

**DRAFT, subject to revisions and/or amendments**

**LOUISIANA RECOVERY AUTHORITY**  
**Board of Directors Meeting**  
Baton Rouge, Louisiana – Baton Rouge Community College  
Louisiana Boardroom, Louisiana Building  
Thursday, December 14, 2006

**MINUTES**

**I. CALL TO ORDER**

Mr. Walter Leger, Acting Chairman of the Louisiana Recovery Authority (LRA), called the meeting to order at 9:16 a.m. at the Baton Rouge Community College, Louisiana Boardroom, Louisiana Building, 5310 Florida Boulevard, Baton Rouge, Louisiana. Mr. Leger stated that Dr. Francis was in Washington, D.C. to receive the Presidential Medal of Freedom, the Nation's highest civil award.

*(Note: 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**

Father Anthony McGinn, S.J., President, Jesuit High School, New Orleans, Louisiana, led the prayer.

**III. PLEDGE OF ALLEGIANCE**

Mr. Leger led the Pledge of Allegiance.

**IV. ROLL CALL**

Ms. Angel Ellis called the roll.

**BOARD MEMBERS PRESENT:**

Mr. Walter Leger, Jr., Acting Chairman  
Senator Diana Bajoie  
Mr. Boysie Bollinger  
Ms. Kim Boyle  
Mr. Tim Coulon  
Mr. James Davison  
Representative Yvonne Dorsey  
Ms. Donna Fraiche  
Senator Don Hines  
Ms. Sibal Holt  
Ms. Linda Johnson  
Mr. John T. Landry

**BOARD MEMBERS ABSENT:**

Dr. Norman Francis, Chairman  
Mr. Walter Isaacson, Vice Chairman  
Ms. Dale Atkins  
Rev. Harry Blake  
Ms. Donna Brazile  
Mr. Rene Cross  
Mr. Tom Henning  
Dr. Calvin Mackie  
Ms. Mary Matalin  
Mr. Sean Reilly  
Mr. Virgil Robinson  
Mr. Mike Woods

**BOARD MEMBERS PRESENT (cont'd):**

Mr. Chet Morrison  
Mr. David Richard  
Representative Joe Salter  
Mr. John E. Smith  
Mr. Matt Stuller  
Ms. Susan Taylor  
Mr. David Voelker

**STAFF MEMBERS PRESENT:**

Mr. Andy Kopplin, Executive Director	Mr. Wil Jacobs
Mr. Dave Bowman	Ms. Kim Jupiter
Mr. Miles Bruder	Ms. Robin Keegan
Ms. Jessica Dardenne	Mr. Adam Knapp
Ms. JoAnn Early	Ms. Melissa Landry
Ms. Angel Ellis	Mr. Ty Larkins
Mr. Pat Forbes	Ms. Kristen Parnell
Mr. Ramsey Green	Ms. Christina Stephens
Mr. Jeff Hebert	Mr. Kris Van Orsdel
Ms. Catherine Heitman	Ms. Natalie Wyeth
Ms. Desirée Honoré	

**V. READING AND APPROVAL OF THE MINUTES OF THE PRECEDING MEETING**

Mr. Leger called for a motion to approve the minutes of the November 6, 2006, meeting.

Mr. Boyle made a motion to adopt the minutes, seconded by Mr. Bollinger. Without objection, the minutes were adopted by a vote of 17 yeas and 0 nays. Voting yeas were Dr. Leger, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**VI. EXECUTIVE REPORTS**

**Chairman of the Board Report**

Mr. Leger recognized Mayor C. Ray Nagin, City of New Orleans, Louisiana, and Mr. Henry Rodriguez, St. Bernard Parish President, St. Bernard, Louisiana, for a brief presentation in lieu of the chairman's report.

Mayor Nagin expressed his appreciation for making a presentation to the board and congratulated Dr. Francis on his award. He stated that recovery efforts had to be accelerated to avoid suffering by citizens. He further stated that the city's plan for recovery was available on the Internet and a unified planning process was agreed upon and should be completed

within a month. He commented that recovery money was not reaching devastated areas in a timely manner and that state and local governments should continue to work closely together to accelerate recovery. He further commented that the Road Home program required improvements and that the process was very slow. He stated that grants were fundamentally inadequate to meet program objectives. He requested urgent action be taken to provide funding into the affected areas for citizens to rebuild.

Mr. Rodriguez agreed with the comments made by Mayor Nagin. He commented that St. Bernard Parish was totally devastated and that 15 months after the storm people were not able to move home. He commented that there were problems with the Coast Guard and Corps of Engineers with cleaning of canals and that communication had not improved. He stated that the parish does not have resources to provide money to rebuild due to the devastation and that FEMA would not reimburse expenses for temporary dwellings. He asked that assistance be provided to resolve the issues facing the parish.

Mr. Leger commented in agreement with the statements. He stated that the LRA was dedicated to provide assistance as quickly as possible. He further commented on issues faced in obtaining federal money.

Ms. Taylor commended the mayor for his leadership and for working with others to solve the problems. She further commented that a gathering of leadership should be formed with media representation to request assistance from the federal government.

Mr. Coulon commented that there was a positive relationship with FEMA regarding reconstruction of the Superdome in New Orleans. He asked how much of the \$900 million in project worksheets had been received.

Mr. Nagin responded that the city has received approximately \$100 million.

Mr. Rodriguez responded that the state delays receipt of the money more than the federal government. He commented that there has to be caution in the process of handling the funds which is understood. He further commented that St. Bernard Parish could not afford basic services and the quality of life has not been restored.

Mr. Coulon stated that there is bureaucracy in obtaining funding on every level.

Mr. Kopplin commented that the LRA was eager to assist the parish with the public assistance process. He provided an explanation of the process and asked that the LRA be notified when requests are received in order to facilitate the process.

Mr. Rodriguez requested that a meeting with Mr. Kopplin to discuss the specific problems experienced by the parish.

Mr. Kopplin agreed to meet to assist with the needs of the parish.

### **Executive Director's Report**

Mr. Kopplin provided a presentation which indicates the funding to local governments for

code enforcement. He also provided an overview of \$3 million in CDBG funding for parish planning capacity building in the 13 impacted parishes. Mr. Kopplin stated that low income housing tax credit awards were granted for 33 mixed income developments that triggered \$455 million in block grants, recommended by the LRA and approved, and would provide for the creation of market rate affordable housing.

## **VII. ALLOCATIONS OF THE SECOND DISASTER CDBG APPROPRIATION**

### **A. Consideration for final approval of a resolution on an Action Plan regarding the allocation of the second CDBG appropriation of \$4.2 billion**

#### **B. Public comments**

Mr. Leger recognized Mr. Kopplin for presentation of the resolution on an Action Plan regarding the allocation of the second CDBG appropriation of \$4.2 billion.

Mr. Kopplin stated that the resolution was approved at the last board meeting and that there were no public comments for consideration. He further stated that the purpose of the resolution was for administrative and technical reasons to comply with HUD requirements.

Mr. Boyle offered a motion, seconded by Mr. Smith, to adopt the resolution.

Mr. Leger asked if there was further discussion or questions.

There were no public comments.

Motion was made to call the question. The motion was adopted by a vote of 18 yeas and 0 nays. Voting yea were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Voting proceeded on the motion offered by Mr. Boyle, seconded by Mr. Smith, to adopt the resolution as follows:

**The Louisiana Recovery Authority Board approved and recommends to the Governor and the Louisiana Legislature for approval of the second Action Plan for the Use of Disaster Recovery Community Development Block Grant Funds, which directs the use of \$4.2 billion. The Action Plan allocates funds between the first and the second appropriations of disaster CDBG funds and describes the measures that will be followed to meet federal statutory requirements, including the requirements for serving Low to Moderate Income families.**

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**THEREFORE BE IT RESOLVED THAT, the Louisiana Recovery Authority Board does hereby approve the second Action Plan for the Use of Disaster Recovery Funds and recommends the second Action Plan to the Governor and Louisiana Legislature for their approval.**

The motion was adopted by a vote of 18 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

## **VIII. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS**

### **A. Infrastructure Task Force**

#### **i. Discussion, public comment, and consideration of preliminary approval of a program for funding FEMA-ineligible costs for state buildings repairs**

Mr. Leger recognized Mr. Landry for the Infrastructure Task Force report.

