

**Louisiana Recovery Authority
Board of Directors Meeting
Louisiana Purchase Room
Claiborne Building
Baton Rouge, Louisiana
Friday April 16, 2010**

I. CALL TO ORDER

Mr. Walter Leger, vice chairman of the Louisiana Recovery Authority (LRA) will act as chairman for the meeting today in the absence of the chairman and called the meeting to order at 9:15 am in Louisiana Purchase Room located in the Claiborne Building in Baton Rouge, Louisiana. *(Notices to the public and news media of the time and place of the meeting were given in compliance with the Louisiana Open Meetings Law.)*

II. PRAYER

Mr. John Smith led the Prayer

III. PLEDGE OF ALLEGIANCE

Mr. John Smith led the Pledge of Allegiance.

IV. ROLL CALL

Ms. Duncan called the roll and confirmed with Mr. Leger that there was not a quorum.

Board Members Present

**Mr. Dan Claitor
Mr. Ray Lasseigne
Mr. Walter Leger
Mr. Roy O. Martin
Mr. Sean Reilly
Mr. John Smith
Speaker Jim Tucker**

Staff Members Present:

**Ms. Lynn Bankston
Ms. Stacy Bonnaffons
Mr. Dave Bowman
Ms. Krystle Beauchamp
Mr. JC Ceaser
Ms. Adrienne Duncan
Mr. Pat Forbes
Mr. Richard Gray
Ms. Amanda Guma
Ms. Sandra Gunner
Mr. Don Hutchinson
Mr. Wil Jacobs**

**Ms. Kimberly Jupiter
Ms. Robin Keegan
Ms. Janice Lovett
Mr. Darin Mann
Ms. Alexandra Norton
Mrs. Kristen Parnell
Mr. Dan Rees
Mr. Brian Roberts
Ms. Lara Robertson
Ms. Marisa Robertson
Mr. Eric D. Shaw
Ms. Christina Stephens
Ms. Angela Vanveckhoven
Kris Van Orsdel
Mr. Carl Williams**

V. Executive Director's Report

Ms. Keegan began by noting that the LRA and DRU staff are meeting with Mayor Elect and the Transition team working on the dollars for the CNO and transition and speed along on the recovery.

Also, this past weekend the senior staff met with Sec. Donovan and senior FEMA staff on neighborhood redevelopment and revitalization. The administration is committed to rebuild the city.

HUD Secretary Shaun Donovan was on hand for the ribbon cutting for the 101 apartment opening of Columbia Parc at the Bayou District which is part of the state's piggyback program. He also toured the construction at BW Cooper. The Secretary also spoke at the APA planning events for their national conference which was held in New Orleans.

Ms. Keegan noted that Road home has reached 127,000 closing and delivered \$8.4 Billion dollars. ACG awards have reached \$287 million out of \$550 million in the last 6 months.

For HGI Appeals, the staff has cleared 17,298 appeals and resolved 17,025 resolved cases and 273 remaining cases. For state appeals, there have been 3,906 received with 45 in progress, 3,177 closed or denied and 684 approved.

For Road Home CDBG Elevation, 31,217 homeowners interested and eligible for elevation funds through Road Home. \$863.4 million has been dispersed.

Ms. Keegan stated that for the Hazard Mitigation Program the staff is making progress and moving the payments down from the 2 month mark to a 10 day mark and money is going out of the door to the families. The staff is anticipating a meeting on clarifications from FEMA.

For Louisiana Land Trust there have been 744 closed and transferred and 119 closings scheduled. There is progressing being made in transferring properties and the team is working with City of New Orleans and St. Bernard to finish demolitions. New Orleans and St. Bernard demolition is to be complete Sept. 10th.

For the Small Rental Program, there have been 5861 active awardees, 1,552 rental closings for an award amount of \$129.27 million with 2,915 units produced and 2,541 of those units being affordable.

Ms. Keegan noted that for the Alternative Housing Pilot Program there are 470 total units with 21 occupied (10 in Baton Rouge and 10 in Lake Charles) and 175 completed units. For AHPP case management there are 2,552 applicants and 751 application packets have been returned to the contact center. 268 completed household applications are assigned to regions.

