

**LRA BOARD OF DIRECTORS MEETING  
House Committee Room 1  
Baton Rouge, Louisiana  
March 11, 2010**

**I. CALL TO ORDER**

Mr. David Volker the Chairman of the Louisiana Recovery Authority Board of Directors, called the meeting to order at 9:19 am in the House Committee Room 1 at the State Capital Building in Baton Rouge, Louisiana. The Board welcomed back Mr. Walter Leger and was happy to see a speedy recovery. *(Notices to the public and new media of the time and place of ht meeting were given in compliance with the Louisiana Open Meetings Law)*

**II. PRAYER**

Mr. Walter Leger led in Prayer

**III. PLEDGE OF ALLEGIANCE**

Mr. Walter Leger led the Pledge of Allegiance

**IV. ROLL CALL**

**Board Members Present**

**Mr. Rene Cross  
Sen. Nick Gautreaux  
Mr. Jas Gill  
Mr. Ray Lasseigne  
Ms. Pat LeBlanc**

**Mr. Walter Leger  
Mr. Roy O. Martin  
Mr. John E. Smith  
Speaker Jim Tucker  
Mr. David Volker**

**Staff Members Present**

**Mrs. Lynn Bankston  
Ms. Stacy Bonnaffons  
Mr. Dave Bowman  
Ms. Krystle Beauchamp  
Mr. JC Ceaser  
Ms. Adrienne Duncan  
Mr. Wil Jacobs  
Ms. Kimberly Jupiter  
Ms. Robin Keegan  
Mr. Ty Larkins  
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  
Mr. Bradley Sweazy  
Ms. Angela Vanveckhoven  
Mr. Carl Williams**

## V. READING AND APPROVAL OF THE MINUTES

Mr. Leger then moved to adopt the minutes of the previous meeting. Sen. Gautreaux seconded. There being no comments or corrections, the following resolution was unanimously passed.

### **Final Approval of minutes and ratification of Actions taken at the March 11, 2010 meeting of the LRA Board of Directors**

---

**RESOLVED, that the minutes of the LRA Board held on March 11, 2010 as presented in this meeting are hereby approved and all actions taken by the board presented at such meeting set forth in such minutes, are hereby in all respects approved as actions by the LRA Board.**

*Voting: Cross, Gautreaux, Gill, Lasseigne, LeBlanc, Leger, Martin, Smith, Tucker, Volker*

## VI. EXECUTIVE DIRECTOR'S REPORT

Ms. Keegan began with outlining her trip with Mayor Elect Mitch Landrieu to Washington DC to attend transition meetings February 24-26<sup>th</sup>. This visit entailed meetings with the congressional delegation as well as several cabinet secretaries.

On February 11<sup>th</sup>, the Lake Area High Grand Opening was attended by Ms. Keegan. This is one of many RSD schools. Ms. Keegan also noted that if it was not for the combination of the CDBG Funds along with the work of the RSD aggressively to approve these schools they would not be opening. The RSD is doing tremendous work on these and hope that you all are invited to the next Grand Opening.

For Road Home update, as of March 3, 2010 \$8.3 Billion has been spent on 126,000 homeowners with the average award being \$65,435.00 Currently ,the staff works daily to make sure needs are met. For appeals, there are 600 at the state and 300 with HGI. This summer the LRA Board voted to remove the Additional Compensation (ACG) cap which freed up money for those families who qualified. As of March 5<sup>th</sup>, 11,935 letters mailed to eligible Road Home applicants, 9,497 letters have been returned with interest and 5,204 families have received \$186.2 Million dollars since November which will hopefully allow them to move into their homes. Ms. Keegan also added that the CDBG elevation program has helped 29,000 families and disbursed \$856.6 Million.

For, HMGP elevation, the program has had its fits and starts and there are some challenges which the staff is working to fix. There was some confusion on the deadline of Mar 10<sup>th</sup>. This deadline was simply to announce your interest in the program. The letters were very clear and had an important deadline. If a letter of interested is received after the March 10<sup>th</sup> deadline it is not excluded it is just now on a first come first sure basis. The deadline was put in place to make sure that we have enough resources in place.

Ms. Keegan then noted that the Louisiana Land Trust (LLT) has 688 lots transferred and 109 scheduled to close. Now things are moving much more quickly thanks to their board. Also Jefferson Parish has had great success with the auctions.

For the Small Rental Program has actually has picked up. Everyone who has applied had 3 different options to get under way: 1. Traditional incentive, 2. Advance funding up to 50%, 3. Construction management and paired them with contractors. This is making sure they are getting the work done. As of March 4<sup>th</sup> there were 1700 closings which produced 2900 units and 2400 affordable units. For CDBG Piggyback programs there have been 57 total projects awarded for a total award of \$591 million dollars. There are 13 project under construction and 18 projects completed.

Ms. Keegan stated that for the Alternative Housing Pilot Program (AHPP), 220 units are under construction out of 470 total units. 115 units will start in the next month, and 135 units have been completed in Jackson Barracks, Baton Rouge and Lake Charles. People are living in the units. The AHPP case management team has mailed out 16,000 letters which will hopefully qualify the potential owners for homeownership or rentals.

For FEMA Public Assistance for Katrina \$2 billion has been paid out. The average payment currently is 5 working days.

For Gustav/Ike Recovery funding, there are 35 parish recovery proposals which have been received and 25 approved. 10 are waiting for clarification. These proposals account for 90% of the funding. On February 10<sup>th</sup> the staff held a Parish Grants Management Training which had 82 participants who represented 31 parishes. Ms. Keegan noted a snapshot of the projects which have been approved such as the Cameron loop dredging, comprehensive master plans (East Baton Rouge), city improvement plans (East Baton Rouge), acquisition of Fire Trucks (City of Baker) and first time homebuyer programs (Terrebonne).

