

**National Building Museum
Community in the Aftermath Lecture
November 2008**

Patrick Kraich: Good afternoon folks, we're about to get started, a little over 12:30 here. My name is Patrick Craig. I'm the public program's coordinator for the National Building Museum. It's my pleasure to welcome you all to the museum and this afternoon's lecture. Today's program is the second of the Community in the Aftermath Lecture series. The series is sponsored by the U.S. Department of Housing and Urban Development and the Federal Emergency Management Agency in partnership with the National Building Museum. We are truly grateful for their support and to Dana Brest, who is a research engineer with HUD for helping us coordinate this series.

Over the next three years, the Community in the Aftermath will follow FEMA's Alternative Housing Pilot Program which is a grant program to development a viable, versatile and readily available and cost-effective post-disaster housing for the areas affected by hurricanes Katrina and Rita. Today's speakers are focusing on the challenges of providing post-disaster housing in Louisiana. Upcoming programs here at the Building Museum will focus on efforts in Mississippi, Alabama and Texas. So with that, I would now like to introduce Dana

Bres who will present an overview of the Alternative Housing Pilot Program and introduce our speakers. Dana -

Dana Bres: Thank you, Patrick. The alternative housing pilot program - Well, I'd like to welcome you all to the Building Museum and today's presentation on FEMA's Alternative Housing Pilot Program. As Patrick said, I'm with the Department of Housing and Urban Development and we are partnering with FEMA to conduct an evaluation of the Alternative Housing Pilot Program, basically trying to answer the question, "Is this a good idea?" at the core level. Should we do this in the future? And we're evaluating the performance of the homes produced by the four states receiving the AHPP grants: Louisiana, Texas, Alabama and Mississippi. AHPP is a Congressional initiative and through that the FEMA's program provides states, these four states, an opportunity to demonstrate how they can provide quality housing for their disaster victims. We partnered with the Building Museum to help share this information with folks in the designing profession because it's important. What we're discovering, obviously, is that it's really hard work, doing this, there are a lot of things going on.

So what we're going to talk about with the AHPP, obviously, each of the four states is doing something a little different. They're all providing housing, they're all taking

care of disaster victims but everybody is doing it a little differently. So over this series we'll see a number of different choices and basically that's what it is. There's no right or wrong answer. This is not - there's not the school solution but this is basically a series of choices the communities and the states make for how to best serve their residents.

Today we have Mr. Wil Jacobs from Louisiana Recovery Authority and Mr. Ben Dupree from the Cypress Group to discuss the plans for the Louisiana effort. Wil is the housing policy director for the Louisiana Recovery Authority. LRA was created to plan the recovery and rebuilding in Louisiana in the aftermath of hurricanes Katrina and Rita in 2005 and that has now grown to include the impacts of hurricanes Gustav and Ike this year. He serves as the program manager for the Alternative Housing Pilot Program to construct about 500 homes in South Louisiana. In addition, he coordinates a number of other LRA programs including rental and new home ownership initiatives using monies provided by the Community Development Block Grant for Disaster Recovery. Prior to joining LRA, Wil held positions in the banking industry in New Orleans and Ohio working on mixed-use developments particularly in New Orleans. He is a University of New Orleans grad with an MBA from University of Michigan. He is a native of New Orleans and like

many folks in Louisiana was affected by the storm, returning to his rebuilt home in Lakeview in 2007.

Ben Dupree is a partner with the Cypress Group, a lobbying, strategy, consulting and work force housing development firm headquartered in Washington, D.C. It represents companies in the financial services, housing and disaster recovery. Ben has provided pro bono representation to several New Orleans organizations following Katrina, helping them continue to progress. Prior to joining the Cypress Group, Ben was on the staff of Senator Jeff Sessions, executive director of the Republican Attorneys General Association, as well as a lobbyist with the National Rifle Association. Also, Ben is from New Orleans, however he is a graduate of UVA and he lives here in Washington, D.C. So with that, Wil -

Wil Jacobs: Thanks very much. It's my pleasure to come here today and share with you what we're doing in Louisiana on the Alternative Housing Pilot Program. This has really been a journey for me since we've taken over this program in March and really going to be a fulfilling project in that as I was able to get home back to my house and back to some sense of normalcy, we hope to do that for 500 families through this program. Again, the Louisiana Recovery Authority is a post-storm entity and as Dana said, it has been involved in the post-storm recovery. We have been fortunate to have the

leadership in our start from Dr. Norman Francis and Walter Isaacson. Part of the unique nature of this organization in Louisiana was that we'd be receiving many billions of federal dollars and that this was unique in that the whole allocation and spending process was taken away from the legislature and actually put in an organization made up of citizens of the state that would guide us through recovery and make equitable allocation of our resources.

