

LOUISIANA RECOVERY AUTHORITY BOARD

DISASTER RECOVERY APPROPRIATIONS

November 18, 2008

OVERVIEW: A resolution to request the Louisiana Recovery Authority Board of Directors to petition the United States Congress to authorize the state of Louisiana to reallocate and use any unexpended portion of the \$3 billion appropriated by Congress in Public Law 110-116 (HR3222) to the state of Louisiana to cover the shortfall in the Road Home Program for other disaster recovery programs after all program obligations are met.

Whereas, the United States Congress approved three separate appropriations for the state of Louisiana for disaster recovery efforts related to Hurricanes Katrina and Rita;

Whereas, Hurricanes Katrina and Rita were the two most devastating storms of the 2005 hurricane season and were noted amongst the most expensive disasters ever occurring within the United States;

Whereas, damages from the 2005 storms totaled billions of dollars, with the most significant category of losses being that of damaged and destroyed homes;

Whereas, the three federal disaster recovery appropriations to the state totaled more than \$13 billion;

Whereas, Congress approved the third appropriation via Public Law 110-116 (HR3222) in November 2007, after the state requested additional funds to cover a projected shortfall in Louisiana's homeowner assistance program, the Road Home Program;

Whereas, the third appropriation totaled \$3 billion and Congress placed the following restrictions upon the state of Louisiana in the use of said funds:

“SEC. 159. (a) Notwithstanding any other provision of this joint resolution, and in addition to amounts otherwise made available by this joint resolution, there is appropriated \$3,000,000,000 for 'Department of Housing and Urban Development--Community Planning and Development--Community Development Fund', to remain available until expended, to enable the Secretary of Housing and Urban Development to make a grant or grants to the State of Louisiana solely for the purpose of covering costs associated with otherwise uncompensated but eligible claims that were filed on or before July 31, 2007, under the **Road Home** program administered by the State in accordance with plans approved by the Secretary.

(b) In allocating funds under this section, the Secretary of Housing and Urban Development shall ensure that such funds serve only to supplement and not supplant any other State or Federal resources committed to the **Road Home** program. No funds shall be drawn from the Treasury under this section beyond those necessary to fulfill the exclusive purpose of this section.”

Whereas, in addition to the restrictions provided in Public Law 110-116 (HR3222) the United States Department of Housing and Urban Development has only authorized the state to access these funds in \$1 billion increments;

Whereas, the state can only draw down additional dollars after providing documentation showing that the previously drawn \$1 billion has been expended for the Road Home Program as required in the legislation;

Whereas, the Louisiana Recovery Authority Board of Directors, with the approval of the Governor and Legislature, allocated the federal disaster recovery appropriations amongst several expenditure categories and disaster recovery programs including, housing, state and local government infrastructure, economic development, planning, administration, and technical assistance;

Whereas, to date, a large portion of the three appropriations has been obligated for certain programs and in many cases expended;

Whereas, although funds were appropriated to numerous programs, impacted local communities continue to struggle with recovery and unmet needs that will hinder progress towards full recovery until funding is provided to meet those needs;

Whereas, members of the Louisiana Recovery Authority Board of Directors, and staff with the Louisiana Recovery Authority and the Office of Community Development have expressed concern regarding the stringent limitations placed on the state regarding the expenditure of the disaster recovery funds appropriated;

Whereas, it is imperative that the limitations placed on the funds appropriated be removed so that the state may utilize funds remaining in the \$3 billion appropriation after the close out of the Road Home Program;

Whereas, it is evident that the state of Louisiana will only fully recover when its local communities fully recover and that all of the federal disaster recovery funds appropriated to the state must be utilized in the most flexible and innovative manner to allow that goal to be achieved; and

Whereas, the state must petition Congress to request the flexibility and authority necessary to allow the state and its local communities to use the disaster recovery funds to the fullest extent possible to achieve full recovery to a safer, smarter, and stronger Louisiana.

THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board of Directors does hereby petition the United States Congress to authorize the state of Louisiana to reallocate and use any unexpended portion of the \$3 billion appropriated by Congress in Public Law 110-116 (HR3222) to the state of Louisiana to cover the shortfall in the Road Home Program for other disaster recovery programs after all program obligations are met.

THEREFORE BE IT FURTHER RESOLVED, that a copy of this resolution shall be transmitted to the Senate and House of Representatives of the United States Congress, to each member of the Louisiana Congressional Delegation, and to the Governor.