Also, over the last few months the state programs have been launched including the Comprehensive Resiliency Program (\$ 10 M) which focuses on planning for parishes, the Affordable Rental Program, The Fisheries Grant and Loan Program, Fisheries Gear Efficiency Program and Fisheries Infrastructure Program. The Economic revitalization program which will be released late this month and can be applied for by Non profits. This is a very flexible pool of money and excited to be releasing it out. The Modified Piggyback for G/I and should have permanent supportive housing and helps homeless and disabled and integrated into traditional communities.

Ms. Keegan stated that for Katrina Rita FEMA Trailer, the staff was working aggressively to work with the families who are in trailers. The staff has all of the tools in place including ACG and homeowner rehab with the nonprofit Programs to make sure we can help people get back into their homes if they could not normally. Also, the staff is helping to find additional resources if they cannot still get into their homes. So far there are 1,109 families in FEMA Trailers and 175 of these families will be served through the nonprofit rebuilding pilot program.

For the Disaster Case Management Pilot Program (DCMP), it has served about 1771 families. 1,167 families have developed long term recovery plans. For DHAP Case management, February 28<sup>th</sup> the DHAP transitional Program and Emergency Rental Assistance Program officially ended with more than 10,000 families having received case management services, 5,733 Housing Choice Vouchers issued and 195 families receiving financial assistance. Ms. Keegan also noted that for Gustav and Ike Temporary Housing 400 families are in temporary housing and are

receiving Case Management at this time and there is an extension through May and we asked to extend to March 2011.

Mr. Leger added that in LLT there has been an issue he would like to clear up. EPA issued a cease and desist order claiming polluting from DEQ. Everyone said we were polluting and we wanted to straighten it out. The concern is with river sand and the point is that in a news report Times Picayune the EPA director was quoted that metals and other pollutants were there. There was never thought that this was concern and there is advice that EPA ass director was misquoted and the LLT and just wanted to get the record straight and available for any questions.

Ms. Keegan added that she had EPA secretary is supportive and knows how serious this and how important it is to get the properties back into commerce.

Sen. Murray asked Ms. Keegan about the HMGP Elevation grants. He noted that there was a story in the Times Picayune which said that there was a deadline of March 10<sup>th</sup>.

Ms. Keegan responded that every letter which was mailed out had a March 10<sup>th</sup> deadline for the applicant to express interest. If you missed the deadline then it will be first come first serve basis and that if they missed we encourage them to apply.

## **VII. AGENDA ITEMS**

### **Red River Atchafalaya Levee District**

Mr. Jacques Roy Mayor of Alexandria, City of Engineer Mike Wilkinson, and Mr. Norman Budd (chair if the Red River Atchafalaya Bayou Buff Levee District)

Mayor Roy then showed a power point regarding the levee district alliance. Mayor Roy referenced a levee problem directly from Katrina/Rita in central Louisiana. We have Corps members who will admit that these are problems. A map which shows the system was referenced. There are 5 points which he would like to address today.

First the Mayor noted Immediacy. This refers to map in the power point. For the map, there is an Alexandria side right descending bank which is Jean de Jean down to Moncla in Avoyelles parish and in Rapides Parish Police Jury and the fixes to this levee are not about the city of Alexandria which does not have there are not any MRT levee issues. This levee covers three parishes and about 50 miles of levee. The action of FEMA is ongoing and this alliance has been through decertification estimates are Nov 2010 for remapping which is the worst case scenario. As FEMA marches forward and we get into the loan appeal process which is not where we want to be. We are already in the de-accreditation phase and are looking toward the remapping the accredited levees time line. Sen. Vitter is introducing legislation arresting the process and this will not help the situation here. The PAL ran out before we could receive the legislation. Second, the Mayor referenced a real plenary solution for the problem.

For Pineville the problems are federal. There is insufficient free board (height) private cert is about \$45,000 a mile. There has not been a final price. Alexandria's problem is 50 miles sand

boil problems \$3.45 million that we ask the board to look at. The right descending bank for Alexandria would cost \$3.45 Million to repair and certification of \$2.25 million and left descending bank would cost \$2.3 to fix and certification of \$1.6 for a total of \$7.23 million. There has been some talk of using CDBG funds. CDBG funds typically are not able to be used when there is a federal funding – there is federal funding as the internal city levees and they are subject to other rules all total \$10 Million dollars.

The Mayor noted that he is not asking for things that do not have real solution and the twist is that we cannot get into that situation where we can fix it with the c without the cops telling what is wrong with the levees. On Tuesday, locally we have compiled ½ million in funds to put together a private team to challenge the assumption and put the plan in place. This is a fast solution to do with in the months so that we will beat the November deadline.

Mayor Roy then noted the fiscal impact of the Levee problem. If left unresolved, 95% of the city of Alexandria affected and it will be devastating to our city. There will a dead region and if this problem is not solved in Grant or Marksville then Alexandria dies. This is why we are here pushing the initiative. There is a ten times increase on the multipliers the affected areas for homeowner costs in insurance etc. The CDBG areas having local economic development already see this and are adding contingencies agreements regarding elevations on business deals. For a payment of \$10 Million dollars we are adverting a multibillion dollar problem.

The Mayor then added that this is not an economic development problem it is an infrastructure problem. Failing to act would lead to a disaster in the billions.

