

DRAFT, subject to revisions and/or amendments

LOUISIANA RECOVERY AUTHORITY
Board of Directors Meeting
Westwego, Louisiana – John A. Alario Event Center
Monday, November 6, 2006

MINUTES

I. CALL TO ORDER

Dr. Norman Francis, Chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:16 a.m. at the John A. Alario Event Center, 2000 Segnette Boulevard, Westwego, 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 Chip Radke, Pastor, God's House, Marrero, 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
Mr. Walter Isaacson, Vice Chairman
Ms. Dale Atkins
Senator Diana Bajoie
Mr. Boysie Bollinger
Ms. Kim Boyle
Mr. Tim Coulon
Mr. Rene Cross
Mr. James Davison
Mr. Tom Henning
Senator Don Hines
Ms. Linda Johnson
Mr. John T. Landry
Mr. Walter Leger, Jr.
Dr. Calvin Mackie

BOARD MEMBERS ABSENT:

Rev. Harry Blake
Ms. Donna Brazile
Representative Yvonne Dorsey
Ms. Donna Fraiche
Ms. Sibal Holt
Ms. Mary Matalin
Mr. Virgil Robinson
Ms. Susan Taylor
Mr. Mike Woods

BOARD MEMBERS PRESENT (cont'd):

Mr. Chet Morrison
Mr. Sean Reilly
Mr. David Richard
Representative Joe Salter
Mr. John E. Smith
Mr. Matt Stuller
Mr. David Voelker

STAFF MEMBERS PRESENT:

Mr. Andy Kopplin, Executive Director	Mr. Wil Jacobs
Mr. Dave Bowman	Ms. Kim Jupiter
Ms. Jessica Dardenne	Ms. Robin Keegan
Ms. Angel Ellis	Mr. Adam Knapp
Mr. Pat Forbes	Ms. Melissa Landry
Mr. Ramsey Green	Mr. Ty Larkins
Ms. Ann Guissinger	Ms. Kristen Parnell
Ms. Sandra Gunner	Mr. Paul Rainwater
Mr. Jeff Hebert	Mr. Kris Van Orsdel
Ms. Catherine Heitman	Ms. Alesia Wilkins
Ms. Desirée Honoré	Mr. Carl Williams

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

Dr. Francis called for a motion to approve the minutes of the October 12, 2006, meeting.

Mr. Coulon made a motion to adopt the minutes, seconded by Representative Salter. Without objection, the minutes were adopted by a vote of 17 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Isaacson, Mr. Bollinger, Mr. Coulon, Mr. Cross, Mr. Davison, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker.

VI. WELCOME BY JEFFERSON PARISH PRESIDENT AARON BROUSSARD

Mr. Aaron Broussard, Jefferson Parish President, congratulated the authority on their diligence with recovery efforts and stated that other Jefferson Parish officials would provide comments at the appropriate time during the meeting.

Mr. Coulon thanked Mr. Broussard for his support and commented that the Alario Center was state-owned property.

Mr. Smith invited the board members to hold the December meeting in St. Tammany Parish in the council chambers.

There was a brief interruption of the meeting as demonstrators entered the room.

VII. EXECUTIVE REPORTS

Chairman of the Board Report

Dr. Francis commented that the board has worked hard to be equitable in providing a safer, stronger, and wiser state. He stated that during the meeting there would be task force reports and voting on action plans presented.

Executive Director's Report

Mr. Kopplin provided an overview of the public concerns heard at the October board meeting. He stated that progressive work was being done with developers to accommodate their concerns and to modify programs related to certain businesses. He further stated that the chairman and other members of the authority made presentations to select legislative committees and that the information was well received. He thanked the Speaker of the House and the President of the Senate for working with the LRA. Mr. Kopplin stated that several articles had been published on the process of expending CDBG funds and he clarified that the issue was regarding cash flow of FEMA disbursements. He stated that FEMA did not expedite approval of public assistance repairs. He further stated that President Bush intervened and FEMA will use federal highway administration funds for road damage. Mr. Kopplin apprised the members of the status of the LRA rules. He explained that when the LRA was created by statute, the organization's operations had to be codified by rule. There were two legislative oversight hearings with two recommendations – 1) to remove the time limit from public comments and 2) votes be taken by voice or roll call.

Ms. Alesia Wilkins explained that the board had been operating within the parameters of the statute. She further explained that the rules required that task forces and committees cover subject areas.

Dr. Francis stated that a motion was needed to adopt the rules.

Ms. Wilkins commented that the rules would be published in the Louisiana Register in final format upon adoption.

Mr. Reilly made a motion to adopt the rules, seconded by Mr. Isaacson. Without objection, the motion was adopted by a vote of 19 yeas and 0 nays. Voting yea were Dr. Francis, Mr. Isaacson, Ms. Atkins, Mr. Bollinger, Mr. Coulon, Mr. Cross, Mr. Davison, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Reilly, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker.

VIII. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS

A. Housing Task Force

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

Mr. Leger stated that there was frustration with the speed of the program. He commented that our situation was different from Mississippi since the devastation in Louisiana involved homes outside the flood plan. He further stated that arguments were made to Congress in Washington. He explained that homeowners who bought a home 20 years ago only needed insurance for the amount of the home at that time, which costs more to repair today. He stated that Louisiana's housing plan was different and more complicated. He further stated that \$7.5 billion would be spent to rebuild homes and to develop affordable rental housing, with an additional \$1.7 billion in hazard mitigation and \$1.6 billion for redevelopment of workforce. Congress approved an additional \$4.2 billion in June. In July, ICF opened the program to service the people and in August, HUD approved the plan. He commented that as of November 6, 2006, approximately 80,000 applications had been received and 60,000 appointment letters had been mailed, with only 1,351 awards calculated. He stated that \$78.9 million in benefits had been calculated. He further stated that by the end of November, 10,000 awards should be calculated. Mr. Leger commented that ICF calculated appointments to be at 1,000 per day.

