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LOUISIANA RECOVERY AUTHORITY  
BOARD OF DIRECTORS MEETING

The Board of Directors Meeting of the Louisiana Recovery Authority was held at the State Capitol, HCR 1, 900 North Third Street, Baton Rouge, Louisiana beginning at 9:16 a.m., on November 12, 2009.

BEFORE: Susan O. Erkel  
Certified Court Reporter  
In and For the State of Louisiana

A P P E A R A N C E S

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DAVID VOELKER, CHAIR  
SENATOR EDWIN MURRAY

Mi nutes[1]

- 5 SENATOR NICK GAUTREAUX
- 6 JAS GIL
- 7 TOM HENNING
- 8 PAT LEBLANC
- 9 WALTER LEGER
- 10 PAUL RAINWATER
- 11 SEAN REILLY
- 12 JOHN E. SMITH
- 13 JIM TUCKER

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P R O C E E D I N G

MR. RAINWATER:

Thank you, Mr. Chairman. We will proceed with the executive director's report. We have some presentations today; from Denise Thornton, President of Beacon of Hope Resources and then a presentation from the Louisiana Military Hall of Fame Museum.

MR. VOELKER:

If you don't mind just a second, Paul. We'll do the pledge of allegiance and prayer like we start at every meeting and I don't want to change that.

(Pledge of Allegiance and Prayer were said.)

Minutes[1]

15 MR. VOELKER:

16 As noted, we will start with the Executive  
17 Director's Report, Mr. Rainwater.

18 MR. RAINWATER:

19 Thank you Mr. Chairman, if we could lower  
20 the screen there that would be great. Okay.

21 I was also going to have a speaker give you  
22 a report this morning but I think he's in the  
23 back talking. I am supposed to be in  
24 Washington, D.C. with Secretary Levine but as  
25 you all know we have started our additional

5

1 compensati on grant program. As Mr. Gil knows  
2 and all of these businessmen know that when  
3 given something big you need to be at home so I  
4 decided to stay and make sure that things were  
5 moving along.

6 I'm going to start off with FEMA Trailer  
7 Deactivation. We've got about 1,400 families or  
8 households in FEMA trailers but one family in a  
9 hotel receiving additional support. And then  
10 sales and donations program: we have 539 sold,  
11 about 170 sales pending, and about 306 donations  
12 pending. I will tell you that Robin Keegan,  
13 Amanda Guma, and Marisa Robertson have done an  
14 outstanding job of putting together what we  
15 talked about in January of '08, if you remember  
16 creating some sort of safety net to make sure  
17 that we protected people who might be vulnerabl e  
18 from evicti on from a FEMA trailer.

19 So we have a rapid re-housing program, about

Minutes[1]

20 603 families have been referred. About 136 have  
21 completed the application process. So that  
22 provides the additional dollars to these  
23 families that help them with rental subsidies.  
24 And we started a disaster case management pilot  
25 program that we were finally able to launch.

6

1 Back in January, February of '08 we were  
2 negotiating with FEMA for some dollars. We  
3 finally completed that negotiation and were able  
4 to get about nine million dollars. So we've got  
5 about 1,800 houses that suggest receiving case  
6 management services; 371 clients that develop  
7 long term recovery plan which is what our goal  
8 is. We know that eventually these programs are  
9 going to go away. And so people need to  
10 understand what they are going to do long term.  
11 Forty-six referrals were made to services  
12 provide clients. We're talking about 557  
13 refused services.

14 Now it's important to note that about 500  
15 folks in that 1,400 number that I talked about  
16 earlier, are folks that are in the process of  
17 waiting for more Road Home money or hazard  
18 mitigation or additional compensation.

19 On the disaster housing assistance program  
20 case management piece, the hottest issue is  
21 about 5000 housing choice vouchers. That is set  
22 to end on October 31st, that conversion. We  
23 have sent a letter to Secretary Sean Donovan.  
24 We think that there will be some sort of

Minutes[1]

25 extension. We personally contacted about 740

7

1 clients with incomplete voucher applications to  
2 help them finish their process. And we received  
3 about, over 2,000 case management commitment  
4 forms.

5 Gustav and Ike temporary housing: we have  
6 about 500 FEMA trailers in Louisiana as the  
7 result of Gustav and Ike. If you remember, when  
8 after Gustav and Ike, FEMA told us that there  
9 would be no trailers in Louisiana, we fought  
10 very hard, pushed back, made the case that, you  
11 know, coastal Louisiana is a working coast and  
12 people need to be close to their jobs in  
13 Terrebonne, Lafourche, and Cameron Parish. And  
14 we were able to make that case and with the  
15 help of FEMA administrator Craig Fugate, we were  
16 able to work through that.

17 We are working very closely to collect  
18 information regarding the client needs so that  
19 we can kind of continue on, you know, working  
20 through the long term housing recovery programs.  
21 We have a pilot case management program being  
22 administered by Catholic Charities to help do  
23 that work for us. Yes, Mr. Reilly?

24 MR. REILLY:

25 Is that otherwise being done by the

8

1 Louisiana Family Recovery Board?

2 MR. RAINWATER:

Minutes[1]

3                   Possibly but the challenge was the funding  
4 mechanism. It is difficult to move dollars  
5 around. Now we did an RFP and Catholic  
6 Charities actually won that.

7 MR. REILLY:

8                   So we (inaudible) and they award the work to  
9 a subcontractor.

10 MR. RAINWATER:

11                   Yes, sir, yes, sir.

12 MR. REILLY:

13                   Is the Family Recovery Corps officially  
14 under us?

15 MR. RAINWATER:

16                   No, sir, they're not.

17 MR. REILLY:

18                   They're not an agency?

19 MR. RAINWATER:

20                   They're not an agency. We have a memorandum  
21 and an understanding with them and we do work  
22 with them.

23 MR. REILLY:

24                   But they're still doing that function  
25 working with Katrina/Rita?

9

1 MR. RAINWATER:

2                   Yes, sir. Right. And obviously our goal is  
3 to assist and do stuff like housing needs and  
4 develop (inaudible) by December 1st for at least  
5 these 500 families. And that's just the trailer  
6 population. As you can see, the big numbers are  
7 133 in Cameron, 126 in Terrebonne.

Minutes[1]

8           Disaster Housing Assistance program for Ike  
9           are about 12,000 total and at least 3,000 in  
10          Louisiana. We've asked DHAP for details  
11          regarding their transition plans. Again, we are  
12          going to have to develop a transition plan for  
13          reduced blight housing. And as we mentioned  
14          earlier, we are requesting an extension for the  
15          FEMA trailer program and the disaster housing  
16          program that we just talked about.

17          Recovery Funding: We've requested and  
18          expedited HUD approval of action plan number two  
19          which you approved. Action plan number three  
20          went out to the full legislature (inaudible)  
21          that ballot closed November 12. We had 20  
22          parish recovery proposals that have been  
23          received, nine have been approved. The first  
24          checks, the first project will probably be a  
25          bridge East Baton Rouge Parish that will be

10

1          approved for recovery. That's about 66 percent  
2          of the total parish allocations.

3          And so there are the proposals and the  
4          dollar amounts. So we've gotten in about \$369  
5          million dollars worth of proposals. And you can  
6          see the asterisks next to the proposals that  
7          have been approved. And so we're moving quite  
8          quickly. I think we learned a lot from Katrina  
9          and Rita. We've been able to apply those  
10          lessons learned.

11          And just some examples: you know,  
12          Terrebonne Parish has submitted an application

Minutes[1]

13 for a levee project. And I would say,  
14 (inaudible) have worked very closely with HUD to  
15 get them to understand how important levees are  
16 to our communities. And that, you know, for us,  
17 levees are no different than roads because there  
18 was a conversation about whether or not HUD  
19 would fund, you know, these sorts of projects.  
20 And they understand that levees to us are our  
21 life. And so they are part of the fabric of our  
22 community. And so they got it. And kudos the  
23 Secretary Donovan for buying into it.

24 And then as I mentioned earlier, East Baton  
25 Rouge has submitted an application for a

11

1 conference and planning project. And that will  
2 be approved. And there's a bridge project as  
3 well. And we got some state implemented plans,  
4 coastal restoration permits, about \$27 million;  
5 and then our farmer and agricultural loan and  
6 grant program. First time HUD has ever funded  
7 this sort of program. The first checks will go  
8 out to farmers sometime this month. And so I  
9 think we have moved fairly quickly on these  
10 programs.

11 On public assistance for Gustav: \$604  
12 million obligated, \$392 paid out. For Ike, \$137  
13 obligated, \$69 million paid out. You can see  
14 we're done removing debris. On Katrina and Rita  
15 we are almost at \$8 billion dollars obligated,  
16 and \$4.5 paid out. That obligated number for  
17 Katrina will go up another three and a half

18 billion dollars is possibly. One of those  
19 projects is the recovery school district. We're  
20 in the process of trying to settle, we're going  
21 to implement and Omnibus provision that we got  
22 back in 2007 when I was working for Senator  
23 Landrieu, to do a lump sum settlement for the  
24 Recovery School District. It will save the  
25 federal government about \$150 million dollars in

12

1 administrative cost. It front loads cash and  
2 gets things moving. And it's \$2 million dollar  
3 settlement. We think we're getting very close  
4 to doing that. And we have got several meetings  
5 set up with the Recovery School District and the  
6 Federal Emergency Management Agency. Senator  
7 Landrieu is pushing it from her position and so  
8 we feel pretty good about where we're at.

9 You can see our Express Pay out: \$1.7  
10 billion paid out. Still averaging about five  
11 business days. Road Home update: we're at \$8  
12 billion dollars dispersal rate, the average  
13 award about \$64,000, total closings are \$125,328  
14 and we continue to stay on track. You can see  
15 the appeals we've got about 307 remaining. That  
16 will go up a little bit as we work through the  
17 additional compensation grant cap left  
18 (inaudible). About 81 one in progress. We're  
19 still averaging 60 days on the state appeals  
20 side. Elevations: we have \$843 million  
21 disbursed to about literally 29,000 homeowners.  
22 We'll hit 30 and then that'll be about it on the

23 community development block grant side.

24 All right on the hazard mitigation side we  
25 finally surpassed 114. We will get up to, by

13

1 December 1st, we put a little improvement  
2 process in place, we'll get up to 500 payments  
3 by December. And the average award will be  
4 about \$15,000 per payment. Bill (inaudible) is  
5 running that program for us and doing a good  
6 job. The Shaw Group has won the bid for our  
7 staff augmentation to that program. And they  
8 have a really strong team in place.

9 Louisiana Land Trust, transfer and closing  
10 update: we closed and transferred 411  
11 properties. Got another 63 scheduled to close.  
12 You can see the anticipated closings and  
13 transfers. Robin (inaudible) has been doing a  
14 great job of working very closely with Land  
15 trust in all the parishes to get this moving. A  
16 100 properties in New Orleans by November 30th.  
17 By December 31st, 116 properties in Cameron and  
18 another 100 in New Orleans and then 400 hundred  
19 closings per month for all parishes by January  
20 of next year. And so we are measuring all of  
21 this and we are going to keep pushing. Mr.  
22 Leger, do you have any comments since you  
23 Chaired Land Trust.

24 MR. LEGER:

25 The only comment that I would make is that

14

1 you are right. Things are going quite smoothly.

Minutes[1]

2 And really, it's really a terrific success  
3 story. Slabs are being removed, lots are being  
4 delivered as if they are brand new lots. And  
5 the only comment that I have repeatedly made is  
6 that the only criticism I have is that there is  
7 a land trust property right next to my property  
8 and it's kept much better than mine is. So I  
9 have to get on my grass cutter to try and at  
10 least keep up with land trust. But I think, you  
11 know, in Lakeview, they'll tell you also, the  
12 land trust properties are really an example.

13 UNKNOWN:

14 You need a new grass cutter.

15 MR. LEGER:

16 Well, I pay him too much for the work I'm  
17 getting. I wish I could contract the land trust  
18 but of course I can't under the law of rules.  
19 But I think, you know, the Lakeview people will  
20 also say, you know, it's been a shining example  
21 and we it's nice to start moving them now. And  
22 the lot next door program are kicking into gear  
23 in many parishes and this is going to be a  
24 shining success.

25 MR. RAINWATER:

15

1 Louisiana Land Trust Demolition program:  
2 we've got total property scheduled for  
3 disposition is almost 10,000 properties. About  
4 856 will be transferred "as is". And you can  
5 see just the layout of total inspections  
6 completed and the different types.

Minutes[1]

7           The small rental program: we're at 2,300  
8 units produced. And we've implemented quite a  
9 few changes in that program. We believe that by  
10 2011 we'll be complete with that program. We  
11 will have awarded over 5,000 awardees by the  
12 time we are done.

13           The non-profit rebuilding pilot program: \$20  
14 million dollars administered by the Louisiana  
15 Housing Finance Agency. It's, you know, really  
16 focused at Road Home and other non-eligible  
17 folks and the idea behind this is that  
18 non-profits can do it a lot cheaper to get in  
19 and help folks complete their repairs. We've  
20 focused on about 300 home owners in about seven  
21 parishes. And you can see who's being served  
22 and obviously the most impacted parishes.

23           Our piggyback program: 17 projects  
24 completed, 13 under construction. You can see  
25 the lay out: 14 of those are in New Orleans. We

16

1 are waiting to see what is going to happen with  
2 (inaudible). We've asked for an extension.  
3 There are some amendments and bills moving  
4 through that we just have to wait and see. But  
5 if we don't get something by December, we will  
6 probably see some projects fall out.

7           Our Katrina cottages are alternate housing  
8 pilot program: so we are going to end up  
9 completing about 470 total units; 119 units have  
10 been completed. And you can see the lay down  
11 there. We got 236 under construction right now.

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12 And another 115 that haven't been started yet.  
13 We are still working with the Louisiana  
14 Development Authority on in fill but we have  
15 made great progress in this and we are going to  
16 meet FEMAs, the Federal Emergency Management  
17 Agency's deadline to do this.

18 We've started a case management program to  
19 notify potential homeowners, eligible  
20 homeowners, about how to purchase and how to  
21 rent those. Remember we pushed this down to  
22 non-profits so that they could manage it; so we  
23 get out of it; and they can get the program  
24 (inaudible) and do some other housing as they  
25 get approved. It looks like, as you can see, we

17

1 sent out, we've gotten phone calls from 607  
2 households. You can see the lay down there  
3 where most of those phone calls are coming from.  
4 It looks like the first home owner for our  
5 Katrina cottages will be probably in Baton Rouge  
6 in December and then sometime in January,  
7 possibly December, Lake Charles as well. So  
8 we're going to finally have those things  
9 beginning to be occupied.

10 That is the report, Mr. Chairman. I'll be  
11 happy to answer any questions.

12 MR. VOELKER:

13 Any questions? Senator Murray?

14 MR. MURRAY:

15 Thank you Mr. Chairman. (Inaudible) audited  
16 unless they've audited and we did not receive

Minutes[1]

17 unconditional funds for these programs  
18 (inaudible) to give up reports of receiving  
19 income (inaudible).