The LRA secures funding, establishes policies for spending, we'll lead recovery short-term and long-term plans. We'll make sure that those plans are accountable and our actions are transparent and that we'll make sure we communicate our status and successes and needs so that the recovery could have an appropriate way to move forward and be successful. And just as a refresher, hurricanes Katrina and Rita had a transformational impact on the state of Louisiana and our citizens. In addition to the 1,200 lives lost on the days of Katrina and Rita and on the days immediately following, there were over 700,000 citizens displaced, losing over 200,000 homes. Many businesses and jobs lost and close to \$200 billion in economic activity just destroyed.

As I said, the Louisiana Recovery Authority is responsible directly for the allocation of \$13 billion in community development block grants. Some of our successes to date are

providing \$7 billion to over 119,000 households. To get those households back home we've committed to this point \$1 billion to restore rental housing and working on the balance to bring rental housing back. And we've committed over \$800 million to the repair and revitalization of local infrastructure and schools.

One of the main components of the Louisiana Recovery Authority is our duty to provide for short-term and long-term planning. And that process was a very citizen-oriented process - Louisiana Speaks Program - where we guided the interview of over 27,000 Louisianians to come up with a very specific and citizen-directed plan so that we can build safer, stronger, smarter and more sustainably. And it ultimately led to a passage of a legislation that would enable long term planning through the Office of State Planning. And in October, actually September of 2006, when FEMA came out with guidance for the Alternative Housing Pilot Program, the LRA saw this as a great opportunity to provide a new way to build housing in the wake of storms but also to provide housing which was very much needed then and is still needed.

In addition to be baseline requirements of the AHPP program, Louisiana really took the opportunity to take what we had planned and the principles of our planning to require that our submission of FEMA be responsive to that planning.

Basically that the product that we would submit would be compatible with local architecture and design as attested by the pattern book which was published through Louisiana Speaks. We wanted to make sure that the neighborhoods that were being planned and the communities that were being revitalized were done in the context of our planning toolkit that was created through Louisiana Speaks to guide the recovery of neighborhoods. And we also wanted to make sure that our application was really supportive of Louisiana residents and the local economy.

In October 2006, we got over 40 responses to our request for ideas. It was basically a request for a proposal but for groups who are interested in providing housing through this program to provide these ideas to us so that we could pick the best to include as part of the submission to FEMA. We received 21 complete applications and got 6 finalists that were judged and picked through a national review panel that we selected.

In December of 2005 - actually December of 2006 - we were fortunate to receive a \$75 million grant award from FEMA awarded for our Cypress Partner Project which we are so happy to continue today. At that time, the governor awarded administration of the program to the Louisiana Housing and Finance Agency which administered the program through March 2007. At the beginning of 2007 - actually March 2008 - at the

beginning of 2008, the governor, his office which changed under our new governor Bobby Jindal, and one of the things that we long recognize in our recovery was that even though the LRA was responsible for the policies of the recovery, in many cases, we weren't empowered to really enforce or really supervise the actions of the other agencies that were involved in the recovery. So one of the first things Governor Jindal did was to place our executive director, who is now Mr. Paul Rainwater, in charge of recovery of the many different agencies and pulled the programs from FEMA Disaster Recovery and Public Assistance to the Alternative Housing Pilot Program into the LRA.

And upon overseeing and taking over the project we realized there were several issues that the program had faced and will continue to face. Among those are the challenges of really obtaining suitable sites for construction. Again, this program was predicated on building group sites and new communities in group sites on raw land in addition to doing infill. We had problems with obtaining these group sites - from acceptance by local communities to getting appropriated sites that were environmentally acceptable. And then we also had planned to do infill in a community in New Orleans through adjudicated properties. The problem was that the adjudicated properties were not held free and clear and that the process

would take a really long time to get those properties ready and available to build.