Mr. Landry invited Mr. Jerry Jones, Director, Office of Facility Planning and Control, Division of Administration, Baton Rouge, Louisiana, to make a presentation. Mr. Landry stated that an additional \$135 million of CDBG funding for the State Building Infrastructure Program was being requested by the resolution, which would increase funding for the program from \$142.5 million to \$277.5 million to cover the estimated cost of performing FEMA-ineligible repairs to state buildings due to storm-related damage.

Mr. Jones stated that there were more than 2,100 buildings damaged and that there were various costs associated with state infrastructure. He further stated that repair estimates had not changed but the amount that FEMA would fund would not cover the cost of repairs. He explained that there were additional damages that FEMA would not cover and that the repair estimates had not changed. He further explained that certain maintenance and repairs to restore the facilities required repair beyond the hurricane damage. Mr. Jones stated that there would be FEMA-ineligible costs on every building that was damaged.

Mr. Landry offered a motion, seconded by Ms. Holt, to adopt the resolution.

Mr. Leger asked if there was further discussion or questions.

Motion was made to call the question. The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Voting proceeded on the motion offered by Mr. Landry, seconded by Ms. Holt, to adopt the resolution as follows:

**The LRA Board recommends the development and publication for public comment of an Action Plan Amendment allocating up to an additional \$135 million of Community Development Block Grant (CDBG) funds to the State Building Infrastructure Program, increasing the funding for this program from \$142.5 million to \$277.5 million to cover the estimated cost of performing FEMA-ineligible repairs to state buildings due to storm-related damage. Upon final approval of this Action Plan Amendment by the LRA**

Board at a subsequent meeting, it would be forwarded for approval to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development.

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**THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board hereby directs LRA and OCD staff to develop and publish for public comment an Action Plan Amendment for the allocation of up to an additional \$135 million of Community Development Block Grant (CDBG) funds to the State Building Infrastructure Program, increasing the available funding from \$142.5 million to \$277.5 million, to cover the estimated cost of performing FEMA-ineligible repairs to state buildings due to storm-related damage, and to make expenditures of CDBG funds for FEMA-ineligible repairs allowed as an eligible activity under the State Building Infrastructure Program. After final approval of this Action Plan Amendment by the LRA at a subsequent board meeting, it would be forwarded to the Governor and Louisiana Legislature for their approval, before submission to the federal Department of Housing and Urban Development (HUD).**

The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**ii. Discussion, public comment, and consideration of preliminary approval of a program for funding FEMA match costs for private K-12 schools and private universities**

Mr. Landry requested that Mr. Pat Forbes, LRA Coastal and Infrastructure Policy Director, provide an overview of the program for funding FEMA match costs for private K-12 schools and private universities.

Mr. Forbes stated that many private non-profit entities are eligible for FEMA Public Assistance Grants. He explained that the resolution recommended funding the 10% non-federal match of FEMA Public Assistance grants for FEMA-eligible, private, non-profit schools (K-12), colleges, and universities that were damaged by Hurricanes Katrina and Rita. He further stated that the allocation was up to \$40 million.

Ms. Boyle asked if certain universities were included.

Mr. Forbes responded that the 10% match would be covered and clarified that FEMA-ineligible expenses would not be covered.

Ms. Fraiche commented that many activities are not eligible for CDBG funding and asked if religious affiliations made the schools ineligible to receive funding.

Mr. Forbes responded that eligibility was based on a pro-rata system on the amount of time a facility is used for religious instruction.

Ms. Fraiche clarified that CDBG money could be used for the 10% FEMA match for religious based institutions.

Mr. Forbes responded affirmatively.

Mr. Voelker asked if all private schools were included.

Mr. Forbes responded that any school eligible for FEMA Public Assistance would be eligible for the match funding.

Senator Bajoie asked if other qualifications were needed to meet the criteria.

Mr. Forbes responded that income was not considered criteria to meet qualifications for funding.

Senator Bajoie commented that many parochial schools were open to receive additional students. She asked if schools that did not open for additional students would be eligible for the assistance.

Mr. Forbes responded that opening admission to additional students was not part of the criteria.

Senator Bajoie asked if non-discriminatory guidelines had to be met.

Mr. Forbes responded that he did not know if non-discriminatory guidelines were part of the criteria.

Senator Bajoie asked for that information to be provided to her.

A discussion ensued relative to an article printed in the Times-Picayune regarding the Archdiocese of New Orleans pressuring the LRA to consider the grant for private schools.

Mr. Landry commented that the Archdiocese had apologized for the comments in the newspaper and that a correction in the paper was printed the next day.

Mr. Forbes stated that the resolution had not been on a prior agenda of the board.

Ms. Holt asked if there was recourse on action taken if concerns expressed are not proven to be satisfactory.

Mr. Forbes responded that action taken would be preliminary and that final approval would be given at the next meeting of the board.

Mr. Leger commented that action taken by the board had to obtain approval from the governor and the legislature. He further commented that the resolution directed an action plan to be developed.

Mr. Leger opened the floor to public comments.

Reverend William Maestri, Superintendent of Catholic schools in the New Orleans area, commented that he was not responsible for the article in the newspaper. He expressed his appreciation for addressing the board and requested favorable consideration of the request for funding assistance.

Ms. Johnson expressed her support for the resolution.

Mr. Voelker expressed his support for the resolution and offered a motion to call the question.

The motion to call the question was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Ms. Johnson offered a motion, seconded by Mr. Voelker, to adopt the resolution as follows:

**To request the Louisiana Recovery Authority Board to develop and publish for public comment an Action Plan Amendment allocating up to \$40 million of Community Development Block Grant (CDBG) funds to FEMA-eligible, private, non-profit schools (K-12), colleges, and universities to cover the 10% non-federal match of FEMA Public Assistance (PA) grants for the aforementioned schools in the State of Louisiana which were damaged by Hurricanes Katrina and Rita. Upon final approval of this Action Plan Amendment by the LRA board at a subsequent meeting, it would be forwarded for approval to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development.**

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**THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby direct LRA and OCD staff to develop and publish for public comment an Action Plan for the allocation of up to \$40 million of Community Development Block Grant (CDBG) funds to FEMA-eligible, private, non-profit schools (K-12), colleges, and universities to cover the 10% non-federal match of FEMA PA grants for the aforementioned schools in the State of Louisiana which were damaged by Hurricanes Katrina and Rita. Upon final approval of this Action Plan Amendment by the LRA board at a subsequent meeting, it would be forwarded for approval to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development.**

**BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby recommend that this Action Plan Amendment must require expenditures from the Private Non-Profit Infrastructure Program to meet the following guidelines:**

- 1. Funding is provided as a match for FEMA Public Assistance grants only;**
- 2. That the funding to be provided is for cases of critical needs. (To be determined by the State);**
- 3. That the funding be provided to schools and universities in parishes that have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;**

4. That the funding be provided to schools and universities in parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
5. That the projects receiving funding follow the best design for delivery of services in light of the population shifts and changed circumstances of many Louisiana communities;
6. That a project demonstrate that it is the most efficient and cost effective way to rebuild the infrastructure, or that the applicant has considered alternate methods of rebuilding to achieve the greatest efficiency of the infrastructure to serve the local as well as regional needs of the community as a result of the Public Assistance repairs or reconstruction; and
7. That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**iii. Discussion, public comment, and consideration of preliminary approval of a program for funding of the Medical Center of Louisiana – New Orleans**

Mr. Landry requested that Mr. Miles Bruder, LRA Healthcare and Insurance Policy Director, provide an overview of the program for funding the Medical Center of Louisiana in New Orleans. Mr. Landry stated that the resolution recommended an Action Plan to allocate \$74 million in CDBG funding to the Division of Administration for the Medical Center of Louisiana. He further stated that there has been concern for the inclusion of healthcare reform analysis in the resolution and that consideration be made during the process of approving the resolution.