The Mayor then moved on to the fifth point of precedence. If the LRA helps now then other problems in other parishes will arise and come to the LRA Board and that will put the LRA Board in a position. The Alexandria area problems are different. Currently, our levees are already decertified and we can be a model to share and we are very ready. There needs to be a model on how to do it right in reference to the local development and match. We are prepared to answer questions and in need of help of \$ 10 million dollars and the city can be the gap financier and we are serious and looking at every other means so we can move forward.

Mr. Martin stated that the people in Rapides parish appreciate your movement to get this all together. All of the mayors met in joint session to discuss this problem. Are you aware of any other parish that has been de-accredited?

Mayor Roy responded that it is his understanding that a system high bank to high bank believe Bossier and the corps came in and took over the fixed the levee this system is the first decertified and de-accredited system, but could be corrected.

Mr. Martin responded that this is the point he would like to bring to the board that the Corps went along the Red River cities and went to the largest municipalities the first being Shreveport and the corps took over and then to Alexandria and the cops saw deficiencies between \$5-10 Million which the Corps did not have the funds for and so the corps just decertified and then FEMA is mandated to de-accredited and the letters were sent at the first of the year and a large problem. The Rapides parish officials jumped on this as fast as possible.

Mayor Roy added that PAL agreements are a good thing and you can move through them and have the work done. Months after Katrina and Rita there were letters certifying the levees and these letters are and good for 10 years however, within that 10 year period, they can come and de-accredit the levees. In 2009, the certification was on the way was what the parish understood but then we received this letter that we did not know about. Now we are asked to fix this and we don't know how.

Mr. Chairman asked how much did Rapides parish get in their funds for Gustav/ Ike.  
Mayor Roy responded that the Parish received \$16.3 million CDBG grants.

Mr. Chairman responded that on an emergency you can use these funds for this project.  
Mayor Roy noted that under CDBG that there is a strong argument that you cannot use these funds for this project because it can be federally funded.

Ms. Keegan added that we are working that now with HUD as well as on HMGP funds for this with FEMA and if that is an intent and choice of the parish to use the CDBG dollars on this project.

Mayor Roy responded on the immediacy of this problem and nothing stops them from continuing on unless we show a plan and we will with the money we are asking for upfront.  
Mr. Chairman noted that we can see what ruling we have on the duplication of funds to get this problem solved in the short run and then work in the long run.

Mayor Roy we are just asking to deal with the duplication of funds and then deal with the city levee issue.

Mr. Leger noted that Mr. Martin has been advocating lots and forgive our ignorance on this issue and we have been dealing with the corps because they have not done their jobs and is that case here they have not finished they decertified the levee. We can try to find a short term solution and we understand your desperation and wondering if the staff can find a solution for this.

Mr. Reilly noted that this would be shame if we cannot figure this out. It is HMGP and we have the funds and we can't figure how to get it spent. For the timing issue, if you have the means in financing and a plan and even if the dollars are obtuse then you get pal status.

Mayor Roy responded that there is no guarantee that you will not get into a new PAL status. There is legislation that would re PAL everyone in the Shute and now it would not cover Alexandria and I believe this was an oversight, but today that is not the case.

Mr. Reilly noted that if the solution was that at the next meeting we allocate HMGP dollars, which has a long process and that does not guarantee you are safe.

Mr. Wilkinson answered that FEMA has an AR designation which is under construction.  
Mayor Roy noted that you have to show a financial commitment. The march forward has to be considered November 2010 is the deadline.

Mr. Martin noted that there are two issues there is a state issue and a federal levee. The email notes that the Corps does not have the time or the funds. This should note that there is not a duplication of funds.

Mr. Cross noted that he is in Plaquemines Parish and they are still fighting levees as well. We are subject to the same problems. What I don't know is what kind of precedence is this going to set not only with the parishes above you but the ones below you, but when has the board funded levee projects?

Ms. Keegan responded that one of the things the board has done is made resolution to allocate LSU to a DFIRM study and clarify what the issues are with FEMA and which parishes are included in this study, but you are correct this board has not put money aside.

Mr. Leger noted that other side of the short term is for Katrina / Rita we put aside long term recovery dollars for the parishes according to damage so they can prioritize and what they need. In the short term we can draw it down through the Gustav/Ike parish allocations and try to backfill it and Plaquemines can choose a priority and locals to figure it out.

Speaker Tucker asked the Mayor if he had talked to anyone in the administration IEB and emergency board. The rule is you can't discuss prior session so you are good we could look to do some of the expense and we can call the commissioner after this.

Mayor Roy noted that they had not but would appreciate it.

Mr. Martin asked Ms. Keegan if the HMGP grant program that the board is about to vote on today. Could that be used here?

Ms. Keegan noted that the staff is asking FEMA weather we can use HMGP grant if the answer is yes we can look at this and we can look in a month and we will look eternally. On the duplication issue through we are looking to FEMA and HUD to get an answer.

Mayor Roy noted that there are waivers that may be available under CDBG and they can be applied through HUD and I do have to impress that and stick to the rule. The difference is that our whole discredited system of levees. The Federal legislation affects 55% of America and now if you are not de-accredited you are safe, however we are not.

Ms. Keegan noted a clarification we are working with HUD over the last couple years to make sure that HUD monies can be used on levees. The issue is the federal levee question and HUD is looking at it and hopes for a quick answer.

### **Discussion, Public Comment, and Final Consideration of Gustav/ Ike HMGP Allocation**

Ms. Keegan stated that this is very brief presentation. For Gustav/Ike, the 1<sup>st</sup> allocation was for \$177 million dollars, the second for \$44 million dollars which brought the total HMGP allocation to \$221 million dollars. The first allocation is broken down in the packet provided

including coastal and erosion and prevention programs. The second allocations dedicated OCPR for particular products and to harden community safe room facilities and in a storm people can go these facilities for safety. Also, there is a need for many of the parishes for elevation and acquisition especially in Vermillion and Iberia. Still, there is not enough money for homeowner elevations; however what you all do know is that the homes that are elevated are out of harm's way.