Dr. Francis asked if the number of appointments had shown an increase yet.

Mr. Leger responded that there have been delays due to the result of HUD regulations. He stated that CDBG funding was the best money to get due to the least amount of process. He further stated that Don Powell's office and others had been helpful in obtaining waivers. He commented that to some degree calculations were slowed due to waivers and that there are safeguards built into the system which hinder progress. He stated that FEMA has lost \$1 billion due to fraud and that Louisiana cannot afford to lose to fraud. He commented that as homes are rebuilt, Louisiana will also be rebuilt and that there is an opportunity to rebuild communities better than before to bring home those persons that want to come back home. He further stated that press releases were made to clarify the misnomer of management difficulties in the administration of the program.

Mr. Voelker asked whether efforts had been made to speed up the process.

Mr. Leger responded that there were indications of an increase in the process. He stated that OCD was the implementer of the program and that funds of this magnitude have not been administered to date. He further stated that a private contractor was used rather than using a state office to reduce the need for existence once the problem has been solved. He added that 95% of the employees of ICF were from Louisiana and from the affected areas.

Mr. Kopplin commented on the rental program. He stated that 35,000 units of rental property were anticipated to replace 80,000 that were damaged. The housing finance agency took applications for a piggyback program. Applications were due by October 20, 2006. The small rental program anticipated 18,000 units. He stated that the program was a key priority for owner occupants and small-based owners with 1-20 units. He further stated that various income levels could qualify for the plan and that there were also units created for market rent.

Mr. Bollinger asked if there had been feedback on the extension of the parish area.

Mr. Kopplin responded that efforts were being made to continue to request an extension. He stated that an extension would more likely be focused on a 10- to 12-parish area rather than the entire 34-parish area.

Dr. Francis asked for an explanation of income levels and number of units regarding the rental program.

Mr. Kopplin responded that there was a large amount of rental property damaged and rental housing is not available. There is a spread of incomes assisted by the rental program being created. He explained that there are 35,000 units produced for the four different income levels. He further explained that as units are produced, there are economic incentives for developers and landlords. He stated that the program would also have affordable workforce housing.

Dr. Francis asked about statistics for renters and homeowners.

Mr. Kopplin responded that New Orleans was split with half renters, half homeowners.

Mr. Voelker asked whether the funding would be sufficient to solve the workforce program issues.

Mr. Kopplin responded that the piggyback program was available for larger developers of 50-150 units at one time.

Mr. Voelker asked if the program had the same requirements.

Mr. Kopplin responded that there was the incentive of affordable housing within the context of mixed income communities. He stated that the program was trying to match affordable units with income. He further stated that the smaller rental program would progress slower.

Dr. Mackie asked about small rental owners applying for small loans.

Mr. Kopplin responded that small loans can be applied for with HUD's approval of the waiver requested.

Senator Bajoie asked how people would know when the applications would be taken.

Mr. Kopplin responded that there would be significant advertisement and information would be provided on the website.

Senator Bajoie asked if information would be provided other than on the website and questioned the marketing effort. She stated that people should have an equal opportunity to apply for the program and would not want someone left out due to failure to obtain an application.

Mr. Kopplin responded that the program had not been launched but would have an aggressive program and requested suggestions on implementation of the program.

Senator Hines stated that 124,000 single dwelling homes were destroyed and asked why there were only 80,000 applications.

Mr. Kopplin responded that FEMA data was used when the number of homes destroyed was initially calculated, which was the threshold used in creating the Road Home program. He stated that to date 80,000 applications had been received. He further stated that there was insufficient demand in southwest Louisiana. He commented that there were press releases and speaking tours on the program but there may be people who think that the program would not apply to their situation. He further commented that even if a person has insurance, a mitigation grant could be obtained to elevate the house or for other home modifications. He stated that many people were unaware of the grants available and that marketing efforts continued to those homeowners.

Senator Hines asked about the amounts used to calculate the settlement for the average claim.

Mr. Kopplin responded that \$68,000 was used to calculate the average claim. He commented that ICF targeted the time of an appointment to receipt of an award letter was approximately eight weeks. He stated that 17,000 applications have been processed through the appointment and that those applicants should be receiving awards letters in the mail.

Senator Hines asked if there would be restrictions on available money not awarded.

Mr. Kopplin responded that any money not fully utilized would be accessible to the LRA for allocations in housing, infrastructure, or economic development. He stated that there would be flexibility if there is insufficient demand in one area. He commented that OCD put out an RFP to contract with non-profit organizations to do outreach and assistance to homeowners without access to the program or who may have trouble completing applications. He stated that applicants can now call into the centers and make verbal application which would make an easier application process.

Senator Bajoie commented that phone applications should have been available earlier in the process and that those people would be making application after everyone else at this point. She stated that the process should have been expedited especially for the elderly. She asked how a person would know if their application was received.

Mr. Kopplin responded that upon receipt, an application was keyed into the system and the application would receive a letter with a number. He stated that all applications received would be processed and keyed into the system by the end of the week and if a letter had not been received, the application could be lost. He stated that he would check with ICF regarding the timeline.

Senator Bajoie commented that those applicants who were fortunate enough to have a computer were dealt with differently than those that are not fortunate to have a computer. She reiterated that time was of the essence and expressed her concern for the elderly.

Mr. Kopplin responded that there geographic locations were being monitored and that the system was not designed to place certain groups before others.

Senator Bajoie commented that there should be ways to expedite the process and that hopefully these issues were being addressed.

Mr. Kopplin responded that work would continue to address the issues. He stated that the assistance center in Texas would be open by the end of the month.

Ms. Atkins asked if there was a way to expedite applications of the elderly. She stated that some elderly applicants do not have access to the Internet or computers.

Mr. Kopplin responded that there should be a way and he would address the issue with the contractor.

Dr. Francis commented that time was allowed to understand the program and be certain that the program gets marketed correctly.