20 MR. RAINWATER:

21 Yes, sir. We did answer the  
22 representative's letter and I do apologize. We  
23 had sort of, you know, we've got a fairly lean  
24 staff and (inaudible) Department of Homeland  
25 Security with National Recovery Framework

18

1 meeting and myself and William Jacobs, you know,  
2 Will's written policy. It's probably going to  
3 be used nationally. So I needed him there and I  
4 needed to be there because I got the call from  
5 the Governor. And so it was just one of those  
6 things we didn't -- but we will provide the  
7 information because we are showing some progress  
8 and I know, like I've said before too, our audit  
9 committee -- we appreciate the work that they  
10 have done because it's a pretty daunting process  
11 and that's what they're here for. So we'll be  
12 there.

13 MR. MURRAY:

14 The only other thing I would ask is that I  
15 continue to receive calls from constituents in  
16 Lakewood South, and I understand that there  
17 could be some movement there to try to resolve  
18 the issue by changing some rules.

19 MR. RAINWATER:

20 Well we've actually been able there are  
21 folks that who have gone out and are redoing

Minutes[1]

22 inspections. And there are a couple of  
23 homeowners that we have actually been able to  
24 flip to the 51 percent. But you know many  
25 cases, if you had 23 or 30 percent it's tough to

19

1 push it that far. So we are doing what we can.

2 UNKNOWN SPEAKER:

3 Thank you, Mr. Chairman. A question for  
4 Paul. On the St. Bernard blight remediation  
5 program; how is that going with removal of  
6 houses and slab and so forth in St. Bernard with  
7 the \$20 million that we gave them?

8 MR. RAINWATER:

9 That was for reimbursement. What had  
10 happened, Mr. Speaker, back in 2008, the Federal  
11 Emergency Management Agency had committed to --  
12 I will be quick about it but just a little  
13 history. What had happened we had set some  
14 goals with the Federal Emergency Management  
15 Agency and Department of Homeland Security. And  
16 one of those goals was to provide (inaudible) in  
17 New Orleans and St. Bernard. New Orleans was a  
18 little bit different in that they were  
19 continuing to do demolitions for health and  
20 safety. St. Bernard's health and safety  
21 demolitions had been completed and then we were  
22 moving into what we call economic demolition for  
23 economic recovery which is allowed under the  
24 Stafford Act. The former deputy director,  
25 Harvey Johnson, had committed to Craig

1 (i naudi ble) and mysel f (i naudi ble) that they  
2 would fund demolition under that economic  
3 recovery program. The Offi ce of Management and  
4 Budget stepped in and said no, we'd set a  
5 precedent. So on to Washington, I mean to the  
6 Whi te House Executive Offi ces and we had about a  
7 two hour debate about that. We ended up loosing  
8 that debate. And it basically said you have to  
9 move the block grant money, so we had to use the  
10 redevelopment block grant money to rei mburse  
11 St. Bernard for those demolitions. And so all  
12 we've done is reimburse them for the work they  
13 did. Those demolitions were a little more  
14 expensive because they were done in a contract  
15 that had been started back in 2006. We had  
16 spoke wi th to Presi dent (i naudi ble) about  
17 stopping. And one of the challenges for him is  
18 that he had momentum. And there's a cost to  
19 momentum. And I understood that and we all  
20 understand it and so we worked wi th HUD to, you  
21 know, go ahead and reimburse him for what he had  
22 done. And we used redevelopment block grant  
23 money. So we have 5 mi lli on doll ars set asi de  
24 for the Ci ty of New OrLeans and St. Bernard for  
25 demolition of non-Road Home properti es whi ch we,

1 I thi nk we're in the process of working through  
2 that (i naudi ble).

3 UNKNOWN SPEAKER:

4 And how many properti es do you thi nk that

5 would cover in Orleans Parish, the 5 million  
6 dollars?

7 MR. RAINWATER:

8 It was about \$8,000 a structure as I  
9 understand it.

10 UNKNOWN SPEAKER:

11 So quickly doing the math, that would be  
12 around 500.

13 MR. RAINWATER:

14 Yes, sir. But we are going to continue to  
15 work to -- one of the things that Mayor Nagin  
16 and I and others and some of you have done the  
17 same thing is to, you know, any Road Home money  
18 that we have left over blight removal would be  
19 good use of that money.

20 UNKNOWN SPEAKER:

21 But you and I have had that conversation and  
22 we will talk about this a little further on  
23 under new business but this is a real growing  
24 concern that there are some 60,000, 50 to 60  
25 thousand properties in Orleans Parish alone that

22

1 don't have electricity post-Katrina who had it  
2 beforehand that are now blighted and have become  
3 health and safety related issues. So I think  
4 that we absolutely have to do more than to  
5 address but I'll give you my opinion on it under  
6 new business.

7 MR. RAINWATER:

8 Yes, sir.

9 MR. VOELKER:

10 Mr. Leger?

11 MR. LEGER:

12 Mr. Tucker, on that 20 million dollar issue  
13 the government presented a check to Louisiana  
14 Land Trust for the funding of OCD and HUD and  
15 eventually presented a check to the Parish last  
16 week for reimbursement. That 20, 21 million  
17 dollars was to reimburse St. Bernard Parish for  
18 demolishing land trust owned properties. Road  
19 Home number 2 property. FEMA otherwise  
20 reimbursed for the other properties. So  
21 basically what happened was (inaudible) was  
22 moving ahead on non-Road Home properties, and by  
23 the way, we're tearing yours down to. Land  
24 Trust wasn't ready to go. And we did it  
25 basically. So all the properties in St.

23

1 Bernard, both non-Road Home and Road Home  
2 properties have been demolished basically. And  
3 all paid for by either FEMA money or CDBG or  
4 GDBG for Louisiana Land Trust. And again, the  
5 cost was a little bit more but approved by FEMA  
6 as reasonable and we got it done. At the end of  
7 the day, we spent less total CDBG money on our  
8 properties because we demolished some of them  
9 that we would have spent if we did it ourselves.  
10 But I wanted to comment on one other subject.

11 MR. RAINWATER:

12 That is my understanding that the land trust  
13 has been the most efficient mechanism for  
14 removing both Road Home and non-Road Home

15 related blight because of the bids you all have  
16 been getting, the way you handle the quantity  
17 release and so forth has attracted a lot of  
18 folks to come in and do demolition at a very,  
19 very good price.

20 MR. LEGER:

21 We're getting a lot of bidders on every  
22 project and we are getting some really good  
23 bidding. And the staff of Land Trust have  
24 really been managing excellently. You know,  
25 we've got some bumps in the road but it's

24

1 reasonably smooth and LRA and OCD has been very  
2 helpful and cooperative. Of course, they are  
3 and I chair the Land Trust so they are our, Land  
4 Trust customer. They give us money.

5 On another subject I wanted to ask Paul.  
6 There's an article in Times Pi cayune today  
7 regarding a study on the glut of vacant  
8 apartments in New Orleans by I think it's the  
9 Greater New Orleans Community David Center and  
10 the Urban Institutes Center, Metropolitan  
11 Housing and Communities; have we received a copy  
12 of that study? They basically say that --

13 MR. GIL:

14 I brought it.

15 MR. LEGER:

16 In that connection, they say there's a glut  
17 of 6,500 market rate apartments which is  
18 something we have been talking about. But that  
19 there's a demand for over 13,000 affordable

20 units. The market rate, people aren't going to  
21 be able to lower their rents to accommodate even  
22 if they wanted to because of cost, et cetera. I  
23 know we're doing our own independent study but  
24 we need to factor this study in also. I don't  
25 know, you know, we're all going to be wondering

25

1 which studies are better and more accurate but  
2 I'm just really a little concerned -- by the way  
3 the housing task force was scheduled to meet  
4 this past Monday but because of the pending  
5 tropical storm or hurricane we needed to cancel  
6 it. But we will be meeting to process some of  
7 this stuff, resetting that meeting in the  
8 immediate future. But I see we have copies of  
9 the article Mr. Speaker, we need to get our  
10 hands on those studies themselves and see. They  
11 seem to come from a point of view, a particular  
12 point of view and evaluate all studies depending  
13 on where they come from. But it's got some data  
14 that looks interesting.

15 MR. RAINWATER:

16 I saw the article this morning I thought it  
17 was interesting. You know, the need for what  
18 they call thermal (inaudible) 500 affordable  
19 units or housing subsidies. And I really  
20 believe that's where the deep data, that  
21 (inaudible) we need to take a look at, where the  
22 real need is. We simply don't have enough in  
23 post-Katrina related housing vouchers and the  
24 like to meet the demands.

25

Now the flip side of that is we never had

26

1

enough before Katrina either. And as the Lord

2

said, (inaudible) be with you always. And so

3

how much do we need is a level that has been

4

debated for time and memorial and particularly

5

with what's going on in the housing front with

6

the consolidation of low income housing in

7

Orleans Parish is another major concern for a

8

lot of folks.

9

So that's where I think we need to get the

10

report and see how many more units they think we

11

need versus how many more vouchers we need and I

12

think that's going to be tell tale.

13

UNKNOWN SPEAKER:

14

Subsidize the existing 6,500 units.

15

MR. RAINWATER:

16

Right or take those 6,500 and help fix the

17

problem that you have too many on one end can

18

help fix the problem you don't have enough on

19

the other.

20

MR. VOELKER:

21

Senator Murray?

22

MR. MURRAY:

23

Thank you, Mr. Chairman. The Speaker and I

24

talked about this a little bit earlier this

25

morning. But I'd like to suggest that we obtain

27

1

a copy of the study. I wish we could invite the

2

guys with the (inaudible) property to come to

3

talk to us because I think they have done it the

Minutes[1]

4 right way. Quite frankly, they have affordable  
5 housing, they're permanent structures and their  
6 occupancy rate is up there pretty good. I've  
7 learned that they have other properties,  
8 projects planned along the way. That would  
9 really help out our community. It might be good  
10 to have them speak before us.

11 MR. VOELKER:

12 Let's make it so. Any other questions?  
13 Where do we go now, Paul?

14 MR. RAINWATER:

15 Mr. Chairman, what I would suggest is making  
16 sure we have quorum is to go ahead and open the  
17 meeting, approve the minutes and do the change  
18 and that get that voted on.

19 MR. VOELKER:

20 Can we have a roll call? Then we'll approve  
21 the minutes.

22 MS. DUNCAN:

23 Mr. David Voelker?

24 MR. VOELKER:

25 Here.

28

1 MS. DUNCAN:

2 Senator Edwin Murray?

3 MR. MURRAY:

4 Here.

5 MS. DUNCAN:

6 Mr. Rene Cross? (No response.) Senator  
7 Nick Gautreaux?

8 MR. GAUTREAUX:

Minutes[1]

9 Here.  
10 MS. DUNCAN:  
11 Mr. Jas Gil?  
12 MR. GIL:  
13 Here.  
14 MS. DUNCAN:  
15 Mr. Andy Guinn? (No response.) Mr. Tom  
16 Henni ng?  
17 MR. HENNING:  
18 Here.  
19 MS. DUNCAN:  
20 Mr. Ray Lasseigne? (No response.) Mr. Pat  
21 LeBlanc?  
22 MS. LEBLANC:  
23 Here.  
24 MS. DUNCAN:  
25 Mr. Walter Leger?

29

1 MR. LEGER:  
2 Here.  
3 MS. DUNCAN:  
4 Mr. Roy Martin? (No response.) Mr. Sean  
5 Reilly?  
6 MR. REILLY:  
7 Here.  
8 MS. DUNCAN:  
9 Mr. John Smith?  
10 MR. SMITH:  
11 Here.  
12 MS. DUNCAN:  
13 Speaker Jim Tucker?

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14 MR. TUCKER:  
15 Here.  
16 MR. VOELKER:  
17 Do I have a motion to approve the minutes?  
18 UNKNOWN SPEAKER:  
19 So moved.  
20 UNKNOWN SPEAKER:  
21 Second.  
22 MR. VOELKER:  
23 All in favor? (All respond aye.) The  
24 motion carries unanimously.  
25 MR. LEGER:

30

1 Mr. Chairman, I move that we amend the  
2 agenda to consider Action Item VIII (a), the Road  
3 Home Action Plan Amendment.  
4 MR. VOELKER:  
5 Do I have a second.  
6 UNKNOWN SPEAKER:  
7 Second.  
8 MR. VOELKER:  
9 Do I need a roll call vote?  
10 UNKNOWN SPEAKER:  
11 You need a roll call vote for that.  
12 UNKNOWN SPEAKER:  
13 What are we voting on?  
14 UNKNOWN SPEAKER:  
15 To move agenda item VIII (a) up.  
16 MS. DUNCAN:  
17 Mr. David Voelker?  
18 MR. VOELKER:

Minutes[1]

19                   Here.  
20           MS. DUNCAN:  
21                   Senator Edwin Murray?  
22           MR. MURRAY:  
23                   Here.  
24           MS. DUNCAN:  
25                   Mr. Rene Cross? (No response.) Senator

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1                   Nick Gautreaux?  
2           MR. GAUTREAUX:  
3                   Yes.  
4           MS. DUNCAN:  
5                   Mr. Jas Gil?  
6           MR. GIL:  
7                   Here.  
8           MS. DUNCAN:  
9                   Mr. Andy Guinn? (No response.) Mr. Tom  
10           Hennig?  
11           MR. HENNING:  
12                   Here.  
13           MS. DUNCAN:  
14                   Mr. Ray Lasseigne? (No response.) Mr. Pat  
15           LeBlanc?  
16           MS. LEBLANC:  
17                   Yes.  
18           MS. DUNCAN:  
19                   Mr. Walter Leger?  
20           MR. LEGER:  
21                   Yes.  
22           MS. DUNCAN  
23                   Mr. Roy Martin? (No response.) Mr. Sean

Minutes[1]

24 Reilly?

25 MR. REILLY:

32

1 Yes.

2 MS. DUNCAN:

3 Mr. John Smith?

4 MR. SMITH:

5 Yes.

6 MS. DUNCAN:

7 Speaker Jim Tucker?

8 MR. TUCKER:

9 Here.

10 MR. LEGER:

11 Mr. Chairman, I move for the adoption of the  
12 action plan amendment no. 37 - Assistance to  
13 Road Home Applicants with Contaminated Drywall,  
14 we considered this preliminarily at our last  
15 meeting.

16 UNKNOWN SPEAKER:

17 Do we have a second.

18 UNKNOWN SPEAKER:

19 Second.

20 MR. VOELKER:

21 Mr. Gil any discussion?

22 MR. GIL:

23 Yes, sir. I have a comment and I'm not a  
24 linguist so I'm kind of concerned that this \$5  
25 million may indicate a lot more definition to

33

1 this issue than what's this actually is. So my

2 concern is that we put the appropriate qualifier  
3 in the language because the solution still is  
4 not known what will be required by the Federal  
5 investigation prior to resolution. Then  
6 whatever the extent of the funding will be to  
7 remediate or to the extent we can fund the  
8 remediation, we'll then determine, you know,  
9 what the level of funding needs to be. To me,  
10 this appears to be -- we need to be clear in our  
11 language whether this is just a token or in the  
12 current budget or you know, some qualifier in a  
13 way so we don't mislead in anyway that this is -  
14 - to me, this is a much larger issue. And I'm  
15 not too sure the language as it is here, at  
16 least to a layman like me, is really crisp  
17 enough to say this is just the beginning of what  
18 it may be because we don't know the full scope  
19 and federal government has not determined the  
20 extent that the modifications and changes that  
21 may be necessary and the way that might be  
22 resolved.

