



Executive Director's Report
Paul Rainwater
December 17, 2008



2008 Challenges

- **Since January, we have paid more than 30,000 Road Home grants. The cases that are left are the most difficult ones to close because they have title and legal issues.**
- **Launched two of the largest home elevation program in American history. We have paid nearly \$500 million (\$499.1 M) to more than 17,000 homeowners to raise their homes. We will soon begin paying out elevation dollars through a second elevation program designed to help homeowners who needed more elevation funds. Negotiated a settlement with FEMA on HMGP**
- **Spent more than \$115 million in rebuilding funds on restoring our economy and workforce, including direct assistance to small businesses, and funding programs to train Louisiana workers in critical recovery sectors.**
- **Continue to streamline the Long-Term Community project process, approved more 113 million dollars in projects.**
- **Since Express Pay started in March, we sped payouts of nearly \$450 million to local governments for physical rebuilding.**
 - **These payouts happen in an average of eight days.**



2008 Challenges

- **Louisiana Land Trust**
 - Tightened up control
 - Close to transferring properties
- **Katrina Cottages**
 - We have a platform to launch from
 - Environmental reviews complete on all properties
- **Gustav/Ike**
 - More than two-thirds of the state impacted
- **ICF**
 - Data Reliability
 - Labor Rate negotiations
 - Moving to a case management model
- **Affordable Housing**
 - An action plan to fill the affordability gap
- **New Organization (One recovery voice)**



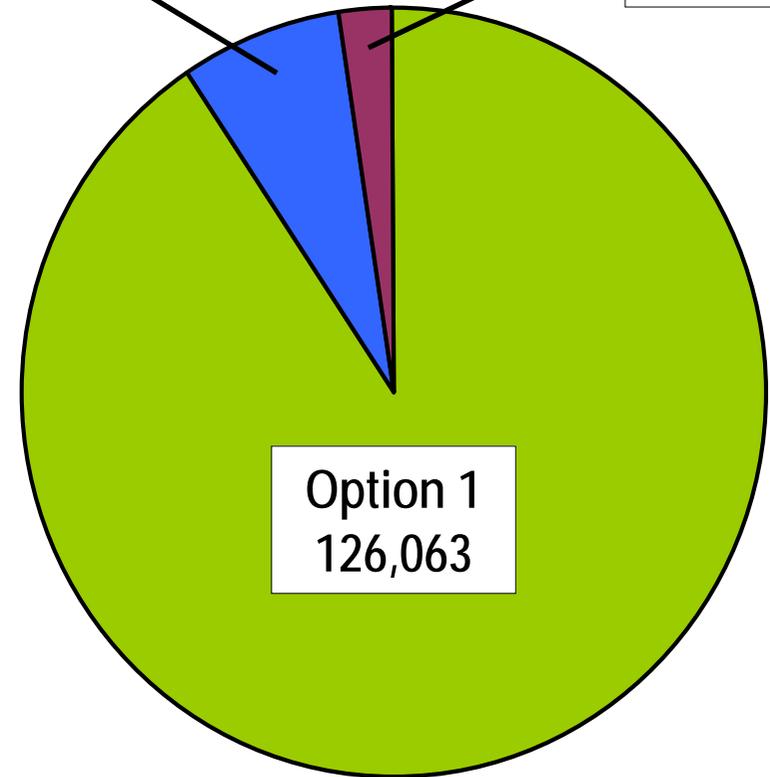
Road Home Update

Recent Road Home Program Data

Total Benefit Option Letters Returned	143,776	\$8.9 billion
Total Closings Held	120,449	\$7.5 billion
Closings Scheduled	557	
Additional Disbursements	19,042	\$575.4 million
Appeal Cases Resolved	4,549	\$119.5 million
Elevation Only Grants	1,555	\$46 million

Option 2
10,189

Option 3
2,915



Applicant Selections

As of Dec. 14, 2008



Road Home Appeals

ICF Appeals

As of Dec. 2, 2008:

- 14,647 cases have been processed through the Appeals department.
- 13,166 have been resolved.
- 1,481 are active.

Of the resolved appeals cases:

- 4,549 resulted in additional funds awarded, averaging \$26,261.
- 491 resulted in a reduction of award, averaging \$13,564.
- 4,090 resulted in no change to the award amount
- 4,036 were reviewed for an eligibility determination. Of those, 1,468 were approved and 2,568 were denied.

State Appeals

As of Dec. 15, 2008:

- 2,100 total appeals received
- 1,237 are in progress
- 1,115 closed or denied
- 83 approved
- 39 withdrawn
- 5 appeals on hold per applicant request
- 111 state appeals process last week

The average length of time to process a state-level appeal is 95 days.

The state has more than doubled its staff members working on appeals, bringing the total to 13 full-time employees.