Mr. Leger pointed out that money from the program, which has been allocated and appropriated to Louisiana and is held in the treasury in Washington, must be allocated to a program by the LRA or the money will not get spent. Mr. Leger provided a brief overview of the Small Business Administration (SBA) Resolution. He explained that the SBA requires that any grant funds must be used to pay a SBA loan. The SBA considers the loan a duplication of benefits. A portion of any assistance received through the Road Home program would have to be used to pay a portion of a SBA loan. He stated that the resolution requests that the SBA reconsider policy related to duplication of benefits. The resolution provides that if federal funds come from one source that there would be separate forms. He stated that the recommendation was within the context of SBA and HUD rules to avoid duplication of benefits. He further stated that a waiver had been requested to consider the benefit of market interest rates. The benefit would be from the SBA low interest rate, not from the loan. Mr. Leger offered a motion to adopt the resolution.

Mr. Reilly asked whether the waiver would work to the favor of the state.

Mr. Kopplin responded that the SBA would have to make the determination on duplicate benefits. He commented that homeowners should have the choice.

Mr. Reilly seconded the motion to adopt the resolution.

Senator Bajoie commented that the congressional delegation should be involved.

Mr. Isaacson commented that the SBA director had been fired.

Voting proceeded on the motion offered by Mr. Leger, seconded by Mr. Reilly, to adopt the resolution as follows:

To request that the Small Business Administration (SBA) or Congress change the calculation method regarding duplication of benefits for SBA loans as it relates to the Road Home program

THEREFORE BE IT RESOLVED THAT, the LRA Board recommends that the SBA and Congress reconsider the SBA's interpretation of how to value the benefit of an SBA loan for the purposes of complying with the Stafford Act's "non-duplication" requirements as it relates to the Road Home Homeowner Assistance programs and other similar disaster recovery compensation programs.

BE IT FURTHER RESOLVED THAT, because the LRA's proposed policy more appropriately reflects the cost of the federal government's SBA loan for recovery and allows the homeowner the maximum flexibility to invest Road Home in housing redevelopment, the Board requests that the SBA define the "value" of the SBA loan for the purpose of considering duplication of benefits not as the value of the principle amount loaned, but the difference between the government's subsidized interest rate and what the homeowner could have borrowed at market interest rate as valued over a period of time.

The motion was adopted by a vote of 22 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Isaacson, Ms. Atkins, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Cross, Mr. Davison, Mr. Henning, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Reilly, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker.

Mr. Henning asked about contributions from non-profits.

Mr. Kopplin responded that there was a difference of opinion with non-profits. He stated that some thought that non-profit contributions would cause the grant to be reduced. He further stated that he was not sure how non-profit contributions would affect a homeowner assisted by the program.

Mr. Leger commented that duplication of benefits was part of the Stafford Act and was an example of issues dealt with by the program. He stated that the decision would be up to Washington.

Dr. Francis opened the floor to public comments.

Mr. Donald Vallee, representing himself, New Orleans, Louisiana, stated that he was a lifelong resident of Orleans Parish. He expressed his opinion that small rental owner-occupied units should receive more assistance than other rentals. He stated that the small rental program would only assist 18,000. He further stated that the small rental program has less than \$1 billion and that enough units would not be affected. He commented that the purpose of the program should be to reduce rent to an affordable rate and provide landlords incentive to rebuild units. He expressed his concern that the program is overcomplicated and should be simplified.

Dr. Francis stated that the comments were appreciated and that the board has worked hard to address the issues.

A discussion ensued relative to Mr. Vallee's comments.

Mr. Malcolm Suber, representing the People's Hurricane Relief Fund (PHRF), New Orleans, Louisiana, stated that residents of New Orleans have been fighting for the right to return. He expressed his opinion that there were no provisions in the Road Home program for people who rent. He commented that grants were not available to renters and that numerous phone calls had been received from people who could not afford to come home due to the high cost of rent. He further commented that rent increased from \$500 to \$1200 for a two-bedroom home. He expressed his opinion that people are losing hope of ever coming back to New Orleans. He invited the board to join the PHRF march which would be held on November 18, 2006, in Baton Rouge.

Ms. Gloria Muhammad, representing herself, New Orleans, Louisiana, stated that she was a homeowner and owned rental property prior to the storms. She provided the plight of her situation being displaced. She expressed her opinion regarding the lack of advertisement of board meetings and requested help for poor, hard-working people. She requested a copy of the LRA documents provided to members.

Dr. Francis responded that copies of the documents could be provided and that all documents at board meetings are public documents.

Ms. Mary Tran, representing the Mary Queen of Vietnam Church, New Orleans, Louisiana, expressed her concern for the lack of translators at applicant interviews, which process was more than one hour long.

Mr. Kopplin responded that he would ask Ms. Ellen Lee with OCD to meet with her regarding appropriate accommodations.

Mr. Jay Arena, representing the United Front for Affordable Housing, New Orleans, Louisiana, expressed his concern regarding fraudulent activity in the program. He also expressed his concern regarding the LRA board composition, as not having representation by race or class and that board meetings were held during the day when people were at work and unable to attend.

B. Infrastructure Task Force

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

Mr. Landry stated that before the board was consideration of the final approval of the resolution on the action plan amendment for ratepayer relief. He further stated that public comment had been taken at a previous meeting. He commented that the funds would defray the cost of restoration, reconstruction, and rebuilding of Entergy New Orleans' damaged electric and gas utility systems and offset other unrecovered fixed costs that may be the responsibility of ratepayers.

Mr. Reilly offered a motion, seconded by Representative Salter, to adopt the resolution as follows:

The LRA Board approves and recommends to the Governor and the Louisiana Legislature for approval the Ratepayer Mitigation Plan Action Plan Amendment No. 6

for Disaster Recovery Funds. Action Plan Amendment No. 6, allocates \$200 million of Community Development Block Grant (CDBG) funds to Entergy New Orleans (ENO) to defray gas and electric utility system repair costs to mitigate rate increases that would otherwise be passed on to New Orleans gas and electric utility ratepayers.

THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby approve the Ratepayer Mitigation Plan Action Plan Amendment No. 6 for Disaster Recovery Funds.

THEREFORE BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend the Ratepayer Mitigation Plan Action Plan Amendment No. 6 for Disaster Recovery Funds to the Governor and the Louisiana Legislature for approval.

The motion was adopted by a vote of 21 yeas and 1 nay. Voting yeas were Dr. Francis, Mr. Isaacson, Ms. Atkins, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Cross, Mr. Davison, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Reilly, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker; voting nay was Mr. Henning.

Mr. Landry provided an overview of current infrastructure commitments for hazard mitigation and also provided a list of infrastructure items not included in current commitments. He stated that there was approximately \$445 million in uncommitted funds. He further stated that there were approximately \$2.6 billion in unfunded needs. Recommendations from the Infrastructure Task Force include the following: \$40 million for the 10% match for public, non-private K-12 and universities, \$135 million for FEMA ineligible repairs to state buildings, \$20 million for fisheries infrastructure, and the remaining balance of \$250 million to be allocated to parishes by formula.

Mr. Kopplin commented that a copy of the proposed distribution formula was available and also was distributed at the last board meeting.

Ms. Boyle requested that a special meeting be held to devote entirely to discussion of the disbursement of infrastructure monies.

Dr. Francis commented that the needs would be greater than money available for disbursement and reiterated that a special meeting would be beneficial to thoroughly discuss the use of the money.

Senator Hines asked about the timetable for release of \$300 million for the LSU Medical Center in New Orleans.

Mr. Landry stated that public meetings had been held and that by Thanksgiving a final business plan should be ready. He further stated that approval could be granted by the December board meeting.

Senator Hines expressed his concern regarding the VA timetable and keeping in line with the timetable.

Mr. Landry responded that the timetable would be met if approval is granted at the December meeting.

Dr. Francis asked about a cash flow analysis.

Mr. Landry responded that LSU had a cash flow analysis that outlines needs and deadlines.

Senator Hines asked about the land purchase.

Dr. Francis asked if there was a timetable to purchase land.

Mr. Landry responded that the analysis was available in the meeting documents.

Mr. Henning asked whether there was a plan to analyze the LSU Medical Center business plan.

Mr. Landry responded that the request from the LRA to LSU was that the plan be available for review by Thanksgiving.

Mr. Kopplin stated that the LRA did not have adequate experienced staff to analyze the plan. He stated that the request was for a \$650 million facility possibly including a cancer center, which would be funded with a combination of CDBG funds, FEMA payments, and some other source of funding, such as revenue bonds, that the legislature would have to approve. He suggested that a consultant be hired to analyze the plan and that the board should seize the opportunity when appropriate.

Dr. Francis stated that the business plan should be reviewed by appropriate persons prior to the next meeting.

Mr. Landry commented that the LRA would not impede the process by reviewing the plan.

Dr. Francis requested that verification be made that the purchase of the property is within the timeline.

Ms. Boyle stated that she had met with representatives from LSU and that having a commitment by the end of December would meet with the timeline.

Mr. Coulon commented that the Superdome sustained a great deal of damage and there were issues with FEMA regarding restoration. He stated that \$14 million of renovations were made to the Superdome in anticipation of reimbursement. He commented that the inability of the Superdome to receive the \$14 million already expended by district funds restricted the ability to move forward to the next phase of renovations.

Mr. Landry commented that the LRA has been prudent with remaining CDBG funds.

Mr. Henning asked who would check to ensure that repairs made were storm-related.

Mr. Landry responded that Mr. Jerry Jones with the Office of Facility Planning will verify storm-related damages.

Mr. Henning commented that Orleans Parish had received 67% of infrastructure allocations and there was a recommendation for 54% in additional allocations for the parish. He stated that the formula should be calculated to provide an equal ratio to parishes.

Mr. Kopplin responded that the Road Home program overwhelms the other expenditures. He stated that 66% of the infrastructure budget currently allocated that was to be expended for parishes includes \$300 million for the hospital and \$200 million for Entergy New Orleans. He further stated that when the distribution formula is discussed, part of the discussion should include providing an equitable formula for all damages incurred.

Mr. Isaacson asked about utility damage payments for ratepayers outside the affected areas.

Mr. Kopplin responded that Entergy Louisiana had requested more than \$700 million, Cleco had expended \$160 million, and Entergy New Orleans had requested \$592 million, of which \$200 million had been proposed for payment. He stated that CDBG money would not be available to those companies. He further stated that ratepayers outside the parish would not be responsible for the costs of Entergy New Orleans.

Mr. Landry commented that the people present at the meeting were lobbying for New Orleans and that comments made by Mr. Henning were relative to Cameron Parish. He stated that there was limited funding available for the damage from Hurricane Rita as well as from Hurricane Katrina.

Dr. Francis recognized Mr. Dennie Williams, Director of state and federal affairs, Cleco Corporation, Pineville, Louisiana, for public comment.

Mr. Williams expressed his thanks to the board members for their dedication and service. He requested that Cleco be considered for CDBG funds if more funding becomes available to provide the same opportunity and fairness to Cleco's customers. He also offered the company's assistance in recovery efforts.

Dr. Francis recognized members of the New Orleans city council for a presentation.

Mr. Oliver Thomas, Jr., President, New Orleans City Council, New Orleans, Louisiana, expressed his thanks to the board for their work and presented the neighborhood plan outlining infrastructure needs that was adopted by the city council. He stated that the plan would be included in the master plan for the city.

Mr. Arnie Fielkow, Vice President, New Orleans City Council, New Orleans, Louisiana, commented that the plan reflects the work of thousands of citizens that have met for many months to plan the future of the city and to provide a vision of the city's infrastructure needs. He stated that there were more infrastructure needs than there would be available dollars for

allocation. He further stated that the council was willing to work with the LRA for obtaining infrastructure needs in Washington.

