

Louisiana Flood 2016 Task Force Meeting April 13 2018

Adopted on October 1, 2014

Approved by:



Patrick W. Forbes, Executive Director

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In References you will find the link to the video. This transcript to offer publicly what was said about the Homeowners Responsibility issue and Duplication of Benefits.

Related link: Exhibit 2-5 signed by Mr. Forbes 2014.

http://www.doa.la.gov/OCDDRU AdminManual/Section_02/Exhibit 2-5 - DOB Policy.pdf

DOB Example attached to Exhibit 2-5, 2014

http://www.doa.la.gov/OCDDRU AdminManual/Section_02/Exhibit 2-6 - Sample DOB Policy.pdf

Patrick Forbes: 1:53:13 on video timer

Mr. Forbes: Thank you Miss Robinson for bring this up, I should have had it in our presentation.

It is one of the biggest challenges we have right now, is closing the duplication of benefits gap mostly is want you said is FEMA individuals assistance were folks got a \$13,000.00 grant or a \$30,000.00 grant from FEMA and if it says for repair on that grant then we have to count it as a duplication of benefits.

So consequently we go out and do an inspection and try to assess how much money has been spent there so we can right off of that duplication. But lots of folks had to spend the money on a car to get to work or rent or food or what have you and can not .. it remains a homeowner responsibility.

Both Office of Community Development and IEM have been working with banks, credit unions, the capital area finance authority, St Bernard Project (SBP), looking for solutions to this. Cause it is clearly one of the bigger challenges we have now is folks, we can't go get things started and put those things in without knowing we can finish the project and that means closing the DOB gap.

Mr. Reilly: Ok, so let me be sure I understand it. Because it, in my head you subtract the duplication of benefits straight from the grant award and you get the grant. The reason you don't want to do that is because you don't want to start a house that you can't finish.

Mr. Forbes: Correct, if we give home&hellip if they have a \$50,000.00 job and a \$20,000.00 DOB and we can give them \$30,000.00 we can't go demonstrate to HUD that we completed, we have delivered completed decent, sanitary home. And consequently our \$30,000.00 grant is void and we'd have to pay that back.

Mr. Reilly: (pointing to Ms. Robinson) Would your clients just accept the grant and get about their business?

Ms. Robinson: Yes, and we have a network, we are in the process of becoming a licensed contractor and we have a network of licensed contractors. We are willing and ready to do the work if they can get whatever is due to them we will make it happen to get those homeowners and those children. We deal with elderly we have&hellip I mean we have cases all across the board and we want to see the children especially, their young and in school they are growing up. The elderly, the disabled they all deserve somewhere safe, clean and just adequate living conditions.

Mr. Reilly: Pat, if you didn't have to report back to HUD would you just cut a check and say, you all get back into your house? This is a difficult question but it also can be a ripe your hair out bottleneck.

Mr. Forbes: Ummm, yeah, their, (inaudible) if you had been on some of the conversations that we had about ways to avoid this particular duplication you wouldn't have hair now.

Mr. Reilly: Well again I don't want to necessarily win the argument that it's not a duplication, I mean that, that's another argument.

Mr. Forbes: (interrupts) That's not the point,

Mr. Reilly: (Continuing) I'd love to cut the check for people to get..

Mr. Forbes: Right, we looked at ways to get a Non Profit Groups, with them the non profit groups can work for less because they have (volunteer) labor. All those things would go back to HUD, you make different proposals that continue to not give us the solution. But we are continuing to look for solutions, one of the solutions is loans, another is working with non profits who can come get the work done before we get their and help them.

Ms. Robinson: And we'd love to get the work done.

Mr. Forbes: We are looking at every possibility. But it continues to be a huge challenge for us.

Ms. Robinson: I guess, if we can get closure to that, I'd hate to see homeowners in year two, in year three, their waiting on an answer to what can be done, to mitigate the issue and get a definitive answer in regards to how do we get these clients that have been approved for a grant, eliminate the duplication of benefits issue in regards to what they already spent. And we mentioned loans but many of them were denied for SBA so if they were denied by SBA 9 times out of 10 I don't think any other lender is going to approve them for any funding as well. So how do we get a definitive answer making a decision.

Fortunately I'm back in my home, I moved back home April of 2017. I don't know if any of you are flood survivors but, it was very stressful. I have two children so I had to get the SBA Loan, I had to move back home for my children.

But if someone did not qualify for SBA, they don't qualify for the other loan program Mr. Forbes mentioned,

what do they do? Do they wait until January of 2019? What do we do?