Ms. Boyle offered a motion, seconded by Ms. Fraiche, to adopt the resolution.

Mr. Bruder stated that the following individuals were present to discuss the status of the new facility: Mr. Jerry Jones, Director, Office of Facility Planning and Control, Division of Administration; Dr. Fred Cerise, Secretary, Department of Health and Hospitals, and Dr. Williams Jenkins, President, Louisiana State University System.

Ms. Boyle stated that, as chairperson of the healthcare committee, discussions and meetings were held to create the resolution to provide the \$74 million funding to LSU and to make sure that there were no problems with the collaborative. She further stated that a preliminary business plan was submitted and consideration would have to be made relative to the redesign of healthcare. She commented that her primary concern was to ensure that the initial funding would be approved to move forward with land acquisition.

Senator Hines stated that Dr. Jenkins had comments to present to the board.

Dr. Jenkins expressed his appreciation for the work toward providing healthcare to citizens. He stated that decisions on data and findings would have to be adjusted accordingly dependent on consultants' further analysis. He further stated that a remarkable facility can be produced for the region and citizens.

Ms. Fraiche thanked Dr. Jenkins for his time and explanation of complex issues. She stated that the consultants report did not include in the redesign how the numbers were calculated to support the amount which led to confusion. She stated that there was a commitment with regard to redesign concepts and that the size could change. She asked about the responsibility of the facility to cover the entire need for healthcare.

Dr. Jenkins commented that LSU was committed to healthcare for the insured and uninsured. He stated that the hospital would not be a traditional charity hospital but an academic medical center with systems and programs in place. He further stated that 350 beds was a starting point with regard to size. He commented that specific services may be added to the design and that he did not know what additional services may be required. He requested that Mr. Jones assist with a response.

Mr. Jones provided information on the creation of the business plan and contract. He stated that the size of the hospital had to be decided upon based on fact and not preconceived notions. He further stated that to assume that a conclusion has been reached would be false. He explained that an analysis was done on a projected bed count need. He further explained that the new collaborative must be taken into consideration and a business plan based on sound facts had to be presented. He commented that more clarification was needed regarding what the collaborative was proposing. He stated that the facility would cost more than \$300 million and that facts would be provided as such becomes available. Mr. Jones further stated that the right size hospital must be built to meet the needs of the citizens and the region and that determination could not be made at this time.

Ms. Boyle commented in agreement with Mr. Jones' statements. She stated that the business plan was preliminary and that as analysis was continued more information would be provided throughout the allocation process.

Dr. Jenkins commented that the facility would be in place in the next eight to ten years and would be operable for the next 50 years. He further commented that no one would know what would be needed at that time.

Mr. Landry asked Mr. Jones to ask the consultants to include those concerns in the redesign.

Dr. Jenkins commented regarding the time sensitivity of the issue.

Senator Hines offered an amendment to the resolution, which would allow the strategic plan and the feasibility study to be part of a work in progress rather than a barricade to the building of a new academic medical hospital in conjunction with the V.A. medical center. He commented that a clear message would be sent that the money was available to move forward with the hospital.

Senator Hines offered a motion to adopt the amendment, seconded by Mr. Landry.

Ms. Fraiche commented that the amendment would weaken the position of the LRA regarding the unanimous healthcare collaborative.

Senator Hines responded that the collaborative redesign is a very complicated, lengthy expensive process that neither the state nor the federal government has agreed upon and may be years before an agreement is met. He stated that the amendment still takes into consideration the redesign and sends a clearer message to V.A. that we want to do business with them and requests support for the amendment.

Mr. Coulon commented in support of the amendment.

Mr. Leger asked if the date requirement could be met in terms of conditions of the contract.

Mr. Jones responded that the date could be made provided clarifications are made regarding the impact on the design with respect to the collaborative proposal. He commented that Senator Hines was correct. He stated that there are hundreds of models and clarification was needed as to what model would be used.

Ms. Fraiche asked Dr. Hollier to speak regarding the collaborative recommendations if adopted and how those recommendations would improve the financial situation of an academic healthcare center moving forward.

Dr. Larry H. Hollier, Chancellor of LSU Health Sciences Center at New Orleans and Dean of the School of Medicine, New Orleans, Louisiana, commented regarding opposition to a charity model. He further commented that there was a concern regarding partial funding and the V.A. moving the facility to another location. He recommended that the amendment be adopted.

Ms. Boyle asked if adding language stating that LSU commits to the strategic plan and financial analysis would clarify the resolution and intent.

Dr. Hollier expressed his concern that the V.A. may question if the remainder of the \$300 million was contingent on someone approving the plan.

Ms. Boyle commented that the V.A. has stated that there was a commitment to be in New Orleans.

Mr. Voelker commented that if there is not a commitment to work with LSU, there would not be a V.A. in New Orleans. He stated that he was not clear that the group was sending the message of changing the delivery of healthcare. He expressed his concern regarding statements made toward development of a business plan.

Dr. Hollier commented that there was a meeting with the V.A. to make clear the intention of the V.A. to build the hospital. He stated that the V.A. would be in New Orleans if LSU would work with them. He further stated that the message was clear that if LSU did not have the commitment to build and have funding that they would go elsewhere.

Ms. Boyle stated that her understanding was that LSU needed the commitment on the \$74 million. She further stated that a commitment was made but the process would proceed in phases. She asked if the resolution should simply incorporate Senator Hines amendment and that would take care of the issues or if another amendment was necessary regarding the \$300 million.

Dr. Hollier responded that he was simply asking for support of Senator Hines amendment.

Mr. Kopplin requested a moment to recognize the hosts of the meeting, Dr. Walter Bumphus and Dr. Joe May, Louisiana Community and Technical College System.

Senator Bajoie commented in support of the amendment and the collaborative. She stated that the amendment removes uncertainty of the commitment.

Ms. Holt commented that a statement should be added that LSU and the LRA commit to the project without conditions.

Senator Hines asked that Ms. Holt restate the language of the amendment.

Ms. Holt stated that the amendment would incorporate language for commitment of the money and specifies the LSU commitment.

Senator Hines withdrew the amendment and resubmitted the amendment as stated by Ms. Holt.

Mr. Kopplin stated that the amendment should include the Division of Administration in the language.

Voting proceeded on the motion to adopt the amendment offered by Senator Hines, seconded by Mr. Landry. The amendment was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Senator Bajoie offered an amendment, seconded by Mr. Voelker, which would reduce the quote inserted in the language of the amendment.

The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Dr. Jenkins expressed his appreciation for the approval of the resolution.

Mr. John Kennedy, State Treasurer, Louisiana Department of the Treasury, Baton Rouge, Louisiana, testified in regard to the medical center. Mr. Kennedy stated that the services of an out of state, independent health care expert should be retained to review the entire process of

building a medical center. He commented that the business plan was not consistent with healthcare reform in Louisiana. He further commented that his statements were not made in opposition to the project and that prior to selling millions of dollars of bonds there should be a rational discussion of how to proceed on the project.

Mr. Leger thanked the treasurer for his comments and stated that the task force committees had worked hard to review alternatives.