Ms. Cynthia Willard-Lewis, Councilmember, District E, New Orleans City Council, New Orleans, Louisiana, stated that the plan indicates a comprehensive, thorough, and complete representation of discussions. She further stated that the plan included a program for the elderly.

Mr. Thomas stated that Mr. James Carter, Councilmember, District C, was in support of the plan and that he did not want to make any comments.

Senator Edwin R. Murray, State Representative, Senate District 4, New Orleans, Louisiana, commented that the breaches of levees affected the district represented by him and that the plan reflects what the local people want to have done in the city. He stated that the council had worked hard to arrive at a consensus on the issue. Senator Murray apprised the board of a situation regarding a constituent who received a letter from FEMA asking for money due to a duplication of insurance proceeds and stated that such action by FEMA would devastate homeowners.

Dr. Francis commented that several students had received the same letter.

Senator Murray stated that he contacted the Legislative Auditor's Office regarding the letter and that the auditor's office was unaware of the letters being mailed to homeowners. Senator Murray further stated that he provided a copy of the letter to the auditor's office.

Mr. Fielkow thanked Mr. Leger publicly for his work on the housing program. He stated that moving ICF offices to more populated areas would merit consideration.

Senator Bajoie asked if the mayor was in support of the plan.

Mr. Thomas responded that the mayor was supportive of the neighborhood planning process. He further responded that there was one part that would not be acceptable to him. Mr. Thomas commented that the plan was submitted as the first phase of recovery.

Senator Bajoie asked if infrastructure needs were prioritized in the plan.

Mr. Thomas responded that infrastructure needs were prioritized and the plan was reflective of the major infrastructure needs.

Senator Bajoie asked if all council members were in support of the plan.

Mr. Thomas responded that all council members voted to approve the plan.

Mr. Voelker commented that the plan did not include conflicts with the unified plan. He congratulated the council for their work on the plan.

Mr. Leger expressed his compliments to the council for their work on the plan. He stated that the housing task force would look into the issue regarding FEMA repayments and determine whether there was any help that could be provided to homeowners.

Dr. Francis expressed his thanks to the council. He commented that communicating details was very difficult in public service. He stated that the largest issue was obtaining FEMA infrastructure money as quickly as possible. He expressed his opinion that there should be more money available and that private investors would have to participate.

Mr. Thomas commented that communities would be rebuilt better than before the storms.

Representative Salter offered a motion to receive and accept the plan, seconded by Senator Bajoie. The motion was adopted by a vote of 22 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Isaacson, Ms. Atkins, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Cross, Mr. Davison, Mr. Henning, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Reilly, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker.

Dr. Francis opened the floor to public comments.

Mr. Sherman Copelin, President, New Orleans East Business Association, New Orleans, Louisiana, expressed his appreciation for the work of the LRA and the city council. He commented that there was a diverse group of property owners and business owners represented on the board. He requested that priority be given to providing money quickly to displaced property owners. He commented that the federal government should provide the means to repair infrastructure and allow the private sector to complete the work.

Dr. M. Sanyika, representing citizens of New Orleans and the African American Leadership Project, New Orleans, Louisiana, commented that actions taken by the LRA had opened the doors to all neighborhoods in the process of recovery. He stated that anyone with any level of devastation was included in the process and that the LRA was supportive of the recovery of those neighborhoods.

Ms. Tangy Wall and Reverend Luke Nguyen, representing the Citizens of a Strong New Orleans East, New Orleans, Louisiana, provided comments in support of the Lambert plan.

Mr. Copelin commented that the Broadmoor neighborhood plan would be an amendment to the plan submitted.

Mr. Freddy Yoder, representing the Lakeview neighborhood, Disaster Recovery Committee, New Orleans, Louisiana, and Ms. Cora Charles, representing the Lower 9th Ward Homeowners Association, New Orleans, Louisiana, provided comments regarding preparation of the plan and testified in support of the plan.

Ms. Tanya Harris, representing The Association of Community Organizations for Reform Now (ACORN), New Orleans, Louisiana, commented that the emphasis of funding be on rebuilding schools, churches, public services, and homeowners.

Ms. Cheryl Diggins, representing The Association of Community Organizations for Reform Now (ACORN), New Orleans, Louisiana, was present to provide comments.

Dr. Francis stated that efforts were being made to distribute funding equitably and that infrastructure needs were far more than monies available. He stated that the LRA was committed to obtaining the funding as quickly as possible.

Mr. Copelin commented that work was still in progress and that as a team the goal could be accomplished.

Mr. Kopplin introduced and welcomed new LRA staff, Mr. Ty Larkins, Director of Constituent Services, and Mr. Carl Williams, Community Outreach Liaison.

IX. LUNCH

Dr. Francis recessed the meeting at 12:37 p.m. for lunch. He reconvened the meeting at 1:37 p.m.

X. ALLOCATION OF THE SECOND DISASTER CDBG APPROPRIATION

Dr. Francis recognized Mr. Kopplin for presentation of the Allocation of the second disaster CDBG appropriation.

- A. Discussion of the allocation of CDBG funds between CDBG Appropriations**
- B. Consideration of Preliminary Approval of a Resolution on an Action Plan regarding the allocation of the second CDBG appropriation of \$4.2 Billion**
- C. Public Comments**

Mr. Kopplin stated that two separate appropriations were allocated to Louisiana. He explained that Congress set up separate guidelines for the two allocations. He commented that allocating between the two appropriations was purely technical and that there would be no change to programs or to budgeted allocations. He stated that there was more flexibility in allocating the first appropriation than there would be with the second appropriation. The second appropriation requires that no funds from the second appropriation may be used as matching funds for other federal government programs and that \$811,907,984 must be used for repair, rehabilitation, reconstruction, and reconstruction (including demolition, site clearance, and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas. He further stated that 50% of the funds must benefit low- to moderate-income families. Further requirements by HUD are that \$400 million would be specifically for HANO in New Orleans for restoration of public housing and that 70% of the recovery funds target the New Orleans-Metairie-Bogalusa Metropolitan Area. Mr. Kopplin stated that detailed information was available in the binder. He further stated that infrastructure was included in the first appropriation and the rental program was in the second appropriation.