For FEMA trailer deactivation, there are 989 families still in trailers and the staff is working with FEMA to secure permanent housing. Also we are working to triage through the nonprofit programs. To date there is a plan for ½ families and our staff is working on safely housing them.

For Gustav/ Ike trailers there are 324 total trailers in Louisiana and the staff is working with FEMA on the one year extension which will allow the program to now end on March 31, 2011.

For Gustav/Ike recovery funding, APA 4 awaits approval of full legislature HUD. This APA spends the remainder of 122 million of the Gustav/ Ike funding. Most of the parishes have submitted their proposals which account for 96% of funds.

Technical Assistance and grants management workshops have been ongoing throughout the state including a drainage workshop scheduled for April 28th. To date there are 24 infrastructure and planning pre applications submitted and 2 housing applications.

Gustav/ Ike Coastal programs are in coordination with the Office of Coastal Protection and Restoration for use of the \$27 million dollar allocation, Agriculture Programs will soon be launched for the second round of agribusiness loans and grants, and the staff is currently reviewing community resiliency applications. 80 applications were received and the staff expects to have the awards in the next 30-60 days. For the affordable rental applications are due May 7, 2010. Also an additional \$25 million dollars in the piggyback rental permanent

supportive housing will be accepting applications through April 30th. The \$30 million municipalities' infrastructure program design is almost complete as well.

For the FEMA Public assistance dollars, there has been \$4.9 billion spent for Katrina, \$482 million for Rita, \$450 million for Gustav and \$90 million for Ike.

VI. AGENDA ITEMS

PRESENTATION ON THE LOUISIANA FIFTH LEVEE DISTRICT

Mr. Reynold Minsky and Mr. Larry Ardoin, DOTD

Mr. Minsky noted that the 5th District Levee District was comprised of East Carroll, Madison, Tensas, and Concordia Parishes. The levee system in the district is 355 miles and includes 213.8 miles of main lines Mississippi River levees. Of the 213.8 miles, in the 5th district a re-analysis of the project design flow line by the corps indicated that 198.7 miles were deficient in height.

Since 1973, this levee district has supported the Vicksburg and New Orleans Districts of the corps of engineers with the sufficient with sufficient right of way construction of approximately 117.5 miles of levee enlargement leaving a total of 81.2 miles of main levee that remain to be enlarged.

Mr. Minsky noted that the fifth district levee is now asking to provide rights – of –way for four levee projects which together total 16.1 miles of levee. Under terms of a 1929 agreement between the fifth district levee board and the United States of America with the supplemental Assurances issued by the Levee District in 1973, costs for construction of levees within the levee district are borne by the federal government with the levee district or the state of LA bearing responsibility for providing the rights- of way.

Mr. Minsky noted that normally funds are provided from capital outlay and now there is a large gap. The levee will end up 4 feet deep in the Monroe airport and the water will come south and then go into the Atchafalaya and then Baton Rouge and New Orleans will have dry ports

Mr. Leger asked what the needs are for the district

Mr. Minsky noted that they are raising the levees. There is a need to have the levees raised and we have taken the land from the people to for the right-a-ways. The Federal government does not pay for the right-a-ways.

Mr. Ardoin noted that these levees are too low and the levees are not safe and to not protect against flood. Congress has authorized the \$161 million dollars for the area. However the state and the levee district don't have the funds for the right-a-ways.

Normally the DOTD can supply capital outlay funds and there is not any funding available this year.

The levee district does not have any revenue except from taxes and for 2010 the board is less \$150,000 money for the budget.

Mr. Leger asked to be clear for the record the request is the \$5 million dollars.

Mr. Minsky said yes that was it

Mr. Leger noted that there will be a request added to the budget.

