

## Lawmakers look at surplus of storm funds

Advocate, The (Baton Rouge, LA) - Wednesday, December 9, 2009

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Legislators questioned Tuesday where money expected to be left over in the state's largest storm recovery program will go.

Louisiana Recovery Authority Executive Director Paul Rainwater said of the \$1.4 billion remaining in the Road Home program, about \$320 million is projected to be left for unmet housing needs.

"The question is on whether we'll be able to use that money or not," Rainwater said.

Rainwater said U.S. Department of Housing and Urban Development Secretary Shaun Donovan is supportive of directing leftover funds to community programs. Rainwater said he wants to use some of the money to remove blighted structures in neighborhoods.

But the federal budget office will probably want the money back, he said.

The Road Home program was created in 2005 to help homeowners rebuild after Hurricane Katrina.

Rainwater gave an overview of the LRA's program to a joint meeting of the Louisiana House and Senate municipal affairs committees.

Rainwater said he does not support moving funds out of existing programs to other areas. However, if projects fail to get off the ground before the deadline on the funds in June, that money could be reallocated, he said. The U.S. Congress would have to allow the LRA to use money for other purposes, Rainwater said.

"You've got folks who want to use it for other things," he said. "If we're focused on using it for housing, I think we'll be able to use it for housing."

The limitation on recovery dollars has recently become an issue as state officials try to help homeowners who used tainted drywall to rebuild their homes.

The LRA set aside, at the state's request, \$5 million in recovery dollars to help affected families. However, the money can only be used for people who participated in the Road Home program.

State officials and homeowners have complained that many people who rebuilt with the tainted drywall were not Road Home recipients.

State Sen. Lydia Jackson, D-Shreveport, emphasized that despite any flexibility the state receives for use of the funds, the money should only be used for those affected by the hurricanes.

"I don't expect one dime or dollar of this money to be reallocated to an area outside a storm impacted area," Jackson said. "If we think we're there, we're not even close."

LRA deputy director Robin Keegan said if permission is given to use funds for more than Road Home applicants, the money would still only go to people and programs affected by the hurricanes.

A large portion of the \$320 million is expected to go to the remediation of blighted property, Keegan said.

Nonprofit groups urged state officials to use the remaining money to continue programs that have brought affordable housing options to affected areas.

Amber Seely with the Renaissance Neighborhood Development Corp. in New Orleans said removing blight and building affordable housing do not always have to be separate projects with separate pots of money. Many groups rebuilding in the area, including her organization, get rid of blight by replacing it with affordable housing, she said.

Jessica Venegas with UNITY of Greater New Orleans requested \$33 million to build housing units for people who need support services, such as veterans, youth aging out of foster care and disabled residents.

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**Edition:** Main

**Section:** CAPITOL NEWS BUREAU News

**Page:** 16A

**Record Number:** MERLIN\_4792471

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