
Louisiana Housing Finance Agency



Public Information

Jeff DeGraff

November 14, 2007

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Louisiana Housing Finance Agency

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MEMORANDUM

To: Chairman Wayne E. Woods
Commissioner Allison Jones
Commissioner John Kennedy
Commissioner Lisa Woodruff-White
Commissioner Merriell Lawson
Commissioner Robert Austin
Commissioner Larry Broussard

Commissioner Kevin Brown
Commissioner Danette O'Neal
Commissioner Carolyn Burris
Commissioner Mark Madderra
Commissioner Adell Brown, Jr.
Commissioner Guy Williams

From: Jeff DeGraff, Public Information Director 

Date: November 14, 2007

Re: LHFA Public Information Summary

The Public Information Section presents the following summary of activities for the previous month:

- Attended several groundbreakings and grand openings of LHFA sponsored affordable housing developments in places ranging from Monroe, New Orleans and Galliano.
- Accompanied LHFA Program Manager to kick-off event for "Rebuild New Orleans Initiative"
- Assisted in the preparation of presentations given by Program Manager Brenda Evans to the New Orleans Metropolitan Association of Realtors and President Milton Bailey to the National Organization of African-Americans in Housing
- Monitored and gave response to media requests involving Katrina Cottage issues (including radio interview with Chairman Woods by WWL Radio, phone interview with KATC-TV, letter to editor of Times Picayune, among others)
- Fielded media requests from many local, regional and national outlets (including USA Today, Times Picayune, The Advocate, WBRZ-TV)
- Prepared and disseminated 6 department news releases
- Monitored and collected stories in print and electronic media; and distributed clips to staff and board members

As the LHFA moves forward towards its goals of providing affordable housing to the citizens of Louisiana, the Public Information Section will continue to work to preserve and promote its image and message.

Attached are copies of the news releases sent out this month and the media clips collected.

The Public Information Section stands at the ready if there are any additional desires of the board.

Attachments



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Louisiana Cottages Program Moving Forward

Baton Rouge, LA (September 27, 2007) - The Louisiana Housing Finance Agency Board of Commissioners met on Monday, October 29, 2007, and approved resolutions that will help to push forward the Alternative Housing Pilot Program, also known as the Louisiana Cottages Program.

The board voted unanimously to allow the LHFA staff to develop and enter into a Cooperative Endeavor Agreement with the Louisiana State Military Department for the construction of housing at their headquarters, Jackson Barracks. The agreement would be subject to approval by the State Office of Contractual Review.

“We are excited about moving forward with the Jackson Barracks site,” said LHFA President Milton Bailey. “This site allows us to accomplish our goal, which is to build houses. And it affords us the opportunity to provide housing to first responders and essential services personnel that are vital to the overall reconstruction efforts, as well as preparations for the future.”

The board also accepted a resolution that authorizes the LHFA staff to approve the construction contract between the Cypress Partners Group and Shaw. Commission Chairman Wayne Woods and Vice-Chair Allison Jones, also chairperson of the board’s legal committee, were given authorization to execute the contract on behalf of the commission upon approval.

It was also decided that a Request for Proposals (RFP) will be issued by the LHFA in order to locate a suitable construction manager to oversee the construction process on behalf of the state. The board is expecting to hear the recommendations from the RFP at their next board meeting, currently scheduled for November 14, 2007.

“This program is very important and the board feels it is necessary to move forward quickly, but responsibly,” said LHFA Board Chairman Wayne Woods. “The actions taken today help us to do both.”

The Louisiana Housing Finance Agency (LHFA) was created by the Louisiana Legislature to address the shortage of safe and affordable housing in Louisiana. Since 1980, LHFA has administered federal and state funds through programs designed to advance the development of energy efficient and affordable housing for low and moderate income families. Post-Katrina, LHFA has been a viable resource in the development of rental housing and homeownership finance opportunities.

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LHFA Board Gives Preliminary Approval to Katrina Cottage Sites

Baton Rouge, LA (October 10, 2007) - The Louisiana Housing Finance Agency Board of Commissioners voted to give approval to three sites for the construction of Katrina Cottages, as part of the FEMA funded Alternative Housing Pilot Program. These sites will undergo further evaluation before being presented to the board for final approval and acquisition.

The sites are in Lake Charles, Baton Rouge and at the Jackson Barracks in New Orleans.

Maj. General Hunt Downer of the Louisiana National Guard made a presentation to the board detailing the history and proposed reconstruction of the Jackson Barracks site in New Orleans. This military installation was 100% damaged or destroyed following the industrial canal levee breach. As part of the rebuilding effort, Downer offered a parcel of land for the construction of the cottages. The board approved the building of up to 75 houses on the site.

The board was also given a presentation by Mayor Randy Roach of Lake Charles, detailing a site on land currently owned by the city. This site could be developed into up to 85 units. Mayor Roach explained to the board that some 60% of the people currently living in FEMA trailer parks, displaced by Hurricane Rita, were home owners. A Katrina Cottages development could afford these people the opportunity to move out of the trailers and into a more permanent situation. The board approved the site for up to 85 units.

The third site given preliminary approval was presented to the board by Camm Morton of Commercial Properties Realty Trust. The site is located in Baton Rouge off of Lobdell Boulevard near the Bon Carre Business Center. CPRT is currently planning on developing a large tract of land in this area as a mixed-income and mixed-use development. The neighborhood would include rental and for sale homes.

-more-

Morton proposed that a section of roughly 15 acres be developed as part of the Katrina Cottages program, in order to help alleviate the housing shortage in Baton Rouge. The board gave approval for up to 80 units at this location.

These sites will be brought before the board once more when the full evaluations have been completed. At that time, the board will give final approval and construction may begin.

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LHFA Invests in Reserve Fund to Help Spur Home Renovations in New Orleans

Baton Rouge, LA (October 24, 2007) - The Louisiana Housing Finance Agency has invested \$1.5 million dollars to help create a reserve fund to help speed home renovations in New Orleans. The investment was matched by both Freddie Mac and the City of New Orleans. The \$4.5 million dollar reserve fund will be a part of the Rebuild New Orleans initiative that offers lending assistance to renovate and/or purchase-rehab local housing units in the neighborhoods of Broadmoor, Gentilly and Pontchartrain Park. The infusion of capital from the three partners is expected to jumpstart \$100 million in renovation mortgage activity over a two year period.

The money invested by LHFA in this initiative came out of the state's Housing Trust Fund. LHFA President Milton Bailey was excited to put this money to use in a way that will generate immediate benefits. "Thanks to the vision of the Housing Trust Fund Advisory Group and the LHFA Board of Directors, we are able to immediately put our Trust Fund dollars to work for homeowners desperately looking forward to coming home. This revolving funds mechanism will allow us to get much more mileage out of each trust fund dollar."

Bailey also sees this as an opportunity to help homeowners across the state. "This is a best practices model that could become a solid state-wide rehabilitation program for homeowners with storm-damaged properties."

The LHFA Board of Commissioners voted unanimously at their October 10, 2007 meeting to appropriate these dollars for this project.

A toll-free number has been set-up to help those persons interested in participating in this program. Individuals can call **1-87-REHAB-IT-4** (1-877-342-2484) for more information and to find out if they qualify. Chase, Countrywide Home Loans and Standard Mortgage are participating lenders in the Rebuild New Orleans initiative.

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Agenda Announced for Special LHFA Board of Commissioners Meeting

Baton Rouge, LA (October 26, 2007) – The Louisiana Housing Finance agency has announced the agenda for the upcoming meeting of its Board of Commissioners. The meeting is scheduled for 10:00 a.m. on Monday, October 29, 2007. It will be held in the V. Jean Butler Board Room of the LHFA Headquarters Building at 2415 Quail Drive in Baton Rouge.

The agenda will be as follows:

1. Call to order, roll call and introduction of guests
2. Multifamily Update
 - Re-approval and Resolution of Final Rank and Reservations of 2007/2008 Per Capita Credits
 - Discussion of waiver of TDC Limits for 750 Jeff Davis
 - Ratification of Czar actions for October 24th concerning additional credits for Timberlane, The Meadows and 750 Jeff Davis; and ratification of approval of carryover extension for Oak Villa
 - Discussion and Resolution of Reallocation of Returned/Recaptured Credits (*Comments will be limited to 2 minutes per individual and 5 minutes per association representing a housing constituency*)
 - Comments from representative of NHP Foundation
 - Comments from Permanent Supporting Housing representative(s)
 - Comments from Pres Kabacoff
3. Katrina Cottage Update
 - Board Consideration and Approval of Cypress Construction Contract with Shaw
 - Board Consideration and Approval of Cooperative Endeavor Agreement with Louisiana National Guard for Site Control over Jackson Barracks
4. Adjournment

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LHFA Unveils Plans to Distribute Recaptured and Returned Tax Credits

Baton Rouge, LA (October 29, 2007) - At a special meeting of the Louisiana Housing Finance Agency Board of Commissioners, held on Monday, October 29, 2007, the LHFA presented its plans to distribute tax credits that had been returned to the agency. After receiving written comments from the developers and community stakeholders, and listening to comments and suggestions from developers and other housing advocacy groups, the board voted unanimously to approve the plan.