Mr. Kennedy commented that the right approach may be in the submitted plan. He suggested that alternative plans be reviewed before spending taxpayer's money.

Mr. Landry stated that there had been many discussions about those concerns and several alternatives had been reviewed over the past several months. He further stated that the concern of the treasurer was appreciated.

Motion was made to call the question. The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Voting proceeded on the motion by Ms. Boyle, seconded by Ms. Fraiche, to adopt the resolution, as amended, as follows:

**The Louisiana Recovery Authority Board recommends to the Governor and the Louisiana Legislature an Action Plan to allocate \$74 million in Community Development Block Grants (CDBG) to the Division of Administration for the purpose of land acquisition and architecture and engineering design work for the new Medical Center of Louisiana – New Orleans (MCLNO), and stating the LRA's intention to recommend to the Governor and the Louisiana Legislature at a future date an Action Plan Amendment that would allocate an additional \$226 million to the Division of Administration for the construction of the new MCLNO upon satisfactory completion of additional strategic planning and financial analysis by Louisiana State University Health Care Services Division and the Division of Administration that is satisfactory to the LRA, Governor, and Louisiana Legislature, including feasibility of the facility within the proposed redesigned healthcare delivery system.**

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**THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby continue to support the health care reform proposal unanimously approved by the Louisiana Health Care Redesign Collaborative, the successful implementation of which calls for the redistribution of public health care financing among a broad range of providers, both public and private, requiring MCLNO to discontinue its reliance on annual public financial support by diversifying its sources of revenue.**

**THEREFORE BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board will not support a business plan which does not consider the proposed redesigned health care delivery and financing system unanimously approved by the Collaborative,**

and thus expressly rejects the proposed size and scope of services for the new MCLNO reflected in the preliminary business plan dated November 30, 2006, completed by Adams Management Services Corporation and Phase 2 Consulting, which does not recognize the proposed redesigned health care framework.

**THEREFORE BE IT FURTHER RESOLVED**, that the Louisiana Recovery Authority Board does recognize that the new Medical Center of Louisiana – New Orleans is essential as an academic medical center for the delivery of three critical services by Louisiana State University in the Greater New Orleans region, including:

- (1) *Health Professions Education*, including operation of the medical school and graduate medical education programs, school of allied health, school of nursing and school of public health;
- (2) *Biomedical Health Sciences Research and Development*, an emerging research alliance and economic sector for which LSU serves, along with Tulane and Xavier Universities, as the foundation; and
- (3) *Health Care Delivery*, which will continue to be provided to the entire community by the LSU Health Care Services Division through new centers of excellence in MCLNO and an expanded network of primary care facilities throughout the region, in accordance with the recommendations of the Louisiana Health Care Redesign Collaborative.

**THEREFORE BE IT FURTHER RESOLVED**, that the Louisiana Recovery Authority Board does hereby recommend the allocation of \$74 million in Community Development Block Grants to the Division of Administration for the purpose of land acquisition and architecture and engineering design work for the new Medical Center of Louisiana – New Orleans, in order to promote the parallel design and construction of, and sharing of services between, the academic medical center and the planned Veterans Administration medical center, and, in accordance with this allocation, does hereby authorize the Office of Community Development in conjunction with Louisiana Recovery Authority staff to publish a CDBG Action Plan Amendment for public comment, and, upon the Louisiana Recovery Authority Board's final approval, recommend such Action Plan Amendment to the Governor and the Louisiana Legislature for submission to the United States Department of Housing and Urban Development for approval, given that the following will occur:

- (1) The Chancellor of the LSU Health Sciences Center and the CEO of the LSU Health Care Services Division complete the development of a strategic plan whose objective includes the physical, operational, and financial integration of HCSD facilities in Greater New Orleans, including the new academic medical center, into the proposed redesigned health care delivery and financing system, and includes strategies for reducing or eliminating the dependence of MCLNO on traditional disproportionate share (DSH) funding support over time in accordance with the health care redesign proposal of the Collaborative; and
- (2) The Division of Administration requires Adams Management Services Corporation and Phase 2 Consulting to complete the necessary financial feasibility studies to include analysis of MCLNO under the proposed redesigned health care system.

**THEREFORE BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does hereby commit to recommending the allocation of an additional \$226 million in Community Development Block Grants to the Division of Administration for the construction of the new MCLNO. LSU and the Division of Administration have committed to the following:**

**(1) LSU Health Care Services Division produces a strategic plan as described above, to be reviewed and approved by the LRA Board.**

**(2) Adams Management Services Corporation and Phase 2 Consulting, provides the LRA Board with a completed financial analysis of the feasibility of MCLNO as an academic medical center within the redesigned health care delivery system as described above, and which calculates the financial benefit of shared services between MCLNO and the VA medical center, to be reviewed and approved by the LRA Board.**

**THEREFORE BE IT FURTHER RESOLVED, that the Louisiana Recovery Authority Board does recognize that costs affiliated with construction of the new MCLNO, inclusive of land acquisition, site development, financing and ancillary service buildings, will exceed available CDBG funds; thus, the allocation and expenditure of any additional CDBG funds beyond land acquisition and architecture, engineering and design shall be contingent upon securing full funding for the project through additional federal and state sources.**

The motion was adopted by a vote of 19 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Senator Hines, Ms. Holt, Ms. Johnson, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**iv. Discussion, public comment, and consideration of preliminary approval of a program for funding of Parish Recovery Planning Projects and an Allocation Formula by Parish**

Mr. Landry provided an overview of the program for funding of Parish Recovery Planning Projects and an allocation formula by parish. Mr. Landry asked that Mr. Pat Forbes and Mr. Dave Bowman, LRA staff, to provide information on the program.

Mr. Forbes stated that the resolution recommended an allocation of \$200 million in CDBG funds to local government entities based on damage estimates and further recommended that communities prioritize their own projects and that projects be funded based on consistency with regional planning efforts and that the prioritization process at the local level demonstrate a broad base support for those projects.

Mr. Coulon questioned whether the process would further extend the amount of time for local governments to receive funding.

Mr. Landry commented that the intent of the resolution was to provide latitude to local entities regarding projects.

Ms. Fraiche commented that meetings were held relative to allocating parish funds to ongoing plans. She stated that the determination was made to allocate on a parish-by-parish basis and asked how regional planning would be affected.

Mr. Forbes stated that the only regional criteria were that the project would not be inconsistent with regional planning.

Mr. Kopplin stated that a revised allocation was distributed. He stated that the formula remained the same. He explained that FEMA had conducted more housing inspections to verify damages and additional project worksheets had been submitted. He further explained that public assistance numbers may change slightly but there should not be a significant change in percentages.

Mr. Richard stated that the resolution requests that the percentage of damages be allocated in the manner described by Mr. Kopplin. He further expressed his support for the resolution.

Mr. Landry offered a motion to adopt the resolution, seconded by Representative Salter.

Ms. Fraiche requested a clarification on the data sets.

Mr. Kopplin responded that there were two separate data sets. The first set contained the formula for allocation which was 1/3 housing damage and 2/3 public infrastructure damage totaling to a percentage. The second set contains a projection of where the money would be spent, excluding the money allocated to Entergy New Orleans. He stated that the second set was a test to determine if the formula was equitable and that the distribution proved to be fair.

Ms. Fraiche asked about the distribution relative to schools.

Mr. Kopplin responded that schools are projected for Orleans Parish on the basis of the damage there and that the resolution only projected allocations for the parishes. He reiterated that the formula was tested based on the reality of the distribution and that the situation would have to be monitored to verify projections. Mr. Kopplin stated that the formulas were shared with the police jury associations and the Louisiana Municipal Association, who have shared with their members. He further stated that there would be time for comment over the next month before final approval.