Ms. Boyle offered a motion, seconded by Mr. Coulon, to adopt the following resolution:

The LRA Board approves and recommends to the Governor and the Louisiana Legislature for approval to finalize the allocations of the funds between the first and the second appropriations of disaster CDBG funds in order to meet the federal statutory requirements, including the requirements for serving Low to Moderate Income families.

THEREFORE BE IT RESOLVED THAT, the LRA Board recommends that an Action Plan be drafted and published for public comment which allocates the funds between the two appropriations as recommended in the attached spreadsheet and which defines how the programs will meet the requirements as spelled out by Congress and the Department of Housing and Urban Development.

BE IT FURTHER RESOLVED THAT, after public comment, this Action Plan 2 will be presented to the LRA Board for final consideration and upon their approval, will be recommended to the Governor and Louisiana Legislature for their approval.

The motion was adopted by a vote of 22 yeas and 0 nays. Voting yeas were Dr. Francis, Mr. Isaacson, Ms. Atkins, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Cross, Mr. Davison, Mr. Henning, Senator Hines, Ms. Johnson, Mr. Landry, Mr. Leger, Dr. Mackie, Mr. Morrison, Mr. Reilly, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, and Mr. Voelker.

XI. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS

A. Human Services Task Force

i. Report on Louisiana Family Recovery Corps outreach to evacuees

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

Dr. Mackie introduced Mr. Raymond Jetson, Chief Executive Officer of the Louisiana Family Recovery Corps, Baton Rouge, Louisiana. Dr. Mackie explained that the Louisiana Family Recovery Corps connected Louisiana citizens impacted by Hurricanes Katrina and Rita with the resources they needed to get back on their feet, return home, and establish a quality life. He stated that more funding was needed for human and social services. He further stated that only \$15 million of the \$220 million Social Services Block Grant (SSBG) was allocated to the Louisiana Family Recovery Corps for direct services for individuals who did not meet Temporary Assistance for Needy Families (TANF) eligibility. Dr. Mackie stated that more funding was needed for human and social services.

Mr. Jetson thanked the board for their commitment and diligence working through these difficult situations. Mr. Jetson stated that human recovery was the most daunting aspect of recovery in our state. He further explained that families need resources to recover. He stated that there are families out of state that want to return to Louisiana but are unaware of how to return home and how to reconnect to employment. Mr. Jetson commented that critical services necessary for life and well-being must be strategically placed and that the emotional well-being of families was at stake. He requested that the plight of human recovery and needs related to people be made a priority in all aspects of hurricane recovery, to invest in human

recovery efforts by significantly increasing the amount of financial resources dedicated to human recovery, and to work to rebuild and invest in social services in our communities.

Dr. Francis asked if an estimate had been calculated to address the needs of the corps.

Mr. Jetson responded that \$100 million was needed to address the proposed solutions to recovery issues.

Dr. Mackie commented that \$100 million was the amount requested when the corps was created.

Mr. Kopplin stated that the corps has received \$15 million from SSBG, \$32 million from TANF for TANF eligible individuals, and funding from other private fundraising efforts. He further stated that the total does not equal \$100 million.

Mr. Jetson responded that the total funding was approximately \$50 million and that the \$100 million was needed in addition to the funding previously allocated.

Mr. Reilly commented that the corps was originally charged with a case management methodology and the program has been converted to a more direct hands-on service oriented delivery program. He asked if a handout was available outlining the program.

Mr. Jetson responded that handouts were available and the handout was distributed. The handout is attached to these minutes as "Exhibit A".

Mr. Reilly stated that the corps can receive multiple forms of financing and there should be support for that effort.

Mr. Voelker commented that sources should be searched for additional assistance and stated that he would like to see the corps business plan.

Mr. Jetson responded that a one-page outline has been distributed and that there is a 13-page document available for review and would be provided to the members through staff.

Mr. Voelker asked how many people have been helped through the program.

Mr. Jetson responded that the \$32 million allocated for TANF was to provide case management services to 7,000 families over a period of two years and that more than 5,000 families have been provided for with half of the money. He stated that the money has been used strategically to provide other services, such as providing summer activities through non-profit community-based organizations for 10,000 children that did not have summer care for eight weeks in the New Orleans metropolitan area. He further stated that school uniforms were provided and that approximately 30,000 to 40,000 families have been assisted through the program.

Dr. Mackie stated that the scale of solution must meet the scale of problem. He further stated that the money received through SSBG was not enough. He pointed out that 80% of the

childcare centers in New Orleans were not open. He stated that human recovery goes directly with economic development.

Dr. Francis commented that a price tag could not be placed on human recovery. He stated that human recovery efforts were definitely a priority.

- ii. Overview of Operation HOPE**
- iii. Public Comments**

Dr. Mackie introduced Mr. John Hope Bryant, Founder, Chairman, and Chief Executive Officer of Operation HOPE, Inc., Los Angeles, California, and Mr. Fred Smith, Managing Director, HOPE Coalition America, Los Angeles, California. Dr. Mackie stated that Mr. Bryant founded Operation HOPE in the aftermath of the Rodney King riot in 1992 and the program operates nationally. He stated that Mr. Bryant has ideas to accomplish the recovery needed in the state.

Mr. Bryant stated that the state has an opportunity, not a problem. He commented that there was an image problem with the state around the country and that the rest of the country did not value the true assets of the area. He explained that Governor Blanco contacted him and an agreement was signed in October 2005, which marked the first time that an agreement for emergency economic disaster response and recovery was signed. He stated that after the agreement was signed, \$17 million was invested over 15 months. He provided an overview of the sources of funding and stated that 50,000 victims of Hurricane Katrina, 85% of which were from Louisiana, were served with only eight staff members and 1,000 volunteers from government, community, and the private sector. He further stated that recovery efforts should be massively increased and linked to the Road Home program. He commented that many people do not understand how to handle finances. Mr. Bryant stated that there should be a massive statewide campaign for youth financial literacy targeted at students in elementary school. He further stated there should be a massive campaign on the earned income tax credit and on a land/title program. He suggested that a demonstration project be prepared by revitalizing a one-block area within 12 months to show people a demonstration of rebuilding.