The LHFA offers tax credits to developers for specific approved projects. If these projects are not completed, or if the developer decides to cancel the project, the tax credits can be returned or recaptured by the agency. The plan approved on Monday will establish how these credits can be reissued.

The plan calls for an evaluation of previously unfunded projects from the 2007/2008 forward allocation round. The projects will be eligible to receive the recaptured/returned tax credits if they meet all of the following criteria:

- In an effort to finance high-quality housing endeavors that convey the greatest community good, the project must have scored 500 or better in the original funding round.
- Developers must have site control, zoning in place and be able to meet carry forward within 30 days, subject to LRA and/or OCD approval. In addition, Developers must not have any unresolved matters pending before HUD that would otherwise slow or delay meeting carry forward and, developers must demonstrate efficient use of credits.

“We are very excited about rolling out this plan,” said LHFA Program Director Brenda Evans. “We feel this is the most efficient and equitable way to re-issue these credits and gives us the best opportunity to get the credits intended results – more affordable housing.”

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LHFA Seeks Construction Manager for Cottages Program

Baton Rouge, LA (November 1, 2007) - The Louisiana Housing Finance Agency has issued a Request for Proposals in order to locate a Construction Manager to work on the Alternative Housing Pilot Program, also known as "Louisiana Cottages." The Construction Manager will provide statewide oversight and review of the construction portion of the AHPP. This will enable the LHFA to monitor and control this portion of the program.

The agency is seeking competitive proposals from bona fide, qualified parties. Those interested in viewing the RFP can download it from the LHFA website at www.lhfa.state.la.us. A printed copy is also available by submitting a written request to the LHFA Legal Department.

Details of the scope and responsibility of this position are included in the RFP. The deadline for submission is 4:30 p.m., November 7, 2007. Once all submitted proposals have been reviewed, a Notice of Intent to Award will be mailed out on November 14, 2007. It is anticipated that the contract will be initiated on or around November 30, 2007.

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GOP leader cleared of tax improprieties

Ethics Board drops charges against Tucker

By **MARSHA SHULER**

Advocate Capitol News Bureau

Published: Oct 12, 2007 - Page: 13A

The Louisiana Board of Ethics voted Thursday to drop charges against Republican legislative leader Jim Tucker involving allegations he improperly received housing tax credits through a hurricane recovery program.

Ethics Board member Joe Maselli of New Orleans made the motion to end the case, which has been going on for months.

The board voted 9-2 to dismiss charges against Tucker, R-Terrytown, who is co-chairman of the Legislative Republican Caucus.

“At the end, reasonableness survived here,” said Tucker, who said he was relieved to be “exonerated.”

When nobody filed to run against him, Tucker won reelection. He is considered a leading candidate to become speaker of the Louisiana House of Representatives if U.S. Rep. Bobby Jindal, R-Kenner, becomes governor.

The vote ended a more than two-hour hearing. Tucker defended himself against charges that he was granted housing tax credits without going through a competitive bid or competitive negotiation process, which law requires when legislators do business with government agencies.

Tucker received \$1.89 million in credits through the Gulf Opportunity Zone programs for rebuilding two damaged New Orleans apartment complexes he owns.

“There was a contract. It was highly competitive, but it’s not the type of contract contemplated by the exceptions set forth (in law),” ethics attorney Kathleen Allen said.

She said the competitive process is meant to cover professional services or other work done for a state agency — not tax credits issued by the Louisiana Housing Finance Agency.

Tucker argued that he got approval for the tax credits through a competitive and objective process that is covered under the law.

Tucker said there was no question in his mind that he was meeting the legal requirements for legislators doing business with state agencies.

Tucker's attorney, David Birdsong, said the tax credits were only "provisionally approved" and his client ended up not taking advantage of them. For his client to be accused of any impropriety required "a torturous reading" of the law, Birdsong said.

Board Chairman Hank Perret of Lafayette and Vice Chairman John Greene of Covington agreed with Allen's interpretation that the tax credit situation was outside the areas contemplated by the statute.

But Clayton Davis of Lake Charles said they were being too legalistic.

"I don't think you can escape the point that they have made this a straight process, objective evaluation, very competitive with no chance to let a legislator catch any free balls," Davis said. "I understand the argument that it (the law) could be read to be limited. ... But I don't think that's what should bind us here."

Perret said Davis wanted to look at "the spirit of the statute rather than strictly construe it." He said he favored a strict interpretation.

Perret and Ethics Board member Dolores Spikes of Baton Rouge voted against dismissal of the charges.

Voting for dismissal were Maselli, Greene, Davis, Gwen Hamilton of Baton Rouge, Mike Johnson of Pineville, Herbert Baptiste of Natchitoches, Joanne C. Ferriot of Thibodaux, Cedric Lowrey of Alexandria and Doug Peterson of Bossier City.

Find this article at:

<http://www.theadvocate.com/news/politics/10494547.html?showAll=y&c=y>

Check the box to include the list of links referenced in the article.



Everything New Orleans

The Times-Picayune

Ethics Board drops probe of lawmaker

Tucker's bid for tax credits drew questions

Friday, October 12, 2007

By Robert Travis Scott
Capital bureau

BATON ROUGE -- The Louisiana Board of Ethics voted 9-2 Thursday to dismiss a case against the state House Republican leader over alleged violation of the ethics code involving tax credits for apartment construction that he sought through a hurricane recovery program.

The decision was a major break for Rep. Jim Tucker, R-Algiers, who aspires to a leadership post in the next Legislature and wanted to shed the political baggage of the accusations. To get a favorable vote from the panel, the House Republican Caucus chairman had to overcome arguments of Ethics Board chairman Henry Perret Jr., one of the two votes against Tucker.

"In the end, reasonableness survived here," Tucker said afterward.

Tucker, who manages and develops apartment complexes, was one of 225 applicants for a federally backed tax credit program administered by the Louisiana Housing Finance Agency to encourage construction of multifamily housing units.

Application later dropped

He never took the credits and he later dropped his application because of escalating insurance and construction costs for his proposed projects in New Orleans.

State lawmakers can enter into contracts with state agencies under some circumstances. The Ethics Board examined whether Tucker had gotten a contract with the agency on a competitive basis in a manner that fit the ethics code.

Brenda Evans, program administrator for the housing agency, testified during the hearing that the application process for the tax credits was objective and competitive.

Ethics Board acting Administrator Kathleen Allen, who served as prosecutor at the hearing, said the ethics code allows lawmakers to enter into competitive contracts only if they fit a section of state law that applies to service or consulting work for state agencies.

Allen said the type of agreement Tucker made with the housing agency was not for service or supplies to the agency, and was therefore prohibited even if it was won through a competitive process.

"It was not the type of contract that was contemplated by the exceptions set forth," Allen said.

Fine points of grammar

The hearing included a long discussion about use of the word "or" versus "and" and the proper placement of commas in the relevant statute of the ethics code.

Perret said he did not think Tucker was trying to take advantage of the state, but that Tucker's actions might still have violated the law. Tucker said he thought Perret was missing the overall intent of the Legislature regarding the law.

The hearing reached a turning point when board member Clayton Davis said he thought the tax credit process was competitive, objective and done with full disclosure and no chance for any lawmaker to take advantage of the system. The discussion of grammatical details was beside the point, he said.

"I do think we're getting into the trees here, and we're losing sight of the forest," Davis said.

Near the end of the hearing, board member Joseph Maselli said, "I think the person has no intent whatsoever to violate the law," and then made a motion to dismiss the case.

Perret responded that, as a member of the Legislature, Tucker had a higher standard to meet, and the law should be interpreted strictly, even though it had created "an unfortunate situation" for the representative.

When the vote was taken, only Dolores Spikes joined Perret in opposing dismissal of the case.

"When we got into the 'i's', 'ors,' 'ands' and trees, I thought I was going to have a stroke," Tucker said later.

Tucker said afterward he believed the anonymous accusation that started the case was the result of actions by the administration of Democratic Gov. Kathleen Blanco, who has opposed Tucker frequently in his position as Republican Caucus chairman.

"I think it was purely for political reasons," Tucker said. "This was a bunch of malarkey."

A spokeswoman for the governor said Thursday she knew of no one in the administration who lodged the complaint.