Motion was made to call the question. The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Voting proceeded on the motion by Mr. Landry, seconded by Representative Salter, to adopt the resolution as follows:

**The LRA Board hereby directs LRA and OCD staff to develop and publish for public comment an Action Plan Amendment for the allocation of \$200 million of CDBG funds for the implementation of long-term community recovery projects in the most heavily affected parishes to address long term community recovery needs, including but not**

limited to the economy, environment, housing stock, public safety, education, health care, and transportation. Upon final approval of this Action Plan Amendment at a subsequent meeting of the LRA, it will be forwarded to the Governor, Louisiana Legislature, and federal Department of Housing and Urban Development for their approval.

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**BE IT FURTHER RESOLVED:** that the Louisiana Recovery Authority Board does hereby recommend that the funding to be provided under this Action Plan Amendment be distributed among the local communities based on a damage estimate formula.

**BE IT FURTHER RESOLVED:** that the Louisiana Recovery Authority Board does hereby recommend that the allocation be made under the following conditions:

- (1) The local communities select and submit projects to the LRA that address their local recovery needs;
- (2) The local project prioritization must include broad-based community participation and approval, as indicated by inclusion in a broadly accepted recovery plan, public meeting and/or input opportunities, Council or Police Jury resolution, or other such mechanism.
- (3) The projects prioritized by the local communities must be consistent with the LRA's priorities and with regional plans, as determined by the LRA.

The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**v. Discussion, public comment, and consideration of preliminary approval of a program for funding for the Fisheries Industry**

Mr. Landry provided an overview of the program for funding for the fisheries industry. He stated that approval would provide \$20 million of CDBG funds to be allocated to help restore the fishing industry, through restoration and improvement of public fisheries-related infrastructure and/or financial aid to members of the fishing industry in areas of the state that were affected by Hurricanes Katrina and Rita.

Mr. Leger stated that the following persons were present for public comments: Ms. Tuyet Duong, representing the Asian American Justice Center, New Orleans, Louisiana; Mr. Harvey Reed, representing the Federation of Southern Cooperatives, New Orleans, Louisiana; Mr. Byron Encalade, representing the Louisiana Oysterman Association, New Orleans, Louisiana; Mr. Harlon Pearce, Chairman, and Mr. Ewell Smith, representing the Louisiana Seafood Board, New Orleans, Louisiana; and Mr. Kevin Belanger, representing Louisiana Planning Districts and the Louisiana Seafood Board, New Orleans, Louisiana.

Ms. Duong commented that language assistance should be provided for Asian American citizens since many were not aware of the Road Home Program.

Mr. Encalade commented that funding provided for the industry was received by a few small groups.

Mr. Reed commented that the hurricanes devastated the fishing industry and there has been no public outreach to the industry. He stated that funding should be allocated to the entire fishing industry. He further stated that fishing boat owners were being given notice that boats were being auctioned and that pleasure boats were not being auctioned.

Ms. Boyle asked who was issuing notices to fisherman to remove their boats.

Mr. Reed responded that the Department of Environmental Quality had issued notices.

Ms. Boyle asked about the rationale of boats being removed.

Mr. Reed responded that the notices were issued to move the boats to a staging area. He explained that notices were advertised in the newspaper, in small print embedded inside the back of the paper. He stated that the cost was from \$5,000 to \$8,000 to get a boat out of the storage area. He explained that a contractor was paid to remove the boat and that the owners were charged to remove the boat from the staging area.

Mr. Leger requested that Mr. Pat Forbes of the LRA staff meet with Mr. Reed to identify the problems being experienced in an effort to solve those problems with the resolution.

Mr. Landry commented that he had received an email indicating a website where the boats could be purchased. He stated that an investigation should be made to determine if the department was treating fisherman equally.

Mr. Reed commented that the proposal indicates that planning districts should handle the funds. He stated that planning districts do not have the experience to handle the funds. He further stated that the funding should be handled by a private contractor that understands the needs of the fishing industry.

Mr. Leger asked that comments be interrupted, since there was no opposition to the resolution, in order to complete voting since several board members had to leave due to legislative session. He invited those present to continue their comments at a later point in the meeting.

Motion was made to call the question. The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Voting proceeded on the motion by Mr. Landry, seconded by Representative Salter, to adopt the resolution as follows:

**The Louisiana Recovery Authority Board recommends allocating up to \$20 million of Community Development Block Grant (CDBG) funds to help restore the fishing industry, through restoration and improvement of public fisheries-related**

**infrastructure and/or financial aid to members of the fishing industry, in areas of the state that were affected by Hurricanes Katrina and Rita. Upon development of an acceptable program for aid to the fisheries industry, the LRA board at a subsequent meeting would approve a draft Action Plan Amendment defining how those funds will be applied.**

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**THEREFORE BE IT RESOLVED: that the Louisiana Recovery Authority Board does hereby recommend an allocation of up to \$20 million of Community Development Block Grant (CDBG) funds to spur the recovery of Louisiana's fishing industry, contingent on development of a program for distribution of these funds that has the greatest positive impact on the long-term viability of the industry. Upon receipt of this program, the LRA board, at a subsequent meeting, will consider approval of an Action Plan Amendment for such expenditures. After final approval of this Action Plan Amendment by the LRA at a subsequent board meeting, it would be forwarded to the Governor and Louisiana Legislature for their approval, before submission to the federal Department of Housing and Urban Development (HUD).**

The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

**B. Economic and Workforce Development Task Force**

- i. Discussion, public comment, and consideration for final approval of Action Plan Amendment #8 for the Small Firm Loan Grant Program**
- ii. Public comments**

Mr. Stuller requested that a resolution for an Action Plan Amendment be approved, which would reallocate \$105 million in CDBG funds in the loan program to create a Small Firm Loan Grant Program. He stated that the allocation would be crucial to recovery to small businesses that have suffered dramatically.

Mr. Kopplin stated that the Action Plan already existed and public comments had been received. He further stated that funding amounts and program rules would be changed. Mr. Kopplin explained that with approval, the Action Plan Amendment would be sent to the Governor and the Legislature for approval. He stated that the Legislature would approve the amendment either by a House Concurrent Resolution, which had been introduced by Representative Salter, or through mail ballot. He introduced the administrator of the programs, Mr. Michael Hect, with the Louisiana Department of Economic Development. He commented that Mr. Hect had been working with the LRA staff and Mr. Stuller on programmatic implementation.

Representative Dorsey offered an amendment to the business eligibility section of the Proposed Action Plan Amendment, which would: extend eligibility to those businesses with more than 50 employees, but with individual business locations with less than 50 employees, under special circumstances on a case-by-case basis; provide that decisions would be made by

Louisiana Economic Development based on: demonstrated success of business pre-storm, including revenue and employment base, demonstrated viability of business with SFLG assistance, including availability of sufficient total financing and viable market, and expected contribution to the economy of Louisiana going forward; and provide that total loan proceeds per business may not exceed \$250,000.

Ms. Keegan explained the placement of the amendment.

Mr. Kopplin commented that the amendment would be to the actual Proposed Action Plan Amendment and not to the resolution.

Representative Dorsey made a motion to adopt the amendment, seconded by Representative Salter.

Representative Dorsey stated that the amendment would capture mid-size businesses that are struggling in the state.

Mr. Kopplin commented that there are certain situations where other programs for assistance do not work for a business. He stated that the amendment would provide an exception for special circumstances and would not be an automatic provision for assistance.

Ms. Holt asked if there was a limit to the number of employees.

Representative Dorsey responded that there was a limit of 50 employees per location.

Ms. Holt stated that the originally the program would assist those businesses with 50 employees or less.

Ms. Keegan responded that the amendment used the Small Business Administration's definition of a small business. She explained that the program would assist businesses on a special case-by-case basis based on a location that has less than 50 employees.