We also recognize that there was a constitutional impediment in the State of Louisiana from transferring properties of the state from one state entity to another and even from a state entity to a private entity without going out to some public auction. And that really hampered our ability to take a former temporary FEMA housing site and transform it into a permanent community. And then again as I alluded to, there is misunderstanding of the program by local officials and the public at large. There was any understanding that this was permanent housing and that this was not some temporary project, in that this was a pilot and it couldn't be used in any way that any official seemed fit. So there were those issues involved.

But fast forward to this point. I really think that through our efforts and through the efforts of our partners at the Cypress Group and of our partners at FEMA, we've come a long way and we're really at the point to take this project home. We will continue with group sites at Jackson Barracks which will provide permanent housing for both uniformed and un-uniformed base personnel at Jackson Barracks, the home of Louisiana National Guard. And just as important to remember that many of the National Guardsmen who patrolled our streets

up until recently in New Orleans and still to some extent in New Orleans, and who served overseas in Iraq and Afghanistan are still without permanent housing. Some are still living in hotels and still living in temporary trailers. We're also going to continue a planned site in a new community in Lake Charles which we are very excited about.

But with the rest, the balance of the program we're going to do infill in New Orleans and we have a new tool to continue that project that we had initially undertaken and proposed through Catholic Charities in New Orleans, the Tremé Community. Those adjudicated properties are finally free and clear and we're going to be able to get properties purchased by the state through the state's Road Home Program to provide infill lots across the city in conjunction with the New Orleans Redevelopment Authority and also with other local entities. We're also going to do infill on a subdivision in Baton Rouge where many citizens have been displaced.

In addition to our initial proposal to do site built construction, we're going to have the opportunity to do some modular construction as a test against our original proposal to do site built. Those partners are going to choose the sites for development that we're going to build. They're going to choose the form of occupancy that suits the needs of those communities and the objectives of those entities, whether it be

rental ownership or rent to own. And these certainly will provide a gamut of housing opportunities for different economic levels as well as forms of occupancy.

And we expect the partners to take complete control of those units once we build them, on land that they own. And in the end, we expect the program to have impact. It will provide much needed housing to those individuals and households impacted by the storms as well as, we think, provide a prototype for further construction of housing in post-storm situations and post-disaster situations. It will provide a much needed resource to those community organizations who are having such a tough time bringing housing on line because we are really in a midst of one of the biggest credit crises that we've had in a very long time. In addition to having the challenges of construction and housing cost increases and insurance increases in the wake of the storms in the region, we're also going to have the added impact of having those organizations have use of the income from the rental or sale of these units to really expand the capacity of those organizations to provide affordable housing in the region.

So with that, I'm really excited to have Ben Dupree from the Cyprus Group talk about the project specifically and what our developments are going to look like. Ben -

Ben Dupree: Before I begin I want to recognize my business partners Bill Smith and Pat Cave in the audience as well as our team members in Baton Rouge who couldn't be here today Chris Furnado, Jennifer Logan and Scott Kirkpatrick. I'm a native Louisianian. I'm fortunate to have grown up in New Orleans and lived there until college. All of my family still lives in the city and it will always be a special place for me. Hurricane Katrina had a profound impact on me. I consider it very meaningful that I'm getting to play a role in an effort to develop homes for hundreds of Louisiana families impacted by hurricane Katrina and Rita and help Federal, state and local governments identify and test highly innovative post-disaster housing solutions for the future.

Our firm, Cypress Realty Partners proposed the concept at one Louisiana's Alternative Housing Pilot Program grant award from FEMA. We are now the LRA's contracted developer working to bring the concept to fruition. We're pleased to have built a strong and productive working relationship with both the LRA and FEMA and we're proud to be partners with them in working to deliver results for both the American taxpayers and the hundreds of families who will become residents of the homes we're building.

My presentation will cover the five following topics: the genesis of the Katrina cottage concept, the homes we're

building, the site plans for the first two neighborhood developments we're building and finally, the sustainability and accessibility features of our homes.

In August and September of 2005, hurricanes Katrina and Rita slammed into southeastern Louisiana, southwestern Louisiana and the Mississippi Gulf Coast. Hundreds of thousands of lives were impacted. In Louisiana, over 200,000 homes suffered major or severe damage and in Mississippi, over 65,000 homes were destroyed. And these are some of the photos and there are thousands just like this. Dramatic human loss, dramatic property loss. On October 13th, six weeks after Katrina's landfall, Mississippi began it's Mississippi Renewal Forum. Governor Barber called forth some of America's leading planners, architects and engineers to come to the state for an intensive week of community meetings and planning sessions to develop rebuilding plans for each of Mississippi's 11 towns on the Gulf Coast.