23 MR. VOELKER:

24 Mr. Gil, do you have a suggestion on how we  
25 might modify this?

34

1 MR. GIL:

2 I would just say, you know, one would be no  
3 less than \$5 million as an example. I think the  
4 other is just limiting it to the current budget,  
5 in the current budget, in the current funding.  
6 And then that kind of indicates that it's just a

7 token.

8 MR. VOELKER:

9 Accept the amendment?

10 UNKNOWN SPEAKER:

11 I would accept the amendment if that's from  
12 the HUD perspective.

13 MR. RAINWATER:

14 Yes, sir. I think we'd be fine. I mean the  
15 reality is that in the legislation that passed  
16 said that it was a baseline was basically no  
17 less than \$5 million. So if we wanted to put in  
18 it is no less than \$5 million dollars, we'd be  
19 fine with that and HUD would be fine with it.

20 UNKNOWN SPEAKER:

21 In the current approved funds, it's just  
22 something that's a token.

23 MR. VOELKER:

24 It's been moved and seconded with the change  
25 in the language.

35

1 MR. MURRAY:

2 (inaudible) in the action plan, that means  
3 that we should be prepared for people to come  
4 back to ask for a lot more money. That's why I  
5 say no less than \$5 million. You open the door  
6 for that.

7 MR. RAINWATER:

8 Mr. Chairman, if I could. Senator Murray,  
9 that's a good point. Mr. Gil and I had the same  
10 conversation. There are several things  
11 happening right now. And anyone that's been

12 following this case, especially in the legal  
13 profession, there was a big conference in New  
14 Orleans yesterday. I was there with some other  
15 attorneys and we were at the conference and  
16 talking about it's a very complicated litigation  
17 that's getting ready to occur very quickly.  
18 There's also, Senator Landrieu's filed a bill  
19 that would provide, as I remember, about \$25,000  
20 in vouchers per household to assist. So I don't  
21 think that our \$5 million dollars is going to be  
22 the lone \$5 million dollars out there. I think  
23 there will be -- and remember, if we give money  
24 to homeowners once this is settled, we've got to  
25 go back and no different than we did with flood

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1 insurance and other pieces, we've got to  
2 subtract out whatever (inaudible) is settled.  
3 And then if Senator Landrieu's bill passes and  
4 people receive money from the federal  
5 government, we've got to make sure there's not a  
6 duplication of benefit. So I don't know.

7 MR. TUCKER:

8 Can I interrupt to ask a question.

9 MR. RAINWATER:

10 Yes, sir.

11 MR. TUCKER:

12 We don't approve money here in this forum.  
13 It doesn't go out. No matter what the language  
14 says, no less than \$5 million and we've approved  
15 the \$5 million, do we have to approve it again,  
16 right?

17 MR. RAINWATER:

18 Yes. To be very frank with you, we feel  
19 comfortable with \$5 million dollars to get it  
20 started and get it moving. But to be honest  
21 with you, in the conversations we had with the  
22 folks from HUD last week on a national level, I  
23 don't think we have enough money in the State to  
24 deal with this issue and that's the bottom line.

25 MR. GIL:

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1 And that's the only point I'm making when we  
2 say no less than. And I think somebody  
3 (inaudible) we're going to open up the door  
4 because I've seen that before.

5 MR. LEGER:

6 Maybe the court will develop some protocol  
7 to determine who ought to be in and that kind of  
8 thing. There's a lot of unanswered questions  
9 going forward.

10 MR. TUCKER:

11 Well I have and you have and (inaudible) has  
12 sat in these seats long enough to know they're  
13 going to come back anyway. And whether we  
14 approve or not is where it lies at.

15 MR. RAINWATER:

16 Mr. Chairman, maybe the right thing to do is  
17 just to move forward within the \$5 million  
18 dollars instead of the last thing and just be  
19 plain about it that this is what we have in the  
20 current budget.

21 MR. GIL:

22                    Maybe you all are looking at a different  
23                    resolution. The resolution I have doesn't say  
24                    less than.

25                    MR. RAINWATER:

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1                    I know, sir.

2                    MR. GIL:

3                    It just says 4 or 5 million.

4                    MR. RAINWATER:

5                    If you want to accept within the current  
6                    budget of \$5 million dollars.

7                    MR. LEGER:

8                    (Inaudible) if somebody at the federal  
9                    government would not really say it is stopped at  
10                    5 million, I think that would stand.

11                    UNKNOWN SPEAKER:

12                    I tend to (inaudible) you point of view that  
13                    people might say it's an open door. But I want  
14                    us to have the ability to be able to go back,  
15                    you know, once the federal government approves a  
16                    remedy, you know, how it's going to be  
17                    remediated. Then I think we need to develop the  
18                    scope and the definitions. To me, I think right  
19                    now, the process is slow and the number, they  
20                    are all basically very fluid.

21                    MR. TUCKER:

22                    If I can make one comment. I think that  
23                    infallibility stops in the wrong somewhere. It  
24                    doesn't visit us and if we were to revisit this  
25                    we would be able to and issue more money out.

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1 MR. VOELKER:

2 Mr. Leger?

3 MR. LEGER:

4 Mr. Chairman, this is kind of an update on  
5 what I understand the status of the process is.  
6 As I appreciate it, the court had established  
7 some trial dates to go forward but the court has  
8 withdrawn or is in the process of withdrawing  
9 that order. And has instead either has ordered  
10 or is about to order a process of trying to  
11 determine the science in terms of causation, of  
12 cause and fact; were they related to -- what is  
13 the proof necessary and actually, the result of  
14 that process may define the protocol that we're  
15 looking for in our process. The estimate of  
16 people in Louisiana impacted is so great the \$5  
17 million dollars will not resolve the issue. But  
18 it's a start. Again, our resolution is to use  
19 our CBDG funds to assist Road Home applicants  
20 who receive money to repair their homes and then  
21 they're hit with a second disaster of this. So  
22 it's a start. Unfortunately, and I just say  
23 this because I think we ought to be aware of  
24 this, in 1988 the Louisiana Legislature passed  
25 the Louisiana Products Liability Law

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1 insinuating, not insinuating, but saying that it  
2 would attract manufacturers to Louisiana and it  
3 hasn't attracted one. But in fact, will make it  
4 more difficult for Louisiana homeowners to  
5 recover against the Chinese manufacturers. So

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6 while in court, there may not be the ability,  
7 and hopefully there still is because of the very  
8 good Louisiana lawyers to win against the  
9 Chinese manufacturers, we don't need to meet  
10 that standard of Louisiana Products Liability  
11 Act to help people. We just need to a  
12 scientific causation/proof. We don't need to  
13 know who's responsible. We just need to be able  
14 to help them. That's where we're in a position  
15 to maybe help where the civil justice system  
16 might have a hole because of our laws.

17 MR. RAINWATER:

18 Mr. Chairman, (inaudible) we are the first  
19 state to take action. And at least we have put  
20 dollars into a reserve fund to help homeowners.  
21 Now how that assistance comes, we've talked to  
22 HUD about home loan subsidies, for example. I  
23 mean I don't think that we're going to be able  
24 to go in and repair the homes. I mean it's  
25 going to be difficult to do. But what we can do

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1 is provide them some sort of assistance. And if  
2 Senator Landrieu is successful in getting her  
3 bill through and I think that my conversations  
4 with the folks when I went to D.C. with a lot of  
5 different members outside of our delegation,  
6 that they were going to support something  
7 because this effects about 30 states. And so  
8 there are a lot of folks that are going to be  
9 impacted by this.

10 MR. VOELKER:

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11 Speaker Tucker, you can have the last word  
12 on this.

13 MR. TUCKER:

14 I just want to make sure I understand. This  
15 \$5 million is going for Road Home problem  
16 applicants only?

17 MR. RAINWATER:

18 Yes, sir.

19 MR. TUCKER:

20 Do we know how many there are?

21 MR. RAINWATER:

22 No, sir. Because there is not protocol to  
23 do the test.

24 MR. TUCKER:

25 So we don't even have a protocol yet?

42

1 MR. RAINWATER:

2 The State Attorney General and the Office of  
3 Public Health are receiving names of people  
4 right now. And so we've met with the State  
5 Attorney General. We're going to share that  
6 list and talk about how we go forward. We're  
7 going to go to D.C. and advocate with the State  
8 Attorney General as well, that some sort of  
9 resolution, that we get some sort of resolution  
10 on this issue.

11 MR. TUCKER:

12 My understanding of this and I came back  
13 from this teacher's conference two weeks ago  
14 where all of us teachers from across the country  
15 come together and commiserate. Our two common

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16 problems are the senate and the governor. It  
17 was a very good meeting. One of the things we  
18 talked about was the Chinese drywall situation  
19 is now a national problem, all up and down the  
20 east coast, in California and the like. Five  
21 million won't begin to help. My concern is will  
22 the protocol answers then have to be identified  
23 and then us giving money and then having to come  
24 and take it back if they do money or something  
25 at the federal level through Senator Landrieu's

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1 proposed. How quickly do you see this going  
2 out? While the intent of the legislature, this  
3 all stemmed from a legislative act, which was  
4 good, was trying to help some people, it has  
5 mushroomed way beyond what we do in June. And  
6 is it something that maybe, I don't want us to  
7 get in the way or cause some kind of harm or  
8 create an additional bureaucracy that has to go  
9 back and track these people down and hunt to get  
10 the money back after they've gotten it from  
11 somebody else. How quickly do you think the  
12 federal action on this is going to take place  
13 given what you know? And you know, are we going  
14 to be running in tandem? Are we going to be  
15 ahead? Are we going to wait until we have the  
16 protocols as set forth by the court at which  
17 time probably, a federal solution is put in  
18 place?

19 MR. RAINWATER:

20 Yes, sir. Mr. Speaker, we've been talking

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21 about this for going on six months, I guess.  
22 And when we originally came to you with the \$5  
23 million dollars, that was at the beginning of  
24 the plan, my own general counsel and Robin and  
25 others in consultation with HUD said you need to

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1 slow down because the protocols aren't in place  
2 yet. And there was a concern that if you move  
3 forward too fast, and you know, we all know,  
4 we've all been through it, and everybody in this  
5 room has an experience of, you know, if you  
6 don't spend the money right, you have to pay it  
7 back. And we didn't want to put the State in  
8 that position of liability and we didn't even  
9 want to put the homeowner in a position of  
10 having to pay back dollars. What we're doing  
11 now is we're working very closely with HUD. And  
12 what we hope to do is sort of synchronize it. I  
13 mean we can move quickly on some sort of, if  
14 it's some sort of rare subsidy or an incentive  
15 plan to keep people in Louisiana, there's ways  
16 to do this, to work through it. Now we're not  
17 talking about, I mean, the dollar amount we  
18 talked about is \$1,000.00, \$2,000.00 a household  
19 not, you know, not an average of \$64,000.00  
20 we spent on a new home, for example. But what  
21 we've got to do is synchronize it. Now the  
22 challenge is the Consumer Protection Agency  
23 hasn't come forward with any protocols. And it  
24 looks like they're going to be doing some  
25 additional studies. So I don't know when that

1 protocol will be ready. Now we can, and HUD has  
2 told us this, so we can move forward with the  
3 State protocol. But this is no different than  
4 the issue with FEMA trailers and formaldehyde.  
5 And we worked very closely with Dr. Guidry who  
6 worked with FEMA and CDC on some sort of testing  
7 procedure. And that took awhile as you  
8 remember. I mean that's why it's taking so long  
9 to work through some of these issues. So I  
10 don't have a good answer. Well, so we're ready.  
11 Let's get through the bureaucracy. Let's  
12 forward it on to HUD. Let's get approval so  
13 when the time comes we're ready to move forward.

14 MR. LEGER:

15 But Paul, you raise another issue in your  
16 discussion in my mind hearing that is what good  
17 is \$1,000.00, \$2,000.00 a household going to do  
18 if you're going to be replacing all of the  
19 drywall that you put up post-Katrina which is  
20 going to run, you know, installed, \$75.00,  
21 \$100.00 a sheet, and probably in most 2,000  
22 square foot homes, probably, I don't know, 400  
23 sheets or something like that?

24 MR. RAINWATER:

25 Well, I mean what we're talking about is

1 providing possibly some sort of rental  
2 assistance to people. We were in a hotel, you  
3 can't live in their home any longer because they

4 can't stand the smell or are having respiratory  
5 problems. Those are the kinds of conversations  
6 we've had with HUD. Not providing \$2,000.00 for  
7 somebody to put up Sheetrock. Now I will say  
8 this: there are non-profit, pilot program -- if  
9 we give dollars to non-profits, obviously they  
10 can stretch it a lot further than we can because  
11 of their cost of materials and cost of labor.  
12 So I mean that's been a conversation. All  
13 you're doing is really putting \$5 million  
14 dollars aside so that we can work closely with  
15 the feds and if we can come to some sort of an  
16 agreement in the next 45 or 60 days on some sort  
17 of protocol to say is there a way to accept an  
18 affidavit somebody, for example, who says I have  
19 Chinese drywall. I mean those are the kind of  
20 creative things we're trying to do and come up  
21 with some sort of resolution so we all know what  
22 we're talking about. So all you're doing is  
23 preventing us from having to come back to you  
24 again and we can move forward and maybe come to  
25 some sort of conclusion on this.

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1 MS. LEBLANC:

2 I just want to be sure that I think there's  
3 going to be obviously a lot of interest and be  
4 clear with our direction. And from what I am  
5 understand you're saying, our purpose can be,  
6 this is not dollars that we anticipate, based on  
7 your conversations with HUD that will go to  
8 actually repair houses with drywall issues.

9 These are dollars that would be made available  
10 if folks meet certain criteria, to assist them  
11 maybe with rental assistance, moving out of  
12 their house while repairs are being done, if  
13 they were a Road Home person, if they're one of  
14 our people. But that's basically the limit or  
15 that's the world you're looking at in terms of  
16 using these dollars?

17 MR. RAINWATER:

18 Yes, ma'am. As you know, the (inaudible) is  
19 easy. At the minimum, you know, we've got to be  
20 talking about \$50 to \$100 thousand dollars a  
21 household. So it's just not --

22 MS. LEBLANC:

23 And I understand. I think honestly we're  
24 between a rock and hard place on this because  
25 the legislature said do it. And so I think

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1 we're compelled to take some action here. At  
2 the same time, I've got to tell you, I'm very  
3 sympathetic and I understand the problem but at  
4 the end of the day, I do think we need to stay  
5 focused on our mission. And our mission is  
6 clearly storm related directly and this is kind  
7 of but it's a little bit of a stretch. And I  
8 believe that HUD is concerned.

9 MR. RAINWATER:

10 HUD's concern and our concern. I mean I  
11 don't like (inaudible). That's why I think  
12 we've been successful because we've stayed very  
13 focused on the things, those things that we laid

14 out in that report. Those are the things I want  
15 to stay focused on. And this is very  
16 complicated. It involves a lot of different,  
17 you know, legal issues and trade issues that we  
18 don't have time to deal with. But we do want to  
19 make sure that people that we spent -- we spent  
20 money, federal money, to get people into homes.  
21 And so all we said is, you know, let's read  
22 through the legislation; let's put this money  
23 aside; let's assist people where we can. And  
24 HUD is okay with some sort of assistance but  
25 we've just got to be careful about what that

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1 assistance is.