Dr. Francis thanked Mr. Bryant for his presentation.

Mr. Bryant distributed a document entitled Emergency Financial First Aid Kit. The handout is attached to these minutes as "Exhibit B".

Ms. Boyle asked about the amount of time needed to create a title recommendation program.

Mr. Bryant responded that a program to track titles could be created within six weeks.

Ms. Boyle suggested that a program be started by the end of the year.

Mr. Bryant commented that disaster victims should have counseling support through the recovery process so as to not waste the chance to reclaim their economic lives.

Dr. Francis thanked Mr. Bryant for his presentation.

Mr. Bryant commended Dr. Francis for his leadership and thanked the governor and the LRA board and staff for the work accomplished.

B. Education Committee

Dr. Francis recognized Ms. Johnson for an update on the Education Committee.

i. Update on K-12 school recovery efforts

Ms. Johnson stated that there has been extreme negative publicity of the Recovery School District (RSD) in New Orleans. She further stated that work has continued to improve the situation and that an education committee would be formed with representatives from the Board of Elementary and Secondary Education (BESE), the state, and Orleans Parish to improve the RSD. She commented that after spending the day at John McDonald School, a request was made to the superintendent of the Department of Education, Mr. Cecil Picard, to appoint a committee to assess the problems at the school. She stated that school leadership must be developed for the city of New Orleans. She introduced Dr. Tony Recasner, Director, New Orleans Charter School, New Orleans, Louisiana, and Mr. Jonathan Schnur, Chief Executive Officer and Co-Founder for New Leaders for New Schools, New York, New York.

ii. Presentation on New Schools for New Orleans

Mr. Recasner stated that he was co-founder of the first charter school in New Orleans. He further stated that after Hurricane Katrina, an organization was created, New Schools for New Orleans, which represented five key areas of public education reform in New Orleans. He commented that the five areas included: 1) the need to attract talented hard-working teachers, 2) the need to incorporate persons who are familiar with charter schools and to navigate the script for a public school environment, 3) more development by definition of a charter school as an independent public school, 4) school quality, and 5) the human capital in terms of school districts. He stated that reform would require total support of the education community.

iii. Presentation on New Leaders for New Schools

iv. Public comments

Mr. Schnur stated that he was honored to be present and that he appreciated the time provided for his presentation. He stated that New Leaders for New Schools was a national non-profit organization with a mission of high achievement for every child. After a brief introduction of the organization, Mr. Schnur stated that the organization wanted to bring new leaders to New Orleans provided six conditions meet the qualifications. Some of the conditions are: 1) a state policy that would allow people that attend the New Leaders for New Schools rigorous training program to become fully licensed as principals, 2) half of the funding needed would be brought with the program and the other half would have to be matched by local sources, 3) the organizations' internal capacity to deliver, 4) a director for New Leaders in New Orleans, and 5) support from state and local leaders.

Mr. Isaacson thanked the presenters for the information. He stated that the organization was welcome by all people at all levels of government.

Ms. Boyle asked about ways to increase the involvement of family and community support of the schools and asked about documentation of actual test score improvements where leaders have been involved.

Ms. Johnson responded that a committee was formed to work on a plan of recovery and would work on communication to the public. She stated that there was a great need to communicate to parents.

Ms. Boyle commented that many criticisms from parents are that communications are given to parents but not received from parents.

Mr. Schnur responded that parent and community involvement contribute to the success of the school and the success of a principal ties into the success of the school. He further responded that 90% of children in the last five years were proficient or above average in a majority of subjects.

Mr. Reilly asked about the importance of having one administrator or governing body operate schools in New Orleans.

Mr. Schnur responded that focus should be on the current way of operation.

Ms. Johnson commented that a strategic plan was necessary and that such a plan required governance at some point.

Mr. Kopplin stated that when the governor went to speak to Mr. Schnur's board, she stated that Louisiana took a big risk to take over the schools and she asked that the organization take a risk on Louisiana. Mr. Kopplin further stated that there was an opportunity to add value where possible to education.

Dr. Francis asked Mr. Schnur to express the LRA's position to the board.

Mr. Smith suggested that a resolution be drafted by the LRA to show support of the program.

Dr. Francis commented that there was a consensus of the LRA board to support the program and that due to the lack of a quorum a vote could not be taken for a resolution.

C. Federal Legislative Update

Dr. Francis recognized Mr. Isaacson for the federal legislative update.

i. Update on Outer Continental Shelf Revenue Sharing actions

Mr. Isaacson provided an update on the outer continental shelf revenue sharing actions. He stated that there were House and Senate versions of the bill and that the House had agreed to pass the Senate bill. He further stated that there would be amendments to add the House

provisions to the other bill. He commented that the LRA was content with both bills but passage of the House bill was being pushed and the Senate provisions would be addressed at a later time. He further commented that a CDBG appropriation would probably not be approved. He stated that the per capita cost for Hurricane Katrina was more than \$6,700 per person. He further stated that was a request that would exempt the payment of the 10% federal match provided the insurance deductible had been met. He explained that such request would allow CDBG funds to be used for infrastructure projects rather than for the 10% federal match. The argument would be made in Washington for the request.

Dr. Mackie suggested that other social services issues be discussed regarding federal legislation.

Mr. Kopplin stated that time would be spent over the next few months to prepare the congressional package to incorporate the needs of human services and plans for south Louisiana. He further stated that one area that needed to be addressed was to exempt Louisiana from paying \$70 million of the CDBG match funding. He stated that if congress would waive payment of the match funding significant resources would be available.

ii. Public comments

Dr. Francis recognized Mr. Walter Umrani, representing the Southern Christian Leadership Conference, New Orleans, Louisiana, for comments.