Related to the \$221 Million from the 1<sup>st</sup> and 2<sup>nd</sup> allocation is a 5% initiative programs which is a more flexible program. Mr. Casey Levy is here to talk through that. The 1<sup>st</sup> and 2<sup>nd</sup> can provide generators hospitals and critical uses for first responders from hospitals and the recommendation is that the resources go to additional generators.

Mr. Reilly asked why we would not put more into that or is there a limit on how much we can put into that flexible pot of money.

Mr. Levy noted that it is a 5% initiative. If you do the math it is 10 % because it is a wind event because it is 5% of the total. Generators are not eligible for the regular grant program so we are using the max amount on generators.

Ms. Keegan noted that the resolution and the elements are behind the tab and that is what they are asking for approval on.

Mr. Reilly moved adoption of the resolution and was seconded by Mr. Leger. The motion was unanimously passed.

**The Louisiana Recovery Authority approves the intended distribution of the 12 Month lock in funding for hurricanes Gustav and Ike and the 5% Initiative Program**

**BE IT RESOLVED THAT The Louisiana Recovery Authority Board does hereby approve intended distribution of the 12 month lock-in funding the hurricanes Gustav and Ike and the 5% initiative Program.**

*Voting: Cross, Gautreaux, Gill, Lasseigne, LeBlanc, Leger, Martin, Smith, Tucker, Volker*

**Discussion, Public Comment and Consideration of Proposed Reallocation Strategy for Katrina/ Rita CDBG Budget**

Ms. Keegan noted she would present and then public comment would be heard before a vote.

Ms. Keegan noted that there has been much discussion and how to move forward once the board sunsets knowing the priorities of the board. First, there will be a budget presentation and then a t he strategy will be presented to the board. The staff has developed a strategy to reallocate dollars if any.

In regards the budget for Katrina and Rita it is important remember the federal requirements that came from the federal partners. This presentation is specifically referring to the Community Development Block Grants.

Through 3 allocations for Katrina/ Rita, we have received \$13.4 Billion dollars for recovery. For the 2<sup>nd</sup> allocation HUD required us to spend 19.33% on affordable housing, redevelopment of housing and new developments across t South Louisiana. The total is \$812 Million. The allocation breaks down to require the use of 50% on LMI and the 3<sup>rd</sup> allocation of \$3Billion dollars is specifically meant for the fulfillment the Road Home Program and that money cannot be moved without congressional approval.

Ms. Keegan then ran through some numbers. First, notice there is \$13.6 billion on the sheet the congressional delegation required us to put up some state funds and we asked for \$372 Million dollars of the state general fund which went to the homeowner program. This was required to receive the last \$ 3 billion dollars.

In terms of homeowner assistance, \$10.3 billion allocated and spent \$9.1 Billion. There is \$1.2 Billion currently being spent. Ms. Keegan then briefly went through the numbers regarding the specific homeowner programs which are located in the power point.

Committed dollars have been approved by the LRA Board, approved by Joint Budget , approved by the full Legislature, and also have HUD approval. Therefore, the \$13.6 is committed and obligated.

Ms. Keegan noted for the infrastructure portfolio includes \$1.3 Billion dollars which were funds given to the parish school boards. \$411millionof these funds were given to the City of New Orleans. To date we have only spent \$293 Million the and there is \$1 Billion to be spent in the parishes and including Jefferson parishes have the projects underway. We have not received a bill so when we get them we will pay them.

FEMA has doubled the obligation to the state in the last two years. Therefore, for Infrastructure projects the numbers have gone up significantly which means more money for other public entities and so these dollars come last to spend. So FEMA comes in first and then CDBG dollars come in after. They were in the absence of the knowledge of the obligation of FEMA dollars. So, there are public entities have been able to increase their public assistance and the infrastructure line item which is the reason their CDBG dollars are taking a long time to spend. These dollars are the parish dollars and the staff 's interaction with the parishes is approving projects for the parishes as quickly as possible and are paying the bills as quickly as possible.

Ms. LeBlanc noted that in the infrastructure column there are \$1.3 Billion dollars committed. She asked when these dollars were committed.

Ms. Keegan noted that the dollars were committed over time and the final commitment was made in 2007 .

Ms. Leblanc asked if the expended \$293 Million parishes have received the payment

Ms. Keegan responded that yes parishes have received the bulk of the funds. One of the allocations of the board passed early on was to help offset rate payer fees in city of New Orleans. The \$200 Million grant was made to Entergy after the storm and the bulk of that grant \$189 Million has been paid. The rest is money that has been paid to either to RSD (\$60 Million) or City of New Orleans (\$13 Million) and the balance is to other parishes .

Ms. LeBlanc asked if the \$1 Billion \$21 Million has not been given but allotted to the parishes based on the plans submitted.

Ms. Keegan responded that the long term community recovery program requires that a parish develops a recovery plan and the parishes come back to LRA Board for approval. This has been done for the 22 parishes and the state/LRA has signed a CEA for that specific amount and the dollars are the parishes. The funds are then given project by project approval, but the money is legally obligated to them

Ms. LeBlanc noted that her concern is time period and practical difficulty moving dollars from an allocation to the parishes. The process is so slow and we think it has been done yet dollars do not hit the street. In 4 months this body going away. I think that there needs to be an assessment to these dollars to see if they going to go down to the parishes and so how they were allocated.