Individual Assistance (Gustav and Ike)

Gustav:

438,993 registered in in 53 declared parishes

Housing Assistance:

- **35,156 approved; 1,285 pending.**
- **\$130,944,052 distributed.**

Other Needs Assistance

- **52,659 approved; 38,748 pending**
- **\$45,209,950 distributed.**

Ike:

50,967 people registered in 20 declared parishes

Housing Assistance:

- **8,484 approved; 544 pending**
- **\$38,553,559 distributed.**

Other Needs Assistance

- **4,167 approved; 541 pending**
- **\$7,538,155 distributed.**

As of Dec. 15, 2008



Gustav/Ike Housing Assistance

FEMA Housing Update:

8,776 - Number of Households with Damages Greater than \$10,000 (Based on FEMA IA Damage Inspections)

401 - number of FEMA Temporary Housing Units Approved

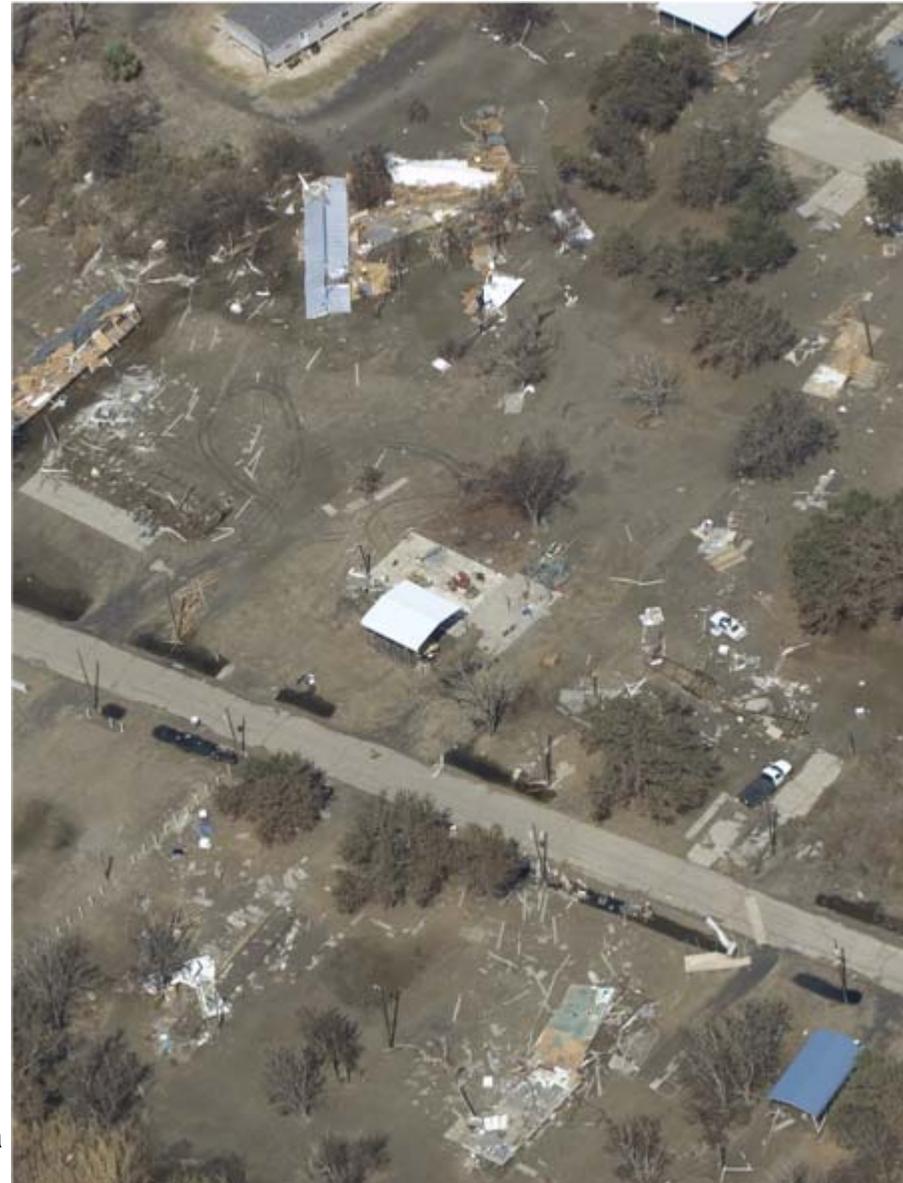
238 - number of Temporary Housing Units on hold for review

111 - number of FEMA Temporary Housing Units inhabited

23 – number of parishes where the process for putting FEMA Temporary Units have been initiated or begun.

As of Dec. 15, 2008

At right, Hurricane Ike's storm surge and winds tore a destructive path through Cameron Parish.





