

RESTORE LOUISIANA TASK FORCE
November 18, 2016
Louisiana State Capitol, House Committee Room 1

Approved

MINUTES

I. CALL TO ORDER

Mr. Jimmy Durbin called the meeting to order at 9:30 AM. The roll was then called.

II. ROLL CALL

TASK FORCE MEMBERS PRESENT:

Mr. Randy Cloutre (ex-officio, non-voting member)
Mr. Roland Dartez
Mr. Jimmy Durbin
Mr. Raymond Jetson
Mr. Adam Knapp
Mayor Dave Norris
Mr. Michael Olivier
Representative J. Rogers Pope
Mayor-President Joel Robideaux
Representative Robert Shadoin
Commissioner Mike Strain

TASK FORCE MEMBERS ABSENT:

Mr. Johnny Bradberry
Mr. Michael Faulk
Mr. John Gallagher
Representative Edward "Ted" James
Senator Dan "Blade" Morrish
Mr. Don Pierson
Mr. Sean Reilly
Dr. James Richardson
Mayor Ollie Tyler
Dr. Shawn Wilson
Ms. Jacqui Vines Wyatt

SUPPORTING STAFF MEMBERS PRESENT:

Patrick Forbes, Executive Director, Office of Community Development
Rowdy Gaudet, Office of Community Development
Lauren Nichols, Office of Community Development
Lori Dupont, Office of Community Development
Kayla Westmoreland, Office of Community Development
Ray Rodriguez, Louisiana Housing Corporation
Dan Rees, Office of Community Development

Ms. Dupont: Sir Chair, 10 voting members are present, 1 non-voting member present, we do not have a quorum.

LET THE RECORD SHOW THE FOLLOWING MEMBERS ARRIVED AFTER THE ROLL CALL:

Ms. Jacqui Vines Wyatt
Representative Edward "Ted" James
Dr. Shawn Wilson
Mr. Johnny Bradberry

IV. CHAIRPERSON OPENING REMARKS

~ **Mr. Jimmy Durbin**

Mr. Durbin: We are told that there will be some additional members joining, I don't know where they are right now but with that issue before us we will move forward skipping item 3 and move to item 4, chairpersons opening remarks. A copy of the resolution passed at our last meeting, the official request to FEMA, and response letters are included in tab three of your binders. If you will go to tab three with me. The first letter is dated November 14th from Alex Amparo, Assistant Administrator Recovery Directorate and it's dealing with the TSA. If you go to page two, third paragraph from the bottom of that letter, starting with the letters FEMA approves the extended period of assistance as requested. The TSA extended period of assistance will end December 17, 2016 and the check-out date no later than December 18, 2016, so that has been approved. Second letter is right behind that one dated November 10, 2016. Mr. Mark Riley. That states that the request has been denied to extend to December 13, 2016. The Small

Business Loan application deadline runs concurrent with FEMA Individual Assistance, which expired November 14, 2016. So that is the update on resolutions. The Stafford Act update is tab four.

**Representative Edward “Ted” James and Ms. Jacqui Vines Wyatt arrived.
Let the record show that we are now at a quorum.**

This is a letter, actually a summary of the August 2016 floods. If you look at the bottom right of that document it says as of November 17, 2016. Mr. Knapp, this is consistent with your request several months back. This gives you an idea of the ongoing cost. The staff item three in my opening remarks is housing programs recommendation. After Mr. Forbes concludes his presentation today on the housing proposal recommendation, we will vote on a resolution to provide our recommendation to Governor Edwards based on the presentation given to us today. The Office of Community Development has held numerous conference calls to discuss, provide and accept input, and answer any questions regarding the recommendation OCD puts forth to us today. As a reminder, the homeowner program information that was provided to us last week is in tab five of your binders. We will have a presentation from the Economic Development RSF group today. We will not vote on a recommendation, but rather use this meeting as an opportunity to get information and ideas, as well as provide our input for a future recommendation. Both renters and small businesses are expected to be included in the assistance that will flow from this first \$438M appropriation. We will finalize those recommendations in future meetings but with our expected recommendation today on the homeowner assistance piece the state's action plan will still be able to proceed forward without delay and we can fill in the specifics on renters and small businesses in coming weeks. We do have a quorum now with Ms. Wyatt, thank you. As we know, as we can see members, quorum is tight, so if you leave the room please recognize that the when you do leave unless somebody else arrives or take your place we lose our quorum, please respect that. Moving back to action, let's go back to the approval of the October 28, 2016 meeting minutes.

III. APPROVAL OF OCTOBER 28, 2016 MEETING MINUTES

Mr. Durbin: Do we have a motion to approve?

Representative Pope: Motioned.

Commissioner Strain: Seconded.

Mr. Durbin: Minutes have been approved and adopted unanimously.

V. GOVERNOR'S OFFICE UPDATE

~ Erin Monroe Wesley, Special Counsel, Policy Director/Legislative Affairs

~ Patrick Forbes, Executive Director, LA Office of Community Development

Mr. Durbin: Moving to item six. Ms. Wesley, are you present to provide the Governor's office update?

Ms. Wesley: Good morning. On behalf of Governor Edwards, we first want to thank you for your work on the task force to return our citizens to their communities and homes as soon as possible. We want to urge again that you stay strong in your mission to continue to draw the momentum of this recovery and to be an independent group that sets priorities for the rebuilding process. Today is a very important step in that process. We are asking you to make specific recommendations on what our initial homeowner rebuilding program will look like and who specifically that program can assist with our first appropriation of \$438M as a state and the governor leadership. We have moved at an expedited urgent pace in bringing home recovery assistance. We received this initial appropriation of \$438M just two months after the historic August flood. As a comparison, the first Hurricane Sandy appropriation took more than three months. Although this money has been appropriated, it is not here yet but we are working hand in hand daily with HUD and we're already in the process of writing our action plan. Even though the next step in this process for us is to bring this money home, HUD first must publish its federal registry notice officially and we do believe that will take place on Monday. We then expect within just a few weeks to submit our action plan for approval to HUD and then for HUD within a few weeks after that to approve

the plan. We will issue RFPs and set up the housing programs that will flow the money to pay for homeowners' construction and rebuilding expenses.

Dr. Shawn Wilson and Mr. Johnny Bradberry arrived.

Let the record show that we now have 14 voting members, and 1 non-voting member present.

Ms. Wesley: This is all happened because the governor has worked persistently and daily, along with our congressional delegation, to bring home results. The governor has traveled to DC four times since the flood advocating on behalf of Louisiana's needs. He will return to DC November 13, 2016 to continue our advocacy efforts. We are requesting an additional \$3.3B over and above the \$438M because we know that the need is so great. On our last trip to DC the Governor, Pat and I met specifically with congressional staff in the days just after the presidential election making sure that the practical work is done to begin shave off time in this process. We are working hard to encourage Congress that we need this additional money as quickly as possible but today specifically your job is a difficult one. One that we know has meant that we have pored over numbers in details for hours over the last month to devise a sound recovery plan to address our most immediate needs with the notion that this plan can be scaled once additional monies are appropriated. We bring to you the task of deciding priorities to recommend to the governor for how the Office of Community Development should draw upon the plan for spending the \$438M to help flood victims from both the March and August floods. First we are urging that you provide a plan with options for homeowners with different families walking different paths home. The needs vary from a turnkey state managed construction option, an option for homeowners who want to manage their own construction, and an option for homeowners who are further along and can show eligible receipts to be reimbursed. Then we are asking you to consider helping those homeowners who are most at risk of having to leave their homes because of a lack of immediate resources. We want to help many more homeowners in the future but for now we must build a strong program that we can expand later. We need your help. Prioritizing this limited first pot of money to get it out into the hands of homeowners we who need it most, again, as quickly as possible. More than half of the homes impacted in this flood were not in the floodplain, nearly eight in ten homeowners had no flood insurance. Today we focus on the homeowner piece. At your next meeting, will ask you for your input on crafting specific help for renters and for small businesses in this state, but we must first bring our families home. That is the governor's priority and you are laying the foundation today for that priority. As the governor has said it so eloquently before, Louisiana will rebuild stronger than it was before these floods because our resilient resource is our people, you're building the house where our citizens will come home. We are here with you to assist in any way that we can and we thank you again for your dedication and your commitment to this very important work. I'll be happy to answer any questions on behalf of the governor.

Mr. Durbin opened the floor for questions.

Mr. Knapp: Can you speak to the federal appropriation timing, I know with the presidential election where the great questions was to the conversation that had been about the down payment and the future omnibus in December, where is all that?

Ms. Wesley: Well I know our meetings with Congress, especially the delegation staff, that was very much up in the air and so at that time when we met with staff they were asked to present white papers to the transition committee, white papers on any kind of ongoing high level activity being had by Congress. What we've learned in the last couple of days is that there will be not an omnibus bill but another continuing resolution and so the additional continuing resolution where the state of Louisiana receive that \$438M. That C.R. expires December 9, 2016; the plan is for them to execute another C.R. to go into effect through February or March of next year and so that's kind of the current position of things today. Obviously, those things may change but it appears that there may not be an omnibus or a minibus bill but there may be another C.R. for the next two to three months to operate the federal government.

Mr. Dartez: On a continued resolution that's going to be passed in December to last probably through February, I've heard the same or to say it was going to be a sixty-day resolution, is Louisiana going to do their entire ask in that timeframe or are we going to need to do something in February as well?

Ms. Wesley: We are going to make the ask for the full \$3.3B, that was our ask to the congressional staff. We are going back to DC on November 13, 2016 through December 2, 2016 and will meet again with key leadership officials to ask that very same question. The goal is for us to get that \$3.3B, we don't know what we're going to get yet. It does help us in the sense that we have had Hurricane Matthew, so you have other disaster states who are needing allocations quickly to help their homeowners so we are confident that we will get something but obviously, we don't know what that something looks like quite yet. And so, it's still ongoing conversations. Certainly, our congressional delegation has been very active in their approach to this. They've been in conversation with the new Trump administration asking for additional dollars for Louisiana. So, we're hopeful for dollars, we just don't know what that amount will look like.

Mr. Durbin closed the floor for questions.

VI. LA OFFICE OF COMMUNITY DEVELOPMENT UPDATE

~ **Patrick Forbes, Executive Director, LA Office of Community Development**

~ **Earl Randall, New Orleans Field Office Director, US Dept. of Housing & Urban Development**

Mr. Durbin: Moving to item six on the agenda, the Office of Community Development update, we have Mr. Pat Forbes, Executive Director.

Mr. Forbes: Thanks for having me here today. We were planning on having Mr. Randall with HUD speak first but he's a few minutes behind so I'm going to go into an update and then when Mr. Randall gets here we can introduce him. As you just heard Erin say, we are expecting the official publication of the Federal Register notice sometime very early next week, probably Monday. They published a copy on their website yesterday so we are now being able to read the federal register notice. It looks a lot like what we expected it to, including being very long, it has standard language to what we have gotten used to since about 2012 since the Sandy appropriation. It provides funds directly to the state. You see the number \$350M, that is standard that HUD requires 80%, I say standard because it has been standard since 2012, of the allocation to the state be spent in the most impacted and distressed parishes or counties from the disasters. They do calculations based on how severe the damage was in how many houses were damaged in a parish and they determined that East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita and Lafayette were the six most impacted and distressed parishes for this disaster, as such we must make sure \$350M of the \$438M is spent in those parishes. It does include the 70% LMI benefit, which is waivable if we try to pursue that and demonstrate that there is a compelling need to do so. We have a six-year expenditure deadline and obviously, we all want to meet that. This is the timeline, I'm sorry I'm going to move over here because I'm having trouble seeing the screen, this is the timeline that represents HUD's deadlines, the longest time that we can take to do each of the steps. You will see deadline to submit certificate of proficient controls and risk analysis, we have been working on that for two weeks now. Deadline to submit an action plan, that is ninety days after the Federal Register notice is published; we do not expect to take anywhere near that time. It is important to note that the time includes public hearings, so that the public gets a chance to weigh in on the action plan before it is submitted. That time is fourteen days, a required minimum of fourteen days, and then HUD gets sixty days to approve the action plan and it takes about a month after that to get the funds turned loose.