2 MR. VOELKER:

3 Senator Gautreaux?

4 MR. GAUTREAUX:

5 Paul, my question is going to be -- and I  
6 spoke to someone the other day and this  
7 attorney, I guess in Ascension Parish has a  
8 subdivision that was built, these people  
9 actually moved from, after the hurricane, what  
10 they did was, they just left their home and they  
11 moved and like a lot of people in my area, just  
12 built homes. Fortunately, in my area, there's  
13 no one that it effects that I know of yet. But  
14 this one group, couple came up to me and started  
15 talking about it. They said I hope you don't  
16 forget about the people that moved that either  
17 didn't apply for the Road Home or didn't qualify  
18 for the Road Home program or just didn't worry

19 about the headache of going through it. But  
20 they actually bought a home in Ascension Parish  
21 and whole entire brand new subdivision, the  
22 entire house, they had to move out because it  
23 was Chinese drywall. And I don't know if  
24 there's pending litigation or not. But there's  
25 a lot of people that have done that. Not a lot.

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1 I'm sure it's a small amount of people. But  
2 we're excluding those group of people who were  
3 effected by the hurricanes also.

4 MR. RAINWATER:

5 That's a good point. You know, we've talked  
6 about this a lot as a staff but there is nothing  
7 we can really do. Our dollars are governed by  
8 Congress and there are very strict  
9 appropriations on how we spend those dollars.  
10 And I'm one that loves to stretch. And in fact,  
11 I'll just you. I mean HUD came in and did a  
12 pretty big audit last week and (inaudible) gave  
13 what they called the Gumby award which is  
14 stretching as far as you possibly can projects,  
15 project descriptions and improvements. And so  
16 I'm all about stretching it but you know, that  
17 gets us into, I think that puts the State in a  
18 position of liability where we're having to pay  
19 back money in the general fund and the feds come  
20 back and say you didn't meet the intent of our  
21 appropriations award.

22 MR. GAUTREAUX:

23 My intention is to make sure that Congress

24 is aware --

25 MR. RAINWATER:

51

1 Oh, yes, sir.

2 MR. GAUTREAU:

3 -- they're aware that there's other people  
4 who are effected by the hurricanes that moved.  
5 And to me it becomes a national policy, and I  
6 said it before, the Chinese should pay. It's as  
7 simple as that. But once again, our government  
8 has to do something, our federal government has  
9 to do something with the trade policy, whatever  
10 it is, (inaudible) force them to put money aside  
11 to do it. But I think those people should have  
12 that opportunity to make sure that they're whole  
13 also because they were affected by it.

14 MR. RAINWATER:

15 Yes, sir. And Senator, as we've gone up  
16 we've advocated that there are people outside of  
17 our programs and outside of our ability to pay  
18 and the Congress says it will assist.

19 MR. LEGER:

20 One quick comment and then I want to call a  
21 question. I think this is related to the  
22 recovery particularly as it effects the Road  
23 Home applicants (inaudible). The fear is that -  
24 - and it ought to be solved in the civil justice  
25 system here and they're not going to get the

52

1 relief that they are due. And that's why we're  
2 doing -- and we may come back later and find we

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3 need to help them with more money. But this is  
4 the money that we were asked for and that's why  
5 I'm asking you and Paul the question.

6 MR. VOELKER:

7 Paul, would you read the motion as it stands  
8 right now.

9 MR. RAINWATER:

10 Mr. Chairman, sir. Therefore be it  
11 resolved, that the Louisiana Recovery Authority  
12 Board does hereby approve Amendment No. 37 to  
13 Action Plan No. 1 to provide for within current  
14 budget of \$5 million of Community Development  
15 Block Grant money funding to assist Road Home  
16 applicants whose homes are known to have  
17 contaminated drywall once a nationally  
18 recognized testing and remediation protocol is  
19 approved.

20 MR. VOELKER:

21 It's been moved and seconded. All in favor?  
22 (All respond aye.) All opposed? (No response.)  
23 The motion carries despite the rule violation.  
24 Can we proceed with the presentations? First up  
25 is Denise Thornton.

53

1 MS. THORNTON:

2 Good morning. My name is Denise Thornton  
3 and I am the President and Founder of the Beacon  
4 of Hope Resource Center, a 501(C)3 formed in New  
5 Orleans after the wake of Hurricane Katrina. I  
6 have here with me today our Director of  
7 Operations, Tina Marquardt. We currently have

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8 20 resource centers working primarily in  
9 Gentry, Lakeview, Lakewood and Hollygrove  
10 (inaudible) neighborhood. In those Beacon areas,  
11 there are approximately 650 resident volunteers  
12 currently serving our infrastructure, survey,  
13 blight, crime, quality of life and (inaudible)  
14 within those neighborhoods.

15 We have developed a successful community  
16 data information system that allows for a single  
17 integration with community survey information  
18 and publicly available municipal data.  
19 Neighborhood volunteers can (inaudible)  
20 condition survey by using local knowledge and  
21 standardized methods for data collection using  
22 GIS. Currently, Beacon has collected and  
23 manages property condition surveys in 12  
24 neighborhoods covering 15,507 parcels.

25 On September 27, we met with David Boh

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1 (spelled phonetically) and Rich Gray, Dan Reese  
2 and others as well as Robin Keegan and some  
3 others on conference by phone, to discuss a  
4 strategy for compliance with regard to unmet  
5 needs and grant recovery of Option 1 recipients.  
6 We were told at that time that the State did not  
7 have the capacity to monitor all recipients but  
8 that they had hired HGI to conduct a sample  
9 survey of 100 recipients. Prior to this meeting  
10 (inaudible) a sample survey of Option 1, which I  
11 think is in the packet, and discussed in detail,  
12 strategy for compliance and recovery (inaudible)

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13 with the specific data results in a sample  
14 neighborhood of our findings.

15 We demonstrated that our data collection and  
16 our system could be used to enrich the LRA's  
17 evaluation of properties. This program could be  
18 replicated in other neighborhoods in New Orleans  
19 and throughout the State.

20 I requested this meeting in September with  
21 the LRA to launch a program that would begin  
22 monitoring those recipients that will expire  
23 within the next six months who have not  
24 reinvested in their property as required by the  
25 program at the time of closing. And by the way,

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1 that number is 2,308 recipients of Option 1 that  
2 are going to expire by April 30th. Another  
3 meeting to discuss collaboration and possible  
4 funding with this type of monitoring was  
5 discussed but no follow-up or further  
6 correspondence from the LRA had been initiated.

7 On our behalf, Senator Murray requested that  
8 we be on the agenda for today. So thank you,  
9 Senator Murray for this opportunity. On  
10 Wednesday, November 4, we were visited by Mr.  
11 Philip (inaudible), a project manager with Shaw  
12 Environmental. He informed us that they had  
13 been awarded a contract on October 13, for case  
14 management of Option 1 recipients. Further,  
15 that the State had sent out a survey to Option 1  
16 recipients. In light of this new development,  
17 we have revised our presentation because

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18 obviously, this Board has developed a program  
19 since our last meeting that we were not privy  
20 to. So before we begin, I would respectfully  
21 request that you allow me to ask a few questions  
22 about the new Option 1 program.

23 My question is: How are you handling the  
24 Option 1 recipients and their due dates that are  
25 getting ready to expire? And in fact, Mr. Boh,

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1 he was telling me that they had a contract and I  
2 just want to verify that they in fact, do have a  
3 contract for case management of the Option 1  
4 recipients.

5 MR. LEGER:

6 We'll have to ask Ms. Keegan to respond to  
7 that because I'm not aware of that.

8 MS. KEEGAN:

9 Thank you. There are a couple of things  
10 that we do have in terms of Option 1 recipients.  
11 In terms of the Shaw contract, Shaw has been  
12 hired as a supplemental staff contract as well  
13 as helping us with our positive mitigation  
14 program. They are working with Option 1  
15 residents on positive mitigation program  
16 specifically. So it isn't actually a case  
17 management of all of the Option 1 recipients  
18 issue but really is around the HEGP elevation  
19 program. And we've hired Shaw, we've contracted  
20 with Shaw in order to add that to that effort,  
21 in order to get those monies out of -- as you  
22 know about the \$100,000.00, up to a \$100,000.00

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23 elevation program. And we've known that a lot  
24 of individuals who are interested in that  
25 program don't have the resources from our staff

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1 because we didn't have enough staff to go out to  
2 the communities and meet the families and walk  
3 them through that program. So that's what that  
4 specific program is.

5 In terms of our working with those  
6 individuals that received their award in 2006  
7 and are expiring, we are actually doing 100  
8 percent evaluation survey of them by monitoring  
9 of those individuals. In addition, for those  
10 that have received their grants since 2006, we  
11 will be doing a 20 percent sample in their first  
12 year and in their third year of those  
13 individuals to make sure that they are in  
14 compliance with their covenant and moving  
15 forward on rebuilding.

16 As you also know we have -- recently we've  
17 been able to award the additional compensation  
18 grant to increase those awards for some  
19 individuals who were on a limited income in  
20 addition to provide additional compensation for  
21 (inaudible) budget issues. Last month,  
22 Secretary Donovan gave us the ability to  
23 increase that award for those individuals. At  
24 six months, once those awards go out, we will be  
25 working with those individuals. They will have

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1 to prove to us what they've done. In other  
2 words, a letter from a contractor that they are  
3 actually on their way, a permit, et cetera. I  
4 know we will be going out to those individuals  
5 as well to test and to monitor (inaudible).

6 MR. LEGER:

7 Robin, are we interfacing with Beacon of  
8 Hope and using or taking advantage of Ms.  
9 Thornton and Ms. Marquardt's data also. They  
10 apparently have focused on a few neighborhoods  
11 100 percent and have some --

12 MS. KEEGAN:

13 We have met with them and we do owe them  
14 follow-up. And we do have much more work to do  
15 with them.

16 MR. REILLY:

17 Ms. Thornton, what universe of homeowner's  
18 have been 2000 -- of the 2000 that you believe

19 MS. THORNTON:

20 Just in the neighborhoods that -- well, as  
21 of April, citywide, in Orleans Parish, there are  
22 2,308 residents, Option 1 recipients who are  
23 going to be approaching their three year  
24 covenant deadline by April 30.

25 MR. MURRAY:

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1 Who have not repaired their homes?

2 MS. THORNTON:

3 We don't -- those are the recipients.

4 MR. MURRAY:

5 Oh, okay. You don't know whether they have

6 or they haven't?

7 MS. THORNTON:

8 That's the total amount coming up by April  
9 30th. As you know it got started slower and  
10 there are 39,000 recipients just in Orleans  
11 Parish. And I think statewide, there are 79,  
12 almost 80 thousand Option 1 recipients.

13 MS. KEEGAN:

14 The total is 115,000. I don't have the  
15 number in my head but that sounds about right.

16 MR. LEGER:

17 You've lost me in the numbers. The total  
18 Option 1 in Orleans Parish?

19 MS. THORNTON:

20 Is 39,000.

21 MR. LEGER:

22 Of that, you think 2,800, 2,300 --

23 MS. THORNTON:

24 2,308 recipients will have their covenant  
25 expire by April 30th.

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1 MR. LEGER:

2 So they'll be in violation of their  
3 covenant?

4 MS. THORNTON:

5 We don't know. That's the problem. And this  
6 is where we come in with our GIS mapping and  
7 condition map and survey.

8 MR. LEGER:

9 But the rest of them you think have met  
10 their obligations?

11 MS. THORNTON:

12 No.

13 MR. MURRAY:

14 Let me see if I can clarify. I think you're  
15 saying about 2,300, their three year obligation  
16 period will have ended. Of that 2,300 we don't  
17 know how many have completed their obligation  
18 and how many haven't.

19 MS. THORNTON:

20 That is correct.

21 MR. MURRAY:

22 So there is some portion of them that have,  
23 some portion that hasn't. We don't know. And  
24 that's what your point is.

25 MS. THORNTON:

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1 And what we want to do is determine who has  
2 rebuilt and who has not. And the only way that  
3 you can do that is to actually eyeball the  
4 property and inspect the property and find out  
5 if they have returned and if they have not. If  
6 they have not returned, then they need to I  
7 guess, Shaw, is what I'm trying to figure out  
8 how they factor in to this, would Shaw be doing  
9 the case management on that or will you submit  
10 and RFP, will non-profits be doing case  
11 management on those people who have not; to find  
12 out what their stumbling block is; whether they  
13 lost their original award to contractor fraud,  
14 whether they used their original award to pay  
15 off a mortgage. So the additional compensation

16 grant, in our opinion, giving it straight to the  
17 homeowner, is not going to put them in a house  
18 and eradicate blight. In many cases, they have  
19 all ready lost their original award. Some of  
20 them have done the right thing. What we would  
21 like to do is get out there, citywide, and make  
22 a determination of actually inspecting the  
23 properties and find out who we can forget about,  
24 who did the right thing with the money that they  
25 received. Those who have not, they are either

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1 going to go into grant recovery or find out what  
2 their unmet need is. And that is something that  
3 we do not do that I'm sure Shaw and United Way  
4 and --

5 MS. KEEGAN:

6 Just really quickly. We are doing that with  
7 our non-profit rehab program. We're doing it in  
8 two ways. One is we have the disaster case  
9 management program which our non-profits in the  
10 community that are working with those families  
11 that are still in FEMA assisted temporary  
12 housing (inaudible) or within their trailers.  
13 And they are identifying those families and we  
14 are moving them to our non-profit rehab program.  
15 As well as our non-profit rehab program, there  
16 are non-profits that have been working in these  
17 communities over the last four years helping to  
18 rebuild. They are actually doing their own  
19 assessments in those communities and identifying  
20 people. One of the things that we know about

21 that program is it was developed as Title  
22 program. There's \$20 million dollars. The  
23 intent is to get that program up and running,  
24 get it solid so that when we identify these  
25 other people through our hundred percent

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1 monitoring of that 2006, through working with  
2 other groups to make sure that we know how many  
3 people have not rebuilt, we can add them to that  
4 portfolio. Right now we can't because there's  
5 only \$20 million. We do want to make sure that  
6 people who have received the additional  
7 compensation grant have been able to use that to  
8 go forward. And we know that there will be even  
9 greater unmet needs. With many of those, we  
10 have asked them, we will require them at six  
11 months, to show us their progress, where they're  
12 using those monies. We will know then what  
13 other unmet needs there are and we will work  
14 with them towards meeting those either putting  
15 them in a larger expanded non-profit rehab  
16 program of finding other solutions to the  
17 problem.

18 MS. THORNTON:

19 I still haven't heard any plan for how the  
20 great recovery piece. There are many people who  
21 have just taken the money and left town. And  
22 you identify them and how do you get them in to  
23 grant recovery? I'm sorry.

24 MR. LEGER:

25 Let me ask one question. About four days

1 ago, somebody came to my office with a business  
2 plan that said I'll buy all the houses  
3 (inaudible) that don't meet that option, they  
4 took the money and ran. I'll buy them at ten  
5 cents on the dollar and build the houses. I'm  
6 still (inaudible). My question is, I can't  
7 participate in that but isn't the market going  
8 to take care of those houses and those places?  
9 If I can buy -- if somebody has \$150 thousand  
10 and took the money and ran, they have lot and I  
11 can buy it for \$10,000.00 and the obligation,  
12 isn't the market going to do that for me. I'll  
13 buy all I can get at --

14 MS. THORNTON:

15 They're blighted until that time.

16 MR. LEGER:

17 I know that. But April is the deadline,  
18 right?

19 MS. THORNTON:

20 Only for 2,000 people. We don't know what  
21 the number is. We know how many Option 1  
22 recipients there are. Maybe Tina can help  
23 explain this.