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Everything New Orleans

The Times-Picayune

The Times-Picayune

Ethics charges dismissed against chairman of the House GOP Caucus

10/11/2007, 3:55 p.m. CT

By MELINDA DESLATTE
The Associated Press

BATON ROUGE, La. (AP) — The Louisiana Board of Ethics dismissed charges Thursday against the chairman of the House Republican Caucus that accused him of violating the ethics code by receiving low-income housing tax credits from a state agency.

Rep. Jim Tucker, R-Terrytown, ultimately didn't use the \$1.9 million in state-issued tax credits to rebuild two apartment complexes he owns in New Orleans and instead returned them to the state. But he also argued the law allowed him to apply for those credits.

Under state ethics law, lawmakers are barred from entering into a contract with a state government agency unless the contract was competitively bid or negotiated through a "request for proposal" process.

Kathleen Allen, chief attorney for the ethics board, said the tax credits Tucker received didn't meet the narrow exception language allowing for lawmakers to enter into state government contracts. She said the board should rule that Tucker violated the law.

But after debate about the language and the meaning of the law, the board decided in a 9-2 vote to toss out the charges against Tucker. Supporters of dismissal said that there was no evidence that Tucker intended to violate the law and that the application process Tucker followed for the tax credits was competitive and followed the spirit of the law.

"In the end, reasonableness survived here," Tucker said after the ruling.

Tucker said he believed the charges against him were politically motivated. He blamed Gov. Kathleen Blanco's administration for the charges because Tucker has been one of Blanco's chief critics in the Legislature who has worked to defeat several of her legislative proposals.

Blanco spokeswoman Marie Centanni said the charges didn't appear to come from anyone in the administration. The ethics board doesn't reveal who reports possible violations.

The tax credits at issue were awarded by the Louisiana Housing Finance Agency through the federal Gulf Opportunity Zone Act for hurricane recovery. Tucker's two companies applied for the tax credits in April 2006 and returned them in May 2007 — five months after the ethics charges were filed.

At Thursday's hearing, Brenda Evans, a program administrator with the LHFA, described the process for applying for the tax credits, which she said was taken from federal procedures. She said the process was objective with two different people grading the applications and the credits awarded to those companies with the highest scores.

"This was a straight-ahead process, objectively evaluated, very competitive, no chance to let a legislator catch any free balls," said ethics board member Clayton Davis.

Ethics board chairman Hank Perret, one of the votes against dismissal of the charges, said he didn't believe Tucker tried to take advantage of the state or use his position for an unfair advantage, but he said he thought the board should use the narrowest reading of the exemption to the ethics code. Under that reading, he said Tucker violated the law.

"You're a member of the Legislature, and I think the public holds you to a higher standard," Perret said.

Voting to dismiss the charges were Davis, of Lake Charles; John Greene, of Covington; Herbert Baptiste, of Natchitoches; Joanne Ferriot, of Thibodaux; Gwen Hamilton, of Baton Rouge; Michael Johnson, of Pineville; Cedric Lowrey, of Alexandria; Joseph Maselli, of New Orleans; and Ernest Douglas Peterson, of Bossier City.

Voting against dismissal were Perret, of Lafayette, and Dolores Spikes, of Baton Rouge.

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Charges against State Rep. Jim Tucker Dropped by Board of Ethics

Oct 11, 2007 07:53 PM CDT

The state Board of Ethics has dismissed charges against State Representative Jim Tucker, chairman of the House Republican Delegation.

Representative Tucker had been accused of violating the state ethics code by receiving low income housing credits to repair two apartment complexes he owns in New Orleans.

Actually, Tucker never received any of the \$1.9 million in credits. He dropped out of the program when he realized his plans would not be economically feasible.

State ethics law bars lawmakers from contracting with a state agency unless the contract is competitively bid.

In a 9-2 vote, the board found that Tucker had followed the spirit of the law and had no intention to violate the law. Representative Tucker was pleased with the ruling but angered by the anonymous attack against him.

He says, "It disgusts me that people use the ethics laws to try to propagate a political position or agenda. Clearly, this was dropped at the time it was dropped on me in an effort to bring about an opponent for me."

Tucker said he had wanted to repair Katrina damages to his properties to provide homes for those who lost theirs. However, the costs got out of hand and the apartments still have not been completely refurbished.



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Katrina cottages site OK'd
Move may put Arden on track

By **CHRIS GAUTREAU**

Advocate business writer

Published: Oct 12, 2007 - Page: 1D

The proposed Arden neighborhood may have gotten its biggest boost yet Wednesday, when a state agency approved the site for so-called "Katrina cottages."

The Louisiana Housing Finance Agency gave preliminary approval for building 80 of the homes designed especially for residents displaced by the 2005 hurricanes at Arden, north of the Bon Carré Business Center that faces Florida Boulevard.

Two other sites received initial approval as well: an 85-unit complex in Lake Charles and 75 units at the site of New Orleans' historic Jackson Barracks destroyed in the flooding two years ago.

Camm Morton of Commercial Properties, a for-profit division of the Baton Rouge Area Foundation, said Thursday that the local cottages would be incorporated into Arden, his company's proposed \$250 million, 200-acre mixed-use neighborhood that has struggled to take off.

Morton proposed the neighborhood, once known as Smiley Heights, as a way to mix lower-income family rental units with higher-priced homes, a school and senior citizen apartments.

But the project was derailed after Katrina and policy changes that shifted housing tax credits to parishes most affected by the storm.

Morton said the prospect of building Katrina cottages there could be the catalyst for finally getting Arden off the ground.

"I think sometimes the first step is the hardest," said Morton. "Hopefully, this is a way to get it kicked off. Then we'll start working with other components of the development to get it moved on."

Numerous details still must be worked out. But Commercial

Properties would sell 15 to 20 acres for the homes.

They would be built by Cypress Realty Partners, a company with offices in Baton Rouge and Washington, D.C., that won a \$74.5 million federal grant to build Katrina cottages in several Louisiana parishes affected by the hurricanes.

Ben Dupuy of Cypress Realty said Thursday that the company was familiar with Arden and approached Morton this summer about developing some of the homes there.

“We’re thrilled to play a catalytic role in the Arden project,” Dupuy said. “We know Arden has a lot of potential to improve that part of town.”

He said Cypress Realty hopes to start construction by the first quarter of next year. First, however, the company must conduct environmental and historical preservation reviews for the Federal Emergency Management Agency.

Dupuy said there was no initial indication of how long the review process might take.

Dubbed Katrina cottages by the designers, the modular homes are built from hurricane-resistant material and engineered to withstand hurricane-force winds. They also were designed to fit into the surrounding architecture.

In June, Cypress Realty launched Cypress Park on South 18th Street near City Park Golf Course. The area would consist of 13 Katrina-cottage style homes and is part of efforts to revitalize the Old South Baton Rouge neighborhood.

All three of the sites approved by LHFA this week must go before the agency once again for final approval.

Jeff Degraff, an LHFA spokesman, said Thursday that it wasn’t known, yet, when that meeting would take place.

Find this article at:

<http://www.theadvocate.com/news/business/10494542.html?showAll=y&c=y>

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The Natchez Democrat

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Frustration builds over program

By **Vershal Hogan (Contact)** | The Natchez Democrat

Published Tuesday, October 23, 2007

VIDALIA — After almost four years of dealing with a bureaucracy that keeps changing its leadership and its mind, Vidalia resident Mary Knight is frustrated.

When she applied for a Delta Share Housing Rehabilitation Grant from the Louisiana Housing Finance Agency to have her house leveled and get a new roof in 2003, Knight was told the applications were accepted on a first come first serve basis.

The program is a house restoration grant for low-income homeowners in the Mississippi Delta with no mortgages on their houses.

When she received a letter saying her grant had been approved, Knight even started saving boxes from work so she could temporarily move out for the remodeling, and she gave workers a walk-through of her house so they could know what needed to be done, Knight said.

“I even saw papers where they had taken out insurance on my house for the work,” she said.

But then she received a phone call to tell her the work would not happen.

So she applied for the grant again in 2006, now known as a RESTORE program.

Her application was accepted again, but then she was informed that because of cuts to the program her house would not be included in the program.

Knight’s second experience happened to approximately 15 other families from Concordia Parish who applied in 2006, District Four Place “A” Police Juror Cathy Darden said.

When the police jury was first sent information about the RESTORE program, they were

told there were going to be at least 20 houses that were going to be restored through the grant, Darden said.

“Every (police jury) precinct got so many houses based on the average median income of the area,” Darden said.

The problems started when constituents contacted their jurors saying they had received correspondence from the housing finance office stating the original number of houses to be rehabilitated in Concordia Parish had been trimmed down to five.