Ms. Keegan noted that she does not disagree with Ms. LeBlanc. However, she wants to over emphasize the FEMA PA process. FEMA process comes first and the parish has had to reorganize their projects to first complete FEMA projects. We have fought with FEMA for years and now the new FEMA is a new Day for Louisiana. They are now they are getting us to the place we should have been 4 years ago. The versioning process has taken 4 years for a parish to prove what a parish knew day one. So, this program was designed to make sure that Public assistance is fulfilled first. So, we can't move forward until they finish up the FEMA process and it is frustrating. Secondly, these dollars are cost reimbursable dollars– the construction has to be done and we have to see an invoice. The parish can give in invoice and in 10 days we can reimburse the parish. If you and look at the total bottom line there was \$700 Million dollars and 164 projects approved \$564 million dollars have been obligated to a specific project and the parish is spending them.

For Jefferson Parish, the staff has approved 90% \$45 Million dollars approved they have not spent the money. All projects are in engineering the parish made a determination not to charge CDBG resources for planning. They are using it for the construction, so once construction begins then we will see bill. That was the parish's choice which is a fine one it is just taking time and we know they are working hard.

Ms. LeBlanc added that her concern was now it is 3.5 years later and there is no accountability. The issue for me wants to know that something is going to happen before she leaves the board and the dollars are going to be used.

Speaker Tucker noted that we are at a point of a handoff from the LRA to the state. The president of senate and the Speaker have created a committee that is going to take the place of the LRA

Board. The feeling from the legislature is that the Gustav Ike spending model works much better. The legislature is going to move the Katrina/Rita model to the Gustav/ Ike model and get out of the recovery business at the state level. The state bureaucracy has been very hard for the local governments because of the difficulty of the federal bureaucracy that Ms. Keegan fights daily with. The Speaker notes that the state cannot fully get out of the recovery business but they can take the funds and cut some checks.

Mr. Reilly added to clarify the differences in the models. Unfortunately, you still at the state level have and OCD and GOHSEP to handle the liability of the programs. I think that at the heart of Ms. Leblanc's question is how we get comfort that what we approved is going to occur. There is some clarification in the obligated column. If you go back to overall budget 3 columns we need to understand this. They all presents a picture that we have spent all of the money. I don't think it is just going to happen like this. The idea is that "in process" is a misnomer and that there are pots of money that can be reallocated. We need to know what is truly going to be left over in each pocket for example in RH program there is Hazard Mitigation dollars. How much is in this.

Ms. Keegan answered that the Hazard Mitigation allocation to Road Home is \$750 Million dollars.

Mr. Reilly asked how much do we think has been spent.

Ms. Keegan responded that only a few million has been spent. We just had the deadline and so we will have that number in April and we can hand off that number to the legislature.

Mr. Reilly suspects it will be a large number and we as the board should have a recommendation to give to the legislature to say there is an allocation that we can move over to other items.

Mr. Leger noted to make the position that the Legislature has made a note that they like the Gustav/Ike model better and the board does as well however the local governments also would like a move towards that model. For example, in Jefferson Parish, do we write a check or not. The issue is on the old model the board allocated \$10-13 Billion directly to homeowners and the owners of rental property. Therefore we can say that we have committed \$ 10.35 and \$9.1 Billion dollars are in homeowner's hand. This broke out by who qualified for the program and legislative members demanded that the LRA Board had the authority because they did not trust themselves. The Board has objectively assured that homeowners would get money and weather the government liked their process it was based on objective criteria. Infrastructure dollars were based on loss and to respond to Ms. LeBlanc's comments that most of the dollars remain unspent. We are waiting on the local governments to spend the money. Some funds have been spent and some are already contracted. For Economic Development, Mississippi received billions and Louisiana was stuck with \$350 million. The \$102 million is committed.

Ms. Keegan noted that yes it was all committed under various Economic Development programs.

Mr. Leger noted the word on the street is that there is \$3.5 billion to reallocate and we need get to what that exact number is. Now we are less than \$1 billion that could be available. \$146 Million is to monitor programs for the next 20 years projection.

Mr. Leger noted that with respect to the homeowner allocations, these funds will not move.

Ms. Keegan recommended for the Board to think about maybe having parishes and schools come and talk about their long term plans. The parishes are having challenges e will send a letter to make sure we have a list in a month of all of their projects.

Mr. Leger noted his bottom line is that the Board has been proud of the way have allocated funds in a non political way based on damaged. Then when we pass it on is that there is a fear that the recovery dollars be moved on the budget crisis. The parishes and our board wants to make sure it gets allocated to that.

Sen. Murray concurs with the Speaker on getting the dollars to the local government. Through the Gustav and Ike congress sent the same regulations regarding housing infrastructure and they are following these fed guidelines etc. The point is that the money is not accessible and we ought to try to move the dollars on to the local governments and have them allocated and spent and the recovery is lacking in large areas in the dollars. The delegation in New Orleans has disagreed with the current administration and does not approve expenditures.

Speaker Tucker agrees with Murray the goal is to get out of the recovery business at the state level and reallocation to the local government where they know what is going on in the parishes. We should not have to tell them how to spend the money and now that the new FEMA is easier to work with we can get to the CDBG dollars to the local entities and they can deal with it and the bureaucracy can get out of the way and the money can go fast to the parishes. We are all in a diff place then when this was set up four years ago and we are on the deadline and the legislature would like to have this body's wisdom and are hearing from the local governmental that they want to be a part of it.

Mr. Reilly noted that we are all on the same page and his preference is that this body could make a reallocation on a parish formula and we need to hear from City of New Orleans and have Mayor Elect Landrieu come and show his view of the \$411 million dollars to see if it is different than his predecessor and how he would like to spend that money.