Mr. Landry requested clarification from a previous discussion.

Ms. Keegan responded that program details were being modified and input was encouraged to make sure the needs of the businesses most damaged in the area are being met. She stated that the program to be voted on does not have geographic eligibility requirements.

Mr. Landry stated that there was an article in the newspaper that referred to assistance based on specific parishes and zip codes and that many small businesses in rural areas did not have zip codes. He further stated that some businesses that were totally destroyed have recovered and are doing well yet still need to capture their loss.

Voting proceeded on the motion by Representative Dorsey, seconded by Representative Salter to adopt the amendment proposed by Representative Dorsey. Without objection, the amendment was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey,

Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Motion was made to call the question. The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Mr. Smith made a motion, seconded by Representative Dorsey, to adopt the resolution as follows:

**The LRA Board approves and recommends to the Governor and the Louisiana Legislature for approval of Action Plan Amendment No. 8 to reallocate \$105 million of CDBG funds from the two disaster recovery loan programs, the Bridge Loan Program and the Long Term Recovery Loan Guarantee Program, to the Small Firm Loan and Grant Program. The amendment will increase the amount of funding available to the Small Firm Loan and Grant Program from \$38 million to \$143 million, broaden eligibility requirements for both the Small Firm Loan and Grant Program and the Long Term Recovery Loan Guarantee Program, and reduce the restrictions placed on the use of funds received from the Small Firm Loan and Grant Program in relation to the types of losses sustained by the businesses.**

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**THEREFORE BE IT RESOLVED, that the LRA Board does hereby approve Action Plan Amendment No. 8 to create a pilot grant program under the previously created Small Firm Loan and Grant Program and recommends its approval to the Governor and the Louisiana Legislature. This Amendment:**

- **Reallocates \$105 million of disaster Community Development Block Grant (CDBG) funds from two disaster recovery loan programs, the Bridge Loan Program and the Long Term Recovery Loan Guarantee Program, to the Small Firm Loan and Grant Program, effectively increasing the amount of funding available to the Small Firm Loan and Grant Program from \$38 million to \$143 million.**
- **Modifies the eligibility requirements of the Small Firm Loan and Grant Program to firms with 50 employees or less, including certain single-employee businesses the ability to apply for this program.**
- **Modifies the previous restrictions placed on the use of the funds received from the Small Firm Loan and Grant Program (which required that the grant funds be used for "tangible losses only") to instead incorporate business costs including any or all of the following items depending on the implementation: operating costs such as leases, insurance, debt payment on new equipment, utilities or inventory.**
- **Modifies the eligibility requirements of the Long Term Recovery Loan Guarantee Program to allow businesses with more than 50 employees to be eligible for funding from this program in special circumstances on a case-by-case basis to be determined by the Louisiana Department of Economic Development.**

The motion was adopted by a vote of 17 yeas and 0 nays. Voting yeas were Mr. Leger, Senator Bajoie, Mr. Bollinger, Ms. Boyle, Mr. Coulon, Mr. Davison, Representative Dorsey, Ms. Fraiche, Ms. Holt, Mr. Landry, Mr. Morrison, Mr. Richard, Representative Salter, Mr. Smith, Mr. Stuller, Ms. Taylor, and Mr. Voelker.

Mr. Leger opened the floor to return to public comments.

Mr. Reed continued his comments on financial assistance to fisherman.

Mr. Landry expressed his concern that there may be groups of fisherman that do not have representation.

Ms. Duong responded that there was a Vietnamese union which represents about 1/3 of the Asian fisherman. She stated that representation is problematic.

Mr. Pearce commented that the Seafood Marketing Board continues to work to find sources of money.

Mr. Landry asked if all groups were represented by the board.

Mr. Pearce responded affirmatively.

Mr. Belanger commented that the planning development districts do not have the ability to organize the program. He stated that the planning development district is recognized by the U.S. Department of Commerce as the federal economic development entity in Louisiana. He further stated that loan funds are administered by the district and that the district offers representation of minorities and business communities.

Mr. St. Vincent, representing himself, provided comments through a translator. He explained the plight of his situation wherein his shrimp business suffered a \$200 million loss. He requested assistance in reopening his business.

Ms. Holt asked if there was any involvement with the Seafood Marketing Board.

Mr. St. Vincent responded that he did not know nor had any involvement with the board.

Ms. Holt commented that there was a problem with the board reaching all individuals in the fishing industry.

Mr. Reed commented that there was not enough outreach to individuals to inform fisherman of current events in the industry. He stated that the industry was large and better communication was needed.

Mr. Leger stated that focus should be on building the fishing industry as a modern industry. He reiterated the importance of the seafood industry.

Mr. Voelker expressed his concern about a disparaging comment made toward the LRA that he heard while watching the proceedings of the Louisiana House of Representatives. He

stated that the members of the LRA board have donated time and energy to solve problems of the state using the best efforts available. He further stated that such comments do more harm than good and that he hoped the comment was not intended in a harmful way.

Mr. Leger reiterated the concerns expressed by Mr. Voelker. He stated that there has been hard work by all during the process to rebuild.

## **IX. LUNCH**

*Mr. Leger recessed the meeting at 12:49 p.m. for lunch. He reconvened the meeting at 1:35 p.m.*

## **X. COMMITTEE AND TASK FORCE REPORTS AND DISCUSSIONS (CONT'D)**

### **A. Audit Committee**

- i. Update on audit activities related to federal funds**
- ii. Public comments**

Mr. Leger stated that Mr. Woods was unable to attend the meeting to present the committee report. He further stated that an update would not be provided at this time.

### **B. Coastal Protection Committee**

- i. Update on Coastal Protection and Restoration Authority Preliminary Report**
- ii. Public comments**

Mr. Leger stated that Mr. Cross was also unable to attend the meeting and asked that Mr. Kopplin provide an update on the Coastal Protection Committee.

Mr. Kopplin introduced Ms. Sidney Coffee and Mr. Tanner Johnson, representing the Coastal Protection and Restoration Authority (CPRA), Baton Rouge, Louisiana. He stated that Ms. Coffee is the Executive Assistant to the Governor in the Governor's Office of Coastal Activities and has worked on obtaining federal funding on behalf of state government. He stated that the CPRA report had been received. He further stated that Ms. Coffee has been working with the LRA and the Long Term Planning Committee on planning coastal restoration and hurricane protection projects and on OCS revenue sharing.

Ms. Coffee introduced Mr. Johnson as the Federal and State Legislative Liaison and that he joined the staff one year ago. Ms. Coffee distributed the preliminary draft of the Comprehensive Coastal Protection Master Plan for Louisiana and provided an overview of the preparation of the plan. The plan is attached to these minutes as "Exhibit A".

Mr. Bollinger suggested that the plan be advertised.

Ms. Coffee responded in appreciation of the suggestion. She stated that Congress should look at the state's plan and that help would be needed with that endeavor.

Mr. Smith asked how the CPRA study interfaced with the Corps of Engineers.

Ms. Coffee responded that the two teams have worked remarkably together and that the plan-modeled results were from the corps.

Mr. Bollinger stated that the corps would not consider completing the locks. He asked how that would affect the plan.

Ms. Coffee responded that the corps was constrained by the lack of authorization which makes it imperative that Congress review the plan.

Mr. Coulon stated that the new levee boards are not funded by virtue of their own creation. He asked if work was in progress between the CPRA, the new levee boards, and the corps regarding local levee districts as a sponsoring agency.

Ms. Coffee responded that the transition would be a lot smoother than anticipated.

Mr. Landry asked about applications for the levee board positions.

Ms. Coffee responded that the nominating process was currently ongoing.

Mr. Bollinger commented that there are strict qualifications.

Mr. Landry stated that there were people who really wanted to serve on the boards.