After finding out the program had changed management three times in a short period of time, Darden decided to visit the program office in Baton Rouge.

When she arrived, Darden was informed the program had been changed and that it was operating under different rules, she said.

“When I went, I said ‘This is horrible,’” she said. “‘The least you could have done was notify us because we have been encouraging our constituents to apply for this.

“‘That’s giving them false hope that their houses are going to be fixed.’”

Laura James with Rep. Andy Anders’ office said the office has also been working with the problem.

“We’ve tried to find out why they are taking so long, why they tell people they are approved if they are not approved,” she said.

The last she heard from the program was in August, when she was informed the applications that had been accepted are going through background checks to make sure the applicants qualify for the program.

But it’s hard to find out anything solid because there is no guarantee the person who she last spoke with will be there when she calls again, James said.

“They have such a high overturn of people in that facility it’s hard to get an answer,” she said.

Knight said she has encountered the same problem.

“Every time you call you have to talk to someone new,” she said.

At the Louisiana Housing Finance Agency, Public Information Director Jeff DeGraff — who said he has only been with the program for approximately three months — said the program had to be revamped if it was going to continue at all.

“Because this program is funded through the U.S. Department of Housing and Urban Development, their stipulation is that any rehabilitation has to reach to the extent of the local building code,” he said.

Since Hurricanes Katrina and Rita, the building code for the entire state of Louisiana is the high-standard International Construction Code.

“We were able to give grants of up to \$25,000 to qualified recipients to make repairs and improve accessibility, but the properties in that area would require more than \$25,000 to bring them up to code,” DeGraff said.

The agency changed the allocation for each house to \$100,000 per house so they would be able to bring them up to code, but consequently had to reduce the number of houses that could be included in the program, DeGraff said.

“With that, we will be able to bring the house up to code or (tear it down and) build a modular home maintaining the same footprint of the home,” he said. “This way we are providing a service that will last.”

Even while they are doing fewer homes, the agency is having to extend its budget for the year to meet all of the needs the program has, DeGraff said.

“This way we can continue to provide this service,” he said. “If we don’t meet HUD’s requirements, we will lose our (federal) funding.”

Meanwhile, Knight said she is writing a letter to HUD to express her complaints, and while she doesn’t begrudge the five Concordia Parish families who are getting the grant work done this time around, she feels like she has fallen through the cracks of an ever-changing system.

“I feel in my heart that things are being handled all wrong,” she said.

Groups contribute to renovation reserve fund

By **JOE GYAN JR.**

Advocate New Orleans bureau

Published: Oct 23, 2007 - Page: 8A

NEW ORLEANS — A \$4.5 million fund is expected to spur up to \$100 million in home renovations over the next two years in three New Orleans neighborhoods hit hard by Hurricane Katrina and in Hurricane Rita-damaged Lake Charles, federal and state officials announced Monday.

Housing financier Freddie Mac, in collaboration with the Louisiana Housing Finance Agency and the city of New Orleans, created the home renovation reserve fund to help remove obstacles to renovating storm-damaged homes.

The fund will be used for unexpected cost overruns in the renovation that cannot be paid from mortgage proceeds.

Freddie Mac, established by Congress in 1970 to support homeownership and rental housing, is investing \$1.5 million in the renovation reserve fund.

The LHFA and city of New Orleans each are matching that investment.

Chase, Countrywide Home Loans and Standard Mortgage are the three lenders taking part in the initiative.

The fund is designed to help individuals and families return to their homes and assist new homebuyers by providing flexible mortgage financing, expert construction oversight services and free homebuyer education.

Freddie Mac senior vice president Paul Mullings said the fund, which will “help facilitate large-scale renovation projects that are needed in New Orleans,” addresses the “acute need for livable housing.”

The areas eligible to receive funds under the program are the Broadmoor, Gentilly and Pontchartrain Park areas of New Orleans and the city of Lake Charles.

“This is a best practices model that could become a solid statewide rehabilitation program for homeowners with storm-

damaged properties,’’ LHFA president Milton Bailey said.

Borrowers can conveniently pay for property renovation as part of a refinance of an existing mortgage, or finance a new home with a purchase/renovation mortgage from the participating lenders.

Lenders can access the fund when construction renovation costs are higher than expected, and/or additional funds are needed to complete the renovation.

Enterprise Community Partners will administer the fund. Individuals can call (877) 342-2484 for more information. There are no income limits for participation.

Find this article at:

<http://www.2theadvocate.com/news/10730236.html?showAll=y&c=y>

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Fund to encourage renovation mortgages in Orleans, Lake Charles

NEW ORLEANS -- A \$4.5 million home renovation reserve fund, designed to help spur renovation mortgage activity in part of New Orleans and Lake Charles, is being established, it was announced Monday.

Housing financier Freddie Mac said it was establishing the fund in collaboration with the Louisiana Housing Finance Agency and the city of New Orleans and expects it to lead to \$100 million in mortgage activity over two years. Participating lenders are Chase, Countrywide Home Loans and Standard Mortgage.

"Freddie Mac is investing \$1.5 million in the renovation reserve fund, which is being matched by LHFA and the City of New Orleans. The fund will be used for unexpected cost overruns in the renovation that can't be paid from mortgage proceeds," a news release said.

Areas where residents will be eligible to receive the funds are New Orleans' Broadmoor, Gentilly and Pontchartrain Park neighborhoods _ hit hard by Hurricane Katrina _ and the City of Lake Charles, where Hurricane Rita hit.

Freddie Mac was created by Congress to pump money into the home-mortgage market by buying home loans from banks and other lenders and bundling them into securities for sale on Wall Street.

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Everything New Orleans

The Times-Picayune

State OKs first 75 'Katrina cottages'

La. OKs first 75 'Katrina cottages'

Tuesday, October 30, 2007

By Bill Barrow
Capital bureau

BATON ROUGE -- The state housing board has cleared the way for construction of 75 "Louisiana cottages" at Jackson Barracks, the first site for a long-planned pilot project financed by a \$75 million federal grant to develop alternatives to emergency travel trailers.

But the first round of Louisiana cottages, the name given to modular units commonly called "Katrina cottages," will not be available to the general public. They are reserved for civilian and uniformed employees of the state military department, a restriction in a little-noticed agreement forged months ago between the military and the Louisiana Recovery Authority.

Jackson Barracks is headquarters for the Louisiana National Guard.

It remains unclear when any of the other planned 530 cottages will be available to victims of the 2005 hurricanes. Two other sites, in Baton Rouge and Lake Charles, have been approved but await federal environmental inspections before construction can begin.

Mississippi, which was awarded a \$281 million grant as part of the same program, started placing residents in June and earlier this month surpassed 200 cottages.

Construction in 30 days?

Louisiana Housing Finance Agency President Milton Bailey said construction could begin at Jackson Barracks in 30 days, provided lingering contract negotiations are completed with builders and a third-party construction monitor.

Maj. Gen. Hunt Downer said the restriction for military employees is necessary because of security restrictions at the 100-acre base, which was inundated with 10 feet of water in post-Katrina flooding. He also said the plan is a vital part of rebuilding the installation and the surrounding 9th Ward in New Orleans.

State Treasurer John Kennedy and other housing agency commissioners said they understood Downer's explanation, but said they were surprised that the detail had not surfaced in previous discussions of the Alternative Housing Pilot Program.

Kennedy pressured officials from the LRA, which originally collected proposals for the federal grant program, into admitting that the military department had an agreement with Gov. Kathleen Blanco's office when the state first submitted its proposal to the Federal Emergency Management Agency.

An Oct. 17, 2006, letter from Downer to LRA Chairman Norman Francis suggests that the terms of Jackson Barracks' participation has long been a matter of public record available to the housing board. "It should be understood that the military department reserves the exclusive right to determine who will occupy such housing," Downer wrote.

The letter is included in the project proposal compiled by the Cypress Group, a consortium that will build the structures, and submitted to FEMA last fall, three months before the federal agency announced the disbursement of \$388 million in housing grants to the Gulf Coast states.

Downer said Monday that the new units are key in moving Jackson Barracks back toward the 650 full-time employees it had before the storm, with about 100 living on base. There are about 50 employees working there now, Downer said.

Ben Dupuy, a Cypress spokesman, was less optimistic than Bailey about when construction might begin at the barracks. Dupuy noted that Cypress cannot begin its work until the Louisiana Housing Finance Agency signs the formal agreement with landowners, in this case the military department. "We expect it will take several weeks to assess each site for potential challenges and develop a projected construction timeline."

California hire

The agency also must continue to negotiate Cypress' deals with its construction subcontractor, the Shaw Group. The firm sought approval during Monday's meeting, but board members refused, saying they had only received the proposed document late Friday. The full board authorized two of its members to approve a final version in the coming days.

