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Senate Committee on Banking, Housing and Urban Affairs Hearing
“Two Years After the Storm: Housing Needs in the Gulf”
Washington, DC
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I would like to thank Chairman Dodd, Ranking Member Shelby and the members of the Senate Committee on Banking, Housing, and Urban Affairs for the opportunity to appear before you. I am Jim Kelly, CEO of Catholic Charities and CEO of a new, independent non-profit, Providence Community Housing.

Since 1727, faith based groups have been providing care to the poor of our city and our nation – tracing their roots back to the Ursuline nuns and the 9th ward of New Orleans. In the past twenty-four months, Catholic Charities has delivered 120 million pounds of food and water, provided counseling and information to more than a half million people, and through our emergency centers distributed millions of dollars in direct assistance to families in need.

Shortly after the storm, a group of faith based non-profits came together to form Providence Community Housing with the mission of bringing home 20,000 victims of Katrina by repairing, rebuilding and/or developing 7,000 homes and apartments.

In partnership with Catholic Charities, and with assistance from 13,000 volunteers, we have gutted and cleaned out more than 1,100 homes and 800 apartments. Now we are assisting low-income seniors and people with disabilities to navigate a severely underfunded Road Home Program. We are also helping to repair their homes – often fronting the money – to those in most need.

Providence, in collaboration with other community development organizations such as UJAMAA CDC, Tulane/Canal CDC, Reconcile New Orleans, Mary Queen of Vietnam CDC and the recently formed Puentes CDC, is exploring any and all options to rebuild our housing stock, our homes, and our communities for our families, friends and neighbors. Just recently, Providence and UJAMAA finished renovating a flooded apartment building and will soon welcome 43 displaced seniors back to their Treme community.

Since the hurricanes, we have been attempting to refinance, repair and rebuild 901 HUD Section 202 apartments for low-income seniors who desperately want to come home. Complicating our efforts, however, are a 135 percent increase in construction costs, and a tripling in the cost of insurance coverage. Another key factor is the requirement to

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finance the original owner's defaulted mortgage payments that date back to March 2006. This requirement increases our costs of funding and limits our ability to maximize needed repairs and critical services for this vulnerable population. We appreciate that HUD is attempting to assist us to work through these archaic and bureaucratic policies that just don't make sense when dealing with the largest resettlement of citizens in our country's history. As we spend an inordinate amount of time and effort working through these policies, our senior citizens wait in trailers, or overpriced and overcrowded apartments, wondering if they will ever get to return to their children and grandchildren.

Last summer, HUD asked Providence and Enterprise Community Partners to oversee the redevelopment of the Lafitte public housing complex in the Treme neighborhood. From the very beginning of our planning process we have worked closely with the residents' council and former residents to plan a vibrant mixed-income community that is equitable, affordable and sustainable. The cornerstone of our rebuilding efforts began with the following commitments: the absolute opportunity for all 865 families to return as soon as possible; the one-for-one replacement of all 900 units on and around the site; and critically needed resident participation in the homebuilding and community service planning. In addition to the replacement of the 900 apartments, we plan to build 600 new homes for working families.

We have successfully advocated for a phased redevelopment, meaning the repair of temporary units for those who need to come home right now while also building new homes and apartments on the remaining blocks of the site. We have also raised \$2.5 million to help former residents – both here and in other states – and now offer counseling, direct assistance, job placement and health care in New Orleans, Baton Rouge and Houston. A successful community will also need good schools, healthcare, Headstart, senior centers, playgrounds and parks, as well as literacy, job training and women and minority small business development programs.

We pray each day for resolutions and laws that respect the dignity and the rights of the flood victims of Katrina. We thank you for the Gulf Coast Housing Recovery Act of 2007, the sound legislation before us today. We are humbled and grateful that the principles serving as the foundation of our Lafitte redevelopment plans are key components of the public housing section, especially the replacement of affordable housing and public housing units and/or vouchers for residents. These options provide a sound menu of choices for returning residents as well as developers. I would like to ask the Chairman to include for the record an editorial from the Washington Post on August 27th that lauds your legislation and the redevelopment plans for Lafitte.

To ensure the success of these new, vibrant mixed-income communities, please consider increasing the number of project-based, on-site Section 8 vouchers and increasing funding for soft second home mortgages available to residents.

Louisiana faces a crisis of 200,000 severely damaged homes and apartments. We are grateful that this legislation recognizes that this is the decisive time for the federal government to assist not only our poor and vulnerable, but also our working and middle

class families. In addition to improvements to public housing, the bill rightly addresses the need for full funding of the Road Home program. This bill would provide 4,500 permanent and supportive housing vouchers, extend disaster vouchers through June 2008 and promote new flexible redevelopment pilot programs, all of which is sorely needed.

We expect the rebuilding of New Orleans and other Gulf Coast communities will take ten years. We sincerely appreciate all the resources Congress and the Administration have provided to date, but this is only the beginning of our shared work. To meet our goal of bringing home 20,000 hurricane victims, we will need additional Go Zone housing tax credits for the Gulf Coast and additional funding for second mortgages to provide homeownership opportunities for moderate-income and working class families. The complexities associated with blending federal, state and local funding and related regulations mean that we will need timeline extensions to use these resources.

With the passage of this legislation, our neighbors, our friends, and our families – who all have suffered greatly – will be able to come home to the communities they so love.

Katrina has taught us that to be successful will take a spirit of humility and collaboration. We pray for God's grace and God's speed in the passing of this legislation.

Please know of our prayers of gratitude to this Committee and its staff for all you have done, and will do, for the good and brave people of Louisiana and the Gulf Coast.