

LOUISIANA RECOVERY AUTHORITY
PROGRESS REPORT MARCH 2009





Bobby Jindal
Governor, State of Louisiana

Paul W. Rainwater
Executive Director

Board of Directors Chair

David Voelker

Appointed Members

Rene Cross	Walter Leger, Jr.
Jaswant Gill	Roy O. Martin, III
Andrew Guinn	Chester "Chet" Morrison
Thomas Henning	Sean Reilly
Patricia Schuster Leblanc	John E. Smith
Raymond Lasseigne	

Ex-Officio Members

Sen. Joel Chaisson II
Rep. Jim Tucker
Sen. Sharon Weston Broome

Vision

Hurricane-impacted regions of the state are rebuilt and revitalized to be physically safe and economically strong, providing a high quality of life while maintaining Louisiana's rich cultural heritage.

Mission

The mission of the Louisiana Recovery Authority is to ensure that Louisiana rebuilds safer, stronger and smarter. There are five areas of focus: securing funding and other resources needed for the recovery, establishing principles and policies for redevelopment, leading long-term community and regional planning efforts, ensuring transparent accountability in the investment of recovery funds, and communicating progress, status and needs of the recovery to officials, community advocates and the public. Throughout its initiatives, the LRA is committed to a recovery process that is fair and equitable to everyone.

Cover Photo

The Mahalia Jackson Theater reopened in New Orleans in January, thanks to \$9 million in funding from the Public Assistance program. That same month, the Mahalia Jackson School held its reopening, thanks to \$1 million in Community Development Block Grant funds from the state.

The Quarterly Report is published by:

Louisiana Recovery Authority	Main Line: 225.342.1700
Communications Office	Fax: 225.342.0002
150 Third St., Suite 200	E-mail: info@louisianarecoveryauthority.org
Baton Rouge, LA 70801	Web site address: http://lra.louisiana.gov/



Inside this Issue

State awards contracts, begins transition of Road Home program, p.3

National Economic Stimulus package provides for Louisiana recovery and rebuilding, p.3

Action Plan Amendment clarifies funding for Gustav and Ike recovery, p.4

Six workforce housing developments open through Piggyback program, pg.5

FEMA extends repairs, mitigation deadline homeowners, p.11

HUD and DHS secretaries tour New Orleans, announce recovery dollars, p.15

One thousand copies of this public document were published at a total cost of \$1,600.00. This document was designed by LRA staff and printed by Moran Printing, Inc., 5425 Florida Blvd., Baton Rouge, LA 70806, to update the legislature, U.S. Congress and Louisiana residents on the progress of rebuilding efforts in the aftermath of Hurricane Katrina and Rita under the authority of R.S. 49:220.5 (A) (12). This material was printed in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.



(Left) On Feb. 2, state Sen. A.G. Crowe, R-Slidell, St. Bernard Parish President Craig Taffaro and LRA Executive Director Paul Rainwater cut the ribbon of the renovated St. Bernard Parish Governmental Complex. (Above) St. Bernard Parish residents Sal Cefalu, 84, and Thelma Conino, 78, enjoy the grand opening festivities of the parish's Council on Aging facility next door. The renovation and repair of both facilities totaled \$7.5 million.

Letter from the Executive Director

The first quarter of 2009 has brought progress and renewed hope for our recovery work.

In February, I was privileged to testify twice before members of the U.S. House of Representatives. I was first part of a roundtable conversation about FEMA's slow response to recovery work in Louisiana. That meeting was held at the request of the House Transportation and Infrastructure Committee and was chaired by Congressman John Mica of Florida and co-chaired by the newest member of Louisiana's delegation, Congressman Anh "Joseph" Cao of New Orleans. The roundtable allowed for a frank discussion about the work that remains to be done in our region, and it provided Congressman Cao with greater insight into the issues we have faced for more than three years.

Next, I testified before the Committee on Transportation and Infrastructure's Subcommittee on Economic Development, Public Buildings and Emergency Management, which is chaired by Congresswoman Eleanor Holmes Norton. The hearing was entitled, "Post-Katrina Disaster Response and Recovery: Evaluating FEMA's Continuing Efforts in the Gulf Coast and Response to Recent Disaster."

Again at this hearing, we were able to clearly demonstrate the impasse that has been created between the state and FEMA with regards to their approval of Public Assistance projects. I believe that the members of Congress who were present at those meetings better understand the slow pace of our recovery and are committed to helping us resolve these critical issues.

I was encouraged by the response we received in Washington and also by the visit paid to the state by Secretaries Donovan and Napolitano. As we toured parts of New Orleans and St. Bernard Parish, I saw both their shock at the lack of progress in some areas and their dedication to moving the recovery forward. That was especially evident later in the day when Sec. Donovan announced that HUD had approved our Gustav and Ike Action Plan, and Sec. Napolitano announced the creation of two joint review teams to resolve FEMA Public Assistance disputes, and that funding would be provided for two police stations, a fire station and a high school in New Orleans, as well as the water treatment plant in St. Bernard Parish.

After her visit, Sec. Napolitano announced the establishment of the Unified Public Assistance Project Decision Team, or the "Louisiana Team." Created jointly by the U.S. Department of Homeland Security and the state, the team will expedite final decisions to approve project scopes and eligible work costs for disputed projects. We estimate that we have more than \$1 billion in FEMA projects under dispute.

FEMA Disaster Assistance Division Director Charlie Axton will lead the Louisiana Team, and Tony Russell was recently named the acting director of the Louisiana Transitional Recovery Office. Already the LRA and the Governor's Office of Homeland Security and Emergency Preparedness have held productive meetings with Mr. Russell and anticipate that the Louisiana Team will begin meeting in short order to resolve disputes.

While these positive changes are taking place at the national level, we continue to press ahead with the state's recovery. The first quarter of 2009 saw the first property demolished through the Louisiana Land Trust; six rental complexes open through our Piggyback program, providing 850 rental units; initial construction of Katrina cottages in Baton Rouge and at Jackson Barracks in New Orleans; and the awarding of contracts that will help us transition as ICF International's Road Home contract expires.

I look forward to seeing our continued progress in the second quarter of 2009 and beyond.

Paul Rainwater
Executive Director
Louisiana Recovery Authority

State awards contracts, begins transition of Road Home program

The state has announced the selection of contractors to run the Road Home program, the Small Rental Property program and the Information Technology component of its disaster recovery, as the state transitions from its expiring contract with ICF International.