Board members also balked at a proposed \$900,000 deal with a California company that would serve essentially as a third-party monitor of the project. "I don't think you award a \$900,000 contract to a California company . . . without giving everyone a shot," Kennedy said, before winning approval to seek bids for the job before the Nov. 14 board meeting.

The firm, Luster National Inc., was already hired without board approval to help negotiate the Louisiana Housing Finance Agency contract with Cypress. After some board members expressed anger over that move by agency staff, they approved paying the outfit \$93,000 for its services.

Luster also will be able to bid for the monitoring contract.

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Bill Barrow can be reached at bbarrow@timespicayune.com or (225) 342-5590.

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State OKs first 75 'Katrina cottages'

Associated Press - October 30, 2007 1:54 PM ET

BATON ROUGE, La. (AP) - The Louisiana state housing board has cleared the way for construction of 75 Louisiana cottages at Jackson Barracks.

The long-planned pilot project will be financed by a \$75 million federal grant to develop alternatives to emergency travel trailers.

The first round of Louisiana cottages, the name given to modular units commonly called "Katrina cottages," will not be available to the general public. They are reserved for civilian and uniformed employees of the state military department.

Jackson Barracks is headquarters for the Louisiana National Guard.

It remains unclear when any of the other planned 530 cottages will be available to victims of the 2005 hurricanes.

Two other sites, in Baton Rouge and Lake Charles, have been approved but await federal environmental inspections before construction can begin.

Mississippi, which was awarded a \$281 million grant as part of the same program, started placing residents in June and earlier this month surpassed 200 cottages.

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Baton Rouge to get 80 Katrina cottages

Advocate staff and wire report

Published: Oct 31, 2007 - Page: 1D

Louisiana Housing Finance Agency commissioners approved entering into a contract on Monday with Cypress Partners Group and a division of The Shaw Group Inc. to build 80 federally funded "Katrina cottages" in Baton Rouge.

LHFA gave Cypress Group preliminary approval earlier this month to build the modular homes in New Orleans, Lake Charles and Baton Rouge.

The development in Baton Rouge, called Arden, is proposed on Lobdell Avenue near Florida Boulevard.

It's not clear, however, when construction on the Baton Rouge homes will start.

The homes are intended for residents uprooted by the 2005 hurricanes.

Ben Dupuy of Cypress Partners, which has a \$75 million federal contract to build the homes, said earlier this month the Baton Rouge site must first pass muster with FEMA on environmental and historical preservation checks.

Meanwhile, LHFA gave final approval Monday to the New Orleans project, which would use 75 Katrina cottages to replace Jackson Barracks, even though those homes could be limited to military personnel.

Jackson Barracks, the headquarters for the Louisiana National Guard, essentially was destroyed by post-Katrina flooding.

The replacement units will be reserved for civilian and uniformed employees of the state military department, a restriction in a little-noticed agreement forged months ago between the military and the Louisiana Recovery Authority.

LHFA President Milton Bailey said Monday that construction could begin at Jackson Barracks in 30 days, provided lingering contract negotiations are completed with builders and a third-party construction monitor.

Maj. Gen. Hunt Downer said the restriction for military employees is necessary because of security restrictions at the 100-acre base. Downer also said the plan is a vital part of rebuilding the installation and the surrounding 9th Ward in New Orleans.

Some LHFA commissioners said Monday they understood Downer's explanation but said they were surprised the restriction issue had not surfaced in previous discussions of the Alternative Housing Pilot Program.

The LRA, which originally collected proposals for the federal grant program, acknowledged the military department had an agreement with Gov. Kathleen Blanco's office when the state first submitted its proposal to the Federal Emergency Management Agency.

A letter sent from Downer to LRA Chairman Norman Francis in October 2006 suggests the terms of Jackson Barracks' participation has long been a matter of public record available to the housing board.

Baton Rouge to get 80 Katrina cottages

"It should be understood that the military department reserves the exclusive right to determine who will occupy such housing," Downer wrote.

The letter is included in the project proposal compiled by Cypress Group to FEMA last fall, three months before the federal agency announced the disbursement of \$388 million in housing grants to the Gulf Coast states.

In other meeting business, LHFA board members also agreed to create a process for reclaiming and redistributing unused tax credits.

The agency can "recapture" tax credits if its approved projects are not completed or if they're canceled by the developer.

Agency spokesman Jeff DeGraff said the agency recently recaptured about \$4.9 million in credits. DeGraff declined to offer details about the projects involved, though he said at least one was in Baton Rouge.

Under the measure approved Monday, developers who return the credits would be eligible to receive them again, provided the projects qualify.

Find this article at:



Louisiana Housing Finance Agency

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An open letter to the editor of the Times Picayune, submitted November 2, 2007

RE: "State OKs first 75 'Katrina cottages'" October 30, 2007

The "Louisiana Cottages" program is a unique opportunity to provide hurricane victims affordable permanent housing and help to prepare our nation's response to future disasters. We appreciate the work of the local media in reporting the program's progress.

However, I feel the need to address an article published Tuesday, October 30th.

While the Jackson Barracks site will not be open to all displaced residents, the uniformed and civilian employees of the State Military Department were also victims of Katrina. Their inclusion expedites the return of emergency personnel to this area and brings back a major economic contributor, the Louisiana National Guard.

The Jackson Barracks site represents less than 15% of the housing proposed by this grant. Other sites are being evaluated and the LHFA will act as quickly as possible once Cypress Partners have completed their responsibilities of site review and preparation.

At Monday's meeting, the LHFA Board authorized the LHFA staff to continue to monitor the contract negotiations between Cypress and Shaw. The Chairman and Chair of the Board's legal committee will give final approval once the terms have been finalized. The article gave the impression that this was considered another delay, when in fact this action will expedite things by ratifying the contract without having to return to the full board.

Tuesday's article also misrepresented the participation of Luster National Inc. The LHFA staff brought in Luster to help develop the program's budget with the knowledge and consent of the board. Luster's assistance was invaluable in preparing an acceptable framework to FEMA that resulted in the final awarding of the grant. Chairman Woods and Vice-Chair Jones expressed appreciation for Luster's work, contrary to the reporting that board members had "expressed anger".

-more-

Letter (cont'd)

The LHFA is committed to bringing this program to fruition in a way that is the most responsible and efficient, and above all, provides the most housing for the deserving citizens of Louisiana. My desire is that the hard work being done by the LHFA staff, its board and its partners is accurately reported.

A handwritten signature in black ink, appearing to read "Milton Bailey". The signature is fluid and cursive, with a large initial "M" and "B".

*Milton Bailey, President
Louisiana Housing Finance Agency*



Everything New Orleans

The Times-Picayune

Agency monitors cottage talks

Sunday, November 04, 2007

Re: "State OKs first 75 Katrina cottages," Page 1, Oct. 30.

While the Jackson Barracks site will not be open to all displaced residents, the uniformed and civilian employees of the state military department were also victims of Hurricane Katrina. Their inclusion expedites the return of emergency personnel to this area and brings back a major economic contributor, the Louisiana National Guard.

The Jackson Barracks site represents less than 15 percent of the housing proposed by this grant. Other sites are being evaluated, and the LHFA will act as quickly as possible once Cypress Partners has completed its responsibilities of site review and preparation.

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The LHFA staff brought in Luster National Inc. to help develop the program's budget with the knowledge and consent of the board. Luster's assistance was invaluable in preparing an acceptable framework to FEMA that resulted in the final awarding of the grant. Chairman Woods and Vice-Chair Jones expressed appreciation for Luster's work.

Milton Bailey

President

Louisiana Housing Finance Agency

Baton Rouge



Everything New Orleans

The Times-Picayune

Duplexes designed to bring rent relief

Apartments to rise in 7th and 9th wards

Saturday, November 03, 2007

By Leslie Williams
Staff writer

In January, low-income renters will be able to move into affordable housing in the 7th Ward of New Orleans, thanks to a private venture subsidized with taxpayer money. And by the middle of next year, more affordable rental housing will be available in the 9th Ward.

In all, the Laurel Terrace development will have 28 duplexes, offering 56 apartments ranging from two to four bedrooms, said Joseph Stebbins, one of three partners of Classic Construction of New Orleans LLC, the developer of the \$13.5 million project.

The state's Office of Community Development and the U.S. Treasury Department's tax credit program for low-income housing, administered by the Louisiana Housing Finance Agency, helped subsidized the venture.

"It's going to be a huge benefit to these neighborhoods," said state Rep. Juan LaFonta, who represents the area. "I believe it will inspire others to invest in the (7th Ward) neighborhood, which should be a morale boost for the seniors. It's an older neighborhood."

