

**Feb 20, 2006**

## Governor Blanco outlines housing recovery plan at LRA meeting

*Text of Governor Kathleen Babineaux Blanco's address to the Monday, February 20, 2006 meeting of the Louisiana Recovery Authority. The meeting was convened in Lake Charles, LA.*

I want to thank Dr. Francis, Andy Kopplin and the members of the Louisiana Recovery Authority for your leadership in charting a vision for our recovery. The legislature wrote the LRA into law last week, so congratulations are in order. We will all benefit from your continuing focus as we rebuild.

And I want to say a special thanks to Walter Leger and the Housing Task Force for leading our housing recovery effort. Today, I know you will be giving us your best ideas on rebuilding.

A special note of recognition is in order. LRA members Laura Leach, Tom Henning and John T. Landry are the Southwest Louisiana representatives who keep this area's needs on the front burner.

I am delighted to be in Lake Charles and to be joined by my friend, Mayor Randy Roach. Mayor Roach, thank you for traveling with me to Washington, DC. Mayor Roach took the stories of Hurricane Rita victims in Southwest Louisiana to Congress. And he saw the challenging uphill battle we were fighting to get our fair share of housing funding.

Some of you may have noticed that over the past few weeks I turned up the heat over our housing needs. We played a little hardball.

Last week, these efforts resulted in a resounding victory for our state. Washington reversed course, admitting that we had insufficient funding to repair our houses and safely rebuild our communities.

I deeply appreciate the decision of the President and Chairman Don Powell to call for an additional \$4.2 billion in Community Development Block Grant funding. This will go a long way towards rebuilding safely and mitigating hazards.

In dealing with Washington, DC most of us felt like we were riding a roller coaster of emotion. There were dark days of frustration when it was hard to believe that our voices were being heard. We began to doubt that anyone cared.

But the evidence was on our side. I want to give special thanks to LRA members Dr. Francis, Walter Isaacson our Vice Chair, Sean Reilly and David Voelker. They were an invaluable part of my negotiation team. We presented compelling data and persuasive arguments. Our persistence paid huge dividends. Again, I want to thank Commissioner Don Powell for backing our case and carrying the message to President Bush.

I must add a note of caution. This extra money is not yet in the bank. Congress has to approve this request from the President. I hope that soon they will see fit to agree with his recommendation and understand that this investment in homes for our people is desperately needed.

I know that we can count on our Congressional delegation to continue their efforts to ensure that Congress approves this additional \$4.2 billion in funding. I hope that they will not allow any extraordinary strings to be added as we have seen in the past. I will fight hard to prevent this. We do not need hindrances. Let us get to work and move full speed ahead with plans for rebuilding our state.

We had another victory last week, and that was the Legislature's decision to consolidate our levee boards. The creation of the Southeast Louisiana Flood Protection Authorities will help us to improve maintenance and oversight of our levee system.

It will also send a strong message to Washington that Louisiana is serious about reform. We will be good caretakers of a sustained investment in improved federal levees.

With the exception of security, there is no greater issue facing our recovery than the need to rebuild our homes. Katrina and Rita destroyed well over 200,000 houses. No state has ever faced a catastrophe of this magnitude. The old saying, "there's no place like home," has new meaning for so many of our displaced families.

Of the \$6.2 billion in CDBG funding that we have already been guaranteed, I have committed that the lion's share will go to housing.

And now I commit to adding the additional \$4.2 billion to fund a program to develop affordable housing and repair homes safely. I will prioritize repairing and rebuilding our damaged homes in a way that protects against future storms.

In creating our housing plan, I envision a Louisiana where every person who wants to return home can return home.

We must tackle our rebuilding with the pace of a sprinter and the heart of a distance runner. I promise that we are going to move as quickly as possible to put the federal funding to work for our homeowners.

But this process is an arduous one. It will require the endurance, patience and heart to rebuild in a way that takes all of our families across the finish line.

It would be easy to say that we are going to hand out compensation checks and wash our hands of all accountability. This would be simple and politically expedient, but it would not rebuild our state. After all, we never asked for a handout. We always wanted a hand-up.

As we begin to debate the plan I am proposing, I insist that our program be grounded in a commitment to rebuild our state safer and better than before. And I am going to also insist that we prioritize relief to families determined to rebuild in Louisiana.