Hammerman and Gainer, Inc. was selected as the Homeowner Assistance Management contractor, meaning it will run the homeowner portion of the Road Home program, continuing the process of administering grants and assisting applicants.

CGI Technologies and Solutions, Inc. was selected to be the Disaster Recovery IT Services contractor. The firm will manage the information technology aspect of the Road Home, including securing and maintaining a large amount of personal data about program applicants in accordance with federal law. This contract will also allow CGI to provide IT services for the state's other disaster recovery programs run by the Office of Community Development.

ACS State and Local Solutions, Inc. will manage the Small Rental Property program, continuing to work with landlords to ensure that affordable rental units come back online in the areas hardest hit by hurricanes Katrina and Rita.

To ensure that homeowners and landlords have continuous service, the state is transitioning the management of these programs from ICF International, whose contract with the state ends in June.

The LRA decided to divide the remaining functions of the Road Home program among several companies so that each would be easier to manage and ultimately to ensure fair treatment of homeowners. All contracts will have performance measures to hold contractors accountable.

To meet the continuing functions of the program, the state also will award contracts for the Piggyback and Hazard Mitigation Grant Programs.

National Economic Stimulus package provides for Louisiana recovery and rebuilding

On Feb. 17, President Obama signed into law the American Recovery and Reinvestment Act, commonly known as the economic stimulus bill. While the Louisiana Recovery Authority will not administer any new programs with the stimulus money the state receives, included in the bill are several provisions for Louisiana's continued recovery and rebuilding from the 2005 and 2008 storms.

The bill authorizes the president to create an arbitration panel to speed up recovery projects from hurricanes Katrina and Rita that have been held up by the Federal Emergency Management Agency. The panel will have the authority to award or deny funding for projects under dispute.

Prior to Jan. 15, 2008, FEMA did not allow funding for homeowners who had begun repair work prior to receiving environmental and historic clearance. Although FEMA granted disaster-specific guidance in January 2008 for homeowners that started work prior to March 16, 2008, many applicants remained ineligible. The bill removes the March 16 date and will allow additional homeowners to be considered for eligibility in the state's Hazard Mitigation Grant Program.

Language in the bill waives the \$5 million cap on Community Disaster Loans to local governments affected by hurricanes Gustav and Ike. These loans will provide local communities with much needed funds for fire fighting, law enforcement, sanitation and other municipal operations.

Louisiana farmers will receive up to \$200 million of \$752 million in agricultural and rural community relief. Farmers who had not purchased coverage can now pay a nominal administrative fee to qualify for the Supplemental Revenue (SURE) Program, the agricultural relief program created in the 2008 Farm Bill. Approximately 50 percent of the state's farmers had not purchased enough coverage to previously qualify for a SURE payment.

Projects funded for the Army Corps of Engineers include flood protection, inland waterway locks and dams, navigation projects and coastal restoration. Louisiana is estimated to receive as much as 10 percent of the \$4.6 billion set aside for those projects.

The Louisiana Housing Finance Agency received \$53.6 million, through a partnership with the Louisiana Association for Community Action Partnerships, for weatherization assistance. Funds will go to low-income families and may support insulating an attic, wall, floor, duct or pipe, cleaning air conditioners and replacing old refrigerators.

Two other housing provisions provide funds for local public housing agencies to address capital needs and for state and local government, in partnership with community-based organizations, to acquire, construct and rehabilitate affordable housing and provide rental assistance to low-income families.

Action Plan amendment clarifies funding for Gustav and Ike recovery Outreach to parishes, workshop provide technical assistance

At its March meeting, the Louisiana Recovery Authority's board of directors approved the first amendment to the state's Gustav and Ike Action Plan for spending its allocation of federal Community Development Block Grant funds.

The amendment outlines programs aimed at addressing housing and infrastructure recovery, as well as assisting the agriculture and fisheries industries and providing funds for coastal restoration. The amendment must now have a hearing at the state Joint Legislative Committee on the Budget before going to the U.S. Department of Housing and Urban Development for final approval.

The amendment also includes more details about housing and infrastructure programs to be administered by individual parishes. On March 26, after weeks of outreach to individual parishes, LRA held a technical assistance workshop for more than 100 local government officials, representing 40 parishes, to understand better the grant application process in preparation for receiving the first installment of their allocated funds.

To use federal CDBG funds and to amend existing disaster recovery plans, states must present action plan amendments for federal approval, following a public comment period. A copy of the amendment can be read at <http://lra.louisiana.gov> by clicking on the link to Katrina, Rita, Gustav and Ike Action Plans at the bottom of the home page and then choosing "Action Plan Amendment 1 to the Action Plan for the Utilization of CDBG Funds in Response to Hurricanes Gustav and Ike."

U.S. Department of Housing and Urban Development Secretary Shaun Donovan announced on March 5 that HUD had approved Louisiana's plan for using its Gustav and Ike funding. So far, HUD has allocated \$438 million for Louisiana for recovery from the 2008 storms.

Last fall, Congress set aside a \$6.1 billion pool of CDBG funds for states affected by disasters in 2008. HUD has allocated the first third of the funding and will allocate the remaining funds this spring. Louisiana anticipates that it could get as much as \$800 million total between the two rounds.

Action Plan Amendment No. 1 includes program details for:

Coastal Communities recovery, \$15 million, to be administered by the Louisiana Office of Coastal Protection and Restoration:

Sustainable Coastal Communities Program;
Public Facilities and Improvements;
Wetlands Restoration;

Agriculture aid, \$30 million, to be administered by the Louisiana Department of Agriculture and Forestry:

Louisiana Farm Recovery Loan and Grant Program;
Louisiana Agribusiness Recovery Loan Assistance Program;
Louisiana Critical Farm Infrastructure Grant Program;

Fisheries aid, \$15 million, to be administered by the Louisiana Department of Wildlife and Fisheries:

Critical Fisheries Infrastructure Program (Mobile Ice Fleets);
Commercial Fishing Gear Program;
Sustainable Coastal Communities Program;
Recreational Fishing Access and Recovery Program.



Construction begins on Katrina Cottages

Construction began this quarter on Katrina Cottages in Jackson Barracks in New Orleans and at the Hidden Cove site in Baton Rouge (above). All of the sites in and around New Orleans, as well as Lake Charles and Baton Rouge, are expected to begin construction by April and be completed by the end of September, with a total of 500 cottages built.