Mr. Durbin: Excuse me, Mr. Forbes, for everyone's point, please refer to tab seven and he is looking at the second page of tab seven for the timeline, so everyone can follow along.

Mr. Forbes: Thank you, sir.

Mr. Durbin: Just a second. Would you go back and review that one more time?

Mr. Forbes: Of course, this slide represents HUD's maximum amount of time that each of these steps can take and you see that it goes out to the middle of May before the funds are available for us in a line of credit. You can see there are three months for us to submit an action plan. That timeframe includes a minimum of fourteen days for public hearings and the opportunity for the public to weigh in on the action plan. It also includes sixty days for HUD to approve the action plan and then another month or so after that to get the funds available. We have control of some of those pieces, some of them we don't. This is the timeline that we are shooting for. I will bring your attention please to the first, which is publishing our action plan in a month or less from Monday, from this coming Monday, so we're going to cut that time in a third at least, we are we are striving to do that much faster

than that. We then submit the action plan to HUD, you can see we're showing about three weeks there, we've got two-week minimum depending on how this falls around the holidays, we want to make sure that the public has ample opportunity to weigh in on it. So, we will decide about whether the fourteen days is adequate or whether we need to extend that a little bit to make sure people get a chance to review and understand what we're proposing. We left the sixty days for HUD approval in this because it is outside of our control, but I will tell you that it is not entirely outside our control. We are already, as of this week, we met with HUD folks starting to describe the programs that we were going to recommend, we have talked with HUD about keeping them in the loop as we develop the action plan so that when it gets to them they're already going to know what's in there. We're striving to cut that two months to less than a month. Hopefully much less than a month by keeping HUD involved in the process of writing the action plan. The next two pieces are pretty much carved in stone. I have not heard of that month lag ever being shortened. The execution of the grant agreement and the establishment of a line of credit, there it just takes some time in Washington to get those things accomplished. At this point, before I move into the housing proposal, I will ask if anybody has any questions.

Mr. Durbin opened the floor for questions.

Mr. Jetson: Thank you Mr. Chairman. Just very briefly in terms of the public comment section of this, and I do understand your comments about having to navigate around the holiday, what are the standard requirements of public comment?

Mr. Forbes: We will publish the document on a website. It will be available in libraries; we can do any number of ways to get it out there for people to see it for fourteen days at least. We take public comments either via e-mail, written letter, submittal through the website; any number of ways we can take those comments before we submit the action plan to HUD. We must write responses to each of those comments and those responses can be 'Yes we're changing the action plan based on your comment' or here's why we can't change the action plan or here's what you misunderstand about the action plan. Your point is well made, but here are the places in the action plan that address it. So, we also must have a little bit of time to write the responses and then those responses along with the public comments, along with the responses, are submitted, along with the action plan, to HUD.

Mr. Jetson: So, the public comment, as it is envisioned here, is an electronic experience.

Mr. Forbes: Not necessarily. There are a couple of different things that we've talked about. Certainly, people can submit a written letter, the other thing that we have talked about is during those two weeks essentially doing a road show around the impacted areas and holding public meetings so that people can come to those public meetings and submit their comments and we can take transcripts of those comments and submit them as well.

Mr. Jetson: I would just be in favor of some level of human to human interaction.

Mr. Forbes: Yes, sir. As we mentioned last meeting, we also think that having some public meetings in all the different areas over those two weeks is going to be critical to hear people's thoughts on the thing.

Representative Shadoin: Thank you for the information that you've continued to provide us in between meetings. Being from up North, the folks around my area have been dealing with this since March. Is this the same timeline for them that we have for the people that were affected by the August floods?

Mr. Forbes: Yes, sir. This is the timeline based around the appropriation and the federal register notice. So, because we have combined the two floods into one disaster essentially for the state and now Congress has appropriated funds for those as a single disaster, if you will, then we are all on the same timeline.

Representative Shadoin: Okay. Can you give me an explanation because back in March when so many people were affected in north Louisiana, our crystal ball didn't show us we were going to have another one in 500 or 1,000 year floods in August? Can you tell me why none of this was activated or implemented back in March when those people went under?

Mr. Forbes: I cannot, sir, other than if we looked at disaster sizes it was probably highly likely that that would have not received an appropriation.

Representative Shadoin: Is that because of the number of people affected? Because the disaster size stretched from Caddo Parish all the way over to East Carroll Parish and Tensas and the Mississippi River, all the way down. I mean made it into the boot.

Mr. Forbes: Right, a lot more parishes than August floods.

Representative Shadoin: Geographical, yes, but not as many people perhaps displaced or affected?

Mr. Forbes: Correct.

Representative Shadoin: So, we are all on this schedule? All 56 parishes?

Mr. Forbes: Yes, sir.

Representative Pope: Pat, would you go back and list those most critical, severely damaged areas for me again?

Mr. Forbes: Yes, sir. Baton Rouge, Livingston, Ascension, Lafayette, Ouachita and Tangipahoa.

Representative Pope: That's what, six? So, your timeline, if in fact there's additional funds coming, even if the funds we are dealing with today, when the \$438M, your timeline, the potential for that, is April, correct?

Mr. Forbes: For funds being available through the line of credit?

Representative Pope: Yes.

Mr. Forbes: I am shooting for some time in March hopefully, assuming we can take several of those pieces go faster, not the least of which is the HUD approval process.

Representative Pope: But the potential is in a minimum of five months if we go November through March, is that correct? Could be longer but it could be less.

Mr. Forbes: Yes, that's correct.

Representative Pope: Public meetings you talked about and the gentlemen asked about, how many do you propose to have in the areas, in particular those six impacted areas, the heavily impacted areas, not all the fifty-six parishes were affected, I get that.

Mr. Forbes: I would think, just from a logistics perspective, we probably will not be able to do more than maybe six or ten, something like that. One thing we have talked about though is having these meetings before the action plan gets published in some of the impacted parishes and that will give us an opportunity to start hearing from folks and helping them understand what it is we're going to officially propose, so we can while we have those fourteen days officially, we have time between now and publication of the action plan to help people understand what we're proposing.

Representative Pope: Tell me one more time the drop-dead date for the action plan to be submitted.

Mr. Forbes: It is the middle of February.

Representative Pope: February. So, sometime between today and the middle of February, well even prior to that because didn't I hear something like a month before. So, I guess my question is, when do you suppose to have these public meetings?

Mr. Forbes: They will be between publication of the action plan and submittal of the action plan to HUD and what we hope to do is publish the action plan the middle of December, if not earlier.

Representative Pope: So, we're talking about middle of December, December 15, 16.

Mr. Forbes: Or first if we can make that happen.

Representative Pope: And that's when the action plan is?

Mr. Forbes: Yes.

Representative Pope: When are you going to hold the meetings?

Mr. Forbes: Between that date and when we submit to HUD.

Representative Pope: Which is in February?

Mr. Forbes: No, sir. We're going to set either 14, 21 or 30 days, whatever we think is appropriate.

Representative Pope: Then in your opinion, how many days are you going to try to set there?

Mr. Forbes: I'll say –

Representative Pope: 14, 21 or 30 days?

Mr. Forbes: The minimum is 14, and I would suggest that if this lands in fact in the middle of December that we may want to extend that period so that we get ample time for people to weigh in because it's going to straddle the holidays.

Representative Pope: Well, I heard you say that while ago and I would certainly encourage you to think about it because you know even this week we've got people all over the state that are having other issues, other plans and whatever, and I can only imagine during Christmas that a lot of those are going to have the same issues, so I encourage you to run it up to sometime in January, if possible.

Mr. Forbes: Absolutely. In fact, I would imagine that decision, once we get ready to public the action plan, will be a decision that we would like the task force to weigh in on.

Representative Pope: I'm going back to a question you and I had a conversation about this past Wednesday, and it may not be the appropriate time but you mentioned the word waiver a while ago so I think probably it can be expanded to do that. Have we in fact requested a waiver for any of this?

Mr. Forbes: We have not. The federal register notice is not officially published yet so it would be premature for us to request any waivers, and the request of a waiver will depend on the program described in the action plan, and if that program winds up being what I'm going to recommend here shortly, then that would be unnecessary because we would be serving practically 100% LMI.

Representative Pope: That's it. Thank you, Mr. Chairman.

Mr. Knapp: Thank you to you and your staff for all your hard work. Two questions for you. Just one more time, I don't believe I was clear on this, is there an additional obligation after the public comment period for this task force to do anything to approve anything more before OCD can send this to HUD?

Mr. Forbes: I wouldn't imagine. I hesitate to say this because I've never seen it happen before but, if we got a public comment that compelled us to dramatically change the action plan then I would expect that this task force would want to weigh in on that but I have not seen that happen before.

Mr. Knapp: Okay, thank you. Second question is really, in the October 28, 2016 meeting presentation you all included the RFP timing for the homeowner program to try to maximize the speed with which this all launches, you all had talked about having the RFP for the homeowner management of the program happening, and it looked concurrent with the public comment period and HUD review. Can you speak to that timing with the question ultimately being is there a possibility that the homeowner program managers, through that we have some discussion on that, is that possible that it could be ready to launch around the time when HUD's review is completed?

Mr. Forbes: It's possible. The timeline on the procurement and stand up of that contractor has some pieces in it that are long too that we are working every day to try to shorten by having the Office of State Purchasing folks help us write the RFP piece of that review period goes from a month to a day, where we're doing a lot of things to shorten that period and in fact our goal is to have the team ready. I cannot commit at this point that we're going to make that but that is absolutely what we're striving to do is have the team on the ground ready when we get the line of credit opened. In fact, we can do pre-award activities that will allow us to start them up earlier if we can and pay them when we get the money.

Mr. Knapp: How soon after the Federal Register notice is published are you all able to issue the RFP?

Mr. Forbes: The RFP is not tied to the federal register notice. That is completely based on our ability to get it written, approved within the state processes, and out.

Mr. Knapp: Do you have an idea on when that might be?

Mr. Forbes: We are shooting for publication of the RFP before the end of January, near the beginning of January or before that. That is sort of fast but more standard timeline and if we can make some other things happen to shorten that, we're going to do that.

Mayor-President Robideaux: Pat, on the timeline, is the establishment of the line of credit, is that effectively the same date is the disbursement of the first funds or is there some lag time between that establishment and when those funds are going to start to flow?

Mr. Forbes: Assuming we have a draw request ready to submit to HUD the day that line of credit is available, then we would start drawing funds there and we would most likely have a draw request prepared because the time that we're spending doing this right now is chargeable to that grant so whether we would be drawing funds to give to homeowners at that point is very much contingent on the RFP process and standing up the contractor and whether we can get the intake done and that's unlikely that we would be writing checks to contractors at that point.

Ms. Wyatt: Thank you, Mr. Chairman. Pat, it seems that there are a lot of moving parts, clearly, and you have a lot of things going on concurrently. I kind of hear May, to have all this done by May, could be on the conservative side. Can you give us a best-case scenario of getting this through? Is that around March? Is that February?

Mr. Forbes: I think that if we can follow this timeline that you have in front of you on page two, the second slide on page two, if we can follow that timeline, and by working with HUD as we are in reviewing the action plan ahead of time, that we could shorten their review time to a month or less. That pushes us back into March.

Mayor Norris: Regarding Representative Shadoin's point, just help me so I'll know what the answer is if someone asks me, I believe the event that occurred in the northern part of the state, or in our part of the state, did not meet the threshold and that's why we were not seeking federal declaration, but the governor combined the two and that's when we met, I mean he kind of pulled us along with south Louisiana. Does that sound right? I mean, does that sound correct?

Mr. Forbes: I would say that the decision to include both was to make sure that all the families and businesses in Louisiana who were impacted by floods this year could be assisted, yes sir.