Mr. Umrani provided comments relative to the Education Committee. He stated that he was born and raised in New Orleans and a product of the public school system. He commented that he was impressed with the presenters that testified with Ms. Johnson. He questioned whether Louisiana was really prepared to deal with the urban environment and social implications of the school system in New Orleans. He reiterated that the entire community and social factors must be encompassed when addressing recovery school efforts.

Dr. Francis stated that a total change was needed regarding our approach to education. He further stated that the only reason that the Recovery School District was created was because the system was a failure. He commented that education of the teachers of the future will be difficult without increasing the pay of teachers. He further commented that the future depends on the education delivery system of the future and that everything else done depends on how well we educate our children.

Ms. Johnson expressed her disappointment and dissatisfaction with the status of education. She stated that the problem must be addressed for the long-term.

Dr. Mackie expressed his opinion that the poor and urban are not the problem.

Mr. Umrani responded that a year-round school system was important.

D. Coastal Protection Committee

Dr. Francis recognized Mr. Cross for an update on the Coastal Protection Committee.

Mr. Cross stated that in July the governor sued the federal government to stop the lease sale for offshore oil and gas exploration. The governor contended that the federal government's environmental assessments related to the leases that were done before Hurricanes Katrina and Rita failed to take into consideration the devastation of Louisiana's coastline. The governor wanted the federal government to pay attention to our coastal restoration problems and she received the attention by playing hardball. In August, U.S. District Judge Kurt Englehart refused to issue a court order to block the August sale and stated that if the case went to trial in November, the state would have a very strong case and urged an out of court settlement. In October, the U.S. Department of Interior settled the case out of court. Mr. Cross introduced Mr. Scott Angelle, Secretary, Department of Natural Resources, Baton Rouge, Louisiana, who had been with the suit since its conception. Mr. Cross stated that Mr. Angelle would explain the results of the suit and the affect on Louisiana.

i. Update on Governor Blanco's lawsuit against Minerals Management Service regarding environmental impacts of offshore drilling

Mr. Angelle provided a detailed overview of the lawsuit and distributed an outline of his comments. The handout distributed is attached to these minutes as "Exhibit C".

Mr. Voelker asked how more funding could be obtained from congress.

Mr. Angelle responded that the state's rights to enforce environmental compliance would allow for a comprehensive detailed environmental study which would show the need to mitigate, the need to mitigate would require the federal government to allocate funding to mitigate the damages, and a trust fund would be created.

Mr. Kopplin commented that those companies that were going to drill based on the leases that were postponed are concerned about the issue as well.

Mr. Voelker commented that two allies were collected, the oil companies and the people paying attention in Congress.

Mr. Angelle stated that coastal Louisiana was the most important real estate in America.

Mr. Morrison commented that LA Highway 1 was another example of coastal erosion and the sacrifice in that area to support oil and gas.

Mr. Angelle stated that Highway 1 was the lifeline to bring oil and gas production to the rest of America. He further stated that an announcement should be made regarding Highway 1 after the first of the year.

Mr. Leger congratulated Mr. Angelle on the victory of the lawsuit. He commented that most people in Louisiana do not understand the contribution that the state has made in production of and providing oil and gas. He stated that feedback had been received from people who want to return and rebuild and people are insecure about returning to the state. He further commented that there was fear that the coastlines had been lost and the federal government should not contribute to the loss of wetlands.

Mr. Richard stated that years ago commitments were made to take action regarding the coastline. He further stated that he hoped the LRA was committed to provide the resources to provide for coastal Louisiana. Mr. Richard commented that the answer was not with the levees but with coastal restoration.

Mr. Angelle commented that there would be a day in court if the federal government does a poor job with the assessment. He stated that the legislature appropriated legal fees to fight the battle. He further commented that the outcome was a great victory for Louisiana.

ii. Public comments

Dr. Francis recognized Dr. Paul Sammarco, representing Louisiana Universities Marine Consortium (LUMCON), Chauvin, Louisiana, for comments on federal legislation.

Dr. Sammarco provided comments on the federal legislation of the outer continental shelf. He stated that a bill introduced in the House that was currently in conference committee would impact industrial development in Louisiana and degeneration of employment in the whole region. He explained that the bill allowed for the extension of the federal state rigs-to-reef program and offshore platforms must be removed after cessation of oil and gas production. He stated that the oil and gas reserves would be exhausted in the next 20 to 25 years. These platforms have environmental value as artificial reefs. Louisiana owns the largest artificial reef system in the world and represents the future of expansion of offshore development in our offshore waters, which translates to revenue generation and new jobs. He further outlined the types of new industries that could be developed on offshore platforms after cessation of oil and gas production. He stated that the artificial reef is the most substantial offshore artificial reef structure in the world. He requested that the LRA consider the impacts of the bill and support the inclusion of the section in the bill that would allow the platforms to remain.

Mr. Morrison commented that the rigs-to-reef program allowed for a company to apply for removal of the top of a rig in place. He stated that the government derives revenue from the program and that the program needs to be supported. He further requested that the issue be supported by the LRA.

Mr. Kopplin commented that he had not heard of criticism of the program and would visit with Mr. Sammarco after the meeting. He further stated that the LRA supported both the House and Senate bills and would question the congressional delegation about the issue.

Dr. Francis commented that the section should be included in the final version of the bill.

Mr. Sammarco commented that the issue was most beneficial to Louisiana and critical to the long-term vision.

X. UNFINISHED BUSINESS

There was no unfinished business.

XI. PUBLIC COMMENTS

There were no other public comments.

XII. NEW BUSINESS

There was no new business.

XIII. ANNOUNCEMENTS

There were no announcements.

XIV. ADJOURNMENT

The meeting was adjourned at 4:08 p.m.

Respectfully submitted,

Andy Kopplin
Executive Director

/ae

Date approved: _____