Gustav/Ike Housing - DFIRMS

FEMA refuses to rebuild most of Cameron Parish in wake of Hurricane Ike

- **Using new Digital Flood Insurance Rate Maps and an overly strict interpretation of a 1970s executive order, FEMA is refusing to fund construction of almost all of the new or replacement buildings in Cameron Parish that were affected by Hurricane Ike.**
- **An executive order issued during the Carter Administration prevents federal rebuilding in high-risk flood zones, known as V-zones. Based on the new maps, the V-zones now cover more than 80 percent of Cameron Parish.**
- **The DFIRMs have not been approved through the established process, nor do they use the best available data.**
- **Members of the La. congressional delegation sent a letter to President Bush requesting a waiver of the executive order so that Cameron Parish residents can place mobile homes and park models in V-zone areas, while rebuilding permanent structures.**



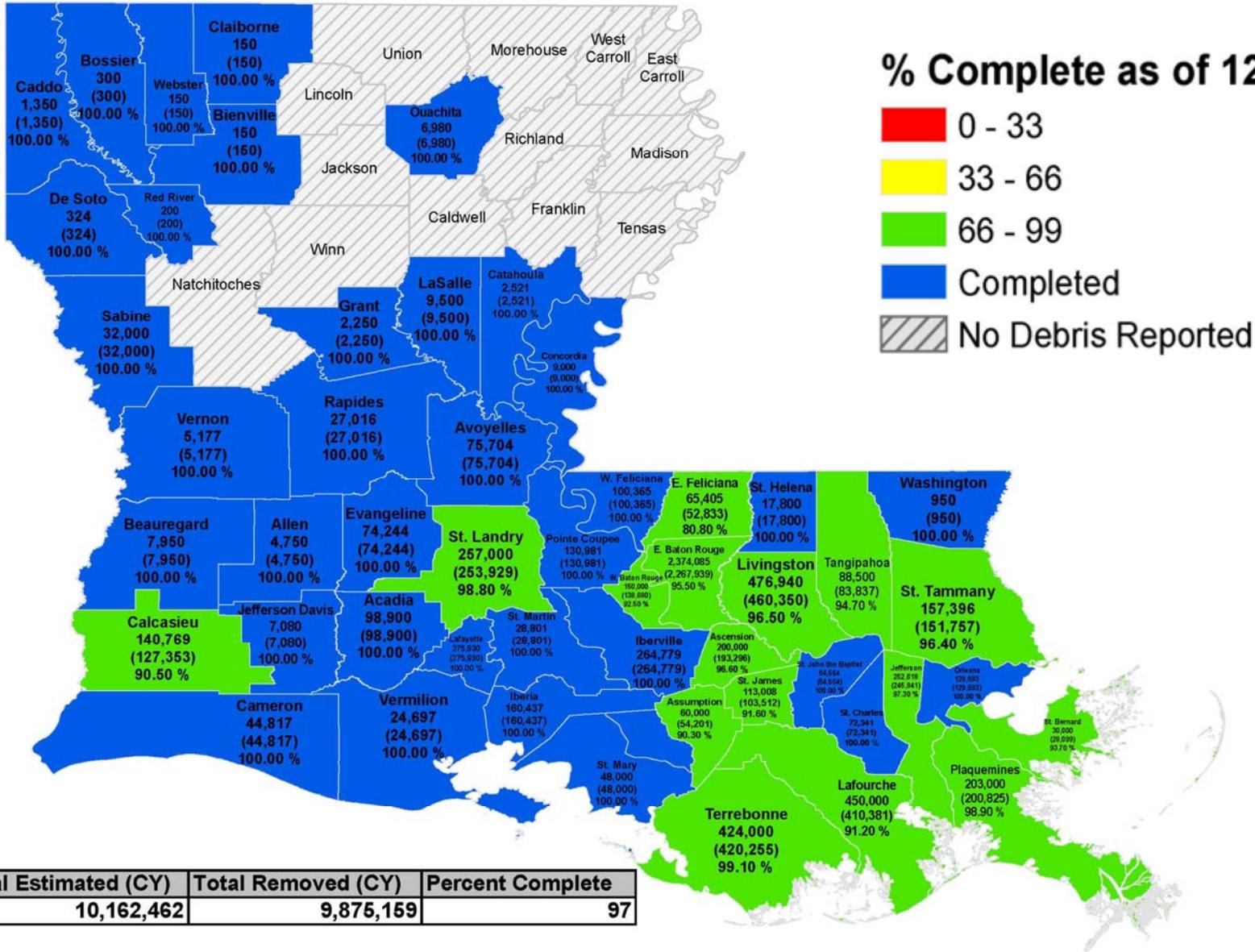
Gustav/Ike Housing - DFIRMS

LRA, GOHSEP and Louisiana's Coastal Protection and Restoration Authority sent a response letter to Jim Stark, FEMA's assistant administrator for Gulf Coast recovery, requesting that FEMA:

- **Suspend the formal release of preliminary DFIRM maps.**
- **Immediately release to the state and parishes all existing DFIRM base and model data to ensure transparency.**
- **Work with CPRA to collect better data and improve DFIRM modeling techniques.**
- **Allow coastal Louisiana to maintain existing insurance rates on new construction until FEMA, the state and coastal parishes develop a transition plan for adopting the new DFIRM maps.**
- **Use previously adopted DFIRM maps for purposes of Stafford Act programs that support recovery from Gustav and Ike.**



Public Assistance – Debris (Gustav and Ike)



Total Estimated (CY)	Total Removed (CY)	Percent Complete
10,162,462	9,875,159	97



Public Assistance Update

Public Assistance Express Pay

As of Dec. 8, 2008, the Express Pay program has processed 2,568 RRFs paying out nearly \$450 million to applicants. Payments average eight days.