The Louisiana Housing Finance Agency provided about \$11 million in tax credits for the project, which can be sold to investors roughly for 90 cents on the dollar, said Louis Russell, an agency administrator. The Office of Community Development added \$700,000 in Community Development Block Grant money to the pot as "gap financing" -- a zero-interest loan that has to be paid back only if the developer has surplus cash, said Calvin Parker, manager of rental housing programs for the office's Disaster Recovery Unit. The Office of Community Development also provided another zero-interest loan of \$170,000 "to protect against insurance increases," that also has to be paid back only if there is surplus cash.

Stebbins said about half of the vertically stacked duplexes will be in the 7th Ward and the other half in the 9th Ward. The units will range from 1,200 to 1,400 square feet and the duplexes will be scattered, he said.

"That's one of the design features I like -- not putting all the buildings in one place," said LaFonta, who offered feedback about the design during the planning stages.

Three duplexes on North Tonti Street near A.P. Tureaud Avenue and five duplexes in the 2300 block of A.P. Tureaud likely will be built first and should be up and running in January, weather permitting, said Stebbins, whose other partners in Classic Construction are Michael Mattax and Rick Mithun. The wood skeletons for two of the duplexes already have been built in the 1800 block of North Tonti.

The rents will be in the low 600s for a two bedroom, in the high 700s for a three bedroom and in the mid-800s for a four-bedroom unit, Stebbins said. Anyone interested in renting the units should call Cynthia Burch at Laurel Management in New Orleans at 899-1438. The vertically stacked duplexes will be built at 1838 Spain St.; 2418, 1817, 1821 and 1825-27 N. Tonti St.; 1522 and

2025 Mandeville St.; 2201 Bartholomew St.; 2815 N. Dorgenois St.; 1625 and 1629 Lesseps St.; 2220 and 2223 Music St.; 1724-26 and 1730 Poland Ave.; 3134 N. Prieur St.; 4020 N. Rocheblave St.; 2300-02, 2310, 2314-16, 2318-20, 2322-24 A.P. Tureaud Ave.; 2201 Charbonnet St.; 2512 Pauger St.; 2111-13 St. Anthony St.; 3302-04 N. Galvez St.; and 2529 St. Roch Ave.

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Everything New Orleans

The Times-Picayune

EDITORIAL: Get a move on

Monday, November 05, 2007

The concept of erecting so-called Katrina cottages as easy-to-build, hurricane-resistant alternatives to FEMA trailers seemed to hold boundless promise last year, when Louisiana officials sought federal funding for it.

But 11 months after the state landed \$75 million, not a single cottage has gone up -- and that's a disgrace.

Mississippi, which got \$281 million for cottages, has delivered more than 200 of them and identified hundreds of additional recipients.

Mississippi received a disproportionate amount of the money compared to its hurricane damage, and FEMA officials have stubbornly refused to reconsider that unfairness. But enraged Louisiana officials have been put in a tough position as Gov. Kathleen Blanco's administration and the Louisiana Housing Finance Agency continue to prove unable to get the cottages on the ground.

The state's approach is the opposite from what the Katrina cottages were supposed to be. Designers conceived the concept as a nimble program that by now would have delivered dozens of cottages to individual homeowners' lots. Instead, we're suffering through the Blanco-ization of the Katrina cottage, as the state takes a good idea, wraps it in a load of red tape and creates a bureaucracy to set up what would essentially be FEMA-like group sites.

"We got shorted one more time, got cheated out of opportunities one more time," an irate Gov. Blanco said last year, after federal officials announced how little money the state would get for the cottages. And she was right. But Louisianians who need the cottages must feel the same way now, as they watch state government get ensnared in its own bureaucracy -- much as happened with the Road Home program.

The state did not get around to approving a contract for construction of the cottages until last month. Another month went by before it gave the nod for the first group site in the New Orleans area on Tuesday.

Now, state officials warn that construction may not begin for another month, and the main contractor says it could be longer. They were still negotiating this week with the construction subcontractor, the Shaw Group -- a Baton Rouge firm with long-time political connections to the Blanco administration.

Things did not need to be this complicated. Planner Andres Duany, who designed several model cottages, erected a 770-square-foot cottage in St. Bernard Parish last year in three weeks -- from design to construction. So why can't the state get a single one up after months of planning?

Gov. Blanco and the Housing Finance Agency can still correct this mess by abandoning the flawed group-site approach and returning to the idea the administration used as a sales pitch for the program last year. Back then, state officials compared the program to the Habitat for Humanity model, saying the Katrina cottage effort would be designed to offer recipients lease-to-own, permanent housing that could be used to address needs for shelter during and after an emergency.

That's a more agile and practical model than the bungled effort the state is pursuing.

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artist rendering courtesy of Cyprus Realty Partners

Baton Rouge site to house 80 'Katrina cottages;'

By: Nicholas Persac

Posted: 11/6/07

More than two years after hurricanes Katrina and Rita left thousands of Louisiana residents homeless, the Louisiana Housing Finance Agency approved a contract late this past month with Cypress Realty Partners to build 80 federally funded "Katrina cottages" in Baton Rouge.

"It's a pilot to help investigate the feasibility of these quickly assembled homes as an alternative to FEMA trailers," said Jeff DeGraff, LHFA public information director.

Cypress Realty Partners, the developer, won a competitive contract with FEMA worth \$74.5 million to build hundreds of houses across the state.

In late October, the LHFA gave preliminary approval of three sites in Louisiana - including the Baton Rouge development located at the intersection of Lobdell Boulevard and Florida Boulevard near the Bon Carre Business Center. The other sites are located in New Orleans and Lake Charles.

The 80 homes to be built in Baton Rouge are part of the FEMA's alternative housing pilot program, which seeks to explore new disaster housing options.

Ben Dupuy, a partner in Cypress Realty Partners, said the homes are paving the way for future disaster relief housing. He said the new style of disaster housing could be applied to disaster victims across the nation - such as those whose homes burned in the recent wildfires in Southern California.

Dupuy said the houses provide permanent, dignified and affordable homes for people displaced by disasters. He said the cost of deploying a mobile home for 18 months can be as much as \$90,000. The cost of the permanent housing option is close to \$120,000.

"What we would argue is a huge life cycle savings," Dupuy said. "[We can] spend \$120,000 once for a permanent home that can be used for many, many years versus \$90,000 for a shelter that really is supposed to be used for only 18 months."

DeGraff said the homes are typically 800 to 1,100 square feet and house different sized families based on the number of bedrooms. He said he is unsure how large the houses in the Baton Rouge development

will be.

Dupuy said the homes will have steel frames and cement-fiber siding, allowing the homes to withstand the damages of 140 mph wind. He said it can take as few as eight weeks to build a single house.

Dupuy said the homes - called Cypress Cottages and Carpet Cottages by his firm - reflect a "temp-to-perm" model of disaster housing. He said the homes may be built and used first to temporarily house response teams - such as contractors and recovery workers. After recovery workers move from the area, the houses could be sold as permanent homes. He said disaster victims who lose their homes could also move into the houses as a permanent option.

Dupuy said the homes are stick built, meaning all of the assembly occurs on-site. Past housing options have been manufactured - built off-site and shipped to location - or modular, meaning components are assembled off-site, but the pieces are constructed on-site.

DeGraff said there is no official time estimate of when construction will start at the Baton Rouge site. He said only preliminary approval has been given by the LHFA, and the project is awaiting further approval from the LHFA. He said the project could be in full swing as early as the next LHFA board meeting, which is scheduled for Nov. 14.

Dupuy said the LHFA will decide who can live in or buy the 80 federally funded homes.

"Louisiana will be helping create a new national model for disaster housing through this [project]," Dupuy said.

Contact Nicholas Persac at npersac@lsureveille.com

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Blanco Demands Immediate Construction of Katrina Cottages

Updated: Nov 5, 2007 06:28 PM CST



In one of the harshest letters Governor Kathleen Blanco has written while in office, the governor Monday demanded the immediate construction of cottages for victims of Hurricane Katrina. If that's not accomplished, Blanco threatened to assign the task to another agency. The Louisiana Housing Finance Agency (LHFA) current oversees the program.



FEMA approved grant money for construction of 530 cottages in December 2006. However, not a single cottage has been built. Last month, the LHFA said its Board of Commissioners had approved three sites for construction. Those sites are in Lake Charles, Baton Rouge, and the Jackson Barracks in New Orleans. However, the LHFA said those sites needed to undergo "further evaluation before being presented to the board for final approval and acquisition."

[In a letter written Monday to LHFA President Milton J. Bailey](#), Blanco accused Bailey of "strangling this project in red tape" and demanded immediate action. "There are no words to express my

frustration with your implementation of this program. To say the program is mired in bureaucracy would be an understatement," Blanco wrote.