Mayor Norris: But had there not been a flood in August, we would not be having this conversation. The north Louisiana people would not. And that's not a reflection on the state, I just want to know. There's going to be questions about the length of time it takes, you know, a lot of people that had a had a disaster in March have gone on somewhere else. Rob, is that the way you understand that?

Representative Shadoin: Yes.

Mayor Norris: No question about it, I just want to make sure that I understood why there was a difference.

Mr. Forbes: At this point I would like to introduce Mr. Earl Randall. He's the Field Office Director for HUD in New Orleans and before he had that job Earl worked with us tirelessly, starting immediately after Hurricane Katrina and Rita as an employee of HUD and as an advocate for the state of Louisiana. I would have to say I hope that doesn't get him in trouble.

Mr. Durbin: Welcome Mr. Randall.

Mr. Randall: Thank you, Mr. Chairman. Thank you, Pat., One of the things that I wanted to just emphasize today is that when we talk about the timelines that we're dealing with, time is not on any side. You know when we look at the appropriations, when we look at the notices, nothing is ever fast enough. When we talk about disaster recovery, as Pat mentioned I've been with the state since after Katrina as the disaster representative for the state of Louisiana handling Katrina, Rita, Gustav, Ike, and some of Isaac, and some of the other disaster that happened in the state, but when we look at what happened here in March and in August, when we look at the timelines, as compared to Hurricane Sandy, Superstorm Sandy hit on October 29, 2012, the announcement of an appropriation was made December of 2012 and the notice was published in March of 2013. So, when you look at the timeline that we're on now, we're in warp speed as it relates to a federal government movement. So, I also want to emphasize that the line of questioning that you guys are asking today, it's right on point, right on target. I love the statement of several moving pieces and in disaster recovery we've learned to deal in that environment of several moving pieces. When you look at what's going on now, as it relates to program design, action plan preparation, I think the state is doing all the right things to be prepared for when the notice hits publicly that they are ready to move, that they are ready to get engaged and move the action plan forward. HUD is on board and HUD has been on board since the very beginning. And Pat mentioned get me in trouble but I think I'm kind of biased in Louisiana. We've been doing the right things from the very beginning since March, we immediately activated the Louisiana disaster housing task force, and HUD has a seat on that task force. We provide input on all the different events, coordinating with FEMA, coordinating with the state and some great work happened since the March floods. We worked directly with the state's Office of Community Development, with GOHSEP on shelter events, evacuating individuals out, with the Louisiana Housing Authority, of some of the most highly impacted areas in Ouachita parish and in the North. When we talk about the recovery of northern Louisiana, that's something that we've been active on since the very beginning of that event. We were just starting to demobilize when all this happened. So, you know we still had staff on the ground dealing with the March event when August event happened so that created an environment for us to do things differently. Instead of starting from scratch and picking up our disaster recovery from square one in August, we decided hey we had an event in March, let's combine efforts and build off what we learned in March. So, a lot of the lessons that we learned in the March event helped fuel us for what recovery activities and what recovery steps that we were going to take in August. We learned several things about our housing stock in the March event. We learned that some of our citizens in the northern part of the state Louisiana were living in some horrible conditions prior to the event. These conditions were exacerbated by that event. So, we learned that in the March event, so we were actively working with the state to take some aggressive positions on how we address that. So, fast forward to August, we learned some of the same things in August and some of the areas that were impacted that we still had folks living in some

conditions that were substandard but it also let us know that affordable housing stock was vulnerable. Our rental housing stock was vulnerable. Our rental housing stock took a serious hit in this disaster when we look at individuals receiving rental assistance and individuals on temporary sheltering assistance. We had individuals after the August event with no assistance in their pockets and nowhere to go. A lot of that is attributed to the housing stock that was decimated by the floods, the wide array of the floods. If you combine the March event and the August event, we're talking about 55 to 56 of our 64 parishes in the state. It was a large event. So, there are several things that play a part and what we're doing and how we're going to recover. So, when we talk about being the first appropriation of \$500M, that \$500M appropriation went quickly, came out quickly, and it was touted as a down payment for additional assistance. So, what we do to prepare to get that money on the ground? I think the state has been doing a tremendous job in preparing itself to be ready when the notice comes out, when the action plan is submitted and I attribute that to the relationships developed by the state of Louisiana, not only with HUD but with all the federal partners. Again, I'm going to put that biased hat on, I've seen disasters across the country and I think we have the infrastructure in place to foster better relationships with the federal government than anyone in the country by far. Now that may get me in trouble, but by far I think Louisiana is prepared. Louisiana is a state where we are ready to move forward when things happen. We've been tested, we've been tried, and this is something that speaks volumes to the leadership that we have here in this state when we talk about disaster recovery. Disaster recovery is focused on the individuals, it's focused on the families, it's focused on the businesses, and it's focused on the individuals that the programs have benefited to recover. So, when we talk about the partnerships that we have going forward that would stay in Louisiana, it's everything that we hoped it would be when we rolled out the National Disaster Recovery Framework. When we rolled out that framework it was implemented first in Louisiana during Hurricane Isaac. So, as we develop, as we approached the March event and August event, it worked well. It worked so well that the state has lined up its cabinet positions to form RSF, recovery support functions, that line up equally with what the federal recovery support functions. That's a huge statement when we talk about how do we recover from these disasters because what that does is engages the state immediately with the federal response and when you don't engage immediately, you have those gaps in what we would do, what we're going to do, but having the wherewithal to establish a relationship with the federal partners as they develop strategies on how we help communities recover. That's a huge step in the recovery process for the state of Louisiana and I'm glad that you guys have been asking the correct questions, the right questions, the strong questions that you all need to ask as this task force, because when you look at the time at closing that gap in time, what it does is it helps individuals recover at the end of that timeframe. It helps individuals to say hey, they are dollars allocated, there are programs and plans that are coming. Process wise, the admin functions of it all, we have those timelines and those time constraints, but taking the necessary steps to shorten a timeframe is very critical and I do tip my hat to Pat's shop and to the task force for being on target. As the Field Office Director, I'm also the lead for the housing recovery support function, so when you talk about all those moving parts, I'm moving and shaking as well as a release to the housing recovery of this event and several of the task force members on that recovery support function with me and they've been asking the right questions and participating in our sessions and that's one of the things that we wanted to highlight in this spill is that the partnership is there. The partnership with HUD as we move forward to implementing the programs and activities that's going to come with disaster recovery. HUD will continue to be there with the state of Louisiana moving forward as we recover from the March events, as well as the August events. We have an opportunity to do some great things in the state of Louisiana from top to bottom.

Mr. Durbin opened the floor for questions.

Mr. Bradberry: Thank you, Mr. Chairman. Mr. Randall, just a question around the timeline, from the time we submit the action plan to the time HUD approves it, plus or minus 60 days, again in your opinion I think I heard you say that this was compatible if not fast track relative to Sandy, is it doable considering the new administration coming in?

Mr. Randall: I think it is doable and it's been evident in how we fast track the process so far. I think everyone is ready and waiting for the action plan to be submitted. So, we can get that process underway.

Mr. Bradberry: Do you see any possible effects at all from the new administration coming in affecting HUD and how they make decisions and who might be replaced and who might be there or not there. You don't see any effect at all from that?

Mr. Randall: From the process standpoint, no I don't see an effect because we are all on the same page in moving this thing forward.

Mr. Bradberry: Certainly hope you're correct on that.

Mr. Durbin closed the floor for questions and thanked Mr. Randall for coming.

VII. HOUSING RECOVERY SUPPORT FUNCTION RECOMMENDATION ~ Patrick Forbes, Executive Director, LA Office of Community Development

Mr. Forbes: If you go to page three of the presentation in tab seven of your binders I will start discussing single family homeowner programs.

See PowerPoint presentation available on Restore Louisiana Task Force website.

Mr. Forbes stopped his presentation after discussing different data slices and priority criteria factors to take questions on that piece of his presentation.

Mr. Durbin opened the floor for questions.

Representative Shadoin: Pat, bear with me.

Mr. Forbes: Absolutely.

Representative Shadoin: We had 112,365 households or homes affected by both floods. Is that right? Page four.

Mr. Forbes: Yes, sir.

Representative Shadoin: Then looking at the slides, I call them slides I don't know what you call them now, A through G, or I, A shows us 9,677 meeting the priority factors, right?

Mr. Forbes: Right. We whittled down from the 112,000 to this 9,700.

Representative Shadoin: So less than 10% is what we're looking at in this first down payment of \$438M.

Mr. Forbes: And can only serve half that number.

Representative Shadoin: And that's where I'm going, so when you plug in the elderly and disabled, then we're looking at maybe servicing 3,611 or 4,000 homes.

Mr. Forbes: Yes, sir.

Representative Shadoin: And 80% of this must be in the six parishes that were reflected earlier?

Mr. Forbes: That's correct, and you can see we've got that number where it's 76 for the elderly and 79 for the access or functional need. So, we have a challenge already if that's the criteria that we go with, assuming that our estimates are correct.

Representative Shadoin: We really need the hands that took two fish and five loaves and fed 5,000, don't we?

Mr. Forbes: Yes, sir.

Representative Shadoin: So, what it seems like sitting up here, because I know, was it \$310M that eventually gets down to help people?

Mr. Forbes: Yes, sir. I'll get to some other numbers but our recommendation is about \$405M to this, we have done some work with HUD this week on the environmental piece to shed that.

Representative Shadoin: Good.

Mr. Forbes: But it's probably going to be in the \$340M range or something like that.

Representative Shadoin: But you are going to address that later?

Mr. Forbes: Yes, sir.

Representative Shadoin: Okay then, I'll wait.

Dr. Wilson: Thank you, Mr. Chairman. Pat, so none of the models get you to the 80%, correct? Based on what you have shared thus far.

Mr. Forbes: That's correct. Well the only one that does obviously is the one that's 100% where we limit applicants to those six parishes.

Dr. Wilson: Then my question is maybe a little prognostication. What happens when the next payment comes, does this model hold true or whichever model is selected, is that model going to hold true or do we have to then rethink the model based on new revenue? So, assuming there was an appropriation above and beyond the first tranche that we got and they gave us another \$500M or another \$700M, and let's just be bold and say we got everything we asked for, are we going to have to then go through this exercise again to determine how to spend those next phases at each interval?

Mr. Forbes: Yes, sir. We will have the same prioritization task in front of us because obviously unless we get everything that we've said we need to help all the homeowners with major and severe who don't have flood insurance, we are going to have to go through this painful exercise again and expand that circle obviously of who we can help but it's not going to be the 9,600.

Dr. Wilson: But are we going to be bound, assuming we adopted a model and we aren't helping everyone, do we have to keep that model until we exhaust that 9,600 and then go up?

Mr. Forbes: When you say model –

Dr. Wilson: Oh, the priority factor.

Mr. Forbes: No, we can do, expand to whatever is appropriate priorities for the next batch of money and I think that until we know how much that amount is it will be impossible for us to sort of make those calls but we will provide to you the same sorts of data analysis and others that you think of, other things you'd like for us to look at to try to help through that decision process.

Dr. Wilson: Thank you.

Mayor-President Robideaux: Thank you, Mr. Chairman. Pat, as we look at the sheet that you gave us again on the low to moderate income levels. I guess I'm wondering if we have that information for single households instead of households of four.

Mr. Forbes: Yes, absolutely we could provide that.

Mayor-President Robideaux: I'm just picturing a 62-year-old that's living alone. This isn't the number.

Mr. Forbes: That's correct.

Mayor-President Robideaux: So, I want to also be able to incorporate that fact, that number, into my decision and whether it's too low or not too low as we ultimately make a recommendation. So, I would just kind of be curious if at some point during the meeting today if somebody can pull that up and get us that information for the elderly individual or the disabled individual that lives alone. You know, what's the amount that they would be looking at to be excluded because they made too much money, you know, twenty something isn't too much money for a single household and that's I think an important piece of the puzzle for us all.