Mr. Leger asked if the federal government hired local contractors

Mr. Minsky answered yes

Mr. Ardoin added that for every dollar spent it saves twenty-seven

Mr. Lasseigne asked if the federal funds are ready for use

Mr. Minsky yes and if the right-a-way is not provided then Arkansas and Mississippi it

Mr. Lasseigne thanked Mr. Minsky for the presentation

Mr. Leger thanked him for coming down

DISCUSSION PUBLIC COMMENT AND CONSIDERATION OF STRATEGY TO ASSIST ROAD HOME OPTION ONE HOMEOWNERS WITH UNMET NEEDS

Ms. Keegan noted that she will present and then public comment

Ms. Keegan noted that there are issues and concerns about homeowners not having resources to complete and occupy their homes. The state has created the additional compensation award, nonprofit pilot program, and HMGP. However, many still have a gap but also cannot receive a conventional loan. The staff has been working with the local lending community to create a construction financing tool. This APA does not outline a program. The intent of the amendment is to ask HUD to allow the state to do this.

We want to make sure we can ask HUD for this. So what it is asked to vote on next meeting is to ask local lenders to create a flexible, amount of tools after all grant awards are complete. This

would also allow case management for the families. The households would do work with a counselor as well as a construction manager. We are working with the local communities and banks to find the best model.

Since this cannot be voted on the question would be allow to go to public comment and then back to the board for approval and then to the legislature and then HUD

Mr. Leger commented that the board can say that this goes to public comment and he also understands that this is not the only attempt to deal with option one families.

Ms. Keegan yes we are making a multi prong solution and this will help with the blight and work with local neighborhood groups and with local entities and meet with both objectives the local problem as well as the community problem.

We have HMGP elevation program and also have the option to switch from option one to option two.

Mr. Leger added that there are people who have needs and those who are coming forward and Office of Community Development is making the distinction on what their needs are.

Ms. Keegan noted that we are ramping up the monitoring and are monitoring the covenant and monitoring where the households are in the process and what is their need. We are making sure that the neighborhoods are being rebuilt and we will bring the monitoring plan and public comment to the board.

Open to Public Comment

Seth Weingart – representative of Greater New Orleans fair housing action center. We work with Road Home applicants and have suggestions for the funds:

1. Remove the pre-storm value from grant calculations which will help
2. Looking at cost of damages in the calculations. People with camelback homes did not receive enough money even if the entire first floors were flooded.
3. Appeals should be reopened who did not get adequate and a neutral third party should take place and
4. Agree with the proposal on the loan fund and the concern is that the homeowners who have unmet needs and they don't have the financial means to take on a loan and have a forgivable loan program for those who cannot pay the loan
5. Also the \$20 million that was put into nonprofit rebuilding program and more should be put into that program

Mr. Leger added that the loan program provides a loan forgiveness program. There are also a number of people who were insured and then many people paid off their mortgages and they could not get financing. If their home was destroyed by wind then the funds were used for living expenses. So, there is a shortage in the flood insurance program and we intend to address this with congress. Even if Road Home provided adequate coverage they had to live with.

Mr. Weingart noted that he would like to see that as well

Mr. Leger stated that Mr. Reilly said that the Federal government on the required pre-storm values.

Sharon Holly Benson

Ms. Benson is appearing to speak regarding inequity of the playing field for Road Home applicants. The mistake that she made was demolished and rebuilding her home. She received Road Home and the mortgage company took the money. The charter schools would not hire her. Finally finished the home and it paid off the mortgage of the house. Now in trouble with the Road Home on the covenant and through the elevation of her home in the HMGP program it will cost more to elevate than the funding allows. HMGP changed the plan and will not give the money up front and with the limited income they cannot afford it.

Mr. Leger noted for Ms. Benson to speak with Ms. Keegan and that these problems were all too common.

Ms. Benson asked if there could there be a decent formula and have an equal playing field.

Mr. Leger noted that Washington told them to stop with the program and made people paid cash which we are trying to rectify. In the early days we were looking at a cost to rebuild was \$130 a sq foot. The Federal government is wrong.

Ms. Benson noted that her case is on hold.

Ms. Keegan added that the staff is in disagreement on the cost of rebuilding and would like Ms. Benson to talk to the HMGP staff which is waiting for her in the back of the room.

