the LRA was involved with the passage of House Bill No. 269 by Representative Hutter, regarding the definition of a hospital in the Rural Hospital Preservation Act. He said Ms. Bankston monitored the situation and provided information to Representative Hutter, resulting in \$17 million being put into House Bill No. 2 for rural hospitals.

Mr. Kopplin said there was a huge gap in FEMA funding because of the presence of private hospitals. Mr. Miles Bruder pointed out what had occurred in Cameron Parish, and said additional funding sources and flexibility in funding would be required.

Ms. Bankston said the rural designation was a huge accomplishment.

Mr. Walter Leger stated that St. Bernard Parish had been told they would have to put up all the funds for a hospital and then they heard that Cameron Parish had received some funding

for a hospital. He said he would like some funding for a hospital in St. Bernard Parish if the 10% FEMA match requirement was waived. Hospitals are desperately needed and LRA staff assisted them in getting a rural designation and assistance with funding.

Ms. Bankston said next year we will address funding for the Office of State Planning.

Dr. Calvin Mackie asked if legislation for the business plan used design-build or the bid process.

Mr. Reilly replied that this issue was handled administratively and there was no legislation.

Mr. Kopplin stated that he would have staff look at legislation passed by Senator Ed Murray that provided \$23 million in borrowing capacity for the city of New Orleans, with up to \$300 million over 30 years to further infrastructure goals.

Mr. Tim Coulon said he thought there was a reimbursement procedure for debt service on infrastructure.

Mr. Kopplin responded that this was not so. The legislation will handle cash flow and FEMA does not pay interest costs. Ultimately this will help with costs that FEMA does not cover.

Housing Committee Report

Small Rental Program

Mr. Walter Leger stated that Mr. Wil Jacobs would provide a status on the Small Rental Program.

Mr. Wil Jacobs said that due to the reallocation of CDBG funds as discussed earlier, the Small Rental Program had been decreased from \$829 million to \$827 million. The deadline for application to the second round of the program is July 31, 2007. There have been 6,600 applications received and it is estimated that 5,000 of these will be funded. The approved applicants will receive their awards within 30 to 45 days of the close of the program.

Mr. Jacobs stated that the first round of the Small Rental Program had \$200 million in an incentive program, and tenants had to be income eligible and submit a packet confirming their choices before proceeding to construction. He expects that over 2,000 applicants will receive awards which will provide 5,000 housing units. The second round will have \$40 million available for first time buyers in New Orleans; this will be offered to other parishes in the near future.

Ms. Donna Fraiche asked if any of the properties to be bought by the first time buyers were blighted and she asked how you get access to this housing and get identified by the New Orleans Redevelopment Authority (NORA).

Mr. Jacobs explained that the first time home buyer program will be operated by the Louisiana Housing Finance Authority (LHFA), who will identify potential homes. It must be

storm damaged property and not blighted. The small rental owners who were part of the blighted property are not eligible.

Mr. Dennis Stine asked how much funding is available for the program. He expressed concern that there would not be enough funding available to do the program to the extent that it should be.

Mr. Jacobs pointed out that there will be a separate program for each parish. The LRA will set the policy and we will target renters who sustained damage. The specifics of the program and the local finance agencies will be up to the parish housing finance authority.

Mr. Stine commented that we should also be careful of being too generous. We want to have the greatest impact possible.

Mr. Jacobs said this is a good point, and they will be looking to marry funds for the most impact.

Mr. Virgil Robinson asked if we will be working with NORA.

Mr. Jacobs said we will work with NORA and other non-profit agencies that have available properties. He added that we are ready to proceed with the bond offering.

Mr. Robinson asked if any agency has experience with this and suggested getting an outline from them on their process.

Mr. Kopplin informed Mr. Stine that the Lake Charles Housing Authority would also be involved.

Mr. David Richard asked if there was an allocation per parish.

Mr. Jacobs replied that there will be a parish allocation based on the amount of rental housing available per parish pre-storm.

Mr. Richard pointed out that there are no homes left in Cameron Parish and said the program needs to be flexible.

Mr. Jacobs said most of the damaged homes were in Orleans Parish, but they want to rehabilitate neighborhoods also. They will let the parish finance authorities determine the aspects based on their needs.

Mr. Richard explained that it is difficult to change a program once it has been established.

Mr. Jacobs stated that they will include flexibility as the program is crafted.

Ms. Fraiche asked if landfill areas are being included for affordable rental units.

Mr. Jacobs said the program is initially limited to single or double family units, but each parish will have the opportunity to decide what they want specifically.

Ms. Fraiche said in areas where there is repetitive flooding, it may be cheaper to demolish and start over.

Mr. Jacobs said reconstructive property is also included in the program.

Homeowner Housing

Mr. Leger said several groups were present, including the Jeremiah Group and the Citizens' Road Home Action Team (CHAT) group. They would like to present some issues they have been experiencing with the Road Home program.