Ms. Coffee stated that Mr. Scott Angelle, Secretary, Department of Natural Resources was in charge of the nomination process and then Mr. Johnny Bradberry, Secretary, Department of Transportation and Development was in charge after the nomination process. She further stated that either person could provide detail on the process. Ms. Coffee provided an overview of the OCS revenue sharing. She stated that the bulk of the money would be received in 2017. She further stated that there would be a challenge to bridge the gap until that time. She stated that, beginning in Fiscal Year 2007, the federal government would share 37.5% of the revenues from Lease Sale 181 and would be shared with Alabama, Mississippi, Texas, and Louisiana. She further stated that in 2016, all of the drawing in the Gulf would be shared.

Mr. Smith asked if new drilling on all existing leases in federal water would be shared.

Mr. Johnson responded that any new leases from the date of enactment would be shared beginning in 2016.

Ms. Coffee stated that the revenue comes directly to the state.

Mr. Johnson commented that there would be some restrictions.

A discussion ensued relative to the use of the revenue.

Mr. Morrison congratulated Ms. Coffee on her work.

**C. Long Term Community Planning Task Force**

- i. Update on the Planning Toolkit and other regional planning activities**
- ii. Public comments**

Mr. Leger recognized Ms. Fraiche for an update from the Long Term Community Planning Task Force.

Ms. Fraiche distributed a booklet, Louisiana Speaks: Planning Toolkit. The booklet is attached to these minutes as "Exhibit B". She stated that the planning toolkit provides information relative to planning, such as code enforcement, architectural patterns, and zoning. She further stated that the publication would be distributed to parishes to facilitate planning in the rebuilding process. Ms. Fraiche introduced Ms. Bobbie Hill, Director of Concordia, L.L.C., which is one of the planning firms responsible for coordination of the planning teams.

Ms. Hill provided an overview of the New Orleans planning process for the city's plan of infrastructure needs. She stated that the process was halfway complete and anticipated that the final draft plan would be available January 13, 2007. She further stated that the preliminary report could be reviewed on the Internet at [www.unifiedneworleansplan.org](http://www.unifiedneworleansplan.org).

Mr. Voelker commended Ms. Hill on putting the information together.

Ms. Fraiche asked Mr. Jeff Hebert, LRA staff, to provide an update on events for public outreach.

Mr. Hebert stated that public outreach for the regional plan would begin January 22 and would last for three weeks. An online poll would also launch on January 22. On January 24, a newspaper insert would be included in every major market that would help readers through the options available. He stated that on January 24, 26, and 28, there would be a one-hour documentary on LPB which would walk viewers through choices. He further stated that polling stations would be available in public libraries across the state and some in out-of-state libraries. He explained that once the vision for south Louisiana was created, final form would be ready in April 2007.

Mr. Leger stated that there were no public comments.

**D. Housing and Community Development Task Force**

- i. Update on Road Home Programs for Homeowners and Renters**
- ii. Public comments**

Mr. Leger provided an overview of the development of the Road Home program and stated that Ms. Susie Elkins, Executive Director, Office of Community and Development (OCD), Division of Administration, and Mr. Mike Byrne, ICF International, would provide an update on the program for homeowners and renters.

Ms. Elkins stated that approval for the compensation program was received October 30, 2006. She explained that HUD rejected the first plan. She stated that OCD's goal was to make sure procurement for a contract would be transparent. There were four proposals for a contractor experienced with operation of these type programs. The decision to hire ICF was unanimous.

Ms. Elkins stated that OCD monitors the ICF contract. She explained that weekly meetings are held and pipeline reports are provided each week. She further explained that there are problems and unique situations. There are six standard meetings held each week to discuss problems. OCD staff, independent auditors, and the Legislative Auditor perform audits on ICF.

Mr. Leger commented that the legislature requested that the contract be made with a company outside of state government.

Ms. Elkins stated that the contract was signed in June. There have been 88,000 applications received and recorded for the program, with 60,000 appointments scheduled and 43,000 appointments completed. More than 10,000 benefit option letters have been mailed and 5,164 letters have been returned with options selected and those applicants can move into the closing stage. Ms. Elkins explained that there were several issues regarding the number of personnel in the call centers and the backlog of applications. Those concerns were addressed. She explained that there was concern regarding the accuracy of information in the letters that were sent to homeowners. She stated that problems with policy and procedure were expected and changes had to be made. Those changes caused confusion and letters had to be reissued. There was also concern for an applicant's length of time for a closing once a selection had been made.

Mr. Coulon asked about the length of time for a closing.

Ms. Elkins responded that the amount of time was 10 to 18 days.

Mr. Coulon stated that there were persons who reported that the length of time was four months for a closing.

Ms. Elkins reiterated that there were problems and that there were enough employees to process 500 closings per day. She stated that the biggest problem to date was determination of pre-storm value. If a homeowner had an appraisal within five years of the year 2000, the appraisal would be accepted as the pre-storm value. The original policy varied from that acceptable date and all applications previously reviewed had to be reconsidered. Every time there is a policy change, there has to be a review of prior applications. During the pilot program, there were 2000 applications that had to be recalculated. She stated that the issues regarding pre-storm value were worked on all week. Regarding monitoring, Ms. Elkins stated that if the deliverable was not acceptable then approval would not be given and payment would not be made.

Mr. Voelker expressed his appreciation for Ms. Elkins work with the program. He asked what could be done to improve the program and ensure that award amounts were accurate and quickly distributed.

Ms. Holt asked whether an award of \$150,000 was possible to be received by an applicant as advertised by the program.

Mr. Leger commented that there were several people that have received an award of \$150,000. He stated that the average award was \$78,000. He further stated that he had heard

from many citizens and groups and had seen dozens of award letters.

Mr. Voelker expressed his concern that the work be completed quickly and efficiently and that citizens are treated fairly.

Mr. Byrne expressed the same concerns. He stated that the project started with ten people and that there are now 1,900 people working on the project. He stated that his presentation should cover a broad spectrum of concerns.

Ms. Holt stated that during a visit to the center in New Orleans she witnessed fair and courteous treatment of applicants.

Mr. Byrne thanked Ms. Holt for her comments. He stated that the ICF had been criticized for being an out-of-state company but the majority of the people working in the centers were from the storm-affected areas. The presentation made by Mr. Byrne is attached to these minutes as "Exhibit C". Mr. Byrne stated that there has been much learned from the issue of pre-storm value. There have been 10,000 award letters mailed and 5,000 of those applicants are content and proceeding to closing. Of the 2,000 requests to the resolution team, 1,000 issues have been resolved. There was more work to be done regarding the challenges of calculating pre-storm value of homes. Data sources have been added to obtain information for appraisals. Information has been shared with Fannie Mae and other companies and lenders are being worked with to obtain correct data. Mr. Byrne stated that work was being done with realtors in New Orleans to access their appraisal database. Staff had been added to the call center to facilitate questions. Concerns are captured and shared among staff. The appointment process has been modified to reduce the amount of time per appointment.

Mr. Voelker asked how many people were handling appointments.

Mr. Byrne responded that there were approximately 400 housing assistance counselors to handle appointments. He stated that there was the capacity to complete 6,000 appointments per week. There are between 300-500 appointments that are not kept. Hours of operation of the centers have been adjusted to accommodate appointments. Steps in the process are continually reviewed for improvement and to reduce the amount of time to process applications. Mobile teams are being added to assist the call centers. The program should benefit more than 100,000 families. He stated that 78% of the families plan to rebuild their homes. Louisiana subcontractors and vendors are being used.

Ms. Taylor asked about advertisement of the program in other states.

Mr. Byrne responded that there is a center open in Houston and that one segment of media advertisement has been completed. There are plans to produce a second media segment.

Mr. Leger commented about issues with federal regulations and bureaucracy.