	Applicants	Projects	Obligated	Paid
Katrina	2,160	17,819	\$ 6.75 billion	\$ 3.66 billion
Rita	931	4,461	\$552.7 million	\$ 400.1 million
Gustav	1062	193	\$ 35.6 million	\$ 11.5 million
Ike	405	51	\$ 9 million	\$ 0

Recently approved PA projects include \$480K to replace the main building at Cameron Elementary School, nearly \$73K in Public Assistance funding was obligated to Plaquemines Parish for the reimbursement of costs of repairs to catch basins and \$182K for evacuation and sheltering costs to the Louisiana Department of Health Hospitals.



Public Assistance – Education, Katrina/Rita

Most heavily affected parishes

Dollars obligated

Dollars Paid

Recovery School District New Orleans	\$635,776,697	\$230,778,916
St. Bernard	\$376,722,883	\$181,705,971
Plaquemines	\$197,930,608	\$33,347,514
St. Tammany	\$106,963,336	\$37,796,740
Orleans	\$74,980,996	\$11,747,144
Jefferson	\$72,754,052	\$20,057,703
Cameron	\$52,780,137	\$7,083,838
Vermilion	\$31,606,754	\$16,650,780
Calcasieu	\$13,911,122	\$16,559,958
Public Schools K-12 total for all school districts	\$1,595,581,267	\$581,540,766

As of Dec. 15, 2008



CDBG/Road Home Elevations

As of Dec. 15, 2008

- 34,270 homeowners have been returned letters expressing interest in elevation.
- 17,411 elevation disbursements totaling \$499.1 million have been awarded, including 1,555 initial and 13,261 additional disbursements in 2008 totaling \$427.1 million.
- 5,260 elevation disbursements are currently at closing companies totaling \$151.7 million.





HMGP Elevations

- 600 properties under review
- 391 homeowner meetings completed (with an additional 72 scheduled for this week)
- 76 property visits done
- 3 identified, reviewed and submitted for payment
- 35 Eligibility/Payment determinations complete
- \$1.38 million dollars in match identified in these 35 properties

As of Dec. 16, 2008





Louisiana Land Trust

Environmental Reviews Status

- **Orleans Parish:**
 - All 4,085 properties are complete.
- **St. Bernard Parish:**
 - All 3,741 properties are complete.
- **Jefferson Parish:**
 - All properties should be available for transfer by the end of the month.
- **Washington Parish:**
 - All 11 properties are complete and available for transfer as of Nov. 21.

No other parishes have requested review.

As of Dec. 15, 2008

LLT Transfer Timeline

LLT and NORA are working out all the details for the actual transfer of title. Also determining properties to be demolished before transfer.

LLT Status

CEAs are approved for Jefferson and St. Bernard parishes. Orleans is reviewing CEA. Expect a signature this week. Cameron, Terrebonne and St. Tammany are pending Council approval





Alternative Housing Pilot Program

New Orleans – 374 unit

- 124 units in Algiers
- 130 units in Central City, lower 9th Ward, Gentilly, and Broadmoor neighborhoods
- 60 units in Lafitte/Canal neighborhood
- 60 units in various New Orleans neighborhoods
 - 27 subdivision units
 - 33 units as infill

Jackson Barracks - 91 units

- Construction of infrastructure began Dec. 8
- Home construction beginning Feb. 2009
- Construction complete July 2009

Lake Charles – 82 units

- Site moving forward to complete infrastructure, design and environmental approval this month.
- Construction expected complete by Sept. 2009.

Baton Rouge – 42 units

- Construction beginning late Jan. 2009
- Construction complete spring 2009



Louisiana Cottages are now being built offsite to facilitate quicker installation on the ground.

As of Dec. 15, 2008

Approximately 600 Locations Identified



Alternative Housing Pilot Program

Next Steps

- Completion of Environmental Reviews
- Resident Identification
 - Notification
 - Selection
 - Homebuyer and Financial Training
- Create Compliance Program for use program income by partners

Priorities

- Ensure acceptance in communities where constructed
- Ensure timely completion of environmental reviews
- Ensure efficient completion of construction



Above, state officials review model Louisiana Cottage. The Alternative Housing Pilot Program will construct 500 cottages statewide and some will sold to low-income renters.



Small Rental Low-Income Housing Tax Credits-Piggyback

Small Rental	Total	Award Amounts	Total Units	Affordable Units
Commitment Letters Received	2,943	\$248 M	5,831	5,146
Total Combined Closings Held	433	\$29 M	613	358

(right) Part of this Jefferson Parish neighborhood was funded though Low Income Housing Tax Credits.