Blanco demanded that construction on the first set of cottages begin before the end of November. "There will be no ceremonial groundbreaking; you will commence construction posthaste at Jackson Barracks. You will expedite the identification of additional sites and take the necessary steps to move forward on the Lake Charles and Baton Rouge sites or I will assign the task to another agency."

LHFA spokesman Jeff DeGraff issued a two-line statement in reaction to Blanco's letter. "The LHFA takes the Governor's letter very seriously. We have no further comment at this time," the statement said.

Reporter: [Robb Hays, WAFB.COM](#)



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Blanco: 'Katrina cottage' construction to begin this month

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BATON ROUGE, La. (AP) -- Construction of Louisiana's first Hurricane Katrina cottages will begin this month at the New Orleans headquarters of the National Guard, nearly a year after the state received federal funds to build them, Gov. Kathleen Blanco said Monday. Advertisement

Blanco's schedule for the cottages is in line with previous statements from Milton Bailey, head of the Louisiana Housing Finance Agency, which oversees the \$75 million program. Bailey has said that long-delayed construction could begin at Jackson Barracks this month, provided lingering contract negotiations are completed with builders and a third-party construction monitor.

Blanco has come under criticism for the slow pace of getting construction going - particularly because Mississippi has already built hundreds of the cottages, while Louisiana has built none. An editorial in The Times-Picayune on Monday urged Blanco to "correct this mess" and streamline the effort to get the cottages built.

Blanco's office released a letter Monday in which the governor lashed out at Bailey.

"There are no words to express my frustration with your implementation of this program. To say the program is mired in bureaucracy would be an understatement," Blanco said in the letter, dated Nov. 3.

Bailey could not be reached for comment. In a statement released late Monday, LHFA spokesman Jeff DeGraff said, "The LHFA takes the Gov.'s letter very seriously. We have no further comment at this time."

The 75 cottages will be reserved for civilian and uniformed employees of the state military department.

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Blanco: 'Katrina cottage' construction to begin this month

10:06 AM CST on Tuesday, November 6, 2007

Associated Press

BATON ROUGE -- Construction of Louisiana's first Hurricane Katrina cottages will begin this month at the New Orleans headquarters of the National Guard, nearly a year after the state received federal funds to build them, Gov. Kathleen Blanco said Monday.



Associated Press / File
Photo

Gov. Kathleen Blanco.

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"There are no words to express my frustration with your implementation of this program. To say the program is mired in bureaucracy would be an understatement," Blanco said in the letter, dated Nov. 3.

A spokesman for the Louisiana Housing Finance Agency released a statement saying the agency takes Blanco's letter "very seriously," but declined further comment.

The 75 cottages will be reserved for civilian and uniformed employees of the state military department.

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Blanco: Start building cottages

By **CHRIS GAUTREAU**

Advocate business writer

Published: Nov 6, 2007 - Page: 1D

Gov. Kathleen Blanco issued an ultimatum Monday to the state agency overseeing construction of Louisiana's federally funded "Katrina cottages" — start building them by the end of the month, or she will hand the work to another entity.

Her order punctuated a fiery letter to the Louisiana Housing Finance Agency in which Blanco accused the group of stonewalling construction of the cottages meant for residents displaced by the 2005 hurricanes.

"The LHFA is strangling this project in red tape," Blanco wrote in the letter, which was posted on the state government Web site. "Our citizens are still waiting for Cottages almost a year after the grant award and your inability to deliver the first cottage is unconscionable."

LHFA spokesman Jeff DeGraff confirmed Monday that board President Milton Bailey had received the letter.

"The LHFA takes the governor's letter very seriously. We have no further comment," DeGraff stated in an e-mail.

The Federal Emergency Management Agency awarded a \$75 million grant in December to Cypress Realty Partners, a company with offices in Washington and Baton Rouge, to build about 550 of the modular homes throughout areas of south Louisiana hit by hurricanes Katrina and Rita.

Ben Dupuy of Cypress Realty said the company is ready and eager to start construction.

"We wish that we could have homes built by now," he said.

Dupuy said Cypress Realty and LHFA officials had a conference call Monday morning that he termed productive.

"It was a constructive meeting and marked by a sense of the LHFA wanting to move forward as soon as possible," he said.

But Dupuy said his company couldn't offer an opinion on a

start date until the site planning and site engineering work is completed.

The LHFA, a group created in 1980 by the Legislature to finance affordable housing, was chosen to oversee and approve the Katrina cottage work, including site locations, subcontractor agreements and budgeting.

Last month, LHFA gave preliminary approval for building 240 homes at sites in Baton Rouge, Lake Charles and New Orleans.

Last week, the New Orleans site — the historic Jackson Barracks destroyed by post-Katrina flooding — was granted final approval.

But in her letter, Blanco complained that, despite assuring her the agency was up to the task, LHFA has mired the start of construction in bureaucracy.

“You went so far as to request an Advisory Opinion from the Attorney General on an issue that is clearly addressed in the statutory authority granted to the LFHA,” Blanco wrote.

Blanco: Start building cottages

Moreover, she said state Treasurer John Kennedy, an ex-officio LHFA board member, has constantly “thrown obstacles in the way of this project.”

Kennedy conceded construction has been delayed by bureaucracy. But he countered that the governor has created her own share of red tape and pointed out that the LHFA board is composed of her own appointees.

Kennedy said Blanco has been angered by his objection to several components of the Katrina cottage plan. He opposed, for example, using part of the FEMA grant to pay counseling cottage residents before they move in.

He also objected to Blanco’s desire to hire an out-of-state firm to oversee construction and for buying large tracts for the cottages, which he said was unrealistic at this point in New Orleans.

“I think the governor is right, we need to move ahead,” Kennedy said. “Frankly, I think it’s her and some of her staff members that contributed to the absence of moving ahead with all deliberate speed.”

Marie Centanni, the governor’s spokeswoman, said that as of late Monday, the administration had not received a response from LHFA.

But Centanni said that if work on the cottages doesn't start by the end of the month, the governor will transfer the project to an as-yet-undetermined alternate agency.

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Blanco scolds housing board to start work on cottages

Posted by [The Times-Picayune](#) November 05, 2007 10:18PM

By **Bill Barrow**
Capital bureau

BATON ROUGE -- Gov. Kathleen Blanco, already sunk politically by public criticism of her post-hurricane job performance, has lashed out at the state housing board she selected 10 months ago to run an alternative housing program that has yet to break ground for a single unit.

In a strongly worded letter, she ordered the Louisiana Housing Finance Agency to begin construction on the first "Louisiana Cottages," as the houses are called, by the end of November or lose control over the project, part of a competitive grant program financed by Congress to test alternatives to the emergency travel trailers that still dot the Gulf Coast more than two years after Hurricanes Katrina and Rita.

Blanco tapped the housing board after the Federal Emergency Management Agency announced in December that Louisiana would get \$74.5 million for the construction program first proposed by a private consortium, the Cypress Group, which submitted its original proposal to the Louisiana Recovery Authority late last summer.

"Your inability to deliver the first cottage is unconscionable. . . . The LHFA is strangling this project in red tape," she wrote in a letter dated Saturday to housing agency President Milton Bailey. "When I questioned you on a date for the first groundbreaking, your response to me was 'it is reasonable to expect that the first groundbreaking could occur within 30 to 90 days.'

"The first groundbreaking a year after the grant award is reprehensible and I will not stand for it," she said. "You will begin construction on the first set of cottages before the end of November. There will be no ceremonial groundbreaking."

Jeff DeGraff, a spokesman for the housing agency, released a statement, saying: "The LHFA takes the governor's letter very seriously. We have no further comment at this time."

The letter came days after a housing board special meeting in which the panel approved putting the first 75 units -- out of a planned 534 -- at Jackson Barracks in New Orleans. But the board also wrangled over a proposed \$900,000 contract for a construction manager, which essentially would serve as a third-party monitor of the Cypress Group and its subcontractors, which include the Shaw Group.

The board has given preliminary approval to sites in Lake Charles and Baton Rouge, though those await environmental inspections before construction can begin.

The project has been the subject of tense private negotiations and terse public comments for months among the LHFA staff and board members, Cypress Group representatives and other state officials. Many of the public comments from all sides have seemed geared toward deflecting blame for any delays.

A study in contrasts

As of Monday, Mississippi, which was awarded \$281 million for its alternative housing program, has constructed 598 units with 478 occupied. Mississippi has from the beginning taken a slightly different approach than Louisiana, though both states operated within federal guidelines.

In Louisiana, the LRA handed the original submission to FEMA, seeking proposals from would-be contractors such as Cypress. Once the grants were announced, Blanco identified Bailey's agency, which, consistent with its name, typically acts more as an underwriter for housing deals, to implement the construction phase of the effort.