Ms. Melanie Ehrlich, representing CHAT, stated that CHAT gathers information from hundreds of Road Home applicants. The conclusion is that there are increasing problems with the Road Home process. She asked that the LRA Board and the Governor ensure that solutions that the Housing Task Force endorsed be implemented. She said the inflight review needs to be conducted as soon as possible and weekly pipeline reports need to be accessible to the citizens.

Ms. Ehrlich said the grant processing, resolution of disputes, and settling of appeals has to be a first-come, first-served process. There also must be written documentation for applicants, not just untraceable phone messages. She said there needs to be point by point dispute resolution and appeal notices. If someone can be given an amount over the phone there is no reason they cannot be given the information in writing.

Ms. Ehrlich stated that the rules for problem resolution with pre-storm value or damage percentages should be fair, consistent, and published. There needs to be accuracy in the communication. She suggested ICF find out what the problems are rather than just speeding up the process. Some people have been in problem resolution for seven months and the biggest problem is property appraisals. She said it is automatically assumed that there is fraud on the part of the applicant rather than unfair procedures by ICF. If there is a 20% difference from the Road Home appraisal, ICF will look at their appraisal rather than check against the validity of a real appraisal. She asked how LRA could be part of a program that rejects an official appraisal over a drive-by appraisal where the appraiser never even goes inside a house. Ms. Ehrlich commented that if people dispute anything, they must go to dispute resolution.

Mr. Leger said the Housing Task Force will meet in 2-3 weeks and will discuss some misperceptions regarding appraisals.

Ms. Ehrlich said CHAT was told they could have input into the inflight review, but she has not seen anything on this. The people need to be informed of policy changes. She said an ombudsman is needed because the state is not providing information to the grantees, such as how to avoid contractor fraud, builder information, and how to prevent contractors from putting a lien on your house. She said if this is not done at the ICF level, then it should be done at the LRA level to ensure that problems are avoided before they become entrenched in the program. She is seeing this already with the Road Home Corporation and their lack of specific requirements. She asked the Board to help those who are hurting.

Dr. Francis said he would take public testimony at this time.

Ms. Joann Foster asked that her written comments be entered into the record. (See Attachment 1) She said she is a certified appraiser in Texas and she is bothered by several things. She said the neediest of people are being taxed at 30% because they do not have insurance. She commented that Louisiana is better than Mississippi. She said 70% of the funding is going to the rental program. She asked how many Vermilion Parish Road Home applicants are disabled homeowners that have received grants. She asked how many elderly homeowners there are by parish and the range of their awards. She asked if we knew the percentage of elderly, disabled and poor that have applied and received grants from the Road Home.

Dr. Francis questioned her data about the rental program being larger than the homeowners program, which puts into question all of her testimony.

Several Board members commented about the inaccuracy of Ms. Foster's statistics.

Ms. Foster stated that she might be wrong about the percentages. She said two people had mobile homes and neither had insurance and that it is discriminatory that one person gets \$20,000 and the other gets \$70,000 for their mobile homes. She said there is a problem with the program and there is a problem with the valuation of the properties.

Dr. Calvin Mackie asked if Ms. Foster had seen the appraisals for the mobile homes.

She replied that she had not seen the appraisals, but she knows the people who owned the mobile homes.

Mr. Leger said the Board members and the LRA staff have every thought for everyone in Louisiana, particularly the elderly and the disabled. We were criticized by Governor Haley Barbour's press secretary for being too helpful to too many people. He said we have tried to help everyone and we have been criticized for everything. We are trying to do the right thing. Our programs are fair and equal and we have been beneficial to those in need.

Ms. Foster stated that she is repaying her Small Business Administration loan, but her 70-year old aunt cannot. She said Louisiana had failed her.

Dr. Francis asked OCD and ICF to come forward.

Mr. Leger said we have had 38,000 closings. Some people are telling him how smoothly things have gone with the Road Home and then he gets the other side of the story. He expressed his concern about phone calls being made with no follow up letter. He brought up this concern a couple of months ago, and as an attorney, he advises people to get everything in writing. There is no stoppage of Option 2 closings as stated on television, but applicants have been told by HGI that Option 2 closings are not occurring. He said he is frustrated by communications.

Mr. Mike Taylor, OCD, Division of Administration, said there is still a lot of work to be done. There had been 170,000 applications for the Road Home as of this morning. This has been

the highest month for applications and everyone did a great job in outreach. The process is moving but there are still issues that need to be dealt with. He said Option 2 and 3 closings are behind and they are working on ramping up this effort as it is purely a real estate transaction.

Mr. Taylor said there will not be any extension to the deadline for application to the Road Home Program. We need to get to where we have definitive budget numbers. He commented that the resolution process continues to be a thorn in their side, and they had to rethink how the resolution process was handled.