LIHTC - Piggyback	Total	Award Amounts	Units Awarded
Projects Awarded	59	\$602 M	8,271

Piggyback Projects closed/under construction	Units under construction	Dollars Closed	Dollars Expended
22	2,905	\$257 M	\$125 M



Fisheries Announcement

The recovering Louisiana fisheries industry is set to receive \$9.75 million in CDBG disaster funds to help restore critically damaged infrastructure. This money is in addition to a \$19 million in CDBG funds that fisheries received in March 2008.

CDBG Allocations for Fisheries

Empire Shipyard – Empire, La.	\$1 million
Empire Fisheries Complex – Empire, La.	\$1 million
Louisiana Shrimp and Seafood	\$1.25 million
Bourg Canal Safe Harbor	\$300,000
Cameron Parish Co-op for docks and processing	\$1.1 million
Terrebonne Parish Cold Storage	\$1.45 million
Ice House – Yscloskey, La. (St. Bernard Parish)	\$1.1 million
South Lafourche Parish Storm Harbor	\$400,000
St. Bernard Parish Safe Harbor	\$400,000
South Plaquemines Working Waterfront	\$750,000
Total	\$9.75 M



Long Term Community Recovery

The LRA Has Approved \$700 Million For Parishes

The LRA has set aside \$700 million in CDBG funds to the state's Long Term Community Recovery Program. The LTCR program provides CDBG funds to parishes hardest hit by Hurricanes Katrina and Rita.

Parishes work with the LRA to develop projects and move through the approval process.

45	New Orleans	\$113,760,464
5	Jefferson	\$3,912,051
2	St Tammany	\$2,560,285
1	Cameron	\$6,646,000
1	Calcasieu	\$338,000
54	total applications approved	\$127,216,800

As of Dec. 15, 2008

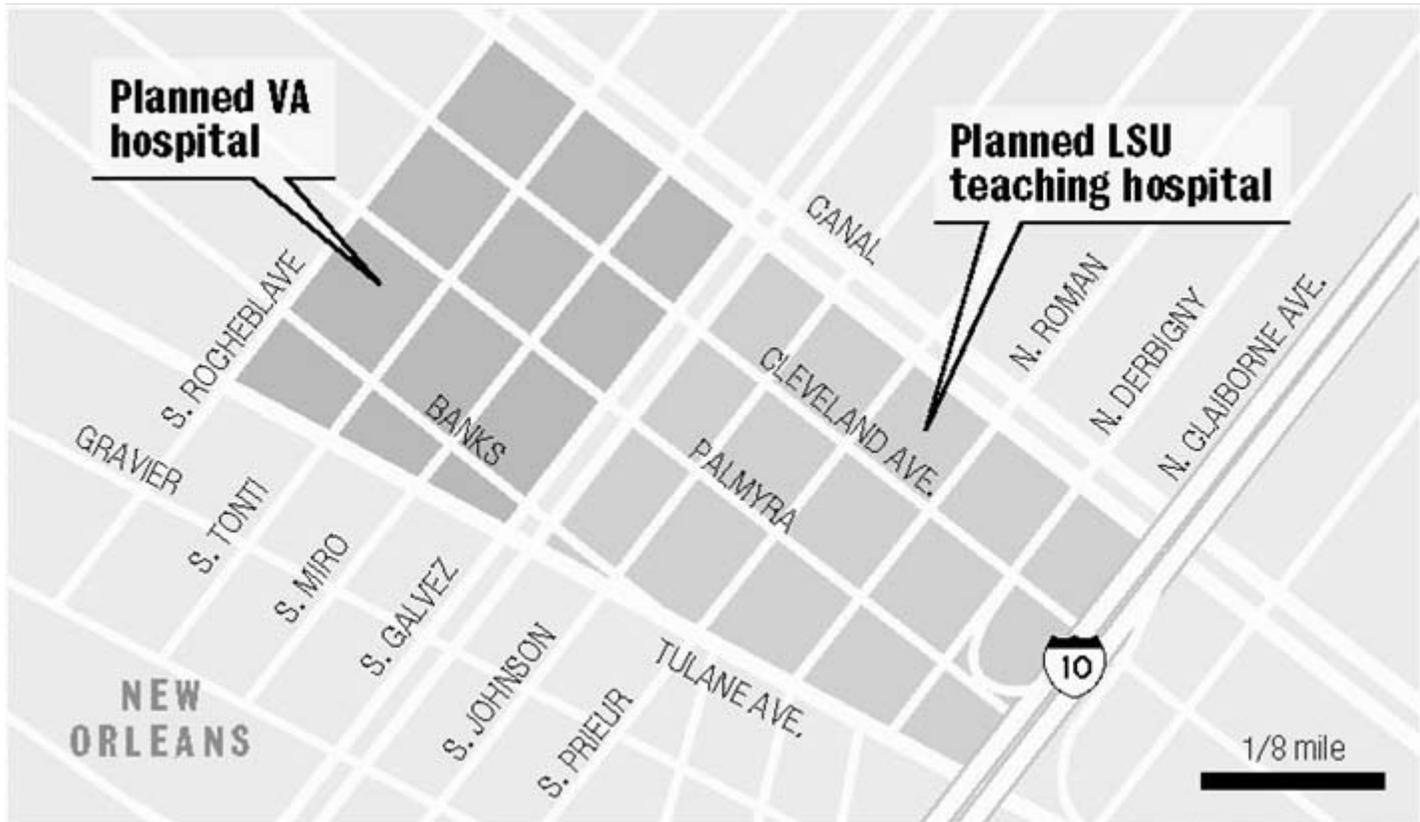


Infrastructure Announcement

VA, Louisiana Pick Downtown New Orleans for New Hospitals

On Nov. 25, Louisiana and the VA announced the final site selection for two new hospitals to replace facilities heavily damaged by Hurricane Katrina.