Mr. Forbes: To be clear, the numbers we have here are just our estimations. We wouldn't apply a \$37,500 to a household of one person in East Carroll Parish, we would apply HUD's low to moderate income number, which is probably \$22,000 or something. We'll get those numbers for you. That's what you are asking for, correct?

Mayor-President Robideaux: That is exactly what I'm asking to see what number we are applying to the single elderly or single disabled person just to make sure that we're not caught up in this \$37,000 to \$50,000 that there's a, you know, an elderly disabled lady that makes \$22,000, that's not going to qualify. I want to know that if that's what the number is before we finalize which direction we're going.

Mr. Forbes: Her problem, to be clear, would be if she were a single person household and so consequently that threshold goes down to say \$22,000. If she makes \$25,000 she would not be eligible in this model.

Mayor-President Robideaux: And that's the number I want to know because before I decide whether to go with an average of LMI or the high and the low of LMI, I want to be able to factor in those individuals, not just the you know we're focusing on the family of four and I think sometimes maybe losing sight of the fact that there are families of two's and single families that are out there and I want to be thinking in the more broader terms of those individuals also. Thanks.

Mr. Durbin: I'd like to ask that that information be available before we are done.

Mr. Forbes: Okay, we will have it over before we are done. It may not be before my presentation is done but we will have it before the meeting is over.

Mayor Norris: Thank you, Mr. Chairman. I'll bet I'm the oldest member of this group.

Representative Pope: I might have you beat.

Mayor Norris: I know I don't look it but I may well be. Our first cut all or our first additional factor was for the elderly and I understand how a single-family or single person family factors in when we think about incomes. Have we ever thought about thinking about the number of people impacted families with children that, and we older people we are going to repair a house for an older person, but when we repair a house for a family that had two elementary age children, that's going to extend for a long time and just wonder if that's our first cut off rather than looking at income and the number of people in the household, that might come as a higher priority than just for the cut off being for people over the age of 62.

Mr. Forbes: Certainly an option. I think that I have a slide here that speaks to changing the LMI number from a low to moderate income to eliminating the moderate portion of that so that it's just very low and extremely low. Let me see if that's –

Ms. Dupont: That's on page 8, slide H (the second slide on page 8).

Mr. Jetson: Thank you Ms. Dupont.

Mr. Forbes: Certainly, this is one potential criterion that we proposed last time in fact and it is certainly an appropriate way to approach it.

Mayor Norris: I asked this question at one of the previous meetings and I think your answer to me was that accumulated wealth is factored in when you start talking about income levels.

Mr. Forbes: Yes, wealth is considered an ineligibility for this.

Mayor Norris: Seniors are more likely to have accumulated significant wealth than young families. I just wanted to make sure that was a consideration.

Mr. Forbes: It is.

Representative Pope: Thank you, Mr. Chairman. I would like to ask two questions. I want to go back to Dr. Wilson's comments, and you and I had this conversation before and I think that you had answered him so I will try not to rehash it but being the slow learner that I am and representing a whole bunch of people who have similar concerns that I do, I want it perfectly understood and you'll have to repeat it to me for the task force, as well as the public that's watching you all over the world, the fact that whatever is decided today will not have any impact if in fact there is additional dollars that are coming that can be changed with the potential to be changed if in fact this task force decided for it to be changed.

Mr. Forbes: Yes, sir. That's by definition what we would do. The reason we know we need more money is because this subset of people is ridiculously inadequate for helping our state recover. It is less than an eighth of the amount of money we need to help the people who we estimate need help and we're designing the program to help everybody. We're hiring a contractor to help everybody right now. We've got a very small amount of money to deal with but when that amount of money grows, the whole thing grows with it and we will come back and address this, if we get all the money we need we won't have to make those prioritization decisions anymore. If we don't, we will have to go through this process again, but it will still be a bigger circle than what we're dealing with now obviously.

Representative Pope: But right now, we're only going to help, by the recommendation, 4,000+, is that correct?

Mr. Forbes: Correct.

Representative Pope: That leaves 108,000 potentially after to pretty much fin for themselves.

Mr. Forbes: Yes, sir.

Representative Pope: And if in fact there is no additional dollars coming, which we all hope and sometimes we get on our knees and pray that it will but there's no guarantees.

Mr. Forbes: Correct.

Representative Pope: I think that needs to be said and we've said it up here before and will say it again, there are no guarantees. So, what we're doing is the potential of spending \$438M, which is only \$340M according to what you just said is going to actually have something to do with these 4,000 homes that correct?

Mr. Forbes: Yes.

Representative Pope: Now, where is the other, second question and I thank Dr. Wilson for asking the question for me, you did a much more eloquent job than I would ever do. Where is the \$100M that is not included in this? How is that being expended?

Mr. Forbes: We are proposing today that \$18M for rental housing, rehabilitation and creation –

Representative Pope: Stop right there. Rental housing, how is that going to be decided as to whom, what, when, where that \$18M is going to be dispersed?

Mr. Forbes: It would probably be, at this point, an open application process because what we would be buying with the money is affordable rents for low to moderate income people.

Representative Pope: So, it would be an application process?

Mr. Forbes: Yes, sir.

Representative Pope: Would it be on a first come first serve basis or would it be on some other criteria?

Mr. Forbes: We would probably have other criteria and first come first serve.

Representative Pope: Wow, those who have access to internet, those that have access to a way, probably have a leg up, wouldn't you agree with that?

Mr. Forbes: We will take measures to make sure that that doesn't happen, in fact we must do the same thing for the homeowner program. We know that there are people who don't have internet access, who may not even know that we're doing this, and we know there are communities and neighborhoods where we're going to have to go do outreach on the ground.

Representative Pope: Even with the sale of 100,000 cars vehicles it's been in the last couple of months some of them still don't have means of transportation but that was \$18M, what about the rest of it?

Mr. Forbes: \$10M for economic development, bridge loans, small firm loan and grant, technical assistance for businesses these numbers are just estimates right now, we aren't asking you to consider specific programs. I'm just telling you some of the programs that have been discussed. Mr. Knapp will talk about that in a little bit. There is 25% administration and program delivery, that's the biggest chunk.

Representative Pope: What would that include?

Mr. Forbes: That includes all the work that we're doing now, staff time to review pay requests from contractors to ensure compliance, to do environmental reviews of the homes in areas, going through the intake process, going through the eligibility determination, going through the assignment to the contractor going out and inspecting the homes to establish the amount of damage, determining the value of the grant, assigning the builder, and then reviewing the work at the end for a final payment and to make sure that the homeowner got a completed construction project.

Representative Pope: That's 25% of the \$100M, \$10M for economic development, \$18M for rental. So, that comes to me to be \$43M. I'm still looking for \$57M.

Mr. Forbes: 25% of the \$438M is going to be about \$100M –

Representative Pope: So, it's not 25% of the \$100M, it's 25% of the total amount.

Mr. Forbes: Correct, which is close to \$100M.

Representative Pope: To administer the program?

Mr. Forbes: That's correct.

Representative Pope: I think it was \$117M, maybe. That's it, thank you Mr. Chairman.

Mr. Forbes: May I just say that the numbers that we have for administration and program delivery are just budget numbers, they will not be in the action plan. Of course, we don't want to carve those numbers in because our purpose is always to drive those numbers down. We, in fact, operate at about 1.7% on Katrina Rita grants and will finish those grants at that level. We do operate at 5% administration on one other grants that we are administering but we're always looking to make those numbers smaller because every penny we save there goes to a homeowner.

Representative Pope: Makes sense but then do I understand then if you don't include it in you're only going to make for your action plan \$340M.

Mr. Forbes: If we don't include it?

Representative Pope: Well, you just said you didn't want to include it. If I heard correctly?

Mr. Forbes: No, sir, I only meant we won't define that number in the action plan. We're not going to lock ourselves to that number because we want to drive it down. I don't want to put it in stone to HUD that that's how much we're going to spend because we want it to be as small as possible.

Representative Pope: I get it. I'd like to see it go away. Thank you.

Mr. Forbes: We all would.

Mr. Olivier: Pat, you and I and Adam participated in a public broadcasting event this week and the one thing that we learned from the disparity of the people that were there relative to different circumstances, all of them, you did a good job responding to the many questions that existed there and continue to exist but we all saw the anger, the frustration, the level of disappointment, the unfairness, that people sense that's there. One thing we've got to do to reflect what's been discussed here, we have to continually talk about the hope that the next tranche is, for the program, the next tranche of money that we hope to get the eligibility factors are going to be different and we're going to be able to hopefully help more people that are in a different situation. You know it's frustrating when we talk to people who are, they've been working all of their lives. There was a lady right at public broadcasting that we brought into that audience because we needed one more person to be seated in an empty seat and she had been working thirty seven years, retired but was working, lost her car, lost her home, her husband is also retired, he's got to go back part time, they take money out of their retirement account but they don't qualify for anything. They are frustrated because they're not going to get any of that. She can see that and even though she has questions, and we can talk about resiliency but there's still a lot of frustration out there but we have to give them hope is what I'm saying, that there might be.

Mr. Forbes: Absolutely, and it's well founded frustration. I spoke at length with that lady and there's no reason for them to be in this position other than that disaster flood came into their house and we have to try to reach those folks and in fact if we get all the money that we are asking for, we're trying to reach her situation. She's not in the flood plain, she didn't have flood insurance because she didn't need it. They are in the process of rebuilding on their own. We'll hopefully be able to reimburse them.

Mr. Olivier: That's what I want to continually keep in mind that this is a long term process, all of us are seeing this. If we can just keep that hope going that maybe they might get something, because if we get the \$4B we might be able to help and that's what we want to keep trying.

Mayor-President Robideaux: Sorry for coming at you again but building on what Mike said, can you talk through the decision making process of when is the appropriate time for us to ask for the waiver? Is it right out the box? Should we do it sooner rather than later, or once the money flows? I mean I don't know the right answer. I really am just trying to get a feel for what makes the most sense for us and gives us the possibility of success as it relates to that request. So I know your experience in that so you don't mind kind of letting us know.

Mr. Forbes: Yes, if we have a criterion to prioritize low to moderate income we wouldn't ask for the waiver on LMI for this tranche of money because we would essentially be at 100%. So, we wouldn't need to ask HUD to give us a break between 70 and 50 because we're going to be well above the 70. The challenge will be, the important thing for us to make sure we are able to accomplish is, if Congress gives us additional money, we certainly are going to have to ask for that waiver, we're also going to have to ask that the funds we spent towards low to moderate income people in this tranche of funds count towards our 50% LMI in the next batch. They have done that in the past so that would not be unusual but we've got to make sure that's the case. If in fact we wind up with a prioritization exclusively for LMI.

Mayor-President Robideaux: So, it makes sense to ask that if in fact there's a second, rather than asking for all of that for this one and even though we don't need it for this one, to say that for any monies that we receive, here's how we'd like the structure to be you, you're confident that it makes more sense and maybe gives us a better chance for success waiting for the second one rather than kind of outlining it all up front?

Mr. Forbes: Yes, because the action plan that they expect us to submit is exclusively applicable to this appropriation.

Mayor-President Robideaux: Okay.

Mr. Forbes: I have the information pulled up here if the tech folks can put my computer on the screen. Here's what the whole table looks like for families of one to eight for Lafayette Parish, and this magically appeared so I'm not certain I can show you other parishes.

Mr. Rowdy Gaudet approached the witness table to assist with the new information being provided.

Mayor-President Robideaux: If possible can you show us in one of the lower threshold parishes than Lafayette because Lafayette is going to be higher than everybody else's so the individual in one of the lower parishes that's going to have the lowest number. It looks like Acadia is the first one and is as low as anybody else, or Catahoula or Claiborne.

Mr. Gaudet: You asked for Acadia?

Mayor-President Robideaux: That's close enough.