Early in March, we will launch a website and a call center to initiate direct contact with homeowners who may be eligible for assistance in rebuilding. We will be asking homeowners who have previously registered with FEMA and have uninsured damage costs in excess of \$5200 to complete a pre-application registry. As we are waiting for Congress to approve our additional housing funding, we want you to register so we can begin to open case files.

Over the next few months, decisions will be made at the parish level to determine safety considerations. These safety decisions will dictate areas where funding through our program will not be permitted.

As safety considerations are finalized, housing counselors at local recovery centers will begin scheduling appointments with individuals eligible for relief.

I envision our homeowners having four options to consider in utilizing the federal funding:

- Repair;
- Rebuild;
- Relocate; or, if no other options are appropriate,
- Buyout.

In navigating these options, I propose that assistance be capped at \$150,000 per homeowner.

Insurance and FEMA payments received for repairs will be counted against the calculation of total needs. Contributed funds will be fully forgiven after 5-years of occupancy of the repaired, restored, or relocated home. I believe this significant investment should give homeowners a step-up in their recovery.

Our program envisions covering damaged houses both outside and inside of the floodplain. So many Louisiana families were counting on the federal levees to protect them, whether they lived inside or outside of the floodplain. No one expected that the levees would breach in a storm they were designed to withstand.

Many of our homeowners inside the floodplain played by the rules and paid for flood insurance for years. Some did not. For those who lived inside the floodplain and were not insured, assistance will be reduced by 30%. This is only fair. And I am going to insist that any person rebuilding in the floodplain must build to new standards and carry flood insurance.

The repair program applies to homes that are in need of rehabilitation and mitigation assistance. Our program will contribute up to the pre-storm home value for each of these properties, and assist homeowners in securing affordable options to compensate for any gaps in coverage. Our goal is to get families back into their homes as quickly as possible. The repair program will jump-start this process.

The replacement program will operate similar to the repair program. Homeowners with homes too damaged to repair will be assisted in building an equivalent replacement house. This house will be rebuilt on the same property if it is safe to do so. Our program will contribute pre-storm home value to build the replacement house, with affordable loans available to cover any gaps in financing.

We will also help homeowners who are unable or choose not to rebuild to relocate within the state. The pre-storm value for a comparable home up to the maximum of \$150,000 will be provided, with gap financing options.

For homeowners who opt not to repair, rebuild or relocate within the state, Louisiana will offer to buyout the property at 60% of the pre-storm home value up to the \$150,000 limit.

Many people displaced by the storm are renters. Although the individual applications are limited to homeowners, we are committed to investing in rebuilding rental units. Through gap financing, low-income housing tax credits, and other measures, we will be working to guarantee affordable housing in mixed-income communities.

In our eagerness to rebuild, I must again stress patience.

I predict that the demand on the construction and labor industries will be great as individuals secure their private contractors. I promise, however, to move this process along as quickly as possible.

I will ask Walter Leger and Andy Kopplin to go over these proposed programs in more detail. But before I do, I want to reiterate that this is a proposed plan. I am committed to soliciting input from various sources, including impacted communities, as we move forward.

I am also planning to hit the road for a series of Town Hall meetings to discuss our rebuilding plan and begin registering people in our homeowner registry. This is one of the most important programs our state will ever run. It deserves broad consideration, but we must be ready to move forward.

To all of the families who are displaced or unable to live in your homes, please know that you remain my top priority. We have been hard at work to secure the funding necessary to assist you. We are meeting with success in that arena. I have great confidence that we are turning the corner and moving towards a safer, stronger and brighter future for Louisiana.

In the not too distant future, I predict the sounds of hammers and saws will be ringing through all of our communities as our homes are rebuilt. And not too long after that, we will hear the voices of children returning to our neighborhoods. That will be a great day for Louisiana.

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The Louisiana Disaster Recovery Foundation (LDRF), Louisiana's fund for Louisiana's people, has been established by Governor Kathleen Babineaux Blanco in order to support long-term family restoration and recovery and help provide assistance to our citizens in need through a network of Louisiana charities and non-profit agencies.

1-877-HELPLA1 (877-435-7521) [www.louisianahelp.org](http://www.louisianahelp.org)