The planner Governor Barber appointed to lead that effort was Andrés Duany. He's one of the most influential planners in the world. He's recognized as the leader of the New Urbanist Movement that advocates walkable, diverse, transit-oriented communities over suburban sprawl. Andrés' plan for Seaside Florida has had tremendous influence on the building environment from every corner of the United States to every

corner of the globe. When Seaside was planned in the early '80s, the New Urbanist approach was entirely new and unique. Today because of its appeal and because of its sustainability, New Urbanism is now the standard for new community plans rather than the exception. One of the individuals who Andrés invited to join him at the Mississippi planning effort was Marianne Cusato, a classically trained home designer.

During the Mississippi Renewal Forum, as temporary travel trailers and mobile homes were becoming a very high profile issue, and as the media was reporting on the skyrocketing cost of using these temporary housing solutions, Andrés proposed the concept of well designed, safe, small, affordable homes that will articulate the southern vernacular style. His thesis was that these new homes could be designed and built for less than the life cycle cost of temporary FEMA travel trailers and mobile homes. Andrés asked Marianne to convert his concept into a design. And using the iconic New Orleans shotgun cottage as her inspiration, she drew the first sketch of a new home type that would come to be known as Katrina cottages and these are photos of New Orleans shotgun homes. This is Marianne Cusato's first sketch of a Katrina cottage. You can see it's just 294 square feet. And this is the first built model of a Katrina cottage. It was 308 square feet and it demonstrated how efficiency and aesthetics could be combined

into a compelling design. As you can see the Katrina cottage concept generated extensive media coverage.

Lowe's Home Improvement was sufficiently impressed that they set out to follow in the footsteps of Sears from the first half of the 20th century when it sold Sears Home Kits including architectural plans and all of the necessary materials, right down to nails and paint. Lowe's partnered with Marianne to lead to a team of talented architects to design 15 different floor plans and material packages so that customers could come to a store, select their home design, pay for it and then have all the materials arrive at their construction site. Anyone can now go into the Lowe's website and purchase 15 different floor plans and material packages from the Lowe's Katrina cottage series. Marianne's innovative Katrina cottage design eventually won the prestigious People's Design Award from the Smithsonian Institution's Cooper-Hewitt Design Museum in New York.

In the wake of Katrina and Rita, former Louisiana Governor Kathleen Blanco established the Louisiana Recovery Authority which you just heard from Wil to ensure that the state would rebuild safer, stronger and smarter. Soon after its inception, the LRA committed to a long-term community planning initiative called Louisiana Speaks.

In March of 2006, Louisiana Speaks hosted rebuilding, planning and design charettes [phonetic] in Lake Charles and the southwestern corner of the state, Abbeyville, a town in Cajun country near the middle of Louisiana's coast, and St. Bernard Parish, a jurisdiction contiguous to New Orleans that was severely impacted by Katrina. Louisiana Speaks invited Andrés Duany to lead these charettes.

The Cypress Group is the firm where I'm a partner. A majority of our partners are from Louisiana and principals at our firm have a background in development and construction, community development policy, disaster recovery policy, federal housing policy and housing finance policy. When Katrina and Rita destroyed hundreds of thousands of Louisiana homes and displaced an even greater number of Louisiana families, we know immediately that there would be a long-term need for new housing in the state and we knew we wanted to contribute to that effort. At about the same time as Andrés was leading the Louisiana Speaks charettes, our firm was scouting for both affordable land where we could build homes and the perfect home designs. We saw that many displaced New Orleanians were remaining in Baton Rouge, about 85 miles north of the Mississippi River. We're well aware of a respected Baton Rouge nonprofit's effort to revive the historic Old South Baton Rouge

neighborhood. Very near downtown Baton Rouge, immediately to the north and Louisiana State University's campus to the south.

As believers in New Urbanism, we looked for an infill site in Old South Baton Rouge where they wanted to go - where people could easily walk to most to most of the places they wanted to go and where mass transit was easily accessible. We eventually found this dead-end block in Old South Baton Rouge where two sellers owned all the property. Simultaneously, we set out to find the perfect home designs. We made it a top priority to identify home designs that would allow us to prove that workforce housing could be five things: well-designed, architecturally appropriate for Southern Louisiana, affordable, safe and dignified.