Mr. Gaudet: I actually emailed you an Excel spreadsheet that has all 64 parishes listed with all of these numbers.

Mayor-President Robideaux: I just want to kind of talk through this. Just to see if I understand it. So, let's go with the single family home, the elderly or disabled individual. They would qualify at the \$26,550? That's the number that we're looking at right?

Mr. Forbes: Right, or below that.

Mayor-President Robideaux: So the \$26,550, based on kind of what we are recommending, that would be that they made too much money. I think that, more so than any other discussions we have had, highlights just how narrow a window we are operating in. How limited, being forced, like you said, it's a difficult decision how limited we are and in the number of people that we can help. When a single, disabled, elderly individual that's making \$27,000 will not qualify with this tranche of money, so I agree with what Rogers and Mike have said and I think everyone else feels as if we have to give hope to the other folks that this universe will be expanded, but I mean with this tranche of money we really are limiting help to the neediest of the needy, and it's difficult because we're excluding so many, but that's the amount of money we have, so.

Mr. Knapp: Pat, thank you again for the explanations. I want to understand the number you used a moment ago of 1.7% for the Katrina Rita money when we were talking about the 25% that Representative Pope was getting at. That is for administration and program delivery, the 1.7% is only administration.

Mr. Forbes: Correct.

Mr. Knapp: Can you add in the program delivery of the Katrina Rita to give us a sense of how close you came to that 25% in total to give us some ballpark?

Mr. Forbes: Sure, it depends largely on the type of program that you run. If we go build a school, program delivery costs is dramatically lower. If we send a contractor out to build a house, it goes up. If we start working with renters with rental properties, it goes up from there and that's not just in Louisiana but from experiences in New York and New Jersey as well. In New York there's a housing program that has a 45% program delivery cost. We did Road Home, it's going to wind up about 15% and it's extremely important to note that Road Home was a compensation program, we didn't do any inspections of homes, we didn't do any of those things, we just sent checks to people and then had them submit paperwork to demonstrate that they had received a certificate of occupancy and moved in. So obviously the administrative and program delivery functions associated with that are much lower than what we are proposing today. We think that 20% is probably accurate for program delivery, it's probably aggressive if we look at other programs that people have run but we want to benefit from our experiences and other people's and learn how to do it better, and so, we are assuming we are going to do that.

Mr. Jetson: Very briefly, Pat with the \$437M and the level of impact that has occurred in this state, there is no construct that we would create that would not have the effect of leaving out a significant part of those who are impacted.

Mr. Forbes: That's correct, sir. One thing obviously that you could be drawn to is limiting the amount of money that we would give each person so that the money could spread out to more people.

Mr. Jetson: But then the amount that you would get to would be absolutely ludicrous on its face in terms of the impact that people have experience.

Mr. Forbes: That's correct, and in addition to that, HUD would not allow us to do that because we would in effect not accomplish a national objective with any of it because very many of those people wouldn't get home and consequently we would not have benefited them in the way that we're supposed to.

Mr. Jetson: And so, I think of all the important things that have been said I think Representative Pope's comment that nothing is guaranteed in this is a significant one but there is a necessity of additional resources to meet the impact that the need that exists in this state which I think should galvanize all of us to do everything that we humanly can to make certain that that does happen.

Mr. Forbes: Yes, sir.

Mr. Durbin closed the floor for questions and asked Mr. Forbes to finish his presentation.

Mr. Forbes picked up on the 2nd slide on page 9 of his PowerPoint presentation. See PowerPoint presentation available on the Restore Louisiana Task Force website.

Mr. Durbin opened the floor for questions upon the ending of Mr. Forbes presentation.

Mr. Knapp: Just a quick question, or perhaps explanation, in the rental and economic development programs as we've discussed this off line, the intent would be that we would introduce these concepts and still try to have those be part of the action plan and public comment process in general so that there is not a secondary delay for the rental program or a secondary delay for the small business program, that they are that timeline you showed us earlier, they would still be following in that same window of approval time. Is that correct?

Mr. Forbes: That is correct. Which is what we're striving to do. I just want to make sure that we all know that we're not going to hold up anything. We're not going to vote on those today. You're not making a decision about those today. That we're not going to hold anything up for them.

Mr. Durbin: Mr. Forbes, I have a question. You have established a certain number of houses, homeowners that can be benefited from whatever is chosen today. That's premised on what amount that is being allocated out of the \$438M? What is that premised on? How much per house?

Mr. Forbes: This \$406M that we're showing on this, it's the last slide.

Mr. Durbin: No. Let me be a little clearer. This \$405.8M. If a large contractor bids on the program, how much is this contractor being approved for per household or per house?

Mr. Forbes: What we are looking at, many times you will see programs that have a cap and right now we are not considering the cap because when we define grades of construction for the work for the cost estimate it will effectively put a cap on the construction cost. It's probably not going to be above 150, 160 something like that at the max. This estimate of the 4,000 people that we came up with is based on an average of \$70,000 per household. To be clear, we're hearing some numbers coming in from people that are lower than that. That's great. We also expect we're going to have to do some reconstructions, which is rebuilding the entire house. We're still pretty comfortable with the \$70,000 but to the extent we can drive that number down, we drive our 4,000 number up.

Mr. Jetson: Just very briefly so that I'm clear what are the decision points that are before this body today?

Mr. Forbes: If you look at tab eight, we have a draft resolution in there.

Mr. Jetson: Right, I'm familiar with the draft resolution.

Mr. Forbes: We have a summary explanatory piece in the back but in short what you are resolving is to recommend to the governor that he instruct his Office of Community Development to go write an action plan that describes a housing rehabilitation program that includes reimbursement, state run program, and a homeowner driven program that has certain criteria for prioritization that may be expanded if funds are available.

Mr. Jetson: And as it relates to the nature of those three programs, will there be a revisiting of what they would ultimately look like or if there are questions regarding that should the inquiries be made at this point? Is this a speak now or forever hold your peace?

Mr. Forbes: No, sir. We would be updating you at every meeting on the progress and the decision points that we've hit and if obviously at any point in that you decide, as a task force, that you want to weigh in on one of those decision points, we will do that but we will be informing you as we go along. Where we are and what we expect to do in the next two weeks, so that you can both have visibility on what we're doing, as well as make decisions about weighing in on the aspects of that.

Mr. Jetson: So, allow me to ask questions slightly differently. For example, if I were interested in knowing at what point in either of the models that you proposed, the duplication of benefits, would now be the time to ask that or later?

Mr. Forbes: With respect to duplication of benefits, that's actually a statutory requirement, we don't get to decide about that.

Mr. Jetson: No, you don't get to, we don't get to decide, but if we will pay attention to the duplication of benefits that's in this wonderful eighty-five-page document that HUD set or made available. The question is we do establish at what point in the process, or whether that is a function that is performed by the contractor for example. So, you would be determining that, wouldn't you?

Mr. Forbes: Yes, sir. That would be part of the contractors, not the construction contractor, but the program management contractor in their determination of award amount would consider the cost to repair the damage to the home and any duplication of benefits. I'm sorry, am I not answering your question?

Mr. Jetson: Yes, you are. The other thing that I asked about previously, at what point would the issue of a homeowner's ability to express a grievance or appeal at what point would that be discussed or addressed in the plan?

Mr. Forbes: It will be in our action plan and our request for proposals, and HUD would require that we have an appeal process for determinations of eligibility and value. It makes all the sense in the world for us to have that anyway just from an efficiency of the program standpoint. We can't get bogged down without having that be a baked in process for people to appeal the eligibility, appeal the amount, and give them an answer in short order.

Mr. Jetson: At what point will we express how the state will support and encourage those involved to meet the Section 3 requirements of the document.

Mr. Forbes: We will have to demonstrate to HUD how we plan as a state to meet Section 3 requirements and in our request for proposals we will also make it clear to all the contractors that they have Section 3 compliance obligations.

Mr. Jetson: Is it possible or that it will enter into the realm of consideration that the functions around outreach, intake and case management would be considered in such a way that they are not a function but that they might be broken out in some way so that organizations that are in communities and familiar with people might be able to participate in some aspect of that, either through breaking them out or making it some value add to a bidders proposal that they were able to demonstrate those in communities were part of those processes?

Mr. Forbes: Yes, sir. That's not only possible but I think highly advisable. We know there are some communities that likely not many members of them would likely not access the program by virtue of not knowing that the program existed without appropriate outreach to folks and that's going to be a critical part of the process and using local entities to help us do that makes all the sense in the world.

Mr. Jetson: Representative Pope asked a question early on about input into the action plan and people not having access to technology and otherwise, but as it relates to actually participating in the program, having people in local communities who are part of the outreach would be even more critical.

Mr. Forbes: Yes, sir.

Dr. Wilson: Pat, quick question. For those citizens who may have taken advantage of other assistance whether it was loan assistance or SBA or some other federal program through some specific relationship they had, how does that get impacted by their eligibility for this program?

Mr. Forbes: Every federal dollar that they have gotten, including SBA loans, is considered a duplication of benefit.

Dr. Wilson: Was that taken into consideration when you looked at the numbers for the different components?

Mr. Forbes: We actually had to guess. We didn't have SBA data at the time, we are trying to get that and enrich our data set with that so we have a better understanding as that could change the numbers on the eligible folks.

Dr. Wilson: Assuming that their SBA loans were comparable to what they are thinking they're going to get with this program, is there an opportunity to switch or have you seen in other best practices as something that's worth even considering if you're a citizen and you are eligible for an amount that you could qualify for even more in this program but, are you going to get the difference in that case?

Mr. Forbes: You could get the difference, yes. Whenever we look at if they had \$80,000 worth of damage in their home, they got \$20,000 FEMA IA for repairs, then they got \$50,000 SBA loan, they'd still be eligible for \$10,000 because that would not be a duplication of benefit of their award amount.

Dr. Wilson: I assume the project managers will share this information with citizens?

Mr. Forbes: Absolutely. The process is to help people who are eligible get everything they need to get that eligibility established and get in, but also to make sure that people who are not eligible don't make it through the process.

Dr. Wilson: In spite of all the confusion, I appreciate all of your comments.

Mr. Bradberry: As it relates to the RFP process, you go put it out on the street and you are going to ask for input or submittals on all three options basically and then you're going to choose in doing analysis and I presume that that analysis will be put in front of this task force for approval.

Mr. Forbes: We certainly can do that. I mean that's up to the task force.

Mr. Bradberry: The hiring of this contractor or contractors is paramount to this whole program and who they are, and I would suggest, Mr. Chairman and Committee, that that would be done.

Mr. Forbes: If the task force wants to be part of that.

Mr. Bradberry: At least hear the recommendation that you have and what selections have been made and so forth.

Mr. Forbes: As soon as we get firmly established in what that timeline is then we would likely want to schedule a meeting the day after we have a panel for review, so that we could do that.

Mr. Durbin: Please note that is a formal request and will anticipate that coming before the task force.

Mayor-President Robideaux: When Shawn was asking questions, it made me realize how little I understand about the FEMA process so if I have a FEMA verified loss of the 80 of that you said, FEMA only pays some fraction of whatever their verified loss is and I guess that's a formula that they use. Whatever their verified loss is means nothing other than they say, yes, you've lost \$80,000 worth of work that needs to be done and we'll give you some fraction of that; is that currently the way the FEMA?

Mr. Forbes: More or less, but the FEMA verified loss will have zero impact on our process. We were using FEMA verified losses and estimating to right now but when we stand the program up we're going to send somebody out and go evaluate the amount of damage and put a dollar figure on it.

Mayor-President Robideaux: OK so we're not piggybacking in any way on FEMA analysis of what that loss was?

Mr. Forbes: Other than knowing who to reach out to with respect to the amount of damage we need the other criteria that we have from their database, no, that's correct.

Mayor-President Robideaux: All right, that clears it up. Thank you.