Mr. Leger noted that we have been dealing with this case by case and we are dealing with every person.

DISCUSSION, PUBLIC COMMENT AND CONSIDERATION OF PROPOSED REALLOCATION PLAN FOR KATRINA RITA CDBG BUDGET

Ms. Keegan noted she will walk through the budget and then have a conversation on reallocation and the deadlines which are set on the programs and making a commitment on the unspent dollars.

For housing and the piggyback program there is a federal restriction on rental programs. There has to be a certain amount of rental basically \$812 million dollar spent on low to moderate income families. In the piggyback program, we need a place and service date extension and help developers to finish and many are under construction and we are looking for these programs to be complete. If by December 31, 2010 there is not a place in service date then we will take the money and place the money in rental using the federal requirement. If the place and service is given then there will be a 6 month date to complete their loans. This will affect 19 projects. In the small rental program there is number of landlords who have not cleared title and we are giving them 30 days to prove work on clearing their title and we are then moving forward.

For the Road Home program, there is a small number of families who have not agreed to close and they do not have barriers which are preventing them from closing and we are giving them 30 days to go close or their files will be closed.

For the four infrastructure long term community recovery projects, primary and secondary education, local governmental infrastructure and fisheries programs applications must be sent by October 31, 2010 and in place December 31, 2010. So that then these funds can be reallocated if needed.

Ms. Keegan referred to her budget presentation noting that in the last few months the staff has spent funds including homeowner assistance as referred to the chart on the rental program.

There have also been meetings with parishes over the last few months and meeting with school districts. We met with Vermillion Parish Police Jury and they provided updated accounts of unmet needs.

Ms. Keegan noted that the staff has been working with Mr. Smith, an LRA Board Member, who is working with St. Tammany on their projects.

Mr. Smith noted that he is working in St. Tammany and they have not allocated all of the dollars. Regarding the projects there are 6 major drainage projects. The other dollars were on infrastructure projects. As the Director of Engineering for St. Tammany Parish he has added that these projects take a long time and buy the right-a-ways of the land etc. St. Tammany is on the way and the planning is under way and each project will be completed. These projects will have a major impact and appreciate what has been done at the state level to make parishes affected have the use of the dollars. There are a lot of dollars that have not been spent which will be spent.

Ms. Keegan noted that Jefferson parish finally sent invoices regarding their Long Term Community Recovery projects.

Mr. Leger added that as the parishes spend then it breaks down the funding

Ms. Keegan then moved to the Road Home budget and noted that the action plan amendment regarding the construction financing would allow filling the gap of unmet housing needs.

Also, there is \$5 million dollars set aside for contaminated drywall. Part of the program will have rental assistance on dwellings and the other part will be on the testing and to complete the testing on the properties and they can begin the remediation. One of the parts of the construction financing pool would address the families who were part of Road Home who have contaminated drywall. We are all aware that this is a federal issue.

Mr. Reilly noted the that this budget included the funds for removing Additional Compensation Grant Cap

Ms. Keegan responded that the ACG Cap was \$50,000 and was capped for budgetary measure and in the fall the cap was removed it so we could get it to the families who needed it and we have spent the money and are getting it down to the families.

Mr. Reilly asked if the recipients have been found

Keegan responded that they were found through a mailing process.

Mr. Reilly asked about the \$100 million which is held by HUD.

Ms. Keegan noted that the \$750 million was set aside for the Hazard Mitigation Program and that \$100 million was required by HUD to be held in reserve. There was \$650 and \$500 million of that HUD kept for Individual Mitigation Measures and now it is being handled by HMGP but HUD money

Mr. Reilly asked if it is just sitting there.

Ms. Keegan said ye and we have deadlines on these programs so those funds will free up.
Mr. Reilly noted that conceivably it could be added to the \$188 million of unspent funds.

Mr. Leger asked for clarification on this.

Ms. Keegan yes it could be we are holding it on Individual Mitigation Measures and it is FEMA money.