As we search for the perfect home designs, we saw a number that would not inspire us. Then in the spring of 2006, we learned that Marianne Cusato's Katrina cottage designs have evolved into the Lowe's Katrina cottage series 15 floor plans, ranging from around 500 square feet to about 1500 square feet. We quickly connected with Marianne and very soon we knew we had found exactly the designs we've been searching for.

And this is a rendering of our vision for the property we bought in Baton Rouge and the Katrina cottage community that we're nearly finished building. I should note that this is a private sector effort distinct from AHPP but it's an important

part of telling the story of our involvement in this program. And since this is a private sector effort, it set the stage for us to be a strong contender for the AHPP competition. Our private sector effort, which we began before Congress passed its AHPP legislation, led us to hire a staff of professionals experienced in the development field and it provided us a great deal of insight in the development of homes and communities in post-disaster situations.

This is the groundbreaking ceremony of the community that we're almost finished building. A few folks from Cypress Group as well as our lender and in the middle, that's the U.S. Department of the Treasury's official in charge of Community Development and Finance. We fast forward ahead, this is a photo of our homes in mid construction.

Again, at about the same time as we're getting started on our home building project in Baton Rouge, senators from Mississippi and Louisiana on the Power for Appropriations Committee who were looking for alternatives to travel trailers and mobile homes and who had been impressed by the Katrina cottage concept began moving legislation to empower FEMA to identify and provide better solutions.

By the middle of summer 2006, Congress enacted a bill authorizing FEMA to conduct the AHPP. As Louisianians who had already begun an effort to help rebuild Louisiana's housing

supply, and as a firm with background in community development, federal housing policy and housing finance policy, we began envisioning how we would respond to AHPP if we had the chance to do so. Long story short, FEMA conducted a competition between the five Gulf Coast states impacted by hurricanes Katrina, Rita and Wilma. And in Louisiana, the LRA issued a request for ideas to solicit proposals from interested parties. Cypress quickly assembled a submission team consisting of Cypress' lead Andrés Duany, Marianne Cusato, Lowe's Home Improvement as the materials provider and Worthington Industries as the provider of steel framing, a material well suited to withstand the challenging environmental conditions of Southern Louisiana. Simply put, we based our submission on the premise that permanent homes could be built quickly at a cost approximate to the life cycle cost of FEMA's temporary solutions of mobile homes and travel trailers. We named our concept "temp-to-perm," meaning that the neighborhoods of our homes could be built quickly, could be used for the temporary housing of displaced families in the short term and then could transition to permanent housing for the long term.

This slide demonstrates the comparison between travel trailers, mobile homes and our temp-to-perm homes. The key point here is that the first two are depreciating assets and the third is an appreciating asset. The homes we submitted for

consideration, which we'll come to shortly, were several different models from the Lowe's Katrina cottage series as well as an innovative single-story multi-family design from Andrés Duany called corporate cottages.

Due to how some communities had been less than welcoming to post-disaster temporary housing, an issue well-referenced earlier, what those in the planning and development communities called NIMBYs which stands for Not In My Backyard, FEMA and the LRA wanted to see the respondents to the AHPP competition a clear support from local communities. In response to that, we reached out to the leadership of the jurisdictions that had participated in the Louisiana Speaks charettes led by Andrés Duany and we succeeded in earning their support for our vision.

So now we'll get into the home designs. We feel that the most important factors in our submission for our innovative home designs are safe and sustainable materials and our commitment to New Urbanism. What follows is our seven different home designs. The first five of which are our single-family homes, which I'll review for you, from smallest to largest and then I'll show you our multi-family corporate cottages.

The names of our cottages are reflective of their square footage. This is the 612. It's a two bedroom, one bathroom home designed by Andrés Duany's firm. As you'll see, each of

our homes are designed to be easily expanded. This design could be expanded to 1,080 square feet.

This is the 910. It's a three bedroom, one bathroom home designed by Marianne Cusato. It can be expanded to approximately 1,800 square feet.

This is the 936. It's a two-story home with two bedrooms and one-and-a-half bathrooms. It was also designed by Marianne Cusato and can be expanded to 1,1200 square feet.

This is the 1080. It's the expanded version of the 612 you saw earlier. Like the 612 it was designed by Andrés Duany's firm. It has three bedrooms and two bathrooms.