The state chose a site in downtown between Canal, Claiborne, Tulane and Galvez Streets, and the VA chose an adjacent site between Canal, S. Rocheblave, Tulane, and Galvez.





Infrastructure Announcement

VA, Louisiana Pick Downtown New Orleans for New Hospitals

- The plan is to develop state-of-the-art hospitals that will provide excellent health care and will return medical training for health professionals to the New Orleans area for students from LSU, Tulane, Xavier, Delgado and other programs.
- Working with city officials, the state will begin purchasing tracts of land identified by LSU as the ideal site for the new Medical Center of Louisiana at New Orleans.
- One major attraction for the sites selected was the ability to share a number of services and to take advantage of synergistic opportunities between the two facilities.
- Although the state carefully reviewed the possibility of rehabilitating the old Charity building into a new hospital facility, it was determined that this would not provide the space for all planned programs, nor would it assure adequate room for growth.
- The state did commit to develop a strategic plan to identify a use for old Charity and other historic buildings in the MCLNO complex in the event neither LSU nor other state agencies have a need for them.



Infrastructure Announcement

State, Feds break ground on \$138 M public housing redevelopment

On Dec. 9, redevelopment of the 'Big Four' public housing sites in New Orleans got under way with the ground-breaking of a multi-million dollar, mixed-income community to be built atop the former St. Bernard complex in the Gentilly neighborhood.

(right) St. Bernard was one of four massive mid-century public housing complexes damaged during Hurricane Katrina and demolished last year: St. Bernard, B.W. Cooper, C.J. Peete and Lafitte.





Infrastructure Announcement

- **The \$138 million redevelopment at the St. Bernard site includes**
 - \$30 million from HUD
 - \$27 million of CDBG funds from LRA
- **Over the next two years, developers will use a combination of the federal grant money, tax credits and private investments to build homes, a community center, a library, a golf course and retail stores at the former St. Bernard site.**
- **The redevelopment call for 466 units of residential town homes.**
 - 157 units as affordable housing for low-income residents
 - 160 units for people with moderate incomes
 - 149 units as market-rate rental housing.
- **Low-Income Housing Tax Credits offered through the Gulf Opportunity Zone Act of 2005 are key financing elements for the four redevelopments.**
- **Legislation enacted after Hurricane Katrina requires project completion by the end of 2010, if developers wish to benefit from the tax credits.**



- **Transition Team**
 - **New Orleans Rep. Karen Carter Peterson and LRA Deputy Director Robin Keegan met with transition team members on issues and solutions to speed recovery.**
 - **Briefed members of the Homeland Security transition team**
 - **Numerous discussions with potential FEMA director candidates**
 - **Briefed Homeland Security Appropriators and Authorizes**
 - **Briefed Senate Transportation HUD appropriations staff on challenges**



2009 Goals

- **A final decision from FEMA on the Charity hospital**
- **Get DHAP Extension**
- **Streamline our Long Term Community funding process**
- **Build 450-500 Katrina cottages**
- **By June of 2009 pay out the remaining Road Home grants or transition to a case mgmt model, execute IMMs, Sold Homes, improve HMGP performance**
- **Continue to work with developers and non profits to build affordable housing, and measure small rentals**
- **Work with the new administration to identify bottlenecks in HUD and FEMA funding and find solutions**
- **Expedite recovery and rebuilding dollars to local governments**



Gustav/Ike Action Plan

On Nov. 28, HUD announced that Louisiana would receive \$438 Million in the first round of Federal Disaster Allocations

The state intends to allocate these CDBG funds directly to the impacted parishes based on housing and infrastructure damages. Parishes will select from a menu of options and decide how they will spend the funds.

Anticipated Areas of Funding:

Housing

- Housing Incentive Program
- Housing Relocation Program
- Additional Compensation
- Workforce Rental Housing and Multi-family Units
- Small Rental Properties
- Homelessness Prevention

Infrastructure

- Provide additional funding for projects that repairs or rebuilds damages from hurricanes Gustav and Ike; or hardens existing structures or infrastructure to prevent damage from future disasters.

Agriculture and Fisheries Recovery

- Assist agricultural and forestry producers and support businesses to rebuild critical infrastructure.
- The state will work with Agricultural Commissioner to disburse funds to fisheries, ranching and forestry industries.