24 MS. MARQUARDT:

25 The reason why we are here today is that,

1 you know, from the beginning, Beacon of Hope has  
2 tried to make neighborhoods that they provide  
3 their services and resources, to viable  
4 neighborhoods, for those that have returned.

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5 And over the last two-and-half years of our  
6 blight eradication, we have come across, because  
7 we have a component within our model that at a  
8 neighborhood level, we try to get voluntary  
9 compliance out of blighted properties. And in  
10 those steps we've had several comments from  
11 those people that we're approaching and we'll  
12 ask, did you receive Road Home funding? Or do  
13 you need additional assistance to help get your  
14 home rebuilt? There was the majority of them  
15 that said, yes we have received Option 1 but we  
16 haven't made our minds up. Well, in the  
17 meantime, they're blighted properties because it  
18 is out of sight, out of mind to them. So then  
19 we decided, once we acquired our GIS system, we  
20 thought let's really put some numbers to the  
21 paper. So with the help of Senator Murray and  
22 LRA, they gave us the Option 1 list, just the  
23 addresses. We overlaid that with code  
24 enforcement. Out of 106 cases, 53 of them were  
25 Option 1 recipients. So that put another

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1 lightbulb in our head. So if it's half of our  
2 blight problems right now, the Option 1  
3 recipients that have closed, how many of them  
4 are hardship cases and how many of them are  
5 direct flight. In some of our neighborhoods  
6 it's different than others. Some are direct  
7 flights. The number is heavier than the direct  
8 flight, then don't call and bug me any more.  
9 And the others may have a heavier unmet need.

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10 MR. LEGER:

11 I think the goal is honorable don't -- what  
12 do you want us to do?

13 MS. MARQUARDT:

14 We would like to see a program, maybe in the  
15 next RFP that involves the actual site survey.  
16 You have some paperwork in the packets that we  
17 gave you and if you'll look, the Beacon of Hope  
18 had implemented survey teams in neighborhoods  
19 that we've surveyed over, I think it's over  
20 15,000, about 15,507 parcels. And we have  
21 overlaid that data with the Option 1 list. If  
22 you take the one neighborhood that we pulled out  
23 of the 12 that we surveyed, it's 7,100 parcels.  
24 And out of those, there was 1,967 Option 1  
25 recipients. There are 1,044 of those 1,900 that

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1 are occupied. So they've done the correct  
2 thing. There's 282 that are in progress. So  
3 again, they will have done the right thing.  
4 There 164 that are uninhabitable. So there's  
5 been no action and they've closed on Option 1  
6 funding. There 327 vacant lots out of those  
7 1,900 recipients that have received funding.  
8 There are 150 that we do not have accurate data  
9 on only because if anyone is familiar with GIS  
10 system, it does not recognize some format in  
11 addresses. In this particular neighborhood  
12 there were a lot of doubles so it's a format  
13 issue.

14 But what we would like to done is this on a

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15 citywide basis or a statewide basis. Of those  
16 that received these dollars to rebuild and  
17 decide who has done the right thing, the only  
18 way you can do that is do an actual site survey.  
19 We can't look at electricity flow. We can't  
20 look at 139,000 mail-outs and those that respond  
21 because the only ones that are going to respond  
22 are those that need, want, and have done the  
23 right thing. It's those in direct flight that  
24 you will not hear from and it's been proven in  
25 one neighborhood they're half of our blight

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1 probl ems.

2 MR. LEGER:

3 Just trying to clarify. In the handout that  
4 you gave out, there's a little sheet with a  
5 neighborhood in Lakeview. Is that eh  
6 neighborhood that corresponds with the numbers  
7 you just gave us?

8 MS. MARQUARDT:

9 Yes, sir. And we have that, again there's  
10 another sheet in your packet that will give you  
11 a list of all the neighborhoods that we have  
12 completed parcel level surveys.

13 MR. LEGER:

14 So in other words, this gives us an idea of  
15 at least in this neighborhood of what the  
16 percentages are of people that are non-compliant  
17 as of today. We don't know how many of those  
18 will become non-compliant within six months.

19 MS. MARQUARDT:

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20 We do these surveys every 90 days.

21 MR. LEGER:

22 And I just want to put this back in  
23 perspective. The original design of the Road  
24 Home program we were provided that people would  
25 get funding only upon staged completion of

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1 repair. HUD stopped that program and demanded  
2 that we write checks. We told HUD then that  
3 this was going to happen. It's been a good  
4 thing to just write checks for your number of  
5 about 1,000 out of 1,900. But we're facing the  
6 leftovers right now. The ones that haven't  
7 complied and may never comply, so that have cash  
8 and have walked away. We warned HUD. And HUD  
9 demanded that this happen. And here we are  
10 today. None the less, we're going to have to  
11 enforce somehow. Unfortunately, the additional  
12 money and additional compensation grants will  
13 only assist us as a community in assisting those  
14 who meet the affordability requirements. This  
15 will not help us repair the homes of people who  
16 just walked away whether they meet affordability  
17 requirements or are more affluent. And that is  
18 a scary problem, a problem we feared in the  
19 early days of Road Home design and it's coming  
20 to fruition at this time. There has to be  
21 enforcement when, you know, people got money  
22 and they're walking away from their obligations.

23 MS. THORNTON:

24 And we just want to certain that in this new

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25 round of funding and raising the additional

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1 compensation grants, that that exact thing does  
2 not happen again.

3 MR. LEGER:

4 Right.

5 MS. THORNTON:

6 And unless you've got a case manager or  
7 someone actually monitoring that to make sure  
8 they get in to a home.

9 MR. TUCKER:

10 Robin, we don't have this type of data  
11 currently at the LRA?

12 MS. KEEGAN:

13 We do have the utility data that they spoke  
14 about. But again, that isn't a site -- that's  
15 not looking at the properties as Beacon of Hope  
16 and their teams have done. It's not that  
17 specific.

18 MR. TUCKER:

19 This is about as basic data as it gets. And  
20 we don't have this at the LRA?

21 MS. KEEGAN:

22 We don't have it at this time.

23 MR. TUCKER:

24 How are we making decisions? Who are our  
25 consultants? Where are the consultants telling

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1 us we need to make decisions in this particular  
2 subdivision?

3 MR. RAINWATER:

4 The goal has been to push money out as quick  
5 as possible. That is what the Governor told me  
6 to do and that's what I've done. And to be as  
7 creative as possible in helping get money so  
8 they can rebuild their home. Now we're just  
9 getting to the point where we can kind of take a  
10 step back, and I agree, Mr. Speaker, that we  
11 need to take a step back and look at this a  
12 little more strategically. The HGI contractor  
13 has a case management piece. It was a  
14 requirement in the settlement with HUD for the  
15 additional \$600 billion dollars. We had to lay  
16 out how we were going to insure that if we sent  
17 money in to low to moderate income homeowners,  
18 that they would be rebuilding. So there is a  
19 piece and there is a six month, a check at six  
20 months. Now the other piece of this is, is that  
21 we just sent out the first letters to those who  
22 have not met their covenant requirements and  
23 they can apply for an extension. We will -- if  
24 people do not meet their covenants, we are  
25 required by law to recapture that money. And so

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1 there is an incentive for people to recapture  
2 the money. I am extremely familiar with the  
3 legislation. I am extremely familiar with the  
4 process but I will be very frank with you. I  
5 have been slow to enforce because I wanted to  
6 give people an opportunity because we're in a  
7 really tough economic climate, as we all know.

8 And the reality of it is, I mean, Dear Lord, for  
9 all the problems that the Road Home program had  
10 on the front-end, we're able to fix, you know  
11 get money to about 37,000 applicants last year  
12 and this year, you know, folks that had waited  
13 for quite some time. So it's just going to take  
14 some time to kind of get through the issue. Now  
15 I'm all about, and we talked about doing some  
16 sort RFP for using some planning dollars from  
17 Gustav and Ike to do exactly what you're talking  
18 about, Denise. But it just takes time to get  
19 there. And you know, the reality of it is, we  
20 have to be careful about how many studies we do.  
21 To be honest with you, it's one of those things  
22 you kinda balance out because there were a lot  
23 of studies done but I don't have any general  
24 fund money, I'm underfunded at this point  
25 because of other budget issues. So we actually

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1 backed off some of the more of the strategic  
2 studies that we would have done.  
3 MR. TUCKER:  
4 Let me tell you what my constituents, and  
5 I'm in Algiers, I'm not on the Eastbank and so  
6 we don't have the same problems. The city is  
7 stifled from recovery as long as these blighted  
8 houses and these blighted commercial  
9 developments are allowed to stay in the picture.  
10 Now we've been patient. And you've done a great  
11 job. Don't take this personally, Paul. You've  
12 done a great job of getting the Road Home

13 program to where it is and getting it done and  
14 getting these people their money. But if people  
15 are not going to meet their obligations, shame  
16 on them. But more than shame on them, they are  
17 hampering and holding back the recovery of the  
18 City of New Orleans and it is not acceptable any  
19 more. And so I don't think we give anybody any  
20 more slack. It's been four years. If they  
21 can't afford to get it done then we've put more  
22 money in to that situation now and that should  
23 remedy the majority of that. But for those  
24 particularly that Denise and her group have  
25 identified as, what' the term you used,

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1 walkaways, flights, I mean, forget it. We need  
2 to have a program in place that goes in and  
3 eliminates that blighted situation, case by  
4 case. And then goes after those people to get  
5 the money back for the cost of cleanup, blight  
6 and what they didn't do under the original  
7 obligation. And we should put an end to it  
8 right now. We should get after them and be done  
9 with this because there's another wave of people  
10 getting ready to leave this city. The people  
11 who have made the decision that they love New  
12 Orleans and they want to stay but the crime has  
13 driven them to the point where they are  
14 reevaluating again. We went through this in  
15 2006. My family went through it in 2006. I  
16 know of three families right now that are coming  
17 together at Christmas to make a decision as a

18 family, grandparents, parents and children, are  
19 they all staying in New Orleans or are they  
20 leaving because they've had enough. Well, I've  
21 had enough. And it is long past time for this  
22 problem to be resolved. And we've done a lot  
23 here to resolve it through the Road Home  
24 program. But if the people out there are not  
25 taking care of their own property, then we need

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1 to come up with another program to get rid of  
2 this blight once and for all, try to get the  
3 crime problem under control and try to get  
4 economic development done in the city.  
5 Otherwise we're spitting in the wind.

6 MS. THORNTON:

7 May I just ask you: you mentioned the  
8 extension. What is your parameter for granting  
9 the extension?

10 MR. RAINWATER:

11 Obviously there is a protocol. I don't have  
12 it laying out in front of me right now but we've  
13 asked the questions about whether or not the  
14 person has the ability to even get back in the  
15 home or not, where they're living at. There's a  
16 list of questions that we actually go through.  
17 It's not something that we just -- a signature  
18 by any means. We take it very seriously. And  
19 to be honest with you, this perimeter been  
20 investigated and inspected about 57 times by the  
21 HUD Inspector General and Audit. We are  
22 required by law to make sure that people use

23 this money to get back in their home. Now we  
24 went back to HUD and we actually developed a  
25 program called unmet need, for example, which is

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1 something that didn't exist in 2007. So what  
2 we're trying to do is figure out, you know,  
3 where somebody is really at in the process. And  
4 there are legal definitions of the General  
5 Counsel over there, if he would, who can come to  
6 the mike and maybe talk about some of the legal  
7 ramifications of what we can or can't do. Dan,  
8 if you'd like? Because there are, HUD has a  
9 process that you sort of have to work through.  
10 Mayor Nagin and (inaudible) have had this same  
11 conversation about demolitions. And even if  
12 there's a state law, how do you go about  
13 demolishing homes. But Dan, if you want to talk  
14 about our protocols as it relates to the  
15 covenant extension, please.

16 MR. DAN (Last name unknown):

17 There were -- first off, the covenants do  
18 have built in to it the ability even for the  
19 State to decide that any part of the covenant  
20 can be waived if the State decides it's in the  
21 State's interest, When we first had to look at  
22 that was in connection with Ike and Gustav. And  
23 we had the three year occupancy requirement on  
24 homes in Cameron Parish that had rebuilt and  
25 then were devastated again. That started our

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1 first discussions with HUD about any aspect of

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2 waiver of the covenants and they made very clear  
3 that despite that language in there, they would  
4 be looking extremely dimly on any rug rush  
5 waiver or extension without criteria. So as  
6 part of that, our homeowner program unit has  
7 developed a protocol. It doesn't allow just for  
8 I haven't decided what I want to do. That won't  
9 do it. That won't get you an extension. There  
10 has to be an unmet need. There has to be -- I  
11 mean as I recall, some of the criteria that we  
12 have are military, are illness. So there is a  
13 protocol for extensions. If they're not on the  
14 website, we certainly can get the extension  
15 process on the website and we can get a copy of  
16 the protocol to you. So as far as the  
17 extensions of the covenants, it's a case-by-case  
18 criteria. It's not something that we've done  
19 for entire sections. It's not something HUD  
20 would let us do for entire sections even if we  
21 recognize, look, between the combination of your  
22 insurance dollars came in late, you didn't get  
23 your Road Home dollars until this point in time  
24 and there's a contractor shortage. So all of  
25 these things do come into play as far as the

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1 ability to rebuild. But that's the kind of  
2 criteria that in the extensions. And again, it  
3 is on a case-by-case and they the homeowner,  
4 does have to come and request it.

5 MS. THORNTON:

6 May I just cite one example and this is

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7 probably one of the realities that we live with.  
8 It is at the State level. If you're not looking  
9 and looking exactly at these properties, I know  
10 of a particular person in my very own  
11 neighborhood which is now rebuilt to 92 percent.  
12 So it's looking pretty good. But one individual  
13 who received Option 1 Road Home money lives down  
14 the street from me. It's a vacant lot. His  
15 coming due January the 7th, 2010. He has the  
16 lot covered with about five or six containers,  
17 pods and about 12 boats. And he is living out  
18 at the Lakefront in his boathouse.

19 MR. TUCKER:

20 We've seen the pods. We've seen the boats.

21 MS. THORNTON:

22 And he got a two year extension. There's  
23 another individual in my neighborhood who is  
24 racking up \$300.00 a day in city fines because  
25 his property is blighted. He got the award.