In Mississippi, the state Emergency Management Agency from the beginning has been the coordinating agency. That department directed a panel of public and private-sector individuals that wrote proposals for FEMA. Contractors were not sought until after FEMA announced the award amounts.

Mississippi also is placing the structures on recipients' private property, rather than building planned communities as called for in the Louisiana plan.

A Cypress spokesman released a statement Monday in response to Blanco's letter. "Cypress Realty Partners is ready to go, and with the LHFA's leadership we will," Ben Dupuy said.

At the LRA, which is not involved directly in administering the program, Executive Director Andy Kopplin said, "We share Gov. Blanco's sense of urgency. . . . We're eager to see construction get under way; we stand ready to assist the LHFA in any way necessary."

In her letter, the Democratic governor also took aim at state Treasurer John Kennedy, casting the Republican and frequent administration critic as a repeated roadblock to building the cottages, particularly at Jackson Barracks, the Louisiana

National Guard headquarters that was inundated during and after Katrina. Blanco chose not to seek re-election after her popularity ratings plummeted as storm recovery programs stalled.

Kennedy brushed aside Blanco's swipe, saying he has only sought to devote more of Louisiana's grant money to housing and less to administrative overhead and counseling programs for eventual recipients. He has lamented that the contract with Cypress is about \$60 million.

Bailey and other LHFA board members have defended their proposed budget by arguing that money dedicated to new personnel, rental assistance programs for housing recipients, programs in the planned communities and other administrative costs, such as attorney fees, are necessary to implement the program and follow FEMA guidelines.

Dispute rolls on

"I fully support the governor's efforts to speed this up," Kennedy said. "I've been trying to speed it up, but I can't say in the interest of getting done quickly I'm going to agree to her effort to spend a quarter of the effort on counseling or support hiring a California company for \$900,000 without getting bids."

Luster National Inc., the proposed construction manager, which was already brought on board to help finalize a budget for the project and negotiate the contract with Cypress, sent a letter to housing board members since the last meeting saying it has offices across the country and has had a presence in Louisiana since 2001. The firm took credit in its negotiations for increasing the number of planned units in the program from about 460 included in some initial Cypress plans to the current projection.

Kennedy berated LHFA officials last week because, he said, they did not tell him or discuss in any earlier open board meetings that Luster had been recruited to participate in the project.

The treasurer said Monday that the governor is incorrect in stating that he is opposed to the Jackson Barracks site, where the 75 units will be restricted to the families of state Military Department employees.

Kennedy said he has merely spent several months encouraging the administration, LHFA officials and officials with the Louisiana Recovery Authority to discuss more openly that the only recipients at the first site would be flood victims employed at the military installation, leaving other victims to wait for additional units.

Bill Barrow can be reached at bbarrow@timespicayune.com or (225) 342-5590.



Everything New Orleans

The Times-Picayune

EDITORIAL: Right anger, wrong solution

Wednesday, November 07, 2007

Gov. Kathleen Blanco is right to get angry about Louisiana's embarrassing failure to build a single Katrina cottage 11 months after landing \$74 million for the program. But some of the governor's ire is misplaced, and the solution she proposes misses the real problem.

In an incensed letter released Monday, the governor blamed the Louisiana Housing Finance Agency for "strangling the project in red tape" and threatened to assign the Katrina cottages to another entity if construction does not begin by the end of the month.

But the governor also should be angry at her own administration. She selected the LHFA to run this program, and the state chose to pursue a bureaucratic approach that would set up the cottages as glorified FEMA group sites.

Louisianians, including this editorial page, have been urging the governor to react for months, and there is no explanation for why she waited until now. Gov. Blanco's letter indicated that when she picked the LHFA, agency officials said they could break ground in one to three months. The governor also wrote that "from the beginning" the LHFA has "raised issue after issue" delaying the program. Then why hasn't she intervened before now?

The governor also said that not having a groundbreaking a year after the grant award "is reprehensible." But so is tolerating 11 months of delays before even making a threat. Gov. Blanco should move immediately to reassign this project to somebody who can begin building cottages.

That would only partially solve the problem. The real solution is for the administration to abandon its goal of building community sites with their own bureaucracy -- a strategy that would make FEMA proud. In Mississippi, the state's emergency agency is running the program and is putting cottages on recipients' private lots. Mississippi built the first cottage in June, and as of Monday 478 families are in one.

Adopting a similar model would be the best way for Gov. Blanco to deliver on the promise included in her letter that "the bureaucratic nightmare" plaguing Louisiana's program "ends today."



Everything New Orleans

The Times-Picayune

Guste families happy to be home

New housing is attractive, affordable

Wednesday, November 07, 2007

By Gwen Filosa
Staff writer

Her baby boy bundled in her arms, Brittany Thornton didn't hesitate in showing visitors her new home in the Guste public housing development Tuesday morning.

"I want people to see," said Thornton, a mother of four who has lived at Guste for seven years. "Having a roof over your head is a home. But this is so beautiful. Our children love the space."

The Thornton home, an apartment among the 82 new pastel houses off Martin Luther King Jr. Boulevard in Central City, has carpet and central air and other things unheard of in the 1964-era low-rise brick buildings where the family had stayed before the Housing Authority of New Orleans finished the "New Guste."

It also has a modest patch of grass outside the patio doors. A small corner of their own, fenced off from the neighbors. And a brand new on-site playground nearby is about to open.

Guste, a HANO property that includes a 12-story high-rise reserved for the elderly, and the "low-rise" brick apartments below it, now includes a modern-day neighborhood. This was part of the sweeping HANO redevelopment plan in the works long before Hurricane Katrina, with construction starting in early 2005. But on Tuesday, in a storm-scarred city struggling to provide decent housing for its working poor, the new Guste was a sign of hope for many.

"We don't consider this 'low-income housing,' " said Karen Cato-Turner, a HUD-appointed executive receiver who arrived in New Orleans a month ago to help run HANO. "We consider it to be safe and attractive housing that people can afford."

Cynthia Willard-Lewis, a city councilwoman, recalled walking to the Leidenheimer Baking Co. as a child.

"The sisters who fed us are still working at that plant," she said during a HUD-sponsored ceremony Tuesday outside the new homes. "Simon Bolivar and Martin Luther King are historic, significant streets. This place is sacred to me. I grew up 10 blocks from here."

Trust pays off

The pastel two-story homes, with front porches, balconies and many with tiny private yards, were planned in 2004 as replacement housing for families living in the brick low-rise apartments.

"This day is another milestone in the rebirth of public housing," said Donald Babers, board chairman of HANO and an official from the U.S. Department of Housing and Urban Development. "This is an example of what HUD believes public housing residents deserve and where children can play and families can walk without fear."

The families moving into the new homes, which border Martin Luther King Jr. Boulevard in Central City, included James and Brittany Thornton, a young couple with four children, and 86-year-old Mary Gracin, one of the first people to live in the original Guste homes, built in 1964.

Housing advocates welcomed the sight of new homes designed for families struggling to get by.

"There is a crisis in this city," said Wayne Woods, chairman of the Louisiana Housing Finance Agency. "It is horrible out here, what people have to deal with. It's the working poor. It's people who want to do the right thing."

Cynthia Wiggins, president of the Guste Residential Management Corp., which oversees the development where about 400 families live, thanked the residents for trusting her and other leaders that Guste would one day have new homes.

"You trusted us not to say we were selling you out," said Wiggins, who received an emotional standing ovation -- the only Guste resident among a host of council members and dignitaries -- when she rose to speak. "This is redevelopment that will transform the entire neighborhood."

Complex renewal

Later in the day, Wiggins reflected on the new housing.

"It's not a 'project' anymore, it's a complex," Wiggins said. The original low-rise apartments will remain in place for returning HANO families instead of being demolished, as was the plan before Katrina.

HANO has promised to have 3,000 units citywide ready for occupancy by the year's end. So far, about 1,600 of 5,100 HANO families have returned since Katrina struck two years ago.

Guste, originally named the Melpomene, was one of five HANO complexes that HUD identified as a candidate for renewal after taking over the troubled city agency in 2002. The others are Desire in the 9th Ward, Fischer on the West Bank, River Garden -- the former St. Thomas in the Lower Garden District -- and Florida, another 9th Ward complex that HANO has said it will repair from the flood damage sustained from Katrina.

Guste will have opened all of the new 82 units by the year's end, with about half the families coming from the old development low-rise.

For now, the new neighborhood is a childhood home for Brittany Thornton's son.

"James Thornton the fourth," as his mother introduced him. "My husband couldn't be here. He's the maintenance foreman for the Guste."

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