This is the 1112. It has three bedrooms and two bathrooms and it was designed by Bud Lawrence. As I'll show you, this home has been designed to handicap accessible. And these are some of the interior finishes.

And these are the corporate cottages. They're single-story, multi-family structures designed by Andrés Duany. There are six different sizes ranging from a 655 square foot, one bedroom, one bathroom unit all the way to a 1,220 three bedroom, two bathroom unit. There are two types of structures. This is the Corporate Cottage I-type. They have been designed to be handicap accessible and I'll show you those features in a minute. That's the plan from above. You can see how the units

fit together. And this is the Corporate Cottage II-type, very similar. These allow for modular construction.

Now the site plans so far - plans call for us to build homes in two new communities. This is the historic Jackson Barracks site. The site in the lower 9th Ward of New Orleans. It's owned by the Louisiana National Guard. On this site we'll be building a total of 95 homes. 57 are single-family homes and 38 are corporate cottages. That's green space in the middle. And this a - Jackson Barracks is a very unique piece of property. It's about a mile long north and south and only about 500 yards wide. This is Lake Charles. We're building between 70 and 80 of our larger single-family homes.

Sustainability is a very important component of our plans. Andrés Duany has said the best way to recycle a 2x4 is to leave it in place and Marianne Cusato has said that a truly green house needs to be sustainable on three levels: urbanism, architecture and materials. Both of these statements speak to the fact that if you design well at the beginning of a project, you're not going to have to tear it down 10, 15 years later and spend all the energy to putting it back.

One of the greatest features of our homes is that we're using HardiPlank, fiber cement siding for exteriors. It's an incredibly well-designed durable material. And from the slide, you can see a number of the product's sustainability attribute.

There's a 50-year warranty and when you think about the challenging environmental conditions in Southern Louisiana such as humidity and hurricane force winds, termites and mold, a product like this helps ensure homeowners won't have to replace the siding for quite a long time. That's a close up of HardiPlank. And that's a house not using HardiPlank.

Another sustainability feature that we're very proud of is the framing. Steel framing allows our homes to be engineered to withstand category 4 hurricane strength winds and steel ensures that our homes will not be subjected to termites, rot or mold. This is an up close view of a joint steel frame. We're also using double paned windows with low E insulated glass that suppresses radiated heat flow. And all of our appliances will meet the Energy Star standard for energy efficiency.

For some of the homes that we expect to develop on infill lots in New Orleans, we plan to use system built homes that are substantially constructed in a controlled environment and then trucked to the site for installation. These homes will employ SIPs or Structurally Insulated Panels which are incredibly energy efficient and have a very high R value. This product is so energy efficient that it can cut heating and cooling bills in half. You'll see a piece of a SIPs product, you've got OSB board on the outside and a hard foam product in the middle.

Finally, where we're planning new neighborhoods, we're positioning homes closely together. Not only does this promote the interaction between neighbors that is one of the most important principles of new urbanism but it also makes very smart use of infrastructure.

Accessibility - FEMA requires that a minimum of 5 percent of the homes at each of our sites meets the Uniform Federal Accessibility Standards that apply to Federally-funded structures. We've taken great care to ensure that our plans are fully compliant with that requirement. This is the 1112 plan for a single-family home. It's designed to be accessible to an individual using a wheelchair. Note the furniture drawn in and the circles demonstrating turning radii. Also note the ramps starting at the back of the house and running along the sides. And these are some other shots. You can see the wheelchair accessible ramp on the left side of the home. There it is again. And then this is a detail from the 1112 plan that demonstrates this sink is the appropriate height to be accessible to an individual in a wheelchair. This is representative of the numerous details in our plan that demonstrates accessibility for disabled individuals.

This is the Corporate Cottage I plan. It's designed to be accessible. Note the ramps on the exterior. Finally, this is

one of the many details from the Corporate Cottage I plan that demonstrates accessibility.

Then, in conclusion, this is a bumper sticker that Cypress Realty Partners had a few thousand printed. Like I said, we at Cypress Realty Partners truly do believe in Louisiana. We're very appreciative of the opportunity that the LRA and FEMA have given us to help them provide innovative post-disaster housing solutions to families displaced by hurricanes Katrina and Rita. And we look forward to continuing to work with the LRA's Executive Director Paul Rainwater and the LRA's Housing Policy Director Wil Jacobs and his team at the LRA to get these homes built and families in. That concludes my presentation.