Mr. David Voelker asked if an applicant changed an appointment time if they had to reapply.

Mr. Taylor responded no.

Mr. Mike Spletto, OCD Housing Manager, stated that there had been a lot of misunderstanding and incorrect data and information. He said the program has changed since April, 2007, when they had other concerns such as aging applications that had not received an option letter. In March, there were 10,000 families that had been in the system longer than 60 days without receiving an option letter; last week there were only 300 families awaiting their letter. There are more people entering the system every day and they are tracked from day one.

Mr. Spletto stated that the focus in July was the resolution process. He said they did not have the systems, policies, and procedures in place before, but they have found better ways to handle this and they are moving to case management. Over 5,000 applicants moved out of resolution in the past month, and they are now concentrating on those who have been in the resolution process for longer than 120 days. As of July 27, 2007, only 100 applicants remained in the resolution process for longer than 120 days. The next focus will be on those who have been in the resolution system for longer than 30 days. We need to keep people flowing into closing.

Mr. Spletto commented that the 20% deviation in appraisals is looked at to ensure there is no waste or fraud. He stated that it is amazing that there are such big differences between Louisiana appraisers. If there is more than one source for appraisals, they look at the highest appraisal to see if it is within the 20%.

Mr. John Landry said he had heard about 20/55 appraisers that cannot go on the property.

Mr. Spletto said the 20/55 is an appraisal light. There are three different kinds of appraisals and the appraisers have to validate their appraisals and be willing to go to court. The different appraisals were approved by HUD. He added that over 99% of the appraisals are comparable.

Mr. Mike Taylor stated that if full blown appraisals had been done for each property, we would not be as far along as we are.

Mr. Spletto commented that every phase of the process brings out different issues and complications. He said we are concentrating on quality. OCD had to reject some files from ICF as they were not ready to go forward to closing. The last two weeks 98% have passed to

closing whereas the first two weeks it was 15% going to closing. He said they are seeing a tremendous success now.

Mr. Taylor explained that efforts done over the past 60 days will result in more speed in the process and pay great dividends downstream.

Mr. Spletto said reporter David Hammer compared Louisiana to Mississippi where they had closed 90% of their applications compared to 20% of closings in Louisiana. The Government Accounting Office (GAO) did a comparison on June 29, 2007, between Louisiana and Mississippi that showed that Louisiana began its program in August, 2006, and nine months into the program approximately 50% of the applicants had received awards averaging \$74,000. Mississippi started their program in April, 2006, and 14 months later they started giving out awards. Louisiana has given out double the awards in half the time of Mississippi and we have a larger applicant base.

Mr. Leger asked Mr. Spletto to make sure that David Hammer gets a copy of the GAO report.

Ms. Dennis Stine applauded OCD on its successes but said he is concerned about complaints. He said he would like to see statistics on complaints presented by OCD at a future meeting because he is concerned about those left behind. He does not want a recitation of their successes.

Mr. Taylor suggested that the Housing Task Force meeting might be the venue to go over the complaints.

Mr. Spletto stated that they want everyone out of resolution, but the program is larger than anyone imagined.

Mr. Chet Morrison said that 103,000 calculations of benefits had occurred but only 55,000 people had selected an option. He asked if a 45% disparity was traditional.

Mr. Taylor said that is a stable percentage and that there is an average four-week decision process by the homeowners.

Ms. Isabel Reiff, ICF International, explained that 5,000 letters were sent last week.

Mr. Sean Reilly commented that we need to be careful when discussing lag time between the letter being sent and the option being selected. These are difficult decisions that are being made, and people are doing what they need to do.

Mr. Morrison stated that people in his area are apprehensive about the calculations that have been made.

Mr. Reilly said he thought it was a miracle that only 7,000 out of 140,000 applicants are in dispute resolution.

Ms. Fraiche said the gap between the calculations and the closings are an important number when looking at the budget. She gets calls from people asking for assistance and she needs

the names and numbers of those at the Road Home that she can send people to for help. She said she needs names of people who will answer the phone.

Ms. Reiff said she would provide the Board members with contact information by the end of the day.

Mr. Spletto said there is staff assigned specifically for the LRA.

Mr. Landry said he uses these people daily. Unfortunately, ICF will contact the constituent and tell them something will happen within 2-3 weeks and then two months go by without anything happening. Then he starts the cycle all over again.

Mr. Taylor asked that OCD be copied on the e-mails.

Dr. Francis said we continue to get complaints and we need to document where we can go to get information to help the applicants.

Mr. K.C. King, CHAT, said his theme is "elevation in crisis." He said the elevation grants were stopped on April 24, 2007, and nothing has been done for three months. Some people have received their home compensation, but are frozen in rebuilding solutions because elevation is the only thing people can do to rebuild safer. Elevations are expensive. Homeowners outside the program are rebuilding unsafely with no elevation and therefore the program has not been successful. He explained that the August National Geographic reported that levees cannot protect you.