Economic Development

- Business Recovery Bridge Loans
- Assistance for Impacted Small Businesses
- Business Recovery Grants and Loans
- Employee Retention Credit
- Technical Assistance and Planning Capacity



2008 Disaster CDBG Allocations

Background

- There were 70 declared disasters in 2008
- Initial allocation is based on 33 disasters where data on unmet need was available
- First allocation is \$2.145B of \$6.116B
–(\$377M was rescinded and \$6.5M is for HUD admin costs)
- Louisiana's share of 1st allocation is \$438,223,344
- By statute, \$46,520,525 of Louisiana's allocation (10.6%) must be spent on affordable rental housing



Louisiana's First Allocation Breakdown

Program	Dollars
Agriculture*	\$30.0M
Coastal Restoration	\$15.0M
Fisheries	\$15.0M
Affordable Rental Housing	\$46.5M
Parish Allocations <ul style="list-style-type: none">• Housing Recovery• Infrastructure and Community Revitalization• Economic Development	\$309.8M
Local and State Admin	\$21.9M
TOTAL	\$438.2M

*Allocation may change pending upcoming farm relief legislation



Affordable Housing Set-aside

Parish	Dollars
Terrebonne	\$10M
Cameron	\$4M
Iberville	\$4M
Lafourche	\$3M
East Baton Rouge	\$3M
Competitive Pool – All parishes	\$23M
TOTAL	\$47M

- 50% will be pro-rated to top 5 impacted parishes as above
- 50% will be open to all parishes as competitive pool
- Any parish may utilize their own parish allocation for affordable housing – they are not limited by the set-aside amount



2008 Disaster CDBG Allocations (cont.)

First Allocation Formula

- **50% Based on Unmet Housing Need**

- Owner Unmet Need

- Average SBA determined damage minus FEMA award for homes w more than \$3000 FEMA inspected damages

- Renter Unmet Need

- FEMA inspected w more than \$3000 damages AND income less than \$20,000

- **50% Based on Concentrated Damage**

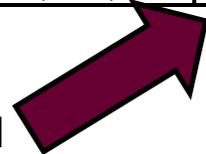
- If a census tract has 20% of the housing units with any damage, count units with damages over \$3000



Example Calculation – Terrebonne Parish

	Damage Level	Ave SBA Loss	Ave FEMA Pmt	Ave Unmet Need	H/O Count	Renter Count	H/O Unmet Need	Renter Unmet Need	Total Unmet Need
Gustav	Minor High	\$ 48,390	\$ 4,807	\$ 43,583	495	173	\$ 21,573,585	\$ 7,539,859	\$ 29,113,444
	Major Low	\$ 67,662	\$ 10,416	\$ 57,246	141	41	\$ 8,071,686	\$ 2,347,086	\$ 10,418,772
	Major High	\$ 82,817	\$ 18,624	\$ 64,193	58	15	\$ 3,723,194	\$ 962,895	\$ 4,686,089
	Severe	\$ 100,779	\$ 27,155	\$ 73,624	107	45	\$ 7,877,768	\$ 3,313,080	\$ 11,190,848
Ike	Minor High	\$ 40,897	\$ 4,437	\$ 36,460	174	136	\$ 6,344,040	\$ 4,958,560	\$ 11,302,600
	Major Low	\$ 62,259	\$ 9,654	\$ 52,605	133	78	\$ 6,996,465	\$ 4,103,190	\$ 11,099,655
	Major High	\$ 77,319	\$ 15,604	\$ 61,715	80	31	\$ 4,937,200	\$ 1,913,165	\$ 6,850,365
	Severe	\$ 135,770	\$ 21,698	\$ 114,072	29	14	\$ 3,308,088	\$ 1,597,008	\$ 4,905,096
TOTALS					1,217	533	\$ 62,832,026	\$ 26,734,843	\$ 89,566,869