Sen. Murray added that the discussion is not just the dollars but future dollars. I am advised that we are receiving some additional funds for schools in New Orleans. He thinks that those dollars should go to the local entity and this with same Gustav Ike restrictions. We should hear from the new administration as well as the legislature.

Ms. Keegan noted that Gustav and Ike program did a much better job with the parishes and for Katrina Rita long term recovery the funds are built identical to this. The challenges of this are the scale of the funds. No other parish has \$411 million to work with and she thinks that there will be a new opportunity with the new mayor elect.

This budget projection is from the end of December, since then we have spent \$174 Million over two months it is not as fast as we would like.

Ms. Keegan continued on the affordable housing noting that piggy back and small rental details are in the board's packet and there are loans closed and people are moving forward to build affordable rental properties. \$438 Million is in process and they are lining up financing and have private money and we have had some issues. For the piggyback we are waiting for place and service date and we are very close thanks to Sen. Vitter and Landrieu and the rest of the congressional delegation and we are very close. These are really important dollars in addition to make sure we do not lose the Economic Development Bond money.

For the Piggyback and Small Rental they are 94% leased up in affordable units in New Orleans. 79% of the market rate units are leased up. These units are getting built.

For the Road Home budget, \$ 10.35 Billion allocated for homeowner program includes Louisiana Land Trust and homeowner assistants. Louisiana Land Trust takes back the properties sold back and puts them back to commerce. Ms. Keegan then went into an update on the breakdown available in the budget documents.

For HMGP elevation program fix using \$750 million for the individual mitigation measures HUD has asked for \$100M as a back stop for this. The ACG cap removal has allocated \$520 Million dollars and \$180 million has been spent in 5 months. These are the obligations leave about \$184 Million for unmet housing needs and blight removal. HUD has asked to escrow this to back up the demand. The demand is going to be over the \$ 750 million HMGP dollars hopefully we will have a projected budget in April.

For the \$184 Million dollars, there are some challenges that we know in the Road Home Program. There is \$185 million set aside for remaining homeowners to close their grants. Now there are families who have not yet been able to get into their homes due to contractor fraud or other issues and they have been forced to live off of the resources and apply to the HMGP program. When we removed the ACG cap this helped but there is going to be remaining blight from Road Home if we don't make sure what we use the money to help people get people back into their homes. In April we will bring to you a template of a program which provides construction management services, case management and we will make a request to put into that program and some type of creative construction financing and if they have suffered fraud they need resources to rebuild and are looking for types of aid we can give and what we should be doing with the additional resources.

Mr. Leger noted at the Housing Task Force there was presentation on a group of a people that has done a survey on option 1 homeowners who have not completed their homes and the fear is that there is a percentage of homeowners who are not going to complete and 3 years after the grant is issued the home needs to be owner occupied otherwise HUD is coming after them. So the suggestion is within the restriction, the \$184 million could help this issue and those who are inadequately funded by Road Home.

Ms. Keegan noted that yes that money would fill that gap. Beacon of Hope has shown that many of the blighted properties are option 1 properties and we are concerned that they are not going get them the homes. Another tool is to maybe have them sell back it back to the state or other options and we would like to discuss this at the next board meeting

Ms. Keegan stated that her question to the board is what would you like to do today the reallocation that is drafted and goes through the steps according to the regulations and steps the way we would take to spend these funds. There are 3 proposed strategies. First the strategy to deal with option 1 families through community lenders and organizations and if there is an option to sell back to the state. For commercial and residential blight 27% is all that has been returned. The blight on the 60,000 properties in New Orleans and St. Bernard are serious issues. There needs to be dollars to remove the blight and the priorities are the LLT properties but there is much more blight. There are essential services such as health care in New Orleans and St Bernard and the sewer system and there are needs beyond the 3<sup>rd</sup> allocation we will not be successful to ask congress before expended Road Home. Beyond that the dollars will be dedicated to the parishes and sent to the parishes to do it and the state needs to make us out of the sway and we have a relationship with HUD which makes us the grantee. The dollars would be spent on these and possibly others if the board identifies.

Mr. Reilly added that the resolution is good but it vaguely states we are going to meet unmet Road Home needs and allocation to the needs to the parishes. There is a process of wrapping around the actual numbers that other than within the Road Home we are not anticipating a balance in small rental piggyback and infrastructure.

Ms. Keegan noted that there are not large ones. If piggyback projects drop and small rental projects drop out then yes but not large ones

Mr. Reilly within the Road Home we thought few \$100 Million for CDBG and HMGP and now we are holding \$100 Million dollars of CDBG funds which we have been requested by HUD to escrow for individual mitigation.

Ms. Keegan noted that we have interest in the full budget for HMGP we are trying to figure out who is eligible for the program.

Mr. Reilly added that we cannot do any real thinking until the next meeting.

Mr. Chairman then asked why we are escrowing the \$100 million and where did it come from.

Ms. Keegan responded that as we fought with FEMA to use HMGP funds to elevate homes through Road Home Program. The board set aside \$650 million for Individual Mitigation Measures. In the discussions FEMA we discussed that HMGP can be used for Individual Mitigation Measures and when we requested HUD allow removing the cap for ACG the \$650 was peeled apart and it was dedicated to Individual Mitigation Measures. HUD then said yes \$550 Million to ACG but they requested to keep \$100 M to Individual Mitigation Measures. Their concern is a budget issue and then we can talk to HUD about the issue once we have a number for CDBG. We asked them to do this in 2006.

Mr. Chairman then asked how much was left in the Small Rental Program.

Ms. Keegan answered that right now we have \$200 Million spent and \$500 Million and the land lords are ready to go and they are working and it will be less than \$100 Million to fall out.