Mr. King asked who made the decision to stop the elevation grants and he asked what LRA can do to help. He said this is more important than correcting inequities in compensations. He said he had three approaches to address the situation. 1. There needs to be a shared vision between the LRA and FEMA and it needs to be shared with the people affected. 2. Use the funds the state allocated to provide elevation grants. 3. Stop all Road Home grants until the elevation situation is resolved. Presently, we are giving people half an award by not addressing the elevation situation. He said it is urgent that something be done.

Mr. Kopplin said we had been fighting to get this problem addressed. No other state has adopted the Advisory Base Flood Elevations (ABFE). The fundamental problem is that HUD said we cannot have a hybrid construction and compensation program, so there is no way to handle the awards. He has worked with lawyers and HUD to come up with the construction program and also working with OCD and the Governor's office to resolve the elevation issue. He suggested that this issue be revisited at the next Housing Task Force meeting. Presently there are no good choices, but full funding of the program will solve the problems. Chairman Don Powell asked that we include the Hazard Mitigation Grant Program with the Road Home program. We are working on flexibility in Washington, D.C., but FEMA is not bending.

Mr. Leger said he is beginning to understand federal regulations and it is ridiculous that no one at the federal level can cut through the problems. It is logical to elevate, but we were told by FEMA that we were discriminating in favor of the elderly and there is confusion. We are looking to Congress for a solution. He said he gets frustrated by the media attacking Louisiana when the policy is not the same for other states. It is outrageous and in the meantime, people will continue to rebuild without elevating their homes.

St. Bernard Parish Council Resolution Presentation

Mr. Craig Taffaro, representing the St. Bernard Parish Council, presented the Board with a resolution approved by the Redevelopment Committee of the St. Bernard Parish Council. The resolution endorsed the Redevelopment Commission Plan for the Road Home Corporation acquired properties. He said the proposal is based on a tremendous amount of properties and will change the face of St. Bernard Parish. They have identified the most likely areas not to redevelop. The properties need to be cleared and they are proposing that all properties be zoned as G-1. He said the idea is to have every property zoned this way to ensure there is no haphazard development. Another emphasis is to transfer low income property to provide homeowner/buyer opportunities. There are several organizations ready to work in partnership with the parish, and the organizations will have to prequalify.

Mr. Taffaro said adjacent landowners sharing a common lot line would have the right of first refusal. Rear property owners would have the right of first refusal if front property owners are not interested in participation. If both want the property, it will be shared. If no one is interested, the property would go to public bid, and G-1 would be repackaged for developers. They are not allowed to keep all the proceeds. Funds generated by the resale of the properties will be returned to the Road Home Corporation minus a 20% administrative fee for the parish. He said there are several other points addressed by the plan, but they are expecting additional modifications.

Mr. Sean Reilly thanked St. Bernard Parish for getting ahead of the game. He said this may serve as a model for others.

Ms. Donna Fraiche commended St. Bernard Parish for working on getting properties back into commerce. She asked who maintains the blighted properties and at what cost.

Mr. Taffaro said that once the blighted property is conveyed to the Road Home Corporation, it is their responsibility. The problem is that there are already 500 properties that are out of compliance and there is no funding. He said that as the Road Home program ramps up the number of closings, the number of blighted properties are also growing and it is going to cost a great deal to maintain these properties. He commented that it is one thing to mow the grass, but they are quickly moving into the next step of permanent repairs and getting the properties up to the minimum housing standards. This will cost millions and many of the lots will be demolished eventually. FEMA has imposed a deadline of August 29, 2007. He said they are hoping for exemptions and an extension before the properties are demolished. He asked that the Road Home Corporation implement closing documents that include an option or disposition for demolition.

Mr. Kopplin stated that LRA staff is working with the Road Home Corporation to help them with conversations with the parishes, and some meetings have already been scheduled. He said there are some federal rules that we cannot approve or change, but we will work closely with all involved to move forward expeditiously. He commented that St. Bernard Parish is at the front of the line and that we are working on how to resolve the August 29, 2007, deadline.

Dr. Francis thanked Mr. Taffaro for his report. He said we could not vote on this today, but they will be the model for the rest of the parishes.

VIII. UNFINISHED BUSINESS

There was no unfinished business.

IX. PUBLIC COMMENTS

There were no other public comments.

X. NEW BUSINESS

There was no new business.

XI. ANNOUNCEMENTS

Dr. Francis announced that there would be no meeting in August and the next LRA Board meeting will be held on September 11, 2007.

XII. ADJOURNMENT

The meeting was adjourned at 4:31 p.m.

Respectfully submitted,

Andy Kopplin
Executive Director

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Date approved: _____