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1 He's coming due. I mean it's happening. I  
2 don't know --

3 MR. VOELKER:

4 Have you gone to the LRA and voiced your  
5 concerns and not received anything from them?

6 MS. THORNTON:

7 Well we had a meeting several months ago and  
8 my entire neighborhood has been, as Paul knows  
9 them, individually. And so does Senator Murray.  
10 So, yeah. We've voiced these concerns before to  
11 various and sundry members. But in a formal

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12 setting, no. This is our first opportunity to  
13 share with the Board. We see things at a  
14 different level than you do at that the State  
15 level. And that's understandably so. You don't  
16 have the capacity to do what we do because we're  
17 boots on the ground and we know what's happening  
18 in the neighborhood. Each neighborhood, believe  
19 it or not, knows these people. We know where  
20 they live. They know where to find them in  
21 Michigan. We know their story. So, you know, I  
22 just think that case management from a  
23 neighborhood level works better than case  
24 management at higher level.  
25 MR. RAINWATER:

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1 And Mr. Chairman, I agree with that 100  
2 percent. And one of the things we talked about,  
3 one of the things we developed, and Denise, you  
4 were there when we had the round table with  
5 Senator Landrieu and one of the things that came  
6 out of that was possibly the ability to create  
7 stronger neighborhood groups, a neighborhood  
8 stabilization program, blight removal. Those  
9 are the things that, you know, we talked about.  
10 And those are things that we want to do. But  
11 it's finding the dollars and making sure we can  
12 use the dollars we have. Senator Landrieu has  
13 made the case with the folks on the House side  
14 that Katrina, (inaudible) create some sort of  
15 neighborhood stabilization plan. I go away in  
16 July of next year. I support pushing the

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17 dollars as far down as we possibly can. I have  
18 believed that from day one. And we've tried to  
19 do that. We haven't always been successful.  
20 And the bundling of the Road Home program and  
21 the bundling of all of the programs is taking  
22 some time to do that.

23 MS. THORNTON:

24 And you guys are doing a great job. I  
25 commend you all, really. But that's why we're

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1 here is to have an opportunity to help you.  
2 We're not here to crucify you or tell you what  
3 you're doing wrong. We're here to help.

4 MR. VOELKER:

5 I still don't understand what it is you want  
6 us to do? Nobody has really answered that.

7 MS. THORNTON:

8 We would like to see a non-profit pilot  
9 program similar to the one that you did with the  
10 rebuild organizations. We are not a rebuilt  
11 organization although we have partnered with  
12 many; the St. Bernard Project, Rebuild Together,  
13 The Presbyterians, Project Home Again, Project  
14 Homecoming. So you have non-profits that have  
15 become experts in every field, that we continue  
16 to see out of state agencies hired and contacted  
17 to come in and do these very things. We do have  
18 property site surveys down to an art and down to  
19 a minimum due our shoestring budget that we have  
20 been operating on and we feel like we can be  
21 very instrumental in helping you launch this

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22 property site condition survey in every  
23 neighborhood of New Orleans, statewide, or  
24 pending budget and it can be replicated in any  
25 area in any neighborhood. And that's what we

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1 would like to see happen is instead of a mail  
2 out program to monitor you Option 1 recipient,  
3 instead of 100 spot checking, we would like to  
4 see an on the ground site survey, and we can be  
5 very instrumental in helping you launching that  
6 program.

7 MR. VOELKER:

8 So how much money will that cost?

9 MS. THORNTON:

10 Can we have another conversation on that?

11 MR. TUCKER:

12 Mr. Chairman, what I'd like to suggest is, I  
13 think you heard me point it out, we have a  
14 housing task force meeting scheduled for Monday  
15 and it was cancelled. We're going to reset it  
16 very soon. I would like to put you on the  
17 agenda for our housing task force meeting as a  
18 means of kicking this into gear but also as a  
19 means of underscoring that this problem is about  
20 to occur. What your data suggests to me is that  
21 with respect to the people that are coming up,  
22 at least the raw data, and I know this is not  
23 maybe not statistically significant but it  
24 suggests the success of the Road Home program.  
25 As many problems as we've had, more than 75

1 percent of the people have already rebuilt or in  
2 process, who are coming due within six months,  
3 from your raw data, your survey data. That's a  
4 success for 75 percent. That's probably a  
5 success for the other 25 percent have taken the  
6 money and done nothing, you know, and they're  
7 happy with that. But now we're becoming ripe to  
8 fix that problem with that 25 percent. We need  
9 to be alerting people that they're going to be  
10 looked at. The obligation, by the way, I wanted  
11 to make a minor adjustment to what Paul said,  
12 because of the way HUD forced us to handle this  
13 program, the obligation was not to spend this  
14 money in repairing your home. The obligation  
15 was repair your home which is a subtle  
16 difference but they can go buy all the boats  
17 they want and put them on that piece of property  
18 you know, and pods. The obligation is that in  
19 that period of time, a home must be repaired or  
20 built and occupied by that period of time.  
21 That's going to be an interesting thing to  
22 enforce but Speaker Tucker is 100 percent right.  
23 There are some instances that I know of  
24 personally where people just have the intent to  
25 do it, haven't had the wherewith to do it, need

1 some additional time to do it. On that case-by-  
2 case basis, that's what the extension is for,  
3 case-by-case. But on the other hand, we need to  
4 get with it and get on with it or get

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5 resolutions on those other properties. That's  
6 why we are here. That's what this program is,  
7 to rebuild the community. Some people are  
8 walking away from their obligations. They're  
9 not just walkaways or whatever term you used.  
10 There is some dishonesty involved. And those of  
11 us that suffered and those of us that have paid  
12 so much for it, and fought so much for it,  
13 deserve that those people be treated justly.

14 MS. THORNTON:

15 Which is Part B of our ask. We would ask  
16 that you start enforcing or come up with some  
17 grant recovery compliance program to help us  
18 with the blight issues. I mean we are doing  
19 what we can at the neighborhood level but we  
20 really would like to see the LRA come up with a  
21 grant recovery program and enforce these rules  
22 on these people.

23 MR. VOELKER:

24 Senator Murray?

25 MR. MURRAY:

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1 Thank you, Mr. Chairman. I'll be brief. I  
2 thank you all for allowing the Beacon to present  
3 here today. This started in Lakeview quite  
4 frankly, and (inaudible) sheets that were passed  
5 out to you. It's almost every neighborhood in  
6 the city has joined except for that. We can do  
7 an awful lot with that. We don't have to  
8 recreate anything. They've done this stuff.  
9 And these are all, for the most part, all

10 volunteers that do this sort of thing out of  
11 concern for their neighborhood, who want to see  
12 the blight go away. I hope that the figure is  
13 not going to be 25 percent across the board,  
14 across the whole city. I bet it's a lot a lower  
15 than that. But what happens to that, is this is  
16 areal big problem in the city. I don't want to  
17 make it an LRA only issue because the city  
18 should have done more with having inspectors and  
19 all those kinds of things to go out and do  
20 things. But by doing this, it makes the job of  
21 those inspectors a lot easier. They can point  
22 to specific addresses and say that this hasn't  
23 happened and make things happen a lot faster.  
24 So I would encourage the board, if we can, to  
25 help fund this effort. I think it will make

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1 things happen an awful lot faster.

2 MR. VOELKER:

3 Let me make a comment if I can. This is  
4 what I'd like to see happen. I'd like for you  
5 to come back with a monetary request. You've  
6 identified need but we've got lots of needs.  
7 How much is it going to cost to fix it? That's  
8 what I want to know. And as soon as we know  
9 that, we can move ahead. We'll develop that  
10 thing you've talked it. I guarantee that.

11 MS. THORNTON:

12 Is there someone that we can speak with  
13 about reporting requirements and any other type  
14 of requirements should it get funded because

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15 those are the roadblocks that we usually run in  
16 to. We'll say, okay this is how we can get  
17 things done. And this will be the budget.  
18 We'll know that there's step that would have to  
19 happen so then that adds to the budget.

20 MR. VOELKER:

21 I would imagine the LRS staff.

22 MS. THORNTON:

23 And then we probably could come up with a  
24 more exact budget for it.

25 MR. VOELKER:

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1 Great. Thank you all very much.

2 MR. LEBLANC:

3 It seems like we've been moving linearly  
4 over time and as you said, we're getting right  
5 to this point. Is there the possibility of not  
6 just moving linearly but also in tandem from the  
7 other end? Where we know things are blighted,  
8 we know folks have moved away, can we prioritize  
9 working the other end and start tearing that  
10 stuff down as quickly as possible, engage the  
11 city in health and safety violations. Let me  
12 tell you what our experience is in Algiers post-  
13 storm. We have, Algiers Development District,  
14 has worked with the city in identifying target  
15 properties and have taken those properties to  
16 court to get to the point where the city has  
17 levied the health and safety code violations on  
18 them and it's caused all those owner's to start  
19 moving because the fines are tallying, it's

20 personal, you know, and we've had a number of  
21 things torn down, we have a number of other  
22 things torn down in Algiers, and some of it sat  
23 for over 20 years prior to the storm. But we're  
24 focused on it now and this is where I'd like to  
25 see the LRA give some money to blight

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1 remediation not in a linear fashion, once we get  
2 there and say okay this is our final universe of  
3 blight now that we've done everything else that  
4 we've hoped to accomplish but to begin working  
5 it on the end to avoid this being a ten year,  
6 twenty year process.

7 MR. LEGER:

8 Mr. Chairman, correct me if I'm wrong but  
9 what St. Bernard Parish did very aggressively,  
10 what St. Bernard did very aggressively is  
11 declared property blighted. There was  
12 litigation on it. And then they demolished  
13 them. And there was litigation over it that  
14 they demolished some of the wrong properties but  
15 they're very aggressively demolished blighted  
16 properties. They had a lot of trouble with it  
17 but they moved forward. And you know, those  
18 were properties that were not -- they also did  
19 Road Home properties that we own but whether it  
20 was Road Home or and Option 1 or people that  
21 didn't do Road Home, they moved aggressively in  
22 that regard. The City of New Orleans has not  
23 moved so aggressively. FEMA funded the  
24 demolitions of those blighted properties in St.

25 Bernard largely except for the extent that we're

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1 funding our LLT properties now what we talked  
2 about earlier. I don't know if FEMA's on the  
3 hook to do that anymore. And it we're talking  
4 about using CDBG money to get blighted  
5 properties that weren't in the Road Home  
6 program, it's just about money, that we use some  
7 of our unspent but allocated monies to do that,  
8 that some people, other people want, you know,  
9 for other things, you know, that's some  
10 prioritization we're going to have to face.

11 MR. RAINWATER:

12 Mr. Chairman, so the next mayor of New  
13 Orleans will have a great opportunity. So this  
14 is where I get really frustrated with state  
15 government. I'm not from state government. I  
16 worked in city government. I like city  
17 government. And the reality of it is, I think  
18 what Denise and others are frustrated about is  
19 the fact that -- I mean it's hard for me to work  
20 with neighborhood groups. I mean we're here.  
21 And so what we're going to try to do is push the  
22 dollars down so they can do what they need to do  
23 at the neighborhood level. And everybody  
24 supports that. I worked with Senator Landrieu,  
25 I think there's a way to do this and we've got

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1 Gustav/Ike dollars that we might be able to push  
2 that way because New Orleans will be eligible  
3 for Gustav/Ike dollars. On the demolition side

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4 in Mr. Leger's right, FEMA demolition piece is  
5 running out and so what we've got to do, one of  
6 the things we talked about as a staff, and  
7 knowing that blight is the biggest issue, is  
8 working with, like I said, we've got \$5 million  
9 dollars for New Orleans and St. Bernard to at  
10 least get the process going. Maybe we can  
11 target and just put specific language in the  
12 letter, in that grant award to the City, I don't  
13 know how to word it (inaudible) because he's  
14 turned down more things. It's been amazing.  
15 I've had to tell him to slow down every once in  
16 awhile which I hate to do. But we can work  
17 with the city and New Orleans Redevelopment  
18 Authority and others to target specific areas  
19 because I think you bring up a good point. And  
20 the reality is one of the frustrating things  
21 about this whole, whole piece, is that it has  
22 not been asymmetrical. It's been very layered  
23 and very frustrating because it's so  
24 bureaucratic and so you're literally just  
25 pushing down one lane instead of being able to

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1 work in a much broader strategic perspective.  
2 And I agree 100 percent. And I understand, you  
3 know, Denise's frustration. And I understand  
4 the neighborhood's frustration because we at  
5 state government sometime aren't as nimble as we  
6 should be or are able to be. But the key is  
7 pushing those dollars down to the neighborhood  
8 and pushing it down to the city. But what we

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9 need to do on our side, and I think we need to  
10 be smart about how to we do these grant awards  
11 so that those dollars are targeted to the  
12 problem we're talking about. So that's what  
13 we'll work on.

14 MR. VOELKER:

15 Thank you all for coming today. Appreciate  
16 it very much. What else do we have. Next we  
17 have a presentation from the Louisiana Military  
18 Hall of Fame Museum. Paula Finley, Coordinator  
19 and Johnny Raymond, Board Member. Welcome.

20 MS. FINLEY:

21 We're distributing our packet of letters  
22 of support. We have in that packet 115 and I  
23 received seven more last night by e-mail so we  
24 just had them copied and passed out to you  
25 rather than trying to get them into the packet.

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1 I think Mr. Raymond would like to go first here.

2 MR. RAYMOND:

3 I'm Johnny Raymond from Breaux Bridge. I'm  
4 the Vice President of the Louisiana Military  
5 Hall of Fame. And I'm here to ask you to  
6 support the Museum that we intend to build in  
7 Abbeville at the airport. It's a project that's  
8 being pushed and really our sponsor is Senator  
9 Gautreaux. There are 300,000, a little over  
10 300,000 living veterans in Louisiana now. And  
11 it's our intent to get as many oral histories as  
12 we can from these veterans and have a repository  
13 at the museum where the families and friends of

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14 these veterans can come and here and see the  
15 stories that we hope to accumulate from all of  
16 these veterans.

17 I'd like to tell you a little bit about what  
18 the veterans have done for Louisiana. Our  
19 warriors have fought and bled and died on every  
20 battlefield that this country has ever been  
21 involved in. The Louisiana National Guard was  
22 activated and fought during World War II. More  
23 recently it was activated again during the Gulf  
24 War. One of the brigades of Louisiana National  
25 Guard served and saw action in Iraq and will

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1 again soon be on the ground in Afghanistan.  
2 LSU, the old war school, through its magnificent  
3 ROTC program provided more officers during World  
4 War II than any other American university.  
5 Eleven of our men have been awarded the Medal of  
6 Honor and they will be all inducted in to our  
7 Hall of Fame and will be joined by the over 200  
8 Louisianians who have received the second  
9 highest award for bravery, the various crosses,  
10 the Distinguished Service Cross, the Navy Cross,  
11 and the Air Force Cross.

12 We hope to have this museum constructed  
13 before we bury the last of Louisiana's greatest  
14 generation, the veterans of World War II. And  
15 we ask your support. And I thank you for your  
16 time.

17 MR. VOELKER:

18 Thank you sir.

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19 MS. FINLEY:

20 We actually had Phase I built and it was  
21 built with private funding that we have raised  
22 over the past four years. It was \$1.5 million  
23 dollar project. And basically, what we built  
24 was a hanger with five bays in it. And we sold  
25 three of the bays to private companies and kept

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1 two of the bays for the museum. The first one  
2 closest to the street is the actual temporary  
3 museum. The second bay is an area where our  
4 veterans, mostly veterans, but other volunteers  
5 are refurbishing the equipment that we already  
6 have. We have two PV-2 Harpoons, a T6, a number  
7 of things. Anyway, this Sunday we are going to  
8 induct the first four Medal of Honor recipients  
9 into the Hall of Fame. And that will be  
10 temporarily housed in the temporary museum.  
11 This rendering here is a conceptual rendering of  
12 what Phase II would be. And it would be across  
13 the street from where Phase I is. The Friends  
14 of the Museum hired an architect to develop this  
15 conceptual rendering.