Mr. Chairman asked if the unspent funds could be as much as \$3-400 million dollars.

Ms. Keegan confirmed this and that some is 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> allocation dollars.

Mr. Leger asked if the \$184 million then would go up to \$284 if HUD released it.

Ms. Keegan confirmed

Speaker Tucker noted that it is hard to figure how much unless deadlines are given in Road Home and Small rental and other programs. Is there a deadline day of July 1 to back into what we think that it will fall out? If all money is left out in a program then it will be used however is that the highest and best use given the other short falls.

Ms. Keegan noted that in the Small Rental Program all of the land lords have committed as of March 31, 2010 and can show us if they are ready or under construction and if not the money goes back into the pool.

Speaker Tucker noted ready to go is an art not a science. How do we determine what is ready to go.

Ms. Keegan noted that there must be building permits, contractors lined up and show detail for that.

Speaker Tucker for the 3 year window and we should grant extensions however enough is enough. Either fix up your home or go. If you are trying then it is okay to continue or are we going to give them the option to give to LLT?

Mr. Chairman asked if you have to give the money back.

Speaker Tucker noted for what you have received from the Road Home, give the property to LLT and we should think about this option.

Mr. Leger noted that it is easy to blame the homeowners and there has been some abuse. Beacon of Hope knows that some are sitting on the money and they expect that we are not going to in force and others can do what they could do to the best extent and we have to differentiate so we can in force and for others it is easy to say this is enough however we have to look at it with a heart and firm hand. For Small Rental and piggyback handing off to local government we are not talking about just infrastructure we are talking about these programs to New Orleans decide if they want to go forward and see what they would like to do. For example New Orleans receives the most for rental but they should decide what do to. Is that what we are thinking?

Ms. Keegan noted that can be an option.

Sen. Murray wanted to know \$300 Million we discussed previously to help with blight what category was that in?

Ms. Keegan noted that the intention is that if there are additional dollars then they would be set out for blight removal which is the \$184 million would be spent for Road Home Blight Removal and option 1 home.

Sen. Murray asked if \$300 Million was set aside.

Ms. Keegan noted that there is not \$300 Million set aside.

Mr. Reilly noted that we hoped that there was a pocket for this but there is not yet. On this notion on how to reallocate and hand off programs is not very wise. Handing off a piggyback program with the funds to a parish is not what we want to say. More so, how much is the demand that is allocated and if there are leftover funds then hand off the funds.

Speaker Tucker noted that it comes back to having a deadline.

Mr. Reilly agrees that it absolutely comes back to deadlines

Speaker Tucker noted that we looked at some of the programs and deals and said if you really want it then put up a deposit and then the ones who are serious can come to the top.

Ms. Keegan noted that on the homeowners who are option 1 which have come to the 3 year deadline and are staying in their home there are 6,000 homeowners who closed in 2006 and they are coming to their date in April 2010.

Speaker Tucker then asked if we have supplemented the households with the ACG funds

Ms. Keegan noted that \$150,000 is still the cap for Road Home. If the families were under 80 LMI and they did not receive the full grant they can get up to \$150,000 not over.

Speaker Tucker commented that these were the households that were having the trouble and they did not have enough money the second grant should get them there.

Ms. Keegan noted that one of the stipulations is at a 6 month mark they have to send a proof of a building permit and proof of underway. There were some that are working in the rehab program if needed. There are still families which have gaps

Speaker Tucker noted that he is talking about those who are scamming the system. The reporters of WWL were in the 9<sup>th</sup> ward there are houses sitting there. We have to enforce and help. This \$300 Million was committed by Paul Rainwater to the Mayor to get the blight removed. We have to be held accountable or we are not going to have the New Orleans recovery. It does not matter what type of blight and blight is blight and additional dollars are needed wherever they are coming from. We will have failed if we do not deal with the blight.

Mr. Chairman stated please tell me you are finished and you are going to come back with a real plan.

## **VIII. PUBLIC COMMENT**

### **Mr. Chairman recognizes Dr. Melanie Ehrlich from the LRA Housing Task Force and Citizens Road Home Action Team**

Dr. Ehrlich stated that the applicants need their short changed grant funded more than any new programs which will be slow moving more than creative financing. CHAT is a grass roots organization which has done Road Home surveys and has 1500 long responses from Road Home surveys which lead to the conclusion that lots of mistakes were made in grants and squeezing grants so that homeowners received less money according to Road Home rules. Dr. Ehrlich has a 96 year old woman Ms. Tagger who cannot get her grant after she had 9 ft of water in her home and Road Home said that her house was less than 50% damaged and there are mistakes in the percent damaged program and measuring the square footage. In contrast, Charity hospital is more than 50% damaged even though only basement and first floor. Dr. Ehrlich has given 4 recommendations from CHAT that will increase homeowner's grants and get them in their homes. The LRA board in May 2007 approved a statement of principles for the Road Home. Ms. Ehrlich then gave the principles. These principles are violated for thousands of applicant. The un allocated funds should go to fixing the mistakes of applicants in the low and middle income applicants who can be identified in the handout provided. The board can slam the door on the short changed applicants or you can make sure they get the funds which are preventing them from rebuilding. The LSU/LRA Customer Survey which was paid for by \$ 42,000 dollars of tax payer money was never released to the public. There is proof that he survey was biased and after 8 months and a public records request Dr. Ehrlich received the survey. 55 % respondents stated that insufficient Road Home funds were given. Please do not oppress flood victims further and oversight recommendation. When this program ends, there should be a fix for the thousands of mistakes because the homeowners have been denied and the appeals process and that is not fair.