Question and Answer Session:

Question: Hi. Thanks for your lucid and inspiring presentation. I was wondering, both of you, I was wondering what the general approach has been to selecting sites in regard to water level and levy-dependent or not levy-dependent.

Wil Jacobs: Yes. Our sites were in New Orleans. They're primarily going to be levy-dependent because they're actually in the city and the entire city has a levy ring around it. There are some portions of New Orleans outside of the levies but we're not building there. We believe that these sites will always be susceptible to flooding but that the precautions that have been taken since the storm with the introduction of flood

gates at the mouths of the outflow canals will significantly reduce the probability of a catastrophic levy failures that we witnessed in Katrina. Just a case in point, and this is really important, after Katrina again there were three outflow canals that were breached and flooded. There's a parallel natural body of water, Bayou St. John, which starts up the Lake Ponchartrain and flows into mid city New Orleans. That natural body of water has no levy whatsoever. There was, pre-storm, a small flood gate at the mouth of that bayou. There was no flooding from Bayou St. John from the lake into the city. So we're confident that our risk is going to be decreased. That said, all of our houses are going to be elevated to the required flood elevation to make sure that we're not at risk for routine flooding that is prone to occur.

Question: I was wondering if you gave any thought to going beyond the minimal UFAS accessibility requirements and providing, say wheel chair users, could enter through the front door instead of the back door. And the second part is - have you given any thought to visitability being a component to all the units?

Ben Dupree: We have spent a long time looking at the different ways to have wheel chair accessibility to the front of the homes. What we've proposed is the best of all that was considered so that's what we're going with. The distance that

would have to be created in front of the house is pretty awkward. You saw the amount of ramp that was required to get into the house. Alternatively, you would have a very long straight ramp in front or a zigzag back and forth. After considering, that's what we've decided to go with. As far as visitability, we're building to the standard required of us and that's UFAS.

Wil Jacobs: I'll just add one point to the issue of visitability. One of the programs that we run is a small rental property program which is funding money to restore rental properties, one to four unit properties, across the state. We initially had a bonus scoring point for visitability. And again this program was for the restoration of infill units and we immediately recognize that visitability definitely was not feasible and cost-effective for restoration of homes. But we also realize that it's very difficult to build to that standard in tight infill spaces. There will be some that we will build but it's a challenge.

Question: I've wanted to get a conversation going - the gentleman that just asked a question about accessibility. I was wondering if Federal authorities have ever considered rescinding the laws of mathematics and physics to make some of these things that they propose more possible. For example, would you ever allow a change in your ramp percentage to maybe

shorten some of these ramps. I have found most of the ADA work and I am an architect, by the way, to be kind of a tyranny of the minority. Thank you.

Dana Bres: A tyranny of minority is an interesting phrase. However, the standards are based on scientific data and they are the minimum requirements, the absolute minimum and they are actually achievable in most situations [inaudible speaker in the background] I don't think this is the place where we could take up their time, this is - it's been well, I'll tell you what - I'll give you my card and I'd be happy to show you lots and lots of examples of great architecture from Courvoise prior to even beyond that that have made great architecture out of ramps. So I'll be glad to send you some examples.

Question: I saw from your slides that to build these homes was between \$100-130,000. So my question is who is going to be buying these homes and are they going to be targeted for certain groups and can these groups afford to buy these homes?

Wil Jacobs: Yeah, I can answer that. The baseline requirements for housing households in these units are that we are going to prioritize those households that have been impacted by the storms and are continuing to need assistance. Whether it could be a homeowner who is still not back into their home or it could be a renter who doesn't have the

wherewithal at this point to sustain a household permanently. Because we do have a need to permanently place households but what we're doing is working with our local partners through an addition to the baseline requirements, try to assist the households that they serve. That could be a household that may be able to purchase a home. It could be a household that could be able to purchase a home down the road with some lifestyle training, some credit training and even some homebuyer training. It could even be that household that's going to be a renter for some time in the future.

So it's the gamut. But the unique feature of this program, unlike any other affordable housing program that I've seen, is that this money is totally funded. This project is 100 percent paid for by funds that have been granted to us by FEMA. We have the ability to make that home affordable and make it sustainable for a household who is going to purchase it. So we have the ability to provide an automatic soft mortgage to the part of the first mortgage.