Representation Pope: Dr. Wilson provoked a question from me when he talked about SBA which is, and you know I don't want to go there but I will. You must not have another engagement for lunch. Let's talk about SBA. One of the requirements that FEMA says when you go and make an application, if I understand correctly, is in FEMA's requirements that you must also apply for an SBA loan, you don't have to take it, but you must apply for it, is that correct?

Mr. Forbes: I think that's correct, although that is not my, I'm not positive, but I think that's correct for certain pieces of assistance.

Representative Pope: OK. Now then, second question, probably the most important question I'm going to ask today, as you just indicated that if the individual receives an SBA loan, and it is a loan that is going to be paid back at some interest rate, if they receive an SBA loan then that whatever that loan amount is, they would be reduced by any dollars that would come from this recommendation, is that correct?

Mr. Forbes: That's correct.

Representative Pope: So how did these people know when they made application? They didn't know, I'll tell you right up front. I mean you can't answer that. They did not know that when they made application for a loan that they were going to get, that in fact they'd be better off not to make that loan because they may get something here.

Mr. Forbes: Yes, sir. That's correct. We have argued for ten years that a loan is not the same thing as a grant, but in the federal statutes it is considered a duplication of benefits. We are prepared to continue arguing that point until we are out of this business but that's the way it stands right now.

Representative Pope: That would be the same for businesses too, I assume?

Mr. Forbes: Depends, businesses are a lot different because with homeowners almost everything you're always working on is a rehabilitation so the two things would be for the same activity, with businesses very often the

SBA loan could be for rebuilding their home, a grant could be for buying new inventory, those are different activities and consequently not duplications of benefits.

Representative Pope: I'll just go ahead and say I've got major issues with all of this quite frankly. You all don't know that but I do. Here we are going to ask individual A over here to go and apply for FEMA services, which they must do, not choose to do, if they don't have resources other than that they're going to have to, then they also must apply for a SBA thing to repair or rebuild to this point in time because by the timeline that we're looking at is March, maybe April at best, they're going to be sitting there. Some people in north Louisiana and other parts of the parishes that went through the March issue, still not back in their homes, they're going to be sitting there for long periods of time without their homes, yet they've got to go borrow this money from the SBA and now they're going to be penalized again. I understand it's not your thing, you just made, and I have an appreciation fact, that argument. My point to the world is that SBA is a screwed-up process. That's a nice way for me to put it. They're penalizing people that are going out to try to do the best they can to get back in their homes in expeditiously speedy timeframe and now we're going to penalize them again for doing it. Ultimately, that is unfair. It has no bearing on what this task force can do about it but it is unfair.

Mr. Forbes: I hope you're not asking me to argue.

Representative Pope: I'm not asking you for anything. I'm making a statement and I appreciate the chairperson letting me vent my frustration with SBA, but I am making a statement to you that somewhere along the line we've got to help some of these people. They've made these loans, they're going to have a mortgage in most cases, and they are going to have an SBA loan in other cases, so they've got two things to take care of. They are struggling right now.

Mr. Forbes: I assure you, we are continuing that conversation with HUD.

Representative Pope: Well, that's a good thing.

Mr. Cloutre: Representative Pope expanded on several things that I was going to speak about but we pretty much have the SBA process taken care of in discussion here and I feel the same way but the money that we're going for right now and priorities and things, the resolution that we're looking at putting. Yes, we know we've got thousands of more people that are still out there, so we're looking for a second round, possibly \$3B so that's one of the big hopes that Mr. Olivier talked about. That's one of the hopes that these folks, we have a large number of people that are coming out of the pocket right now and do not qualify for certain types of federal assistance, whether SBA or whatever, and have no flood insurance, but they are coming out of pocket and rebuilding and we're hoping that down the line that within the next round for sure that we would have some concessions on a larger pot of money to deal with that we can help those people because that's a very large number of people within these numbers that we have in front of us in amounts of households.

Mr. Forbes: It is indeed.

Mr. Cloutre: Good, hardworking people that happen to have a few dollars at their disposal, might have been last money they expected to retire on and that their life with. I just want to make sure everybody understood that. Once again, through the public notice, the public meetings, and things like that, we make sure we let people know that this is the first round, and that we continue to hope to help a lot more people as this program continues.

Mr. Forbes: Yes, sir.

Dr. Wilson: This isn't to prolong, or to get my good friend Representative Pope to say anything, but I would encourage the task force to pass a resolution encouraging the federal government to work on a better process to do what it is we do, not just in terms of how we help families but how we reinvest in infrastructure that's damaged, how we help stand up communities, because the model that this nation has is not working to the satisfaction that the people deserve and if in fact we're going to be great, we need to do those types of things from the federal level down to the communities as best we can. If we can work on that resolution, Mr. Chairman, I think that would be appropriate thing for us to submit after they have made good on the promises to fund the needs of the state.

Mr. Durbin: Put it on the next agenda for the next meeting.

Mr. Forbes: Yes, sir.

Mr. Durbin: Thank you Dr. Wilson. Any other questions?

Mr. Durbin closed the floor for questions.

Mr. Durbin: We're looking at Tab eight, resolution, document entitled 'final resolution', and the important sections are section one and section two, section one is at the bottom page one and section two is midway on page two. As I understand, Mr. Forbes, this is your recommendation to the task force?

Mr. Forbes: Yes, sir.

Mr. Durbin: OCD's recommendation?

Mr. Forbes: That is correct.

Mr. Durbin: So, everything that has been discussed today, presented in tab seven. This is a broadly worded document that encompasses the variations of what you have presented in tab seven?

Mr. Forbes: It does but I want to make very clear that I went over several different options for prioritization criteria and not all of those are in these prioritization criteria.

Mr. Durbin: That's in section two, the five bullet points in section two. I understand what you just said, I just want to be clear to everyone else that there were variations that are not encompassed in section two as a bullet point.

Mr. Forbes: Yes, sir, in fact, I could say simpler that the fifth bullet is the only one that varies among all the different scenarios that we discussed today.

Mr. Durbin: Ok. Having brought that to our attention, there are a few more questions from the task force.

Mr. Durbin reopened the floor for questions.

Mr. Knapp: Pat, I think this gets to the heart of the entire discussion that we were having about the different population thresholds is that fifth bullet which reads elderly age sixty-two on the date of the storm or persons with disabilities the universe that you've shown us in the data is that that's an estimated to be 4020 people in the August and in the March events about 3.4% of folks with FEMA verified losses. Which would serve around 76% or 77% of folks that would be in those six parishes that you're required to make sure that 80% is in. That is a scenario with this bullet. Really the only other data set that looked like it got close to a universe around 4000 is the universe where that fifth bullet would be major high and severe group was about 4700 folks, 88% in the six parishes. So, the question that I was having a sidebar conversation up here about was the moral question of which one of those a more correct answer. Neither is a great answer, which one is a more correct answer for us to contemplate and the moral question is between serving elderly and disabled, potentially, I mean there are many scenarios other than just these two where the universe gets pretty close or those with major high damage and severe damage but without regard to their age or disability status. I wanted to frame that to say that neither of those has a clear path on which is the right answer. Your recommendation is that elderly and disabled is a more important priority even though it's not going to get us that 80% on what the federal register requires versus targeting those with major high and severe. Just explain the thought process for the differentiation of those as you and your staff looked at it.

Mr. Forbes: A few pieces there, whenever we look at the \$8,000 damage that FEMA determined, those numbers are ridiculously low. That's going to cost twenty something thousand dollars for somebody to come fix most likely, so it's not like we are really talking about somebody coming up with \$8,000, we're talking about somebody more likely coming up with \$20,000 or \$30,000 to fix their damage. When we think about vulnerability of populations obviously the elderly and disabled is the most vulnerable, with all those other criteria, is the most vulnerable part of the population that we could possibly consider and that's probably the most compelling reason for our recommendation and certainly it's a viable recommendation to go with low to moderate income and raise the damage threshold on it. We could also lower the income threshold, I think that number was in the six thousand range but I could tell you that if we could still use those criteria here and when we get to the application process and start seeing how many people apply, how many people are eligible, and how many people we consider, then we could make adjustments to reduce that number if that were necessary or to expand it if we have available funds, so if you as a task force decided to choose that I think that we would figure out how to work with that if you chose a scenario that has a number bigger than 4000.

Mr. Knapp: I understand the answer and I appreciate the explanation.

Mr. Olivier: Sixty-two, is that a federally mandated age?

Mr. Forbes: It's not, it's a recognized standard for them, but just like the incomes we could set the number at whatever we wanted to.

Mr. Olivier: Does that make a big difference if you set the number higher?

Mr. Forbes: I don't know, I'm certain that it would make a difference. I don't know how big a difference.

Mr. Durbin: Ok, for my own standpoint, the document that is before us, and I think maybe is on some of our minds, is it flexible? If it's voted as is or does it have to be amended before it's voted on?

Mr. Forbes: If you would like to amend it you would do that now before you would vote on it. If you would like to amend. That would be the process. You would have a motion to amend I assume and vote on that.

Mr. Durbin: I was just asking the question from the standpoint of what Mr. Knapp brought up just a minute ago, about the amount of damage as opposed to what is in these five bullet points here, add another bullet point, eliminate a bullet point, adding a different bullet point. That's where when I'm asking just now.

Mr. Knapp: Simply to say that if we were going to change one of the bullets, we would need to do that now if the task force felt like it wanted to change that prioritization or add to it and that's what Mr. Forbes explained.

Mayor Norris: I'm going to pass so my question or we would be here until supper.

Mr. Durbin closed the floor for questions.

Mr. Durbin: All right, you have the document, section one and section two. One item I want to ask is there a plenary motion to modify or amend the document eliminating or deleting the words 'unanimously adopted' from this document.

Ms. Dupont: No, not yet.

Mr. Durbin: Ok, not yet. You have the document, two-page resolution in front of you task force members present. It's my obligation as chair to ask for a motion to adopt the resolution as drafted or for one of you to make a motion to amend first.

Mayor Norris: Real quick question. The definition of disabilities is huge.

Mr. Forbes: Again, we're at liberty to define that in any way that we would want to. The numbers we have here is if people self-reported when they filled out their individual assistance application that they had a function or access difficulty and it's just a checkbox on the application. These are just estimates, whenever we went through the application process we would apply a standard of disability that we choose and there are several, but the state office for persons with disabilities has standards that match the federal ones and that certainly would be part of the process.

Mayor Norris: That's a wide, I mean that could be, I just guess there's a technical definition of disabilities and we should pick.

Mr. Forbes: There are several and we'd have to decide which one. In the federal law, it's any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such an impairment.

Mr. Jetson: As someone who is approaching his sixty first birthday, I'd like to get your sixty-two codified quickly as possible before the number moves in the other direction. I mean, Mr. Chairman and members, sometimes the reality is there's just not a good answer, and so you just do what it is that needs to be done. With that in mind, whatever is the appropriate motion, if it is to adopt, to approve, to recommend, whatever is the appropriate language, I would offer it to advance this resolution from the task force to the governor.

Mr. Durbin: There has been a motion by Mr. Jetson to approve the resolution as drafted, which may be amended after the vote. Seconded by co-chair Ms. Wyatt. Would you please, madam clerk, call the roll.

Ms. Dupont: Is there going to be any objection to the motion?

Mr. Durbin: Will there be an objection to the motion on the table?

Representative Pope: There may be.

Mr. Durbin: Ok, there may be. Call the roll. Turn your mic on, yes ma'am.

Mr. Durbin requested that the roll be called:

Ms. Dupont:

Mr. Bradberry	Approve	Mr. Faulk	Absent
Mr. Dartez	Approve	Mr. Gallagher	Absent
Mr. Durbin	Approve	Senator Morrish	Absent
Representative James	Approve	Mr. Pierson	Absent
Mr. Jetson	Approve (Motioned)	Mr. Reilly	Absent
Mr. Knapp	Approve	Dr. Richardson	Absent
Mayor Norris	Approve	Commissioner Strain	Absent
Mr. Olivier	Approve	Mayor Tyler	Absent
Representative Pope	Approve		
Mayor-President Robideaux	Approve		
Representative Shadoin	Approve		
Dr. Wilson	Approve		
Ms. Wyatt	Approve (Seconded)		

Ms. Dupont: Sir Chair, the resolution has passed unanimously.