16 And I'm going to tell you a little bit about  
17 it. The idea that he developed was that this  
18 was runway which peeled back and laid on top of  
19 the building revealing this reflecting pool.  
20 And these little things right here are glass  
21 panels. And eventually, every veteran in the  
22 Hall of Fame will have their face and  
23 information etched in these glass panels. The

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24 building is all glass with hangar doors opening  
25 on both sides. It will withstand 150 mile an

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1 hour winds and will operate off of the  
2 electrical grid. It can sustain itself as it is  
3 designed here. All of this is Quickcrete. It's  
4 all gradually elevated so the entire area is  
5 handicapped accessible. So that's a little bit  
6 about what we consider this phenomenal building  
7 that we're talking about getting funding for.

8 The first question that most people ask me  
9 is why Abbeville? That's always the first  
10 question. And I would tell you that it is  
11 because the City of Abbeville, the two Mayors,  
12 two sets of City Council people, have stepped  
13 forward and adopted the project. They have  
14 worked with us to have the property at the  
15 airport and we're very appreciative of what  
16 they've done. You'll see the first three pages  
17 in your letters of support packet is a  
18 Resolution that was passed last week by the City  
19 Council supporting LRA funding for Phase II of  
20 the Louisiana Military Hall of Fame and Museum.

21 The other aspect of this that I'd like to  
22 talk to you about is the airport in Abbeville.  
23 It's the Chris Crusta Airport. That airport  
24 played a significant role in the aftermath of  
25 Katrina and Rita and Ike and Gustav. Without

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1 that airport in Abbeville, the oil companies and

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2 the oil field service company would have been  
3 unable to operate. When this finishes  
4 downloading, I'm going to show you all pictures  
5 of the airport after Ike and Gustav. The  
6 Blackhawk helicopters, all of the rotary winged  
7 flight planes, not planes, helicopters,  
8 whatever, operated out of there. And it was an  
9 amazing thing to watch happen. And the airport  
10 has continued to grow business-wise since then.  
11 There are 93,000 take-offs and landings each  
12 year from the Abbeville airport. And that's  
13 another big reason this museum will be at the  
14 Abbeville airport. Another reason Abbeville was  
15 chosen is because Vermillion Parish and  
16 Abbeville residents in general, support their  
17 veterans. Governor Jindal attended an Honor's  
18 Medal ceremony in Henry a couple of weeks ago  
19 and it was basically just spread by word of  
20 mouth. Eight hundred veterans were there to  
21 receive their Honor's Medal without any  
22 publicity for the event. Acadiana supports  
23 their veterans. Johnny and I both worked on the  
24 Honor air program as volunteers to get our  
25 veterans to Washington, D.C. to see the memorial

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1 there. And we raised a million dollars just for  
2 the first ten flights which has now gone around  
3 the state. Also in the packet there should be  
4 an economic impact study done by the University  
5 in Lafayette. That shows what happened to  
6 Abbeville once this building is built. What it

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7 does not show is the economic impact of the  
8 building that we've already built. So just bear  
9 that in mind as you're looking through that  
10 economic impact study. Page 4 and 5 are, to me,  
11 the most clear information about what would  
12 happen in Abbeville if this museum was built.  
13 And on those pages, that's exactly what's  
14 happening with our inaugural induction this  
15 Sunday. It's following that trend laid out by  
16 Carey Heath on those two pages. The relatives  
17 and friends of these inductees into the Hall of  
18 Fame are coming in from all over the United  
19 States. Most are coming in on Sunday and  
20 staying over. I mean coming in on Saturday and  
21 staying over until Monday.

22 The four recipients of the Medal Honor were  
23 chosen because they each represent a different  
24 branch of service and they represent a different  
25 area of Louisiana. That's the unique thing

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1 about the Louisiana Military Hall of Fame and  
2 Museum is that every, every Louisiana veteran  
3 will be honored in this museum going back for as  
4 far as we can get records. As Johnny said,  
5 there are more than 300,000 living veterans in  
6 Louisiana. So you can imagine that we were  
7 probably talking about millions of names to be  
8 included in the Louisiana Military Hall of Fame  
9 and Museum. And that would be done obviously  
10 through computers and that sort of thing so that  
11 you might walk in and type in your father's name

12 or your grandfather's name or your son's name  
13 and find where they served, what years they  
14 served, and what branch of service they were in.  
15 And I'm talking about my grandchildren's  
16 grandchildren being able to do that for my dad.

17 So that's one of the unique things about the  
18 museum. We will truly be the only museum in  
19 Louisiana who has made that commitment to honor  
20 every veteran from every war from every branch  
21 of service.

22 We ask why would we build this building and  
23 I would say, and I think Mr. Raymond has already  
24 said in his own way, because our veterans  
25 deserve a place to be honored. All veterans,

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1 all branches, all wars, all service, Louisiana  
2 veterans. The letters of support back up from  
3 around this state, letters come from all over  
4 the state. They come from Brigadier General's,  
5 they come from Major's, they come from student's,  
6 they come from friend's, they come from people  
7 who live in Louisiana and support our efforts on  
8 behalf of raising money to build Phase II.

9 The estimated price, though not official,  
10 because we haven't paid the architect to go any  
11 further than the conceptual rendering, the  
12 unofficial price tag would be \$9.5 million  
13 dollars. And I think that's very little when  
14 you look at what Louisiana veterans have done to  
15 keep America free. So it's a place for  
16 everybody to go, pay their respects, and honor

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17 their family member or themselves. One of the  
18 gentlemen that we have taken an oral history  
19 from, his name is Mr. Curtis Delahoussaye. He's  
20 from the Broussard/Youngsville area. And his  
21 son called me the other day and said his dad was  
22 enough. He's around 90 now. His dad is well  
23 enough to come on Sunday. And he wanted to get  
24 him a World War II uniform. And he asked me  
25 where he might do that. And so I got on the

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1 internet and I did some research for him and he  
2 found his dad a World War II uniform. So his  
3 dad will be coming Sunday to our event in his  
4 World War II, his recently purchased World War  
5 II uniform. And on that same day, his nephew  
6 will be coming with him in full uniform as well  
7 because his nephew comes back from Afghanistan  
8 on Saturday. So he will join us in Abbeville in  
9 his uniform as well. So there are a ton of  
10 stories out there. I've been very honored to  
11 meet these gentlemen who have served, and women,  
12 who have served our country and I'm anxious to  
13 share that story with as many people as we can  
14 share it with across America. So thank you for  
15 your time today. Thank you for your  
16 consideration.

17 Mr. VOELKER:

18 Thank you very much for coming today.

19 MS. FINLEY:

20 Thank you very much. Oh, by the way, I did  
21 mention this and it's really important. The

22 museum does fall under the Secretary of State's  
23 Museum system. So we are a part of Jay  
24 Dardenne's museum system already as Phase I and  
25 we are looking forward to being there as Phase

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1 II. Thank you all.

2 MR. VOELKER:

3 Thank you for coming and thank you for  
4 serving our country. We appreciate it very  
5 much.

6 MS. FINLEY:

7 Oh, the power point presentation. Do you  
8 all want to take a look at the Abbeville airport  
9 after Ike and Gustav?

10 MR. VOELKER:

11 It's up to you.

12 MS. FINLEY:

13 I would love to show you. I was pretty  
14 taken aback.

15 (A slide show presentation was presented.)

16 MR. VOELKER:

17 New business we're down to.

18 MR. TUCKER:

19 I have new business. Mr. Chairman, I've  
20 passed out to the members, they should be marked  
21 draft because I don't intend to ask, I didn't  
22 expect to vote if we did have quorum today, but  
23 I wanted to pass these out because are my  
24 thoughts on things that we need to take a look  
25 at. I've talked to Paul a little bit about

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1 this. These are my thoughts and I apologize for  
2 getting a little heated earlier. I'm human.  
3 I'm just beginning, not just beginning because  
4 it's been this way for four years, but the  
5 pressure is really on in the metropolitan New  
6 Orleans area to do something about blight. It  
7 is the cause of major crime issues in the city  
8 and in the region and infrastructure as we all  
9 have said many times here, and in meetings in  
10 the Governor's office, and across the state, was  
11 the area that was shorted the most when we were  
12 divvying up monies immediately after the storm.  
13 In New Orleans, it's hard to get around town  
14 right now, down the street, anywhere. It's just  
15 bad all over. And it's because those roads were  
16 underwater for 40 days or better. And all of  
17 this is really just now becoming even more  
18 apparent than we thought it would be or what it  
19 was a year after the storm because of the wear  
20 and tear. So what I would like for the members  
21 to consider and for us to work toward are these  
22 three resolutions.

23 The first resolution which would take steps  
24 necessary to reallocate up to \$500 million  
25 dollars of available CDBG money to blighted

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1 properties in the City of New Orleans. And  
2 direct the staff to make a recommendation on  
3 where those sources of funds would come from. I  
4 came to the \$500 million figure in a typical  
5 Tucker over simplification. There are 60,000

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6 properties in New Orleans today that do not have  
7 power that had it before Katrina according to  
8 Gregory (inaudible). So I took 50,000 of those  
9 and applied our \$10,000.00 per parcel cost to  
10 demolish and that's how I came to the \$500  
11 million dollar figure. Now that may be  
12 significantly high. It may not be significantly  
13 high but I think, what I see is us spending  
14 money and us coming to what is now finite  
15 resource. When we started this it looked  
16 infinite. But it now is a very finite resource  
17 and I see us coming to the end of the recovery  
18 with the potential, the desire, not by  
19 direction, and not by design, but the potential  
20 of us not having fully recovered the City of New  
21 Orleans in key areas like blight remediation.  
22 And so that's what the first resolution would  
23 do.

24 The second resolution basically does the  
25 same thing except looks for the same amount of

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1 money, about \$500 million to look for  
2 infrastructure repairs particularly to water,  
3 sewer, gas, electric and particularly roads.  
4 But to give you a point of reference, as a  
5 property owner in both Orleans and Jefferson  
6 Parish and Tangipahoa Parish, our water bills  
7 for instance, in New Orleans are doubled today  
8 what they are in Jefferson. Sewage is triple  
9 what it is in Jefferson. A lot of that has to  
10 do with the things that happened before the

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11 storm but a lot of it also has to do -- a lot of  
12 it will absolutely hamper the recovery of the  
13 city because it is not cost effective as an  
14 individual, as a family, or as a business to  
15 move in to Orleans Parish.

16 We've got to do something about that and the  
17 only way the city had to downsize it's own bond  
18 issue from \$80 million to \$40 million, the  
19 upcoming bond issue because the rating agency  
20 said the city didn't have the capacity to  
21 infrastructure repair beyond \$40 million and  
22 make that cash flow work and coverage and so  
23 forth. So the city is totally strapped. We as  
24 a state are not going to recover fully from  
25 these multiple storms, let alone see our entire

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1 cost, not cost, standard of living raised, until  
2 we do something about what's in New Orleans.  
3 And in the city, what people don't realize is  
4 the people outside of the city are dependent  
5 upon businesses and commerce to come through the  
6 city. So this impacts not only the lines within  
7 Orleans Parish but it impacts the entire state.  
8 And so I'd like to see us, as a goal, look  
9 toward moving more money into road  
10 infrastructure and utility infrastructure in New  
11 Orleans to make the city competitive.  
12 Otherwise, its chances for the long haul are not  
13 very good in my opinion. And there are no other  
14 sources, ladies and gentlemen. We don't have it  
15 at the state. We're facing shortfall. We don't

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16 have it at the city. I have my personal  
17 feelings about the city's financial situation as  
18 I've observed it and I think there are some  
19 opportunities here to improve it. I think there  
20 is also the opportunity for the city to be  
21 strapped for a very long period of time. So  
22 that's what the second one does.

23 The third one, as we have talked about, is  
24 the potential for one of the sources to pay for  
25 these first two. There are 50 -- Paul, I think

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1 your thing said today there are 57. It's my  
2 understanding there are 52 piggyback program  
3 deals that have not moved forward that have been  
4 allocated, piggyback dollars out of that pot.  
5 Now some of those, my understanding, go back,  
6 have allocations that are over three years old.  
7 Now this is statewide not just in Orleans  
8 Parish. But that's a potential source of  
9 funding that we can look at as is the small  
10 rental program because as (inaudible) said  
11 several weeks ago on Channel 4, if you're  
12 rebuilding doubles or fourplexes in New Orleans,  
13 the good stuff has been picked over. If you  
14 have a property that's been opened to the  
15 weather for four years, it's structurally is not  
16 sound. And to repair it is more expensive than  
17 it is to build new. And so these two programs  
18 are things that I think we need to look at again  
19 as a board, look at the allocations we made  
20 because we made allocations on one set of

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21 assumptions that have changed. And so like I  
22 said, I'm not asking anybody to vote on this  
23 today. I want you all to think about it and for  
24 us to talk about more in December. We ask  
25 though -- the legislature asked the LRA to

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1 deliver by September 30th, an outline of the  
2 programs that are on the books today. What is  
3 the extent of those programs, what we expect to  
4 spend on those programs, and where there may be  
5 resources in those programs that could be  
6 reallocated. We haven't seen that report yet  
7 even though it was due September 30th. Paul and  
8 them have been working on the file. We've got  
9 some preliminary stuff. But we need to see that  
10 and look at, begin to try and identify what's  
11 going to be reallocable amongst the original  
12 dollars. And then decide where we are today in  
13 the program, as Paul said, where we are today in  
14 the greatest needs to fully effectuate the  
15 recovery.

16 And so these three resolutions are my  
17 efforts, I guess, to kind of take a first stab  
18 at this. I fully understand, I don't  
19 necessarily understand all angles and all needs  
20 that are out there. But what I see in my  
21 community is that these are two of the greatest  
22 needs for us to have even a possibility of  
23 coming back. And without them the city is  
24 doomed. Questions? Comments?

25 MR. RAINWATER:

1           We've been working closely with Speaker  
2 Tucker and some questions that we have to answer  
3 internally. And one is about the piggyback  
4 program. And what I've asked our General  
5 Counsel to do is look at those contracts and see  
6 what, you know, are they legally binding. One  
7 of the things I talked about in my presentation  
8 in the place and service date and then the tax  
9 exchange program that may or may not happen. It  
10 requires congressional action. That doesn't  
11 happen at the end of this year then we're going  
12 to see some projects just naturally fall out.

13           In the small rental program, we are  
14 considering that. We've seen some progress in  
15 that program and we do consider that a blight  
16 removal program in itself because you're  
17 bringing stuff back into commerce. What we  
18 would like to do and what we've talked about as  
19 a staff, is sitting down with the City of New  
20 Orleans and the new Orleans Redevelopment  
21 Authority and talk to them about taking those  
22 60,000 properties and figuring out what can be  
23 put back into commerce and won't be put back  
24 into commerce. What's real and what's not. And  
25 then sort of targeting what needs to be

1 demolished. And I think what we can do between  
2 now and December is work with NORA and with the  
3 City of New Orleans, work with their code

4 enforcement folks because they've got the data  
5 and then really come back with budget to you  
6 that says okay, this is how we think, this is  
7 what's, you know, if you take the 17 target  
8 areas, you know, whether you like it or not,  
9 it's kind of where dollars have been focused,  
10 figure out what the city plans to redevelop,  
11 looking at long term plans. And then figuring  
12 out what just needs to be torn down. And then  
13 come up with a real dollar figure. And then we  
14 can kind of work towards that goal.