This 24-story skyscraper located at 200 Carondelet St. in downtown New Orleans features 189 units. It was redeveloped as mixed-income housing using a combination of state and federal historic credits, federal GO Zone credits, disaster recovery money and private investments.



Stone Bridge Apartments brought 250 rental units to the town of Abbeville in Vermilion Parish.

Six workforce housing developments open through Piggyback program

During the first quarter of 2009, the Louisiana Recovery Authority celebrated six openings of multi-family developments in the state's Piggyback program, a workforce housing program that "piggybacks" federal Community Development Block Grants administered by the Office of Community Development onto Gulf Opportunity Zone Housing Tax Credits administered through the Louisiana Housing Finance Agency.

By using a mixed-income model proven to be a national best practice in supplying affordable housing, the Piggyback program is helping replace a portion of the more than 82,000 units, or 47 percent of the rental stock in the state, that was damaged or destroyed by hurricanes Katrina and Rita.

The first ribbon-cutting ceremony was held March 10 at The Preserve, 4301 Tulane Ave. in New Orleans — a new construction apartment complex where the developer used \$16 million in CDBG funds and \$16.5 million in Gulf Opportunity Zone Housing Tax Credit equity to build 183 mixed-income units (60 percent market-rate/40 percent affordable).

Also on March 10, the same developer held a grand opening for The Meridian, 750 S. Jefferson Davis Parkway in New Orleans — a new construction apartment complex that will use \$1.3 million in CDBG funding to make rents affordable to individuals earning less than 30 percent of the area median income. The development also used \$16 million in equity produced from the sale of GO Zone Housing Tax Credits to build 72 units (100 percent affordable).

"These two recovery projects built on the Tulane Avenue corridor are restoring critically needed rental housing to a workforce that drives our rebuilding efforts. Our recovery needs workers, and workers need affordable housing," said LRA Executive Director Paul Rainwater.

The next ribbon-cutting occurred March 19 at Stonebridge Apartments, 2790 Rodeo Road in Abbeville — a new construction apartment complex in which the developer used \$19.6 million in CDBG funds and \$17.7 million in GO Zone Housing Tax Credit equity to build 250 units (60 percent market-rate/40 percent affordable).



The Meridian and the Preserve (right) developments bring 255 units of rental housing to New Orleans' mid-city workforce.

Workforce housing developments open

continued from previous page

"This is a proud day for Abbeville," said Mayor Mark Piazza. "We have a beautiful new rental complex, the first built through this program in Southwest Louisiana. I look forward to the influx of families back into our community, and I thank the state and local officials who made this development possible."

The final grand opening was celebrated on March 20 at 200 Carondelet St. in New Orleans — a historic rehabilitation project in which the developer used \$26.5 million in CDBG funds and \$36.5 million in equity produced from the sale of GO Zone Housing Tax Credits and federal and state Historic Tax Credits to build 189 units (60 percent market-rate/40 percent affordable) in the renovated 1929 National American Bank building. The 80-year-old, 24-story building is the only art-deco high rise in the city and was placed on the National Registry of Historic Places in 1986.

New Orleans Mayor Ray Nagin said, "This redevelopment is a win-win opportunity for our city. It is a thoughtful renovation of a historic structure located in a section of town that is vital to the growth of New Orleans because of its proximity to the hospitality industry, the central business district and the proposed medical complex."

In addition, two more Piggyback developments recently opened: Sulphur Retirement Community and Beechgrove Homes.

Located in Calcasieu Parish, the developer of Sulphur Retirement Community in Sulphur used \$954,000 in CDBG funds and \$7.4 million in equity produced from the sale of GO Zone Housing Tax Credits to build 60 units (100 percent affordable).

In Jefferson Parish, the developer of Beechgrove Homes in Westwego used \$13.9 million in CDBG funds and \$4.25 million in GO Zone Housing Tax Credit equity to build 100 units (80 percent market-rate/20 percent affordable).

LRA Board Member Walter Leger said, "In New Orleans, we used to say, 'Where ya at?' After the storm, we said, 'How'd ya do?' Now we say, 'Are ya in?' Well, these new mixed-income housing developments are getting our people in!"

The Piggyback program will create 8,185 units to help replace rental housing stock lost in the storms. Nearly 7,000 units, or more than 80 percent of the total, will be built in the New Orleans metro area. Right now, 3,831 units are under construction statewide. A total of 1,800 units are anticipated to come online by June, with an anticipated total of 3,200 units online by Dec. 31.

In total, the LRA has awarded 57 Piggyback projects in areas of the state most impacted by hurricanes Katrina and Rita, totaling more than \$580 million in CDBG dollars drawn from a pool of federal disaster recovery funds earmarked for low-to-moderate income households.

Infrastructure funding supports school and recreational improvements, new medical facilities

The state uses Community Development Block Grant dollars from the U.S. Department of Housing and Urban Development to restore critical infrastructure damaged by hurricanes Katrina and Rita. In the first quarter of 2009, the state approved the following projects:

Primary and Secondary Education

\$3.5 Million For Chalmette High School Walkway, Clinic - After Hurricane Katrina, the St. Bernard Parish School Board voted to consolidate three public high schools into the existing Chalmette High School campus, incorporating the cleared site of a former elementary school located across heavily traveled East Judge Perez Drive. The funding will help construct a proposed elevated walkway for high school students who must cross the four-lane boulevard to participate in classes and activities at the consolidated campus. In addition, a clinic will be built in conjunction with the walkway to provide medical services for the expanded school population.

\$303,659 for Caneview Elementary School in New Iberia – After Hurricane Rita, the Iberia Parish School Board decided not to rebuild storm-destroyed Peebles Elementary School (grades 3-6). The Board voted instead to build a new school that incorporates the Peebles student population with students at the former Grand Marais Elementary School (grades K-2), which was located in a flood zone. The consolidated campus, called Caneview Elementary School, was built on a 15-acre parcel of high ground near Darnall Road and U.S. Highway 90. The money will be used for bookshelves, cabinets, modular chairs and students' desks at the 32-classroom Caneview campus, which opened in December.