Mr. Durbin: Resolution passed unanimously. Thank you, task force. Thank you for the hard work of you and your group, Mr. Forbes.

VIII. ECONOMIC DEVELOPMENT RECOVERY SUPPORT FUNCTION PRESENTATION
~ **Adam Knapp, Housing RSF Lead**
~ **Patrick Forbes, Executive Director, LA Office of Community Development**

Mr. Forbes: Mr. Knapp is going to talk about Economic Development Program. Again, not a formal proposal, not looking for a recommendation, it's just to, I think that what we learned is we want to make sure the task force has adequate time to consider things that are proposed to you and this is in that interest.

Mr. Knapp: Members our Economic Recovery Working Group has met twice to discuss programs, looking first at the data of business impact and borrowing heavily from the analysis that has been done by Louisiana economic development and a lot of their outreach since the March and August events and looking at the damage disparity for what the small business administration has been able to provide and what gaps remain which are significant and in a brief highlight I just want to narrow this to the conversation just in the August event and I apologize for the insincerity of only speaking to that but it's the one that the data is most clear to at least to our immediate accessibility. About 3,600 businesses have applied for loans under the SBA as of its deadline roughly, in the damage assessment done by the folks at the Stevenson Disaster Management Institute some 14,200 businesses were affected by the August flooding, so you're in the neighborhood of around 25% who have applied for the Small Business Administration assistance, that does not mean that they will be approved. Some 1,300 or so have been approved for SBA loans in the August event. So far, less than 1,000 I believe are in the universe for the March event who are in the SBA program. So, the illustration of that is this a 75% of businesses are not even in the pipeline of assistance right now and that's where our task force was focused in its work, was trying to understand what best we can do. As we just went through the conversation about the homeowner program, \$10M or \$12M is not going to scratch the surface of the need for small businesses just as it does not do so for homeowners. So, what you have in front of you is a program designed that hopefully is also an expandable program design, if there is the possibility of any additional assistance to small businesses, just as we would hope there is for homeowners and renters. With that in mind, there were four things that we observed would be incredibly important to helping both communities with recovery of their business community and helping small business owners directly and so two of the programs recommended really are more service tools, two of them are

actual financial assistance tools, and I'll just be very brief, you have the information in front of you and for the benefit of the record and for the audience watching and listening not here in the room. They are to provide business technical assistance so that there is some immediate coaching and counseling available to business owners who are dealing with a very complicated recovery to best understand how they can get through this recovery and get the right decision for their businesses hopefully to recover. Much of that has been happening so far through the disaster assistance centers of the SBA, they will not be here forever, and they are tied essentially to the program delivery so without that there is not much out there otherwise for business technical assistance. The second is an observation that came very clearly through our working group and from the communities which is business owners not knowing what is happening in homeowner recovery or rental recovery has the greatest challenge in almost all the parishes to whether they should take the risk to restart their enterprise. So, that challenge of decision data is one we talked quite a bit about which is how can we give more information to a business owner in every community about the status of the situation of their neighborhood, of their community, of their client base, about the potential for them to meet to take that risk to restart their enterprise especially for those shuttered enterprises, and so there was a recommendation that there be a specific program, which it shouldn't be that expensive, but one that we want to make sure is included here to provide for business intelligence decision data. Almost at a neighborhood or city level across the impacted parishes about where does the status of their recovery, in addition to understand better, what is the status of what's going on at businesses themselves. Which today, there's a lot more that's known about homeowners, for example, than really is understood perhaps about business owners. So, the programs of financial assistance, which is really the majority of the dollars will be deployed to providing financial assistance, our committee talked about this being tiered in terms of immediate access to resources and then in the long run a greater resource of programs as we try to get some immediate dollars out of this quickly as possible, and then having something that could be a longer program. After Hurricanes Katrina and Rita, the program that the states stood up first and then second through CDBG programs was a bridge loan program out through commercial banks and trying to provide them a lost guarantee that would get them out into their client base of businesses to whom they are already lending capital to give them some guarantee against risk of loss that those that lost guarantee would provide a backstop to them for that risk of loss of the capital put forward by the CDBG in that program if we choose to go in that direction would be a loss guarantee to banks in order to get them lending capital out as quickly as possible. The fourth program recommendation, which is the primary financial assistance recommendation, is a grant and loan program to small businesses. The portion of which would be a small grant to entice businesses to do it but also make sure that there is some capital that is just getting to them without strings attached but piggybacking with that some additional loan capital. This is a program again where the model was delivered after Hurricanes Katrina and Rita have been done in other disasters in the team at that OCD you know quite a bit about how to administer these programs. So, if we were to go in that direction we would have a recommendation to you at a future task force meeting as we did today on the homeowner program to go in the direction of these four program guidelines. We would rely upon staff to develop those programs and an action plan.

Mr. Durbin opened the floor for questions.

Mr. Olivier: Motion to accept.

Mr. Durbin: There is a motion by Mr. Olivier to accept the recommendations.

Mr. Forbes: We were not making a recommendation at this point, just educating about where the process is headed, so that next time we will be informing you in the same fashion we did on the homeowner program with opportunities to understand it before the meeting and then have a recommendation for you to approve at the meeting.

Representative Pope: I just have one question for Adam, don't run off. Your statement was that, what percentage of the businesses have not made application through the SBA.

Mr. Knapp: So, this is an estimate, keep that in mind, some 3,600 businesses have put in an application to the Small Business Administration, some 1,300 of which have been approved so far. The estimated universe of affected businesses is 14,200.

Representative Pope: So, you have 14,200. 3,600 that's made application through SBA.

Mr. Knapp: That's correct, for the August event.

Representative Pope: The information we got awhile back was that it has been closed out on November 7.

Mr. Knapp: Yes, sir.

Representative Pope: So, that is not an option anymore for those people that correct?

Mr. Knapp: My understanding is that the SBA is no longer going to be taking new applications, now they do have applications open for the August event through May of next year for economic injury loans, and it's important to be distinct that there's a lot that you can do with working capital economic injury loans and you can apply to the SBA for those through next May. This is primarily for the reconstruction related capital.

Mr. Durbin closed the floor for questions.

IX. LESSONS LEARNED: DRIVING A PROMPT, EFFICIENT AND PREDICTABLE RECOVERY ~Zach Rosenburg, CEO & Co-Founder, SBP

Mr. Rosenburg: Good afternoon folks, everybody. I will endeavor to be brief. My name is Zach Rosenburg. I'm the co-founder and CEO of an organization formerly known as St. Bernard Project, now known as SBP. I tell you we have rebuilt fifteen hundred homes across the country utilizing over one hundred eighty thousand volunteers and let me tell you why I'm here today because we have seen the human toll of the delayed recovery. Just this week we finished our first home in Baton Rouge for Mr. Marcus, a gentleman who is a Vietnam era veteran, disabled, and was living with seventeen family members in a trailer until we were finally able to welcome him home Wednesday. That's a relatively quick recovery but unless we get it right it's going to be this situation. Mr. Johnson, also a Vietnam era veteran in New Orleans, who for the past eleven years has been living in a gutted home with no electricity, and no water, and until he encountered our team a month and a half ago hadn't had a bath in years. So, SBP exists to shrink the time between disaster recovery and let me tell you why and then I'll get into a series of recommendations. We do so because human beings have a breaking point. There's a time when folks some, we've had too many clients die across the country on our waiting list and we have other clients who aren't dead but they're certainly not living and they looked like all of us in this room at one point they had hope that the country would work for them and their citizenship wouldn't be diminished by the country's recovery process. There's a formula that you can look at how folks get to their breaking point and some of those things you can control or at least advise. The formula is this, there is disaster, there's time, and we've got to shrink it, there's predictability, human beings are extraordinarily resilient if there's a clear path in front of them but if you're facing an abyss, whether you're a senior in your golden years, a parent or caretaker of kids and you don't know when you're going to get home, that hastens the breaking point and then finally there's resilience. So, let me say this before I get into both general and specific recommendations. First, you are incredibly well served by Pat Forbes and his leadership. The values of someone in this position is all important and you know my team has been blessed to work with Pat for the last several years and I think you're well served by his values and commitment to getting all Louisiana citizens home. Your role is incredibly important. I do want to share these recommendations albeit after the vote. First, let me start with for general recommendations, time matters. Plain and simple. We know that and if we're now in March, at best, when dollars are hitting the ground, that's a long time, especially for family members in northern Louisiana. Second, predictability matters, and we have discussed that. Third it's important that this recovery, we leave Louisiana stronger by building capacity in small and mid-size businesses. By ensuring that young people have been raised with during their formative years and a healthy home, making sure that Section three businesses are enabled and supported, and that NGOs that are needed in the community can be capitalized so that they'll exist stronger and better after the disaster. Fourth in terms of general recommendations, I suggest how important it is to continue to monitor and measure what matters. So, there has been since Hurricane Katrina, I believe, seven disasters with federal dollars at the outset of each and every one of them. There's been hope and optimism and a plan that folks have felt good about. Let me talk to you about some of these plans. In New York, as you heard from in New Jersey two women on your first meeting, we just celebrated the fourth anniversary SBP built over three hundred houses there. Half of the people who would qualify have been served by this program. This was a program that had all wonderful intentions. So what I suggest to you all is you have to measure what matters. And while compliance is essential for the state's future, so is outcomes and I suggest that you work with

Pat and his team to make sure that the program is working as expected and there are benchmarks along the way. Nothing's perfect from the beginning but you've got to make changes and you can't make changes if you're not measuring the data that works. Again, I want to reiterate that compliance is important but so is meeting benchmarks about what matters. That's American families being served. If you don't measure it, you can't enforce it. I will share some specific recommendations and I'll try and move quick. First, I just want to applaud this task force and the state's governor for pressing on Shelter in Place. I think what our governor is doing is not saying if, but how. That program can be expanded and I encourage you all to endorse the governor's continued push, we have a new administration coming in and if you just look at the sheer economics of it, there's money on the table and families could be put in a much better space, we shouldn't let that one go second in the states process. I specifically suggest that there is not a utilization of per hour or low bid perkier process for the case management or the program management process. That sort of process disincentivizes outcomes, and incentivizes billing per hour with no end to the program. In South Carolina, they utilized an all-in to your peril contract with the program management contractor there incentivizing outcomes and outputs, not an ongoing program and that is possible and I suggested, Pat's been willing to hear it. I'm happy to introduce any task members and Pat to your opposite number in South Carolina. If you bid it out per hour, a little bit, there's no incentive for it to finish. I lost my glasses. Maybe someone could hold it far away. Thank you though, Pat. I think it's essential. We talk about measuring what matters, which is outcomes. I think it's essential to utilize NGO communities. There was a bunch of energy when the women from New York and New Jersey were here. The NGO community is if you think about what matters, time, savings, and reaching everybody, can penetrate communities in ways that other contractors may not. This is not to create competition with for profit contractors but instead to make sure dollars go farther and each and every qualified Louisiana citizen is served. In doing so, also adds a significant amount of predictability. Two more suggestions and then I just want to unpack on why working with the NGO community is so essential. First, I think Mr. Jetson was spot on in not seeing DOB as a static calculation that can't be changed. It is correct that DOB must be calculated, but there are aggressive and nuanced ways to do so and I would suggest that contractors be incentivized to publicly state their DOB calculation in a way that broadens the pool of people who can be served. We can do math that shrinks the pie or the pool of applicants and we can do math that's justifiable that broadens the pool and I believe that's a role that this task force can recommend to Mr. Forbes and his team. Finally, if we are seeing optimistically the dollars will hit the ground in March, I think your state is extraordinary, as Mr. Forbes said I believe, that's extremely optimistic. There's no team who could do better than Pat and his team working with Earl and his team, but things are different now. So, I think if we rely on that there's a chance it will be a year from now when you have the best positioned guy in the business, Pat, going after the money so there must be some contingency plans that could potentially relate to the second tranche of money. I would suggest to this task force that you empower Pat and his team to explore the bridge loan option, something that I believe HUD would consider, that would bring in private capital at a lower rate of return to front the eventual CDBG dollars and I think that I would recommend to this committee that you advise the team to look at how, not if, if this state does everything right it could be a year from now before dollars at the ground. So, there should be trying something else in the chances are Louisiana is going to get hit again. Having a pre-baked bridge loan process would expedite the dollars on the ground. Again, to just provide a little bit of further color about the reason to work with the NGO community, I think there's no better way to fairly and earnestly work with the Section three community in a way that empowers them. Second, NGOs are nimble and are going to get the people who are harder to reach. Third, it's financially more efficient, and this is an important piece, and this is it for me and I'm happy to question if there are any. There's a lot of discussion in America that our country is fractured, we're not united, and I want to tell you what I've observed over the last eleven years in Louisiana. We've had 180,000 volunteers who showed up to a state where most of them have no family, most of them have no friends, or have never been here. You could not pick a type of American who hasn't volunteered with us, yet they come here because of something deeper than party affiliation or a decision on a certain day, they come to our state because they're committed to human beings. So, I want to really suggest that using the NGO community will help heal the country, by allowing Americans to show what unites us is far more than what divides us. The NGO community cannot, and should not, exist on donations alone. They provide meaningful government services, yet cannot build a business model without predictability. In South Carolina, they incentivized the contractors to write into their proposals to the action plan to work with NGOs and I would suggest that would be important here. Thank you for your time.

