

N.O. residents have concerns about LRA plan

Advocate, The (Baton Rouge, LA) - Thursday, April 13, 2006

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NEW ORLEANS - A plan drafted by Gov. Kathleen Blanco's Louisiana Recovery Authority to help storm victims repair, rebuild or sell houses damaged or destroyed by hurricanes Katrina and Rita is dubbed "The Road Home," but displaced eastern New Orleanian Doris Paige said Wednesday she sees no map on the horizon.

"Right now I'm at a blockade because the road home hasn't been built yet," Paige, who is living with a nephew in LaPlace, said at an LRA-hosted open-house meeting at the New Orleans Center for the Creative Arts.

A similar open house sponsored by the LRA was held Wednesday in Lake Charles.

Paige, whose home in the Pine Village subdivision near the eastern New Orleans lakefront took on 9½ feet of water during Katrina, wants to return to her neighborhood.

"I'm ready to rebuild, but I'm on hold because where is the money coming from, how much money will I get?" she said. "Give me the grants so I can start rebuilding."

The \$7.5 billion LRA housing plan would limit individual aid to \$150,000, minus insurance payments and federal government assistance.

Several New Orleans residents' organizations said Wednesday in a written statement that the plan "as is" will not give residents their city back.

"It undermines the right to return by denying residents access to the resources needed to rebuild their lives," the Lower 9th Ward Homeowner's Association, New Orleans Survivor Council and other local residents' groups said in the statement. "The state plan reduces grant amounts by insurance proceeds received, although many homeowners used these funds to pay their mortgages in the aftermath of the storm."

The state is scheduled to receive \$6.2 billion in federal Community Development Block Grants approved by Congress late last year, but Blanco wants to wait until federal lawmakers make a decision on an additional \$4.2 billion in aid before she starts spending money - meaning it will be at least late summer before homeowners get help from the state.

So for now, Paige said she will continue to "wait and see."

"I don't see (a road home) at this point, but I'm hopeful," she said. "I want to come home. I don't want to go nowhere else and break in a new home."

Blanco, who stopped by the New Orleans open house before heading to Lake Charles, said the road home has been "very difficult."

"It's been a tough battle. The road home is not paved in gold," she said. "It's a rocky road."

Blanco said she was looking for positive feedback on the housing plan, but message boards for residents to post their comments were littered with numerous negative remarks. One board that asked what residents liked most about the plan contained the remark, "As an insured homeowner, NOT MUCH!" Another resident wrote, "At this point, not anything." Still another wrote simply, "It's a plan." And another said, "At least somebody is doing something FINALLY."

A board that asked what was least liked about the plan contained these comments: "Too complicated of a program," "Penalizing homeowners with insurance" and "No questions answered." A board that asked how to improve the plan attracted this remark: "A house without furniture is not a home. It's a cave."

Another board where homeowners could place green dots to indicate whether they plan to repair, rebuild, relocate or sell lured an equally large number of dots in the repair and rebuild sections, far more than the relocate or sell sections.

Jackie Miller, whose home in the Gentilly area of New Orleans was ravaged by 8 feet of flood water when the London Avenue Canal breached, is renting a house for \$900 a month in Evans, Ga., a suburb of Augusta.

"I would like to rebuild, but I haven't quite figured out if we can afford it," she said at the open house.

Miller said she was unable to find out at the meeting what her home's all-important pre-Katrina value was.

"They haven't determined it yet - how they're going to determine pre-Katrina value," she said. "I need a starting number. I have the exact same questions I came with because they don't know, what is my house worth."

Miller said her house appraised for \$185,000 in 2003. She received a \$133,000 flood insurance check after Katrina and a \$9,000 homeowner's insurance check.

"You don't have enough to rebuild," she said.

"It's going to be at least another year before I can even consider rebuilding," Miller added.

The public has until Monday to comment on the housing proposal, which was unveiled in February. Residents can view the plan and comment on it at the Web site: www.LouisianaRebuilds.info.