Long Term Community Recovery

\$4 Million for improvements to Joe Brown Park in New Orleans – Prior to Hurricane Katrina, the Joe Brown Memorial Park, located on 88 acres in New Orleans east, was open year-round and attracted as many as 1,500 visitors a day on weekends. After being inundated with at least eight feet of water and suffering millions of dollars in damage, the city reopened 35 acres at the park in June 2007. The CDBG funding will be used to define the park's main entrance on Read Boulevard; recondition the football field, including grading, striping and supplying bleachers, goal equipment and a backstop; create sheltered seating at all three baseball fields, in addition to grading, turfing and erecting foul-posts; create dugouts, field lights, scoreboards, restrooms, concession stands and irrigation at the ball fields; build batting cages and picnic shelters; and pave a new 40-car parking lot.

\$4 Million for Festival, Recreation Complex at New Orleans City Park – In the wake of Hurricane Katrina, City Park suffered catastrophic damage when all buildings were damaged or destroyed, thousands of trees were lost, equipment was ruined and the grounds were spoiled as more than 90 percent of the park's 1,300 acres sat under floodwaters for up to a month. The CDBG funding will help construct a community resource at the park that enriches the lives of residents and visitors by offering a variety of cultural and recreational activities in an area once occupied by the South Golf Course. The project will include a multi-purpose jogging and biking path; redevelopment of four soccer fields; installation of an extensive electrical system to support community events; construction of a 40-car parking lot with security and lighting; and construction of a picnic shelter and restroom.

\$11 Million for Recreation Center at Val Riess Park in Chalmette – In St. Bernard Parish, all recreational facilities either were severely damaged or destroyed by hurricanes Katrina and Rita. Since the storms, the rate of returning citizens clearly indicates the parish will recover as a smaller community with a changed pattern of land use. Keeping this in mind, parish officials decided to consolidate the parish recreational facilities into a single park. The \$11 million will be used for a 45,911 square foot multi-purpose recreation center at the consolidated park, consisting of a gymnasium with four standard basketball courts that can accommodate basketball, karate, judo, wrestling, weight-lifting, aerobics and activities for all ages. The gym also can be converted to meeting, convention and breakout spaces and includes a concession area with full kitchen and serving area, office space, storage, equipment room and two meeting rooms.



Using Primary and Secondary Education program funding, classrooms now under construction across busy East Judge Perez Drive will be linked to the consolidated Chalmette High School campus via an elevated walkway with a built-in medical clinic.



Infrastructure funding supports school

continued from previous page

\$2 Million for St. Bernard Parish Hospital — The state of Louisiana has approved the release of \$2 million from a total of \$35 million in recovery funds earmarked for St. Bernard Parish Hospital. Prior to Hurricane Katrina, the citizens of St. Bernard Parish were served by a 180-bed, privately owned and operated hospital. After the storm, the owner decided not to rebuild the destroyed medical institution — leaving the parish without a functioning hospital. The \$2 million in this first approval of CDBG funds will be used to plan for and design a new hospital and ready it for construction.

\$117,977 for drainage improvements in Maurice — During and immediately after the deluge from Hurricane Rita, Maurice's 42-acre drainage area on the east side of State Highway 167 became significantly backed up, resulting in flooded streets, residents isolated from their homes, an overflow of water onto properties and damaged graves at a nearby cemetery. In addition, Vermilion Parish citizens were unable to make safe passage along the highway evacuation route. The CDBG funding will help pay for a topographic survey; a comprehensive study; a series of specification plans for installation of drainage pipes and catch basins; and the relocation of any utilities that might impede the drainage improvements.



C.J. Peete groundbreaking in New Orleans: two down, two to go State, feds move forward on second of 'Big Four' public housing redevelopments

Redevelopment of public housing in New Orleans took another step forward when more than a dozen federal, state and local officials broke ground at the former C.J. Peete housing project, the second of four multi-million dollar, mixed-income communities slated to replace the developments commonly referred to as the 'Big Four.'

Located on 41.5 acres in the central city section of New Orleans, the C.J. Peete complex was one of four massive mid-century public housing projects damaged during Hurricane Katrina and demolished last year: C.J. Peete, St. Bernard, B.W. Cooper and Lafitte.

The ground breaking event kicked-off a \$172 million redevelopment plan for the site, which includes \$27 million in Community Development Block Grant funds from the LRA and \$56 million in Gulf Opportunity Zone Housing Tax Credits.

LRA Executive Director Paul Rainwater said, "We must replace the New Orleans public housing units lost during the storms. By using a mixed-income model when rebuilding the 'Big Four,' we are implementing a best practice proven to eliminate the social ills of poverty and crime that arise from warehousing our low-income citizens."

Over the next 18 months, the C.J. Peete developers will use a combination of federal grant money, tax credits and private investments to construct apartment units, single-family homes, a resident-managed community center, a state-of-the art elementary/middle school and a 25,000 square-foot YMCA with a gymnasium and health clinic on-site.



The ground breaking ceremony at C.J. Peete – one of the ‘Big Four’ public housing projects in New Orleans slated for rebuilding – included, from left to right: Louisiana Housing Finance Agency Executive Director Milton Bailey, LRA Deputy Director Robin Keegan, LRA Board Member Walter Leger and LRA Piggyback Program Supervisor Tommy LaTour.

(Left) The shuttered C.J. Peete public housing complex is slated for redevelopment as a mixed-income community of 460 rental units.

C.J. Peete groundbreaking

continued from previous page

The mixed-income community will offer 460 apartments, with two-thirds of the units available for low-income residents and one-third as market-rate rentals. In addition, 50 single-family, low-income and market-rate homes will be constructed in other areas of central city.

C.J. Peete’s first phase of development will bring the following rentals online: 193 public housing units, 144 tax credit units and 123 market-rate units. The second phase of the development will create 50 single-family, workforce and market-rate homes.

Last December, officials broke ground at the St. Bernard site, which also is slated for redevelopment as a mixed-income community. Now called Columbia Citi Residences at Bayou District, that project will offer 466 units of residential townhomes that consist of 157 public housing units, 160 tax-credit units and 149 market-rate units.

HUD officials plan to redevelop all ‘Big Four’ sites and the state has committed \$27 million in CDBG funds for each project. Construction will begin at the two remaining sites when financing is finalized. In total, the price tag on the ‘Big Four’ is an estimated \$636 million.



Using Road Home elevation funds, New Orleans homeowner Gwendolyn Lee (right) raised her Ninth Ward house four feet above the ground.