Ms. Keegan noted that the Small Rental Property Program is a \$608 Billion program to rebuild 11,500 rental units destroyed by Katrina and Rita. Also, for the Piggyback deadlines, we are making progress and the loans are still being closed and moving forward.

Chart on loans closing and not closed and pending place and service deadline and bond commission approval. There are 19 waiting on the place in service date, 17 closed and under construction and 3 held at bond commission waiting for market analysis and 6 are held for place in service date. There are 18 completed and closed.

Mr. Leger asked if we at a minimum short \$300 million here.

Ms. Keegan we are working on the pool to see what is going to make it to the development

Ms. Keegan added that we are watching the numbers carefully and the timeline also been working on the policy changes to speed the program up and the expectation and we should hit \$30 million a month soon and then we have problems if we do not hit that goal.

Regarding the infrastructure program in the Long Term Community Resiliency Program, 80% of the allocation has approved applications and they are on the way to spend the funding down
There must be full budgets before sent before there is a quick snapshot of progress and many are in the arch and engineering design phase. The Infrastructure Program deadline summary: Applications due October 31, 2010 and construction to begin by December 2011 and then finished in 2014.

Regarding the reallocation plan, we wanted to make sure that we are able to then move dollars to unmet needs and blight removal and infrastructure needs. The resolution before you follows the deadlines and because of the congressional and federal restrictions. The third allocation must go to homeowner unmet needs and there must be \$812 million dollars spent on affordable rental.

For infrastructure they are easier to have unmet needs and if we would like to reallocate those dollars.

Mr. Leger asked for a clarification with piggyback and Small Rental with everything that is done there is no money left over to reallocate assuming that some of the commitments do not come through then the money that comes through and is reallocated on parishes based on damaged on rental property formula.

Ms. Keegan noted that we have to keep money in the small rental program and if we have fallouts then we would use the rental model. If we bundle with any other funds then we will use the infrastructure /long term community recovery formula. Keegan – over the last year we have had over \$1 billion dollars in requests from different entities to the board there is a snap shot and bring that to the attention of the board. These are requests for dollars for funding in additional funds

Mr. Reilly noted that the board talked about a couple of them. For some of these there are competitive pools.

Ms. Keegan responded that yes for some of them there are economic development programs

Mr. Reilly added that for some of those requests there is hope for them

Ms. Keegan responded yes.

VII. PUBLIC COMMENT

Katie Quigley – Welcome Home

Ms. Quigley noted that she is the homeless outreach coordinator and is here to speak on the sake of allocation of money. She is in support for Permanent Supportive Housing and then gave an account of two homeless people who are challenged and are in need of affordable housing services. For all of these people she urges PSH and affordable housing.

Keegan noted that this board has made a commitment to Permanent Supportive Housing and that there is a piggyback program and they are included in that program. Also that there are Katrina/ Rita dollars for Permanent Supportive Housing and they will be rolled into that program.

Mr. Leger noted that there are three projects in the Bond Commission. He asked if they involve Permanent Supportive Housing.

Ms. Keegan responded yes they are a homeless project, a senior citizens project, and affordable housing in the lower 9th ward.

Mr. Leger asked if these were held up for market the study.

Ms. Keegan replied yes they were and we have provided the market study.

Jessica Venegas, Unity of Greater New Orleans

Ms. Venegas noted that she works with Unity and permanent supportive housing in New Orleans to target the homeless. As part of the recovery goal there is a commitment to 3000 units. They are a percentage of the small rental properties and other go zone areas. Also, there is a push to other units. The last piece of this project is a 40 unit and 80 unit projects to target the most sever needy population. That is where there is a capital gap. Many of the RFP's require mayoral support which is very hard.

There are lots of challenges and with the gap financing we can get to the unit goal in Baton Rouge and New Orleans and we have done a lot of fundraising to make this work. All of these projects are reduction of blight and we ask that you look creatively at some of the funding before you sunset.

Also, we advocating at the bond commission and met with the Speaker and he apologized that it was held and thank him for moving it thought and urge the bond commission to listen to the deal.

Mr. Leger noted that the endorsed those projects and the speaker has been noted.