Question: I noticed that you mentioned that they had insulated glass on the windows and low E glass. I noticed that you had shutters shown on the elevations. Are those shutters decorative or are they hurricane-type shutters? Or was there any consideration given for hurricane shutters?

Ben Dupree: I believe we're still considering whether we are going to use shutters at all and if so, what type. So it's an undecided question at this point.

Question: Just to follow up on her question about the cost per house. How much is the hard cost per single-family home, for example. And then, how much are you planning to sell these, do you think?

Ben Dupree: I'll answer the first part of the question. We've got a range of different housing types which you saw so therefore there are a range of costs and it's pretty much between \$100,000 and \$135,000.

Question: That's the cost.

Ben Dupree: Right. That's the cost inclusive of everything from foundation, steel framing, the materials we're using, labor, site infrastructure.

Wil Jacobs: I suggested before that we have the ability to actually give these homes away free of charge if we choose to. We are working with our partners to make appropriate sales prices to the extent that the homes will be sold, that they would be affordable for a household. That is, it would be, all in housing costs would be less than 30 percent their income. And that's going to be a requirement. However, what I would say is that we definitely would want the situation to be sustainable. We want them to be able to, if they're going to

purchase a home, to be able to maintain it and be there for a long time.

Question: When you describe the ability to generate income to keep the program going, how much income might you be talking about and how big of a priority is generating income to grow the program beyond what it is today?

Wil Jacobs: You just make a distinction there. The program is going to build these 500 units. We are going to be responsible for monitoring the use of the income by our local partners but that income can be used for a variety of different purposes but to further affordable home ownership for low- to moderate-income households. That use can be for providing a soft mortgage to purchase another home somewhere else. It could be to pay for - down payment assistance but it could be definitely to build other housing but we're going to work to make reasonable - our partners are going to bring in reasonable proposals for financing packages that we're going to sign off on. But we know for the New Orleans Redevelopment Authority that their standard package is going to be for soft mortgages even outside of the program of \$65,000. So for a \$120,000 unit, they would have more than half off.

Patrick Kraich: So folks we have time for about two more questions.

Question: I was wondering if any consideration had been given to higher density housing either in the form of attached individual family homes or multilevel rental units. What was presented was, even though it's more condensed than urban sprawl and it still tends to be a little bit of sprawl, I'm just curious if more - if any consideration is given to higher density solutions?

Ben Dupree: I would say that the corporate cottage models that we're building are extremely dense for this program. Among the four different states that are participating, those are densest units, I believe. And also, we're building on infill sites in cities, I don't know how you get more dense than that except doing a multi-family, multi-story building, so we feel like we've been very responsive to the density considerations.

Wil Jacobs: And I'd add that part of the design of this program in a planned setting is that - exactly that these sites be dense. In Jackson Barracks for instance, we're able to build more dense than what would normally be done in a normal community. But do we get fight backs from communities with densities especially in rural Louisiana and suburban Louisiana. I guess not unlike other places, there's a real desire to have spacious lots. That there's a perception that having a big lot is more - provides more quality and is more attractive for

households but we're pushing back on that. We think that a walkable community that's more dense is more sustainable and more livable in an urban setting.

Patrick Kraich: Folks, last question.

Question: You mentioned before that the cottages are good temp-to-perm solutions. I agree but the question I have is do you think that the cottages are also a good temporary solutions where we would need something for 18 months. If you think yes, is there some reason as to why. If you think no, the reasons as to why.

Ben Dupree: So you're asking if we think the cottages are good temporary solutions? They play a role in role in FEMA's spectrum of options. They are not the most immediate. I suspect there will always be a role for the travel trailers and mobile homes to come in for an immediate response. But as far as being a temporary use, yes. As quickly as they can be built, they can play a role to serve the intermediate needs of families. And families may not end up staying in that place, in that home but they might be able to stay there under their situation is stabilized.

Wil Jacobs: To just add on, I think if this product were around in the wake of the storms, we think that a smaller unit would have definitely been something that was desired for a family nine months down after the storm to come back to the

region or come back to their neighborhood. Sometimes a smaller unit is not going to be a long term option as Ben suggested and then particularly in this environment now, three years later, there's a desire for the larger units. But I certainly think a smaller unit would be, or even some of the larger units would definitely be suitable for short term housing.

Patrick Kraich: Alright, well let's have another hand for our presenters. We look forward to seeing you all here back at the National Building Museum. Thank you very much.

[End of session]