FEMA extends repair, mitigation deadline for homeowners A Ninth Ward resident tells her story

At the request of the state, the Federal Emergency Management Agency has agreed to give homeowners three more years to complete repair and mitigation work, including home elevations, under the Increased Cost of Compliance aspect the National Flood Insurance Program. The new deadline for hurricanes Katrina and Rita is seven years from the date of the storms.

At the beginning of March, the LRA requested an extension of FEMA's deadline, citing catastrophic losses from the 2005 hurricanes and other rebuilding impediments: additional home damage from hurricanes Gustav and Ike, a shortage of contractors, and applicants' lack of financial resources needed to complete the work.

The state anticipated 5,000 homeowners could have been adversely affected by the old deadline.

Upper Ninth Ward homeowner Gwendolyn Lee is one of the returning residents who used Road Home funds to elevate her house. In 2005, Gwendolyn watched news reports of a killer storm barreling toward her city. Usually not an alarmist, something in her gut said Hurricane Katrina was different. She sounded the alarm to her family.

"My mother lives 13 blocks from me, but she didn't want to evacuate. She thought it was a waste of time and money," Gwendolyn said. "My daughter and her husband didn't want to leave either. So I took their three young children and started driving to Florida."

Gwendolyn got as far as Mobile, where the family stayed in their car for two days. During that time, she received a frantic cell phone call from her 73-year-old mother, who was still in the Ninth Ward.

continued on next page



FEMA extends repair

continued from previous page

“She told me how fast the water was coming up. I said get in the attic and kick out the front panel under the roof. My mother doesn’t know how to swim, but somehow she managed to crawl up on a dresser and get in the attic.”

Gwendolyn turned the car around and headed back to Louisiana. The River Center in Baton Rouge was filled to capacity with evacuees. She eventually landed at a church in Sorrento, along with 43 other families also living in their cars.

“Mike Anderson’s restaurant prepared our food, and the kids didn’t know what was going on, so we managed,” she said, smiling weakly. “By November, we were in an apartment in Gonzales, where we stayed for a year.”

Gwendolyn’s mother was rescued from the roof and evacuated to Arizona. Her daughter and son-in-law evacuated to the Superdome, where his mother passed away. Gwendolyn’s worried son in Iraq found her through the Red Cross. The rest of the family evacuated to Texas, where they put down roots.

But Gwendolyn is one of the determined New Orleans residents who chose to return home and elevate. “I want people to know how good it feels, to be in my house and be four feet up. I hear the wind up here, but I can see everything. I feel secure. I know I made the right decision.”

Louisiana has made a strong commitment to home elevations in the wake of the devastating hurricanes, helping homeowners like Gwendolyn to rebuild safer and smarter.

FEMA extended the deadline through the Increased Cost of Compliance coverage that is a standard part of most flood insurance policies offered through the NFIP. The coverage funds mitigation measures to protect a home from future flooding. Typically, homeowners have two years to complete such work. FEMA previously extended the deadline to Aug. 29.

Residents using disaster housing funds given six more months to transition to permanent housing

The U.S. Department of Housing and Urban Development announced in February that it was allowing a six-month transition period for citizens enrolled in the Disaster Housing Assistance Program. Originally set to end on Feb. 28, the program will continue through Aug. 31.

At the end of February, almost 17,000 Louisiana families were enrolled in DHAP.

The transition phase will provide eligible residents with additional time to safely transition from DHAP support by taking advantage of the Housing Choice Voucher program. Administered by HUD, these vouchers allow low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market. Participants choose their own housing, which can include single-family homes, townhouses or apartments. A housing subsidy is paid to the landlord directly on behalf of the participating family, who then pays the difference between the rent charged and the amount subsidized by the program. Typically, the family pays 30 percent of their monthly income to rent.

In recognition of the current need, and in effort to maximize federal support for this final move from temporary housing, HUD has expanded the eligibility criteria for HCVs, estimating that approximately half of the DHAP households might be able to receive the vouchers.

Beginning in March, families in DHAP who do not qualify for vouchers were required to pay an additional \$100 toward their rent. Each month thereafter, the residents will be responsible for an additional \$100 of their rent until they reach self-sufficiency or have transitioned into the HCV program.

Eligible families are encouraged to apply for HCV immediately to avoid the step-down payments. Families who believe they are eligible for the vouchers should contact their local Public Housing Authority to start the application process.

To ensure a proper safety net for families ineligible for vouchers, HUD has asked the LRA to administer the case management component of the transition. The LRA has moved quickly to prepare the DHAP Transitional Closeout case management program, which is expected to launch in April. During this period, the LRA will work closely with providers and partners to ensure that permanent housing solutions have been identified for all households in the program by the end of August. While this will require tremendous coordination, the state is confident that our vulnerable families will be in a much better place after the end of this transition period.

Additionally, the state will continue to urge FEMA to realign funds set aside for case management to develop a Construction Management Pilot program to serve the homeowners who are still displaced by the storms of 2005 and who continue to live in FEMA trailers.

Express Pay system quickens pace of recovery in first year

Since launching the state's innovative Express Pay system in March 2008, the Louisiana Recovery Authority and the Governor's Office of Homeland Security and Emergency Preparedness have quickened the pace of recovery by cutting down payment wait-times in the Federal Emergency Management Agency's Public Assistance program from nearly 60 days to an average of five business days.

Prior to January 2008, the previous administration took anywhere from 46 to 60 days to reimburse local governments for expenses incurred on rebuilding projects. This created a dilemma for contractors, because many small businesses cannot wait that long to be paid for work already completed.

LRA Executive Director Paul Rainwater and GOHSEP Director Mark Cooper took a long, hard look at the process and found an extraordinary amount of paperwork was required for payments.

Rainwater said, "We had to eliminate this bottleneck, because expense reimbursements are critical in keeping our rebuilding projects moving forward. The last thing we want is delayed recovery because of late payments. The former process was unfriendly to businesses: Express Pay allows the speed of government to keep pace with the speed of business."

Cooper added, "When government runs more efficiently, things get done in a timely manner. More companies will be willing to do business with the state of Louisiana now that we have a better system in place."

Express Pay works by educating applicants on the reimbursement process and deferring detailed review of documentation until after payments are issued. If the state determines there has been an overpayment, the applicant is issued a credit against the next reimbursement. Backed by the legislative auditor, the Express Pay system ensures accountability and transparency while speeding up recovery without opening the door to fraud.