Mr. Durbin opened the floor for questions.

Mr. Jetson: If you could share whatever information in terms of that which is legitimate latitude as it relates to the determination of duplication of benefits, I would be interested in that number one, and secondly, any examples where opportunities for by nonprofits to occupy those critical roles around outreach and intake, case management, etc., any examples of the incentives that you referenced near the end for contractors to make certain that they included these local grassroots organizations would be appreciated also.

Mr. Rosenberg: Yes, sir.

Mr. Bradberry: Mr. Rosenberg, you stated something around the fact that you could get private equity to come in here and offer bridge loans because we're not going to realize this money maybe for another year at the least a second portion of the money. What do you consider, well first, has this been done anywhere else in the country?

Mr. Rosenberg: In New York, post-9-11 there was private funds came in what was later reimbursed by CDBG dollars. It is possible it is tougher to do in domestic DR because there is a concern that it's an actual repayment for pre-allocated dollars. There is also though the section 108 HUD guideline that allows for committed CDBG non-DR dollars for loans to be taken out this is something that should be explored and it's possible we believe. Let me be clear though sir, I do not suggest that there's an open market for private loans, we believe there should be a pilot program with a certain amount of funds that would then be administered through whatever program Mr. Forbes and his team run. So, it's not a private marketplace. Does that answer a question?

Mr. Bradberry: Yes, it does. What sort of interest rate would be associated? Particularly post 9-11.

Mr. Rosenberg: We have spoken with financial institutions. There's an impact investment. Incentive here, in other words. Large financial institutions that are seeking a limited return, 4% is a number that we've heard several financial institutions be comfortable with.

Mr. Bradberry: Yes, that's pretty low.

Mr. Durbin closed the floor for questions.

X. PUBLIC COMMENT

Senator Barrow, Louisiana State Senate

Good afternoon, everyone and thank you, Mr. Chairman. Earlier this morning and I had the principal of Glen Oaks Park Elementary, one of the schools in my district, Mr. Bernard Williams, he had to leave but I told him I would still come and make the comments because the school was one of the schools that flooded in my district and when I tell you that they took those lemons and really, truly made lemonade, they truly did. I shadowed him last month at the school and was just amazed at the overall attitude of everyone at the school, starting from the top all the way down to the children. The facility that they went in they had to do a lot of work to get that facility ready for the children to go to school. So much so, that they had to create their own marquis because he was committed, as well as the teachers, to assuring that school looked like, as much as possible, the school they attended before. So, I wanted to speak because I have not heard as much attention about the children, and talking about the needs of the children. Many of you may have seen the Facebook post or Twitter post of the child that walked into the room and saw everything gone and the devastation there. I just want to remind us to make sure that we remember the children because this is the elementary school. He shared with me that he had two students tried to commit suicide, two little people. This is a long process and I want to make sure that we just don't forget about the children and the administration. He had more than half of his staff affected and they have not missed one day of school, not one teacher. They're attitude is infectious, they are positive. They say when they got to the place where they used as a new school facility, they had no smart boards or none of the stuff they were accustomed too. They had the old chalkboards. One of the teachers walked in and was like, I haven't seen one of these in I don't know how long but bring me as much chalk as possible because we will teach the children and they will learn. So, I just want to make sure that we share that and keep it before us and on our radar when we are talking about recovery that we remember the children and the impact this has had on them.

Angela Lorio, Trach Mommas of Louisiana

I'll be brief, because I'm hungry, I'm sure all of y'all are hungry too. I'm with Trach Mommas of Louisiana. In this disaster recovery, we did a nationwide plea. We have about almost three tons of medical supplies. We are the only entity like us that we have discovered anywhere in the country because it's medical supplies such as respiratory equipment, not just people with traches, but wound care, ostomy, GI, some DME, LATAN mainly handles the DME, but medical supplies, specialty formula so it's life sustaining things that populations, the disabled community, need. So, just to first thank you so much for all your work, and to urge you on with that hope because that's what we've been doing. I personally did not flood. I'm a Katrina survivor so I feel I have an obligation to do as much as I possibly can do. Just to wipe all the excuses off the table. You know someone said, think it was Reverend Jackson that said it's not always an easy decision but you just have to do what you have to do. We're a brand-new nonprofit, just incorporated in April, we have zero funding from anywhere. You know volunteers are amazing people, like Representative Shadoin and Senator Barrow, who have supported us. So, we're doing the impossible, it's just two of us and we both have toddler sons with feeding tubes and all that. We've been doing this, we have full skin in the game. So, just to urge you and thank you too because the last meeting the elderly and disabled, it was at the bottom of the list if you remember the other chart, and now we had our own screen. It's tough, because like Senator Barrows said, remember the children, and there's only a little bit of money in this down payment and if you remember the budget crisis, it costs a lot more money to serve the disabled with special needs. So, it's just this much of the population. So all those people who live that lifestyle every day who have lost everything are in so much need we see it every day. I mean every day I get calls, all types of people in this recovery as I say we're not just serving people with traches, it's pediatric to geriatric. If you will, the whole gamut of anyone who's medically fragile. I'm also a member of EMDAC (sp?) which is Louisiana's emergency management disability and aging coalition and we met yesterday. Some of the members of EMDAC are on some of the work groups, such as Bambi from the Governor's Office of Disability Affairs, just continue to utilize those people and call on us. We're willing to be a resource for any of you and as you move forward the education, such as the definition of disability, as Mayor Norris said. These are people in non-profits, this is what we do day to day, and to have those program managers that are going to be the liaison with the contractors educated. In this population, just to be here to be a voice for the voiceless. If you will to remember this population as housing, as rental, is considered to have accessible housing when you think of it. Housing is so hard to come by right now. Well just imagine to have to have a first floor or ramp. It's like what, out of this much housing that might be available, but we have a third floor, do you have an elevator, no elevator. So, just to please consider that in each step in this process the decisions that you make. Think about too, it's awesome that resolution was passed unanimously, and the changes that might have to be made for example the access and functional need to have individuals with that, more money is needed so you may have that family over that threshold of \$50,000 or whatnot because they have done everything right. They must having come to care for their medically fragile child, not everyone has services for everything there are even though with my son, we do qualify for a lot of services but there are still things you pay for out of pocket. So, just to remember all that and use your moral compass when you decide the prioritization, it's not fun to leave anybody out and of course we all wish we had it all right now. So, just to please consider this population at every step because they are the most vulnerable, daily lives without a flood, without anything to eat or you have the stress you know is your child breathing or whether it's your grandmother, wound care for veterans. We get calls daily from everyone from Catholic Charities to FEMA working with the Cajun Navy, the Cajun Army, and it's just in need of humanity that are people that for whatever reason whether they were born with it or something happened. They have a special need but they're just like us. So, please consider that and keep that in the forefront when you make all your decisions and thank you again for your work and your time.

Mr. Durbin closed the floor for public comment.

XI. OTHER BUSINESS

Mr. Durbin: The meeting schedule. Tab 10 in your binders. December 2, 2016, December 16, 2016, January 6, 2016, January 20, 2016. Just to give you advance notice that these are meetings that are scheduled and please note those in your personal calendars. Also, the OCD group are going, Lori and Rowdy, are going to visit next week in Tangipahoa Parish with the president of Tangipahoa Parish to look at their facility. They are inviting the next task force meeting to be held in Amite at their council offices, and hopefully we will be having a meeting or two in north Louisiana.

Representative Shadoin: Ruston.

Mr. Durbin: Representative Shadoin, you can start working on that yourself. Just look and see if you got enough seats for everyone to be there. And the last thing I'm required to make this statement, do not take your binder with you. Take the contents but not the binders. Wait, Mr. Knapp has a comment or a question.

Mr. Knapp: I was going to ask if I could take the binder. I'm kidding. If I could just ask, this is going to back to the public square conversation, I don't know if there's a new business opportunity to bring up but I would love to ask if the staff and this is not necessary for this meeting but at a future meeting between go up and O.C.D. could begin if not rapidly move forward to put together a portal of information for citizens. One of the observations we had, it is one of the questions at the public square forum was, how as a citizen do I find out any information. Unfortunately, the answer given was go to the Governor's website and go to the FEMA website and at some point the FEMA website probably we're past that point, the FEMA website cannot be the answer. It doesn't tell you how to recover from this disaster. So, the thing that I wanted to ask is can we make sure in our communications plan, one is that there is a pathway to develop that I know we were talking about that eighty-page guidance from HUD they expect there to be clear communications. My sense is it should not be homeowner specific or just HUD specific, it needs to be information about the status of recovery in general and the planning of that should start now. So, that it is ready to go as soon as possible and giving information about not programs but guidance for example that people today need to be keeping their receipts for a reimbursement program and nobody is telling them to do so things like that we need to start making sure we're communicating. The second thing that somebody made a point was FEMA has done inspections of homes, the SBA has done inspections of homes, and NFIP has done inspections of homes, that data is nowhere accessible to the homeowners about what's been found out about their homes, and so if there is some way under public assistance to gather those data points and give them to the citizens. We live in an era of open government, open data, can we not aggregate that information in some way under public assistance or under OCD funding and put that in the plan that as people are going into this future to you know homeowner program that there's a lot of accessibility to that data, and we begin planning for that as part of this communications plan that was my comment.

Mr. Jetson: Just briefly, does not the wonderful eighty-five-page missive from our dear friends at the national level expect the creation of some type of communication portal?

Mr. Forbes: They do require a website for visibility on the CDBG funds but I hear Mr. Knapp saying something much broader.

Ms. Payer: Just that the first question that Mr. Knapp had brought up is being addressed. We just weren't quite ready to unveil the website today but we will have a complete website strictly dedicated to the Restore Louisiana Task Force. There will be opportunity there for people to sign up to get their own updates on everything that's happening with the task force. There will also be all the materials that are provided to you in the meeting will be available there on the website and so we'll continue to do that. You are reading our mind and we just weren't quite ready to unveil the website today but it will be very soon.

Mr. Durbin: Next week, maybe?

Ms. Payer: We would love too.

XI. ADJOURNMENT

Mr. Durbin: To adjourn is in order.

Meeting was adjourned at 12:21 PM.

Respectfully Submitted,
Jimmy Durbin
Co-Chair of the Restore Louisiana Task Force

Date Approved: December 2, 2016

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