The Legislature and the U.S. Department of Housing and Urban Development have final approval of the plan, which includes a blueprint for rebuilding rental property in addition to the homeowner proposal. HUD has final approval on all of the state's proposals to spend federal Community Development Block Grants.

The homeowner proposal offers insured homeowners and those who were flooded outside the flood plain up to \$150,000 - less insurance proceeds and Federal Emergency Management Agency awards - to help them repair or tear down a house and rebuild in place, as well as to relocate within the state.

People who want to leave the state would be limited to a buyout worth 60 percent of their house's pre-storm value. Homeowners who lived inside the flood plain and did not have flood insurance would have to take a 30 percent reduction on their grant package, but state officials have stressed that affordable loans would be available to ensure those families can rebuild.

In terms of rental properties, the state wants to create affordable rental units through \$1.7 billion in low-income tax credits and \$1.5 billion in funding.

The rental plan focuses on landlords who owned 10 or fewer units, which characterizes the majority of landlords in New Orleans. The state wants to offer no-interest loans with the amount determined by the level of rent a landlord plans to charge.

Property owners who agree to charge the lowest rents would be eligible for up to \$75,000 per unit. The next tier would be up to \$50,000 per unit, and the final tier would be up to \$25,000 per unit.

"The funding is insufficient to replace the stock of rental housing needed to permit most residents to return," the statement from the residents' organizations said.

The hurricanes destroyed or severely damaged 123,000 owner-occupied homes and 82,000 rental properties.

Blanco has committed \$7.5 billion in federal funds to the homeowner assistance program and more than \$1.6 billion for rental reinvestment. Unless Congress approves the additional \$4.2 billion in aid, only homeowners outside the flood plain or those who live on low incomes might be eligible for assistance.

Under the housing portion of the plan, state or local authorities might limit or ban rebuilding in areas where a "high proportion" of homeowners choose not to return. That would allow the state to drive decisions on which neighborhoods to raze.

The plan does not define "high proportion." LRA executive director Andy Kopplin has said he thinks people should be allowed to rebuild unless about 80 to 90 percent of homeowners in their area want to move.

"Instead of allowing residents in the most impacted communities who are receiving the least resources to participate in the program by their choice, the state's proposal allows the state or city to declare entire communities to be non-viable and then deny residents in those areas assistance to rebuild," the statement from the local residents' groups said.

So far, about 65,000 people have pre-registered for the state's housing plan. Of the 15,000 who registered through the Internet, 59 percent said they want to repair their damaged homes, 15 percent want to rebuild, another 15 percent are undecided, and the remaining 11 percent want the state to buy their property.

Telephone registrations also are being accepted. The number is (888) 762-3252. Residents also could register at the open houses.

"Please register," Blanco requested.

The local residents' groups also criticized the housing plan's open houses in New Orleans and Lake Charles and the plan's 10-day public comment period, which began last Thursday.

"To only have two days of hearings devoted to the plan for allocation of the biggest chunk of money towards disaster relief to date is unconscionable," the organizations' statement said. "Moreover, to only have a public commenting period of ten calendar days ... works to deny poor and black people a voice or input."

"A plan about us, without us, is not for us," the groups added.

Caption: Color photos (by Liz Condo): James and Sandra Lewis, who own a home in the Gentilly neighborhood of New Orleans, said Wednesday they have gutted the flood-damaged first floor, which they rented before Hurricane Katrina. The Lewises, who lived on the second floor, were attending a meeting sponsored by the Louisiana Recovery Authority. Sandra Lewis said she is worried that the current proposed LRA plan will punish them because they have insurance.; Jackie Miller of Gentilly writes her comments on the Louisiana Recovery Authority's proposed housing plan during a meeting Wednesday in New Orleans.

Edition: main

Section: News

Page: 01A

Dateline: NEW ORLEANS

Record Number: MERLIN_1659378

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