Ms. Elkins reiterated that the issues regarding federal regulations have been cumbersome and explained several problems encountered.

Mr. Leger stated that one problem was the failure of insurance companies verifying insurance

data information which is a requirement of HUD regulations.

Ms. Elkins stated that certain companies have many policies with Louisiana residents.

Mr. Byrne stated that the insurance industry is willing to work on this issue but those companies have policy issues to work through including privacy issues.

Ms. Elkins stated that one policy change that was made was to require an affidavit from the homeowner.

Mr. Byrne commented that streamlining certain areas would improve the process. He continued his presentation stating that 84% of the employees were from Louisiana and that he expected that percentage to increase. He further stated that 99% of the employees at the housing assistance centers were from Louisiana.

Mr. Coulon stated that there have only been 85 checks issued.

Mr. Byrne stated that the history of the program presented a challenge particularly in the verification stage.

Ms. Holt asked about the amount of time to be expected from the transfer for closing and an applicant receiving a check.

Mr. Byrne responded that the process would take two weeks provided there are no problems with the title.

Mr. Leger asked about the capacity to complete closings.

Mr. Byrne responded that there was the ability to complete 100 closings per day at this time and that by January 2007, 500 closings per day could be completed provided those appointments are filled.

Mr. Leger commented that 5,000 applicants that have accepted should be ready to close.

Mr. Voelker asked about the percentage of applicants that receive the wrong amount in the award letter.

Mr. Byrne responded that approximately 10% of the applicants receive an incorrect award letter. He stated that some of those inaccuracies are easily resolved and approximately 5% require the resolution process.

Mr. Leger stated that the biggest concern expressed from citizens is a fundamental problem with pre-storm values. He further stated that the replacement cost calculation was based on 100% damage when the real replacement cost may be 51%. He stated that HUD regulations required the pre-storm value calculation which caused confusion. He commented that the calculation was irrelevant without an accurate pre-storm value.

Mr. Voelker asked whether the applications would have to be recalculated due to the issue of

pre-storm value.

Mr. Byrne responded that there are certain applications that would have to be recalculated.

Mr. Voelker asked if the level of progress made to change and adjust the system was satisfactory.

Ms. Elkins responded affirmatively.

Mr. Coulon stated that the state was responsible and citizens expect delivery of this product.

Ms. Elkins expressed her commitment to the program and stated that her staff was also committed. She further stated that the work could not be completed any faster than the way the work was currently being handled.

Mr. Voelker asked whether there were enough resources to provide the services required by the program.

Ms. Elkins responded that there was an ample amount of personnel and that the people hired had extensive experience with block grant and housing programs.

Ms. Fraiche asked about the appeal process. She stated that once an applicant receives an award letter and want to appeal, the appeal is taken by a resolution group. She asked if the situations were handled orally through a phone conversation and also asked if there was a formal appeal process if someone was not satisfied with the resolution process.

Mr. Byrne asked the leader of the homeowner program, Mr. Fred Tombar, to respond to the question.

Mr. Tombar stated that people are encouraged to call and talk to resolution team to request a formal review. He stated that thousands of those calls have been received and that some of the issues are quickly resolved. Documentation is made of the reason a review is requested, the problem is researched, any errors are corrected, and the person is contacted. He further stated that there was a process for a formal appeal which is explained to the person after the informal review. Mr. Tombar stated that there was a documented appeals process that has been approved.

Ms. Fraiche stated that the appeal process must have a time period in which the appeal must be filed in writing and acted upon in writing.

Mr. Tombar responded that there was a time period for the appeal process.

Ms. Fraiche asked whether the process could be expedited by going directly to the appeal process.

Mr. Tombar responded that issues are handled in an expedited manner and that those persons filing an appeal would be handled in the same manner.

Mr. Leger commented that the biggest problem so far was communication. He stated that there was as much misinformation provided as there were errors. He further stated that the LRA, OCD, and the state have committed total transparency and that people want to know how their property was valued. He reiterated that the focus should be to provide accurate information.

Mr. Landry asked about an error in a calculated benefit letter.

Mr. Byrne responded that there have been a few of those letters identified and that part of the problem was with the multiplier to a square footage value when the damage was more than 50%. He stated that he would look into the issue.

Mr. Tombar stated that the LRA designed the program to be generous to the people who had substantial damage. He explained the method of calculating the pre-storm value. He stated that the pre-storm value with the square footage multiplier could result in an amount that would be higher than expected.

Mr. Landry stated that he thought the calculation used was \$130 multiplied by the square foot for the pre-storm value.

Ms. Elkins responded that the pre-storm value was not calculated using those factors.

Mr. Tombar stated that the cost to rebuild a home is not \$130 per square foot in every area of the state. He further stated that the cost was cheaper to rebuild rather than repair a home and that people were encouraged to rebuild rather than repair to avoid debt.

Ms. Elkins commented that many problems are communication issues. She stated that the formula allows for total damage if repairs are more than 51% but HUD will not allow the state to compensate for something that was not destroyed.

Mr. Leger stated that the LRA wanted a policy to restore to pre-storm value. He further stated that there were problems with HUD requirements, which has presented confusion in the solution.

Ms. Elkins commented that HUD does not allow payment for land.

Mr. Leger stated that the calculation becomes very complicated. He further stated that most cases result a calculation which is more than the pre-storm value of the home.

Mr. Kopplin stated that there is a pre-storm value cap and an affordable loan maximum. He stated that if those amounts are exceeded by the \$130 per square foot calculation, the homeowner would get the maximum amount. He further stated that the reason the calculation was devised to solve the problem with HUD requirements and to give the maximum pre-storm value in every case.

Ms. Elkins stated that there were problems with people understanding hazard mitigation. She further stated that better communication was needed to understand the program.

Mr. Leger asked whether performance indicators were added to the ICF contract, which was a request from Senator Murray.

Ms. Elkins responded that there were deliverables required in the contract.

Mr. Kopplin stated that his understanding of the request referred to having specific things added to the contract to make payment contingent on certain production targets. He further stated that he did not know the particular provisions of performance indicators in the contract.

Mr. Leger asked for further comments.

Ms. Elkins asked about presenting the rental program.

Mr. Kopplin stated that a short briefing was presented earlier in the meeting.

Mr. Kopplin stated that approximately \$450 million worth of block grants were awarded for 33 mixed-income family developments across Louisiana. He commended the efforts of OCD and LFHA.

Mr. Leger opened the floor to public comments.

Ms. Deborah Langhoff, representing District 5 Neighborhood Steering Committee, New Orleans, Louisiana, provided comments relative to spending money in the district on earmarked projects which were already prioritized by the district.

Mr. Leger thanked Ms. Langhoff for her comments and for providing the information.

Ms. Fraiche asked Ms. Langhoff her opinion about the New Orleans Redevelopment Authority (NORA) and the newly constituted NORA.

Ms. Langhoff responded that there has been a tremendous effort to reestablish NORA in a quality way and that there was concern that property was being separated that should not be separated. She stated that many properties were not part of the Road Home process.

Ms. Fraiche thanked Ms. Langhoff for her comments.

Mr. Bob Watkins, representing himself, Baton Rouge, Louisiana, expressed his concerns regarding the errors made in the Road Home Program. He stated that there should be a concerted effort to provide honesty to the public.

Mr. Leger stated that there were no further comments.

## **XI. UNFINISHED BUSINESS**

There was no unfinished business.

**XII. PUBLIC COMMENTS**

There were no other public comments.

**XIII. NEW BUSINESS**

There was no new business.

**XIV. ANNOUNCEMENTS**

There were no announcements.

**XV. ADJOURNMENT**

The meeting was adjourned at 4:00 p.m.

Respectfully submitted,

Andy Kopplin  
Executive Director

/ae

Date approved: \_\_\_\_\_