Mr. Forbes: So I would love to say we could give you a quick answer right now, but unfortunately the quick answer is not going to be the answer that helps many people and so all I can commit to you is we going to continue to turn over every rock to find a way to get as many of these people back in their homes as we possibly can. And we are continuing to do that. We can say, now yes we were making a definitive decision so everybody knows that if we did that today that decision would be we're sorry, we don't have anything for you. So we are going to continue to work, it's going to continue to be ambiguous and messy and that is the way we'll get the most people assistance that we can.

Ms. Robinson: Could we work with you to make it less messy? I'm all about less messy.

Mr. Forbes: Absolutely, absolutely.

Ms. Robinson: Ok.

Mr. Durbin: What neighborhood?

Ms. Robinson: All across EBR, we have clients in Livingston, we have clients in Pointe Coupee, East and West Feliciana, we travel and we go. Where ever they call us we go.

Mr. Durbin: Ok, well, I think the best advice is to continue to work with Mr. Forbes and his group.

So he can continue to relay your concerns and your issues to HUD.

So there could be some modifications for approval.

Ms. Robinson: I did have one last question, I heard that there was going to be some leftover funds from the homeowner program but I didn't hear how much was spent to date.

Mr. Forbes: I would say that number is unknown and will remain unknown until we can get the SBA interpretation language, then set a deadline for the program and bring all the applicants in and we'll know.

Ms. Robinson: Ok, I think at the last meeting we said maybe \$121,000,000.00 do you know in regards to.. (interrupted)

Mr. Forbes: I could not say a number at this point.

Ms. Robinson: Thank you Task Force and thank you Mr. Forbes, I look forward to working with you. (Mr. Forbes passes his business card to Ms. Robinson, Ms. Robinson accepts and takes the card.)

Video link: http://senate.la.gov/video/videoarchive.asp?v=senate/2018/04/041318RestLaTaskforce_0

UPDATES: 6-22-2018

3 Weeks before this discussion is once again taken in front of the Task Force.
This time I hope we actually get homeowners.

I will be presenting a solution to this problem.

I am disappointed in several groups that came close to resolving the issue but clearly gave up or simply saw no profit from this specific issue and moved on.

I'll be making the proposal very public so other disaster victims in other states can champion their own motion to correct this issue.

To summarize Homeowners used their FEMA IHP Grants to repair or replace things not within the scope of the IHP Grant. This caused the state OCD-DRU (Restore) to audit these homeowners to verify if they spent the grant money on home repair. If not, they require the homeowner to either complete the repairs or pay the money back to receive additional grant money.

The main issue is that FEMA did not educate the homeowner to what FEMA has to offer. If the Homeowner would have requested OWA instead of IHP for any reason their today would be no issue with IHP funds buying cars. The OWA grants would allow the homeowner to purchase a vehicle, clothes, appliances which the IHP grant does not allow. The OWA grants would also allow the homeowner to repair their home with the same grant. It should be noted that FEMA typically does not tell the homeowner about the OWA during the first data collection phase. SBA is often the ones that tells the homeowner that vehicle replacement grants can be received if SBA funds are not available after you apply for your SBA Loan and only if you are denied the loan.

But, if FEMA would have offered the homeowner an option of IHP or OWA without SBA in the middle more homeowners would have been assisted. It would have also helped those that financially could not afford a loan.

FEMA has about \$70,000.00 in funds per household which is not normally spoken outside of select circles. The years of Katrina (2006-2010) the state OCD-DRU office opted to award 2 grants totally \$70,000 per household because many households were split up and forced into more debit living in separate locations. The Year of 2016 Floods it was discussed with the Governor and FEMA to create a Shelter At Home program and take the roughly \$30,000 that could have gone to each household and spend it on contractors making your flooded, gutted home livable. Not everyone qualified but everyone qualified for the grant. The State OCD-DRU felt it was better to not give Homeowners more grant money to spend as they would like.

I typically ask people "What would \$70,000 do for your rebuilding?" Sure, I could have purchased a \$69,000 truck but I also could have purchased a \$1,000 truck and spent \$69,000 on my home. But ask the state and they don't trust you to do what's right with grant money.

Seems like everyone thinks the fix is asking or Government Handouts.

Guess some groups don't remember that "The People of Louisiana don't want handouts, they just need a helping hand." that means to work with the people.

I'll be posting my solution to this problem for any person or group to find fault in.

My goal is to create the perfect solution so no Task Force Member could vote no on the proposal and that the Director of Restore is held in place and not allowed to build some state policy that roadblocks productivity.

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