FEMA's PA program provides state and local governments and some nonprofit organizations with funding for recovery measures such as the rebuilding of buildings, roads, bridges and water and sewer plants. The funds are obligated through project worksheets, with applicants seeking reimbursement from GOHSEP when eligible work is completed. All project worksheets are paid up to 90 percent of the obligated amount, with the remaining 10 percent held as retainer until after a detailed review of the final request for reimbursement.

State provides \$115 million to low-income, first-time homebuyers

Using disaster-recovery funding in the form of Community Development Block Grant loans, the state is offering three types of government-subsidized mortgage programs for low-to-moderate income, first-time homebuyers, amounting to a total of \$115 million.

The purchased home must be in one of the storm-impacted parishes. The programs provide several options to meet a variety of needs, helping to improve the quality of life for purchasers, their families and neighbors. In addition, each is designed to make an investment in the community that lasts over time, providing tangible returns such as blight removal and neighborhood stabilization.

Louisiana Recovery Authority Program Supervisor Brad Sweazy said, "These programs not only help our storm-impacted families purchase their first home, they also give a boost to the private sector by rebuilding neighborhoods and encouraging individuals to obtain additional loan financing."

The three programs are: First-Time Homebuyers, Soft-Second Homebuyers and Long Term Community Recovery Homeowners.

First-Time Homebuyers Program (\$40 million)

This pilot loan program provides assistance to individuals with low-to-moderate incomes who are purchasing their first home. The home must be a single family or duplex, owner-occupied property in the 13 Katrina and Rita-affected parishes.

The program is managed by two state agencies: the Finance Authority of New Orleans and the Louisiana Housing Finance Agency.

FANO administers \$31.1 million in CDBG funds to homebuyers in Orleans and St. Bernard parishes, helping them pay for "soft" costs such as down payments, closing costs and mortgage financing.

LHFA administers \$8.9 million in CDBG funds to homebuyers in the remaining 11 parishes, blending the funds with bond sales to buy-down interest rates on loans that help owners pay for "soft" costs as well.

Soft Second Homebuyers Program (\$75 million)

The Soft Second Homebuyers Program is for low-to-moderate income individuals who are purchasing their first home. The program will be administered in the 13 hurricane-impacted parishes; requirements are in the process of being created.

Administered by LHFA and FANO, the Soft Second Program promotes neighborhood revitalization in critical areas throughout the Louisiana Gulf Coast by partnering with local officials eager to clear blight.

The process begins when the Louisiana Land Trust demolishes properties that have been bought out through the state's Road Home program. Local governments select some of these properties for redevelopment, and residents apply for CDBG funds that provide loan assistance for reconstructing a new home on the cleared LLT properties.

This program provides both "soft" second financing and "hard" construction costs to assist first-time homebuyers.

Long Term Community Recovery Homeowners Program (\$27 million)

The Long Term Community Recovery Homeowners Program is for low-to-moderate income individuals who are either purchasing their first home or rehabilitating their current homes in the city of New Orleans.

FANO will administer \$7 million in CDBG funding as "soft second" loans for these first-time homebuyers, helping with costs such as down payments, closing costs and mortgage financing.

An additional \$20 million in CDBG funds is earmarked for two construction management programs: a homeowner rehabilitation program that will pay for "hard" costs such as construction materials and contractor's fees; and a purchase/rehabilitation program for first-time homebuyers. The city of New Orleans has not yet identified an administrator to oversee the construction management programs,

HUD and DHS secretaries tour New Orleans, announce recovery dollars

U.S. Housing and Urban Development Secretary Shaun Donovan and U.S. Department of Homeland Security Secretary Janet Napolitano were in New Orleans on March 5 to tour the city and assess the status of recovery from Hurricane Katrina. Officials toured the campus of Southern University at New Orleans and parts of the lower Ninth Ward, as well as parts of St. Bernard Parish.

While in New Orleans, the secretaries announced hundreds of millions of dollars in funding to Louisiana to stimulate long-term recovery.

Donovan announced that HUD had accepted the state's \$438 million Gustav and Ike Action Plan. LRA's recovery strategy seeks to produce affordable rental housing, help commercial and agricultural businesses and support coastal restoration. The state will provide more than 70 percent of its allocation to local parishes to support a variety of affordable housing, infrastructure, agricultural and economic revitalization programs.

HUD and the state will also launch a five-year, \$50 million program to offer permanent supportive housing to approximately 1,000 homeless individuals and families living with disabilities such as a serious mental illness or substance abuse. Primarily to be spent in the greater New Orleans area, the funds will also go to other parishes also impacted by hurricanes Katrina and Rita. Additionally, HUD will provide \$23 million in rental assistance vouchers to the LRA to support an estimated 2,000 elderly and disabled disaster victims.

DHS Secretary Napolitano announced that FEMA will provide Public Assistance funding for several facilities in New Orleans that need to be repaired or replaced. FEMA has agreed to provide replacement funding for Police Stations No. 5 and No. 7 and Fire Station No. 36 in New Orleans, which experienced significant damage during Katrina and Rita.

FEMA also approved \$12 million in additional funding to help repair the St. Bernard Parish Water Treatment Plant and also will provide funding to Benjamin Franklin High School in New Orleans to help fix the last remaining damaged areas and get the school back to running condition. The week after the historic New Orleans tour, FEMA announced it will provide \$130,000 for St. Bernard Parish to remove silt and debris from a 1,500-foot linear section of Blomquist Canal.

Napolitano also announced the creation of two new joint review teams, comprised of FEMA and state personnel, which will be charged with quickly and fairly resolving disputes under the Public Assistance program. These teams will assure a transparent process and promote close coordination between FEMA and the state to identify disputes, address them quickly, resolve cost issues and expedite final decisions and approvals.

Finally, it was announced that FEMA will extend the Relocation Assistance Program to May 1. Families that were displaced from their primary residence in a disaster-declared area as a result of hurricanes Katrina and Rita are eligible for up to \$4,000 in reimbursement for relocation expenses through the Relocation Assistance Program. Under the new extension, applicants can file a claim if they incurred relocation expenses between Aug. 29, 2005 and May 1, 2009.

Changes made to Small Rental Property program

The state is enhancing the Small Rental Property program by allowing applicants the option of either remaining in the current loan incentive program or choosing a newly created direct loan program.