Mr. Leger responded that Ms. Ehrlich has been on the Housing Task Force since the beginning and some of her claims are accurate. There have been mistakes with the Road Home and he not sure who with the LRA said that the survey was biased and the survey was tilted towards the unsatisfied. Even those who were unsatisfied said it was from lack of funds. On the whole it is a good program and Mr. Leger has spoken with thousands of people who are satisfied and though he agrees with Ms. Ehrlich her constant barging of adjectives make it looks bad and worse.

Dr. Ehrlich asked the Chairman if she could respond

Mr. Chairman responded that no she may not but he did thank her for coming.

### **Mr. Chairman recognized Rep. Billiot**

Rep. Billiot noted that since the committee is dissolving in June then it is the time to take the time and go back out into the parishes and meet with the officials and let them feel a part of

where everyone is regarding recovery and what is happening in the future. Familiar with the FEMA situation now and the appeals process and if you are fortunate to win and you have funding and redo the building and if you lose you have no other place for funding. There is going to have to be a pot of money for public bodies to do to because they did make it through the FEMA process. They have no money and they are looking for money for public building repairs. The city of New Orleans will have a Mayor. However, there are other parishes which have new leadership. The local government's example the City of Westwego – we felt we had top priority for the city but it was not a top priority for the parish so they allocated it to something else.

After Katrina, you called Road Home and they asked if you had insurance and how much and you did not know and therefore never got your number. Today we are faced with people who have insurance and they do not have enough money to elevate unless you were at the beginning of the RH process. The homeowners who had insurance need to be looked into because they do not have the funds to elevate their homes since they were not part of Road Home.

#### **The Chairman Recognized Marla Williams of the Louisiana Housing Alliance.**

Ms. Williams stated she is a part of the Louisiana “Housing Alliance” which is a statewide coalition of housing developers and advocates and membership is concerned on the reallocation strategy especially the Piggyback program. There are some programs which are on hold and we want them to be recommended to the bond commission to move forward on these. They were waiting for a market study and the result of the study is that there is a need and they will no way hinder the market. So the request is that the Board moves the projects forward. The 2nd Request is regarding the Small Rental program. The Louisiana Housing Alliance membership is hopeful that the vast number of units which were destroyed and the small number of units which are projected to come back on the market. There is a disconnect with reality regarding housing and still is a tremendous need. In an addition there are those who are trying to rebuild but need help. They have succession issues and they still need help. There should also be a thought of a continuing of the housing task force. As well, Ms. Williams asked that the reallocation strategies, be shared with those of us on in the field so we may comment and participate in the conversation. Those from a nonprofit can bring very good ideas to the future.

#### **Mr. Chairman recognizes Jessica Venegas with Unity of Greater New Orleans with Common Ground Institute.**

Ms. Venegas handed out a timeline document. Ms. Venegas is here remind the Board of the commitment of the permanent supportive housing units. This is about the capital dollars to do create this housing. This is not the population the developments on the open market. These are important to think about in the reallocation thoughts. There are 900 people alone at Unity waiting to the house this group. Once the Board goes away she is worried and this is population will not get any support. For this population the neighborhood is the opposition and we need the leadership on this. The blight is important and many of the homeless are squatting in blighted and a lot of them are not going to recover in that house they are going to go into affordable rental and there is waiting list for them. Also, there is not enough case management to help them. It is important that the piggyback program we are working on is reducing blight because it uses a

building that has been blighted because of the storm – as soon as we can move forward we can reduce blight and thank you for the opportunity.

Mr. Leger noted that at the Housing Task Force passed a resolution and it was differed. At the Housing Task Force Meeting there was a resolution to present bond commission and after it was determined that that was inappropriate for us to do. So rather than send a letter to Bond Commission to recommend from the Housing Task Force for the housing for the special needs populations and now know that there would be no adverse impact and special housing needs

#### **The Chairman recognizes Rep. Sam Little district 14**

Rep. Little noted that all he was here to ask for is time at the next boarding regarding a 5<sup>th</sup> district levee board presentation for \$2.5 million which is needed and if that if they do not get PDQ the other \$20 Million which the corps is willing to put in.

Mr. Reilly asked if it was similar to Rapides

Rep. Little responded that this is similar however there is a bowl around St. Joseph Louisiana area and if the levee breaks – there will be no more Mississippi River down in Baton Rouge.

#### **The Chairman recognizes Mr. Ellis Paillet**

Mr. Ellis Paillet wanted to note that a lot of the funds have not been paid out. Mr. Paillet noted that dealing with the Road Home and FEMA is very frustrating and always gets different answers. Very often these answers are different. There was money which was approved for elevation last year and as of today the funds have not been received. The largest problem is they were stonewalled. Another client took option 1 and was approved for an amount and they took the amount and appealed. As of today they have not received the money and turned down and have been given multiple reasons and there is no resolution. This is a very frustrating process.

Ms. Keegan responded that we are taking the challenges in the HMGP staff members as they communicate with the public. Also, we will look at the cases after the meeting.

#### **The Chairman recognizes Ms. Laura LeBon Citizens Road Home Action Team.**

Ms. LeBon noted that on May 24<sup>th</sup> 2007, Sen. Landrieu discussed the Road Home Short Fall in a Senate Hearing. Alaska Senator Stephens did not support fully funding the Road Home Program due to the corruption of Louisiana. Now that funds are going to be reallocated please rethink this. This would confirm the perception. Also, please fund the Road Home Flood Victims.

### **IX. NEW BUSINESS**

There was no new Business

## **X. ANNOUNCEMENTS**

There were no announcements

## **XI. ADJOURNMENT**

Ms. Leblanc moved for adjournment and Mr. Cross seconded. All were in favor. The meeting adjourned at 12: 27 pm.