Unmet Housing Need



Terrebonne Unmet Need = **\$89,566,869**

Louisiana Unmet Need = **\$636,396,673**

% Unmet Need in Terrebonne = **14.1%**

Terrebonne Concentrated Damage = **2742 Units**

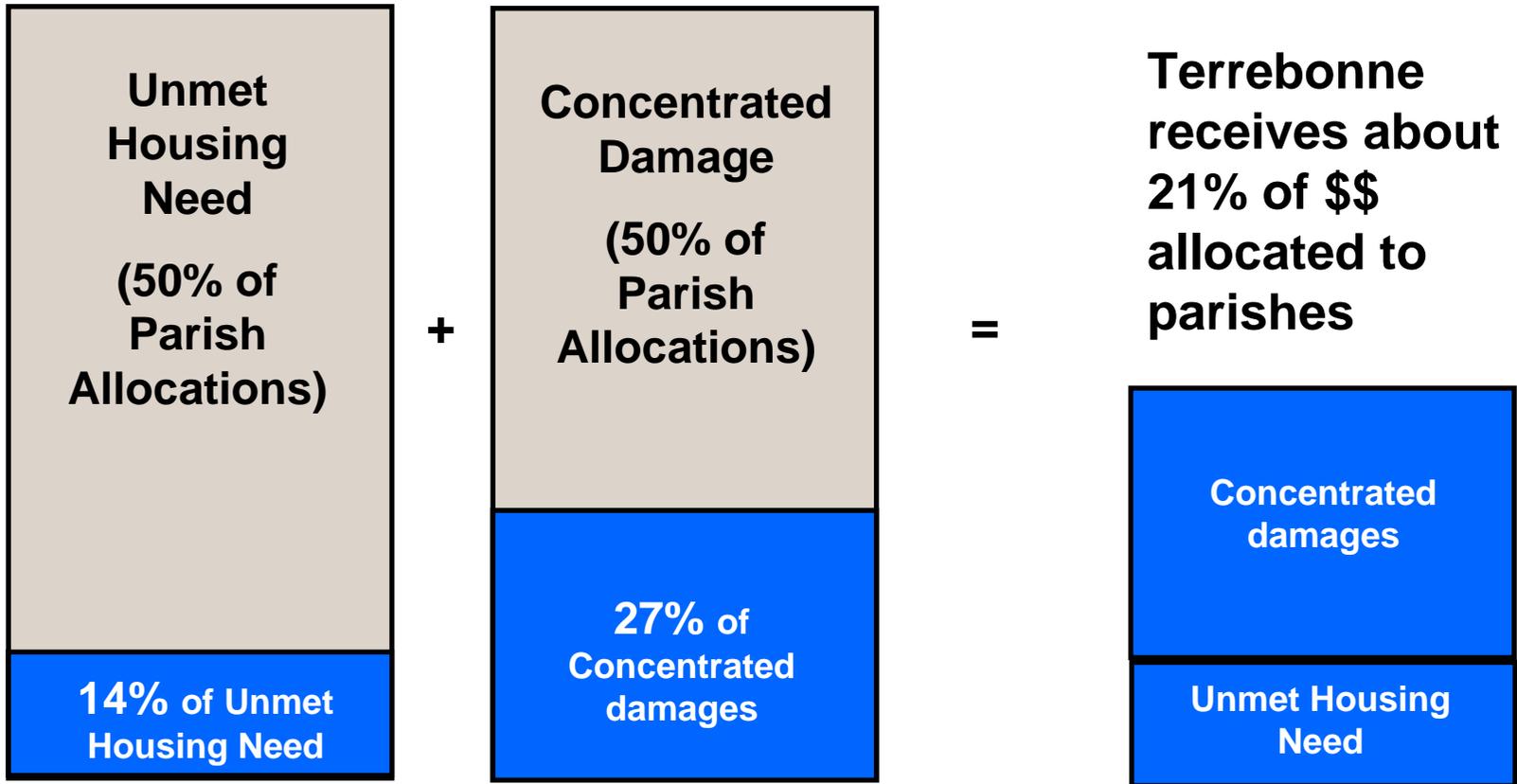
Louisiana Concentrated Damage = **10,152 Units**

% Concentrated Damage in Terrebonne = **27.0%**



Example Calculation – Terrebonne Parish (cont.)

For each parish, two components of damage are added together



Terrebonne allocation = 21% of \$310M = \$65M

+

Affordable Rental Allocation of \$10



Top 10 Most Damaged Parishes under HUD formula

Parish	Estimated 1 st Allocation	Est. Final Allocation	Affordable Rental
Terrebonne	\$65M	\$120M	\$10M
Cameron	\$25M	\$50M	\$4M
Iberville	\$20M	\$40M	\$4M
Lafourche	\$15M	\$30M	\$3M
East Baton Rouge	\$15M	\$30M	\$3M
Jefferson	\$10M	\$25M	
Assumption	\$10M	\$25M	
Ascension	\$10M	\$20M	
St. Mary	\$10M	\$15M	
Calcasieu	\$10M	\$15M	

IMPORTANT NOTE: Numbers provided are subject to change – these numbers are provided for planning purposes to give parishes an idea of the scope of funds that will be available.



Second Allocation Highlights

- Allocations will likely be announced in February
- Additional parishes will likely become eligible
- Allocations will be recalculated based on additional data including PA match
- First allocation will be subtracted from second allocation
- Louisiana share will likely decrease as more states will become eligible and additional data will be considered



LESSONS LEARNED FROM KATRINA/RITA

- **We will not create a centralized recovery bureaucracy in Baton Rouge. The state will outline acceptable uses for any CDBG funds and then push the dollars to local governments to administer programs that work for their communities. Local leaders can implement programs on a smaller scale that are tailored to their needs and address their individual level of damage and loss.**
- **We must work together with all of our partners. As we move forward, we will have local government, state government and FEMA at the table together writing project worksheets, which will save us time later because we will all agree on the scope of the projects.**
- **We must continue to speed up the pace of dollars to local governments. The state will continue to use its “Express Pay System” which reimburses parishes for work through the Public Assistance program. This program has been in place for Katrina/Rita rebuilding projects. Since March and it has been hugely successful.**

Must revamp Long-Term Community programs