The program's original design required small landlords to rebuild or restore their one-to-four unit rentals before obtaining a forgivable loan in exchange for the affordable units. Unfortunately, many were unable to pay for costs out-of-pocket and/or unable to obtain construction loans, thus stalling the program's goal of bringing more post-storm affordable rental housing online quickly.

In the hope of making the Small Rental Property program more accessible to mom-and-pop landlords, the Louisiana Recovery Authority has implemented enhancements that allow the state to provide qualifying small landlords with up-front loans tied to repairs. The loans are forgivable over time if the owners follow certain rules.

LRA Deputy Director Robin Keegan said, "Even before the storms, there was a shortage of affordable rental housing in the state. The LRA has created two programs that provide new or renovated units: Piggyback and Small Rental Property. These programs will help fill niches in the housing market and provide neighborhoods with best-practice, mixed-income units."

As of March 31, the Small Rental Property program had placed 1,073 units in commerce in Louisiana, 756 of which are considered affordable. The Piggyback program had placed 854 units online, 502 of which are affordable.

Units are considered affordable if a household pays no more than 30 percent of its annual income for housing. Both programs require a significant number of units be affordable to families making below 80 percent of the area median income and as low as 30 percent of AMI. The eventual goal of both programs is to produce approximately 8,500 affordable rental units.

CPRA, LRA unite to help parishes address new maps

More than 150 Public Assistance projects now ineligible or in jeopardy due to DFIRMs

In response to the dispute over the accuracy of new flood maps by the Federal Emergency Management Agency, the state's Coastal Protection and Restoration Authority and the Louisiana Recovery Authority formed a committee to address ongoing concerns.

At issue are the high-risk flood zones, or V-Zones, displayed on FEMA's Digital Flood Insurance Rate Maps, which cover a significant increase in area than the Advisory Base Flood Elevation maps previously used by FEMA. Many parishes have expressed an urgent need to work with FEMA through the required appeals process to ensure the maps are accurate.

However, the FEMA Louisiana Transitional Recovery Office has applied these non-adopted maps to its Public Assistance program and refuses to fund replacement projects in V-Zones. This policy is at odds with FEMA's statutory requirements and effectively eliminates hundreds of community rebuilding projects in areas impacted by hurricanes Katrina and Rita.

The CPRA/LRA committee held two meetings in the first quarter of the year. After the first meeting, the Governor's Office of Homeland Security and Emergency Preparedness prepared a list of PA projects affected by the zoning changes in the DFIRMs, which found that 43 projects totaling \$62 million are now ineligible, and 119 projects amounting to \$227 million are in jeopardy of being de-obligated.

FEMA experts gave a presentation to the committee on the DFIRM mapping process, which explained that the development of the maps was a substantial and technologically-advanced process. Committee members stressed, however, that FEMA did not engage local leaders early enough in the process. Additionally, the committee argued that if appeals to the DFIRMs are to be an integral part of the map adoption process, then FEMA's Transitional Recovery Office should not yet apply the maps to the PA and Temporary Housing programs.

The first parish affected by the new maps was Cameron, whose residents could not go home because FEMA refused to place mobile homes and park models in areas that are now part of the V-Zones. While the agency did grant a waiver in December 2008 that allowed for the mobile units in Cameron Parish, FEMA has refused to rebuild community facilities such as police stations, libraries and schools.

Moving forward, the CPRA/LRA committee hopes to visit with the new FEMA administrator in Washington, D.C. The group has sent a letter to President Obama requesting a waiver of FEMA applying the new maps as their best available data until the appeals process has been completed and the new maps are officially adopted.

LRA partners with DHH and GOHSEP to supply nursing homes and hospitals with generators

Governor Jindal announced in early March that the state has set aside \$32 million in federal Hazard Mitigation Grant Program funding to help hospitals and nursing homes purchase "HVAC generators" that would power air conditioning during major power outages.

The set-aside — a joint venture between the Louisiana Recovery Authority, the state Department of Health and Hospitals and the Governor's Office of Homeland Security — was approved by the LRA board of directors at its meeting on March 18. The state will now submit the proposal to FEMA for approval.

The program will also equip the Louisiana State Emergency Medical Special Needs Shelter with an HVAC generator system

Of the \$32 million, \$19.6 million will be allocated to nursing homes, \$8.4 million to hospitals, \$2 million to the State Special Needs Shelter and \$2 million to a state stockpile of generators.

Funds will be available statewide. DHH consulted with the Louisiana Hospital Association and the Louisiana Nursing Home Association to develop a formula for allocating the funds to licensed hospitals and nursing homes. Criteria include the facility being in a sheltering region, the number of beds, vent care for nursing homes and hospitals being an acute facility with an emergency room.

DHH will work with the hospitals and nursing homes to determine what funding they are eligible for, and facilities will be required to match some of the funds.

While all medical facilities are required to have generators as a condition of licensure, they are not required to power HVAC. This program will provide HVAC generators for the specific purpose of providing air conditioning.

Although 1.2 million people from the southernmost part of the state were evacuated successfully during the 2008 storms, having frail and infirm patients in hospitals and nursing homes with no air conditioning became an overwhelming challenge.

Temperatures inside many of the affected health care facilities reached 100 degrees during the day. Many facilities that weathered the storm found themselves in the perilous position of trying to keep patients cool and/or trying to evacuate to other facilities during the power outage.

During Gustav and Ike last year, 78 hospitals had full or partial evacuations requiring the relocation of more than 1,250 patients. Forty-two hospitals and 24 nursing homes experienced power outages. There were 101 nursing homes that had full or partial evacuations, resulting in the relocation of 8,887 residents.



On March 20, a bulldozer owned by New Orleans Demolition Services tears down the home located on Dreux Avenue in New Orleans, the first Louisiana Land Trust property transfer to be demolished.

Demolition of properties acquired through the Road Home program begins

LRA Executive Director Paul Rainwater, LRA Board Member Walter Leger and other local and state officials were on hand as the Louisiana Land Trust demolished the first of seven homes for the New Orleans Redevelopment Authority's plan for redevelopment.

The house that was knocked down will clear a path for developers to move forward on construction of 200 homes for Gentilly Woods and Ponchartrain Park in the "Pontilly" neighborhood of New Orleans.