Ms. Keegan encouraged Ms. Venegas to look to the G.I funding

Shamus Rouné Unity Greater New Orleans

Mr. Rouné stated that his work is with directly with the abandon buildings through outreach with the homelessness and open cases and move them into housing there are 900 people on the list for the PSH and lost are mentally and physically disabled. He gave the story of John a disabled vet and he needs to be in the Permanent Supportive Housing that Ms. Venegas referred and hopes that these programs can be brought on the line.

Ms. Keegan commented on Shamus' work and thanked him and there were conversations with HUD and the executive staff is committed to help with this problem to bring resources to this problem and solutions.

Mr. Leger noted that he noted that they have been the spokesman and are committed to have this taken care of before the board sunsets.

Morgan Williams and Amber Sealy - Greater New Orleans Fair Housing –

They are real estate developers in St. Tammany Parish who are presenting for a coalition of folks who have been meeting on the LRA programs and looking on the next months. They are a combination and investors and legal service provides and housing policy experts and philanthropic entities who represent those who are being housed through the housing programs.

They would like to discuss the rolling out two of the programs. There are policy recommendations. This coalition notes there is a lot of progress and there are lots who have been housed but the job is not done.

47% of the workforce earns less 67% of the median income. Rent increased but wages did not. There is not enough housing to support the low wage earners. There is a lot to be done for renters. The Governmental accountability office noted that renters are underserved. There is need for rental housing especially deeply affordable rental housing. There are vouchers which are coming through but they are not enough.

Mr. Williams also commented on policy proposals. Within the 4 given programs there has been an open door policy. Mr. Williams noted on to the report he handed to the group. He wanted to make sure that the resources that are dedicated to housing stay there. If there are returned funds, they should stay in affordable housing to ensure monthly transparency. Along with the Housing Task Force meetings as well as an oversight board prior to any changes and continue through the LRA OCD transition. The unspent funds are not dedicated. There is commitment to be made to honor the allocations in the future. If funding is given to the parishes then it should remain to his allocation (i.e. housing)

Randy Noel LA Home builder Association Phil Hoffman: contaminated drywall

Mr. Noel began by noting that now there are answers. The Consumer Product Safety Commission has a protocol and there is an action plan to see how we can help these folks who were affected by the hurricanes. Between DHH and the Attorney General and LRA accounting and the reporting 600-700 cases of contaminated drywall.

There is a plan that they have put together and the most important thing to remember is to get the people's houses fixed quickly. These folks will be in these homes for an extended period of time and getting China to pay for the issue is not going to work. Further in the plan there are details for setting aside \$100 million dollars to help these homeowners. There are homeowners who are affected and we need to set aside the funds to help them.

The plan will be given out and tweaked and their office has been studying the process on this.

There is been diligent contact with the feds and going to Washington to meet with the congressional delegation. The plan is to get the homeowner get back into a safe home and know that they can sell it later on without a stigma.

Mr., Leger asked if of the Louisianans who have drywall do we know how many were a part of the Road Home Program.

Ms. Keegan answered that about 300 have been identified.

Mr. Leger commented that the board has been trying to get some direction by the attorneys and the defendants are not even responding but there is not going to be anyone response to damages. He also asked if the funds will need to be subrogated.

Mr. Noel responded that there is legislation to require that insurance not to terminate insurance for those who have contaminated drywall.

Noel also noted that the homebuilders have calculated what it will cost. It will be about \$200,000 which comes out to about \$50 per square foot

Mr. Hoffman added that there are diff protocols and we are confident in the numbers we are putting out and we will be in Washington to present this to the congressional delegation.

Mr. Leger commented that the board will facilitate and we will work with you on this.

Mr. Hoffman we hope to find the support in Washington.

Mr. Leger noted that it is a horrible situation and we have to resolve it.

VIII. NEW BUSINESS

There was no new Business

IX. ANNOUNCEMENTS

There were no announcements

X. ADJOURNMENT

Mr. Leger motioned for adjournment and Mr. Reilly seconded. The meeting ended around 12:00 pm.