15 And then obviously, the other piece of this  
16 is the Road Home surplus. And we think now with  
17 the additional compensation grant program,  
18 probably about \$300 million dollar surplus. We  
19 need to go ahead and in December, go ahead and  
20 send a resolution from the board to HUD  
21 basically asking them for permission to use that  
22 money for blight removal. I think we know where  
23 we're at. I think we know we've got enough  
24 money to finish out the program, finish out May  
25 or June. I think we've done everything we

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1 possibly could to help homeowners. We've done  
2 everything humanly possible within the  
3 bureaucratic federal parameters that exist out  
4 there. And so I think in December is a good  
5 time for us. Robin and I have been up to  
6 (inaudible) and the Office of Management and  
7 Budget to talk about this. We've talked to  
8 Senator Landrieu about it who has said that

9 she'll sponsor in the (inaudible) in getting  
10 something done with that money. Well, I think  
11 is the time. So think there are a couple of  
12 pots of dollars that we can put together. But I  
13 think what we need to do is, you know, come up  
14 with what we believe, what we redevelop, and  
15 what we believe needs to be demolished. And  
16 we'll work with the city to do that.

17 MR. TUCKER:

18 And Paul, I appreciate it very much and I  
19 know you all have been keen to this and this  
20 comes back to our linear discussion. I think  
21 this is a piece that we can move in tandem from  
22 the other side so that at the end of the day,  
23 when every dollar is spent, we have a city  
24 that's recovered. And I focus on the city  
25 because the other areas have done such a good

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1 job on their own of handling their problems to  
2 the point where we're in the surrounding  
3 parishes, with maybe the exception of St.  
4 Bernard, way ahead of where we need to be or not  
5 where we need to be, but we're way ahead of  
6 where the city is. And if the city is the  
7 problem or if state laws -- I think your General  
8 Counsel said earlier, state law's a problem as  
9 far as demolition, tell me what that is because  
10 I could speak to President Chai sson, the  
11 Governor, and if it's a problem, we can wait til  
12 session, we'll deal with it in the session. If  
13 it's a problem that needs to be resolved between

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14 now and the end of the year or January, we'll  
15 come to Baton Rouge and we'll bring everybody to  
16 Baton Rouge for a couple of days to get that  
17 legislative fix taken care of. The recovery can  
18 not be delayed any more because of bureaucracy  
19 or inability. It's got to happen. And that's  
20 where I am. And I appreciate all that you've  
21 done. And I apologize if anybody gets offended  
22 by sometimes I go off the deep end but I don't  
23 mean it personally and I'm just very gravely  
24 concerned about where we are with the city.  
25 MR. RAINWATER:

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1 Mr. Speaker, I'm way beyond taking things  
2 personally. When I talk to Road Home, it's  
3 every single day. And we agree as a staff,  
4 there's no doubt about it. We're not that far  
5 off. There are so many questions we have about  
6 the small rental program, the commitment  
7 letters. Were those legally binding. The  
8 piggyback projects, were those legally binding?  
9 MR. TUCKER:

10 On the piggyback program, we had a round  
11 where the LHMA people put up deposits and it  
12 separated the wheat from the chafe. So we've  
13 done that before in the piggyback program using  
14 these same CDBG dollars. I think we can get  
15 there. Some things are simply not going to go  
16 forward whether we get the extension or not.  
17 The tax credit investors are making fundamental  
18 market decisions on are they going to invest or

19 not because they're the ones who are ultimately  
20 on the hook. And a lot of deals are not going  
21 forward because they don't see it there.

22 MR. RAINWATER:

23 Yes, sir. And we're aware of that. I just  
24 sat down the Sewage and Water Board and talked  
25 to them about their \$38 million dollar deficit

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1 for example. We've got some real operational  
2 issues out there. We've got folks that not only  
3 have the ability to repair what they have but to  
4 even maintain it. And so I don't disagree.  
5 We've talked as a staff about how to use these  
6 dollars. They're not necessarily fungible.  
7 That's part of the challenge we've always had,  
8 whether you can or can't do on the operational  
9 side versus the infrastructure/repair side. But  
10 we can do this. We can put together a solid  
11 plan and come back and figure out what the  
12 funding will be. I really do believe December  
13 will be the right time to go ahead and send up a  
14 resolution to HUD and to the congress saying let  
15 us use the surplus money. We need it for blight  
16 removal.

17 MR. HENNING:

18 I think your assessment for New Orleans is  
19 correct but as a board member I would hate the  
20 vote to say it's \$500 million dollars for this  
21 and \$500 million for that and then we'll go find  
22 the money. I think I would like to know where  
23 the money would come from or how much we've got

24 because if there's only \$300 million to be moved  
25 over, I'd hate to vote for 5. If they come up

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1 and tell me well I can only go \$300 million and  
2 here's where I'm going to get from, then that  
3 would be fine. But I'd hate to say here's \$500  
4 million and this is what we vote for but we're  
5 \$200 million short. I mean something may wrong  
6 somewhere else. So I would like to get the  
7 staff in here, where the source of the funding  
8 would be. And then we go from there. That's  
9 where I would like to go.

10 MR. TUCKER:

11 And that's a good point. And like I said, I  
12 put these numbers out here just as a point of  
13 reference and what I think probably the outside,  
14 particularly blight remediation cost is. On  
15 infrastructure, \$500 million sounds like a lot  
16 of money but it won't solve the problem in  
17 Orleans Parish. I can tell you that right now.

18 My concern in the infrastructure side is  
19 trying to make sure that New Orleans become  
20 competitive again not only with the surrounding  
21 parishes but in drawing business from other  
22 areas. We're still seeing businesses leave the  
23 metro area particularly the south shore because  
24 of fear of hurricanes and alike and so we have  
25 to be competitive in other areas even more so to

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1 draw those businesses, to keep them in New  
2 Orleans. So that's where we are. I don't want

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3 to see New Orleans become a weekend party spot  
4 where people fly in on Friday and fly out on  
5 Monday. If we don't do some of these kinds of  
6 things, that's what we're looking at.

7 MR. HENNING:

8 Mr. Chairman, I think what I've heard today  
9 not only what the Speaker just said, even in  
10 presentations before, I think we're kind of  
11 constrained both by time and the dollars. I  
12 would say it's probably prudent to take a look  
13 at what the remainder of the dollars are and  
14 where the progress of all the critical programs  
15 is and then really just take a look at what's  
16 still remaining open issues and think about what  
17 is the best way to really get our dollars to do,  
18 on a priority basis, the highest priority  
19 issues, like Speaker Tucker highlighted a few.  
20 And we've heard some neighborhood blight issues  
21 that really need to be addressed. It appears to  
22 me, I think this (inaudible) some way we hear  
23 from the staff exactly what are the highest  
24 priorities and what is the remainder dollars.  
25 So we can really take a look at the options. I

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1 think if we keep going the way we're going, I  
2 think we're going to continue to have these kind  
3 of issues just keep surfacing because as you  
4 have said before, we can't do everything but why  
5 don't we focus on doing things that will have  
6 the best leverage going forward. So I suggest  
7 some sort of feedback on these comments.

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MR. TUCKER:  
There are certain things the private sector can do and there are certain things the private sector can't do. Blight remediation and more importantly infrastructure, the private sector can not do. And so when you're looking at limited resources as we are today, we have to keep that in mind. There are needs. The piece I showed you today, there are still housing needs in the community in different strata. I believe that. There are some things we can help there but the private sector does housing. It doesn't do roads. And so I think if the staff works towards what you just said, I think you're absolutely correct. That's something we need to keep in mind because we are dealing with finite dollars today. Thank you.  
MR. LEGER:

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The subjects of your discussion and your quote resolutions were to be the subject of the meeting of the housing task force we would have held on Monday. We intend to hold the meeting before that December meeting to discuss, you know, in detail, in maybe greater detail than we can get at a board meeting where we have a large agenda particularly the small rental program and the piggyback program. And I would ask the housing task force staff to make sure that all board members are notified of that meeting and any one that would like to attend and get a

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13 thorough analysis of where those programs are,  
14 what they're doing, what the hope is, what the  
15 plan is, can be made. We'd hoped to have that  
16 done all ready this week. It's not been. But I  
17 agree with you Mr. Speaker, it really is time to  
18 re-evaluate all of that. And I have grave  
19 concerns of the apparent reports of this study  
20 that we saw today that there's such an  
21 availability of market rate housing, we don't  
22 need to build any more market rate housing but  
23 we still do have to somehow provide to meet the  
24 needs for affordable housing for our workforce.  
25 And I think it's a grave, grave issue that we

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1 need to deal with and blight removal is  
2 certainly part of it.

3 MR. VOELKER:

4 Any further comment, questions?

5 MR. GAUTREAUX:

6 My only comment is that basically, when we  
7 take up this, and I'm glad Speaker Tucker  
8 brought it to the attention to the board but we  
9 also have needs throughout Louisiana and I think  
10 Mr. Tucker has brought something up and I talked  
11 to Paul earlier concerning the issue that we  
12 have concerning the Delcambre and the Erath area  
13 concerning sewage. A lot of them right now  
14 can't maintain the sewage that they have because  
15 a lot of the salt water inundation has caused  
16 major problems in that. There is some solutions  
17 out there. In fact, I had a meeting with the

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18           guy from DEQ yesterday. There are solutions  
19           that we could be doing, for example, Florida's  
20           doing some of the coastal areas that help  
21           restore the marshes at the same time they do  
22           wetland assimilation projects with the sewage  
23           systems where you combine a system. For  
24           example, Delcambre and Erath could combine a  
25           system, build a big oxidation ponds and then

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1           restore some of the marsh land, put nutrients  
2           back in to the land which is a great program for  
3           us. But I also would ask that when we do this  
4           that that we just don't specifically do it to  
5           New Orleans that we do it to where we deal with  
6           it in the community of St. Bernard, every parish  
7           that there maybe -- I mean Tucker said it right.  
8           If you don't build infrastructure and it's  
9           important. If the infrastructure is not there,  
10          they're not going to come. And right now we're  
11          in the process of very closely to losing seven  
12          shrimp processing plants in Delcambre, Louisiana  
13          because the DOD evidently over the limits and  
14          the EPA says to the state, you've got to do  
15          something about it. So the DEQ has to take that  
16          next step. And how do we take that next step?  
17          All this is integrated with building those  
18          communities. So I think it's important. And I  
19          do support what you're doing but I do want to  
20          make it a little more -- let's think about the  
21          entire parts of the state and he was worried  
22          because it was calling his attention only to his

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23 district but now I'm bringing attention to my  
24 area. And if it's in my area, it's in your  
25 area, it's probably in everybody's area. So I

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1 think it's important for us to do that. So I'm  
2 in support of what we want to do there.

3 MR. MURRAY:

4 That's fine to talk about not just New  
5 Orleans but we have to remember that these  
6 dollars are going to be limited to the areas  
7 effected by Katrina and Rita and not the entire  
8 state. That's central to that. And the other  
9 thing I wanted to add that when you talk with  
10 the folks from NORA and the city, I just wonder  
11 if maybe let a few legislators know from New  
12 Orleans who may want to participate in those  
13 meetings. And what I'd also like to do quite  
14 frankly is some of the folks, the volunteer  
15 groups, the non-profits who have also been very  
16 active, to have them in those meetings to try to  
17 help. I don't want to get too unwieldy but if  
18 we could have some people there to talk about  
19 things that are going on in their respective  
20 neighborhood so we can help move this along.  
21 Walter, and I know you said the housing task  
22 force, is that meeting going to be in New  
23 Orleans?

24 MR. LEGER:

25 It will like be in New Orleans.

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1 MR. LEGER:

2 Senator Murray, I think your point is well  
3 taken. We need to engage some of the non-  
4 profits also in some of the input. We've got a  
5 tremendous amount of input in the early days  
6 from groups like the Jeremiah Group regarding  
7 our commitment to restoring rental properties.  
8 And they've been heavily engaged. They also,  
9 however, were willing to entertain the issue of  
10 converting some of that money into first time  
11 homeowner, buy downs and that type of thing. I  
12 think all of that stuff needs to be on the  
13 table. Blight removal is important but you  
14 know, everything needs to be on the table. And  
15 I'd like to see all the flavors, a consensus  
16 would be nice. And I think it's possible.  
17 Thank you again Mr. Speaker for bringing this to  
18 a head.

19 MR. VOELKER:

20 Any further comment?

21 UNKNOWN SPEAKER:

22 One comment was about the rental program. I  
23 know that we have the program and I think the  
24 biggest issue is people not being able to afford  
25 when they're upgrading, for example, I don't

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1 know what restrictions we have but let's say you  
2 upgrade a home. I own rent houses but I didn't  
3 have any in the hurricane area. But let's say  
4 if I did have one and if I did get a small  
5 rental grant program to restore that home, I as

6 the owner, would be more than willing to keep  
7 the rent as what it was prior to -- and I think  
8 that was probably some of the issue you had in  
9 New Orleans that in the small rental program,  
10 people actually did that, we didn't have a  
11 restriction on them that they had to have prior  
12 rent because let me tell you, once you upgrade  
13 those homes, for me as an owner, you basically  
14 put another 20, 25 years before you totally have  
15 to renovate again.

16 MR. LEGER:

17 The small rental program does give money to  
18 the property owner but in return he's got to  
19 meet certain requirements.

20 MR. GIL:

21 Mr. Chairman, one quick comment. I think we  
22 heard the comments about the infrastructure.  
23 Once we audit and find out what the available  
24 dollars are and what the priority issue are, I  
25 (inaudible) participation when it comes to not

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1 only just the gas pipeline, other elements of  
2 the infrastructure that need to be placed on  
3 prioritize and chosen areas where the are  
4 issues. I think there will be opportunities for  
5 inviting some other participation to build the  
6 infrastructure and fund the infrastructure.

7 MR. VOELKER:

8 All in favor of adjourning? We're  
9 adjourned.

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(THE MEETING CONCLUDED AT 11:37 A.M.)

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C E R T I F I C A T E

This certification is valid only for a transcript accompanied by my original signature and official seal on this page.

I, SUSAN ERKEL, Certified Court Reporter, in and for the State of Louisiana, as the officer before whom this hearing was taken, do hereby certify that the foregoing 54 pages were reported by me in the voice-writing method, and was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

That I am not related to counsel or to the parties herein; am not otherwise interested in the outcome of

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16 this matter; and am a valid member in good standing of  
17 the Louisiana State Board of Examiners of Certified  
18 Shorthand Reporters.

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I, SUSAN ERKEL, Certified Court Reporter in and  
for the State of Louisiana, before whom this  
proceeding was taken, do hereby state on the Record:

That due to the interaction in the spontaneous  
discourse of this proceeding, dashes ( - ) have been  
used to indicate pauses, changes in thought, and/or  
talkovers;

That same is the proper method for a Court  
Reporter's transcription of proceedings, and that  
the dashes ( - ) do not indicate that words or  
phrases have been left out of this transcript;

That any words and/or names which could not be  
verified through reference material have been  
denoted with the phrase "(spelled phonetically)."

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Minutes[1]  
SUSAN ERKEL  
CERTIFIED COURT REPORTER  
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