The Louisiana Land Trust has been charged with the disposition and maintenance of housing stock and lots acquired through the Road Home program. As part of the

responsibilities, LLT has secured and maintained more than 9,500 properties and hired an outside firm to manage the demolition and debris removal process for some 3,500 housing units and approximately 1,900 existing slabs.

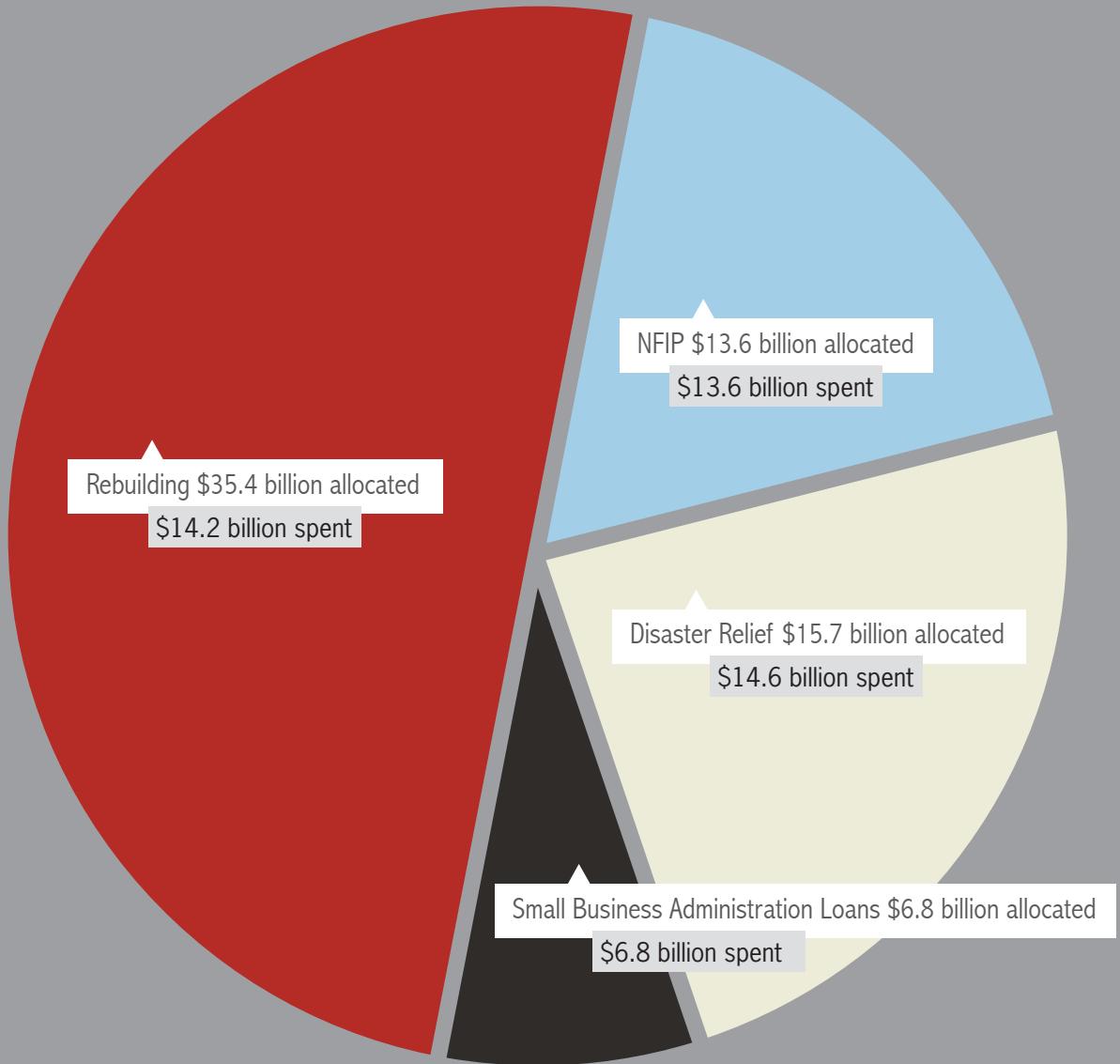
NORA is preparing to collect approximately 4,500 properties sold by displaced homeowners through the Road Home program. NORA targeted Pontilly for the most aggressive redevelopment of single-family housing because residents were ready to support the recovery. Actor Wendell Pierce and trumpeter Terence Blanchard formed Ponchartrain Park Community Development Corporation to build energy-efficient, above-grade homes in the area to replace the 1950s ranch-style houses that were heavily damaged by Hurricane Katrina.



1st Quarter 2009 Highlights

- ▼ To state's Express Pay system processed 1,851 request for reimbursement forms and paid out nearly \$348 million for
- ▼ FEMA Public Assistance projects, with an average payment turnaround time of five business days.
- ▼ The state's 24 recovery programs that address housing, infrastructure and economic development paid out nearly \$485 million in Community Development Block Grant funds.
- ▼ The Road Home homeowners program held 2,793 closings and disbursed \$506 million to homeowners, which included nearly \$229 million paid out to 7,766 homeowners through the elevation program.
- ▼ The state conducted 307 rental closings and increased the rental award amount by \$25.6 million, producing nearly 1,100 units.
- ▼ The state's Piggyback Program, which helps replace the rental stock lost during the storms, disbursed \$118 million to contractors.
- ▼ The state's Primary and Secondary Education program approved more than \$35.5 million for five school rehabilitation projects in four school districts, bringing the program's total approved expenditures to more than \$128 million.
- ▼ The state's Long Term Community Recovery program approved nearly \$111 million for 18 projects, bringing the program's total approved expenditures to nearly \$277 million.

A SNAPSHOT
OF FEDERAL COMMITMENTS TO LOUISIANA'S RECOVERY



1Q 2009

	Allocated	Spent
Rebuilding:	\$35.4 billion	\$14.2 billion
Disaster Relief:	\$15.7 billion	\$14.6 billion
National Flood Insurance Program (NFIP):	\$13.6 billion	\$13.6 billion
Small Business Administration Loans:	\$ 6.8 billion	\$ 6.8 billion
TOTAL: APPROXIMATELY	\$71.5 billion	\$49.2 billion



FIRST QUARTER
SUMMARY FIGURES





**150 Third Street, Suite 200
Baton Rouge, LA 70801**

**225.342.1700 voicemail + 225.342.0002 fax
info@louisianarecoveryauthority.org + www.lra.louisiana.gov**