

TESTIMONY OF CONNIE UDDO,
DIRECTOR
OF THE
ST. PAUL'S HOMECOMING CENTER/BEACON OF HOPE
RESOURCE CENTER,
EMPLOYED BY
OFFICE OF DISASTER RESPONSE,
EPISCOPAL DIOCESE OF LOUISIANA
BEFORE THE
AD HOC SUBCOMMITTEE ON DISASTER RECOVERY,
COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS, U.S.SENATE

May 24, 2007

Madam Chair, Senator Stevens, and Members of the Subcommittee, my name is Connie Uddo, Director of St. Paul's Homecoming and Beacon of Hope Resource Center in Lakeview . I have been a resident of the neighborhood of Lakeview for 20 years, which flooded from the levee breach at the 17th Street Canal. I am not a politician or civic leader. I am just an ordinary resident who has stepped up to the plate, become passionate about the recovery of my city and my neighborhood. I didn't even know what disaster response was 21 months ago and here I am today. I am first of all honored to be a part of this hearing. I thank all of you for showing a need to look into the Road Home Program as indeed, there is a huge need, as we face yet another potentially catastrophic situation, The Road Home Program or, as we say in New Orleans, the "Road to Nowhere". I carry the message of my neighbors' hopelessness, discouragement, frustration and depression due to the flaws and failures of the Road Home Program.

Before I tell you about the specific problems we are facing with the program and offer some solutions, I would like to briefly give you some background on our neighborhood. Lakeview is a community of about 7,100 households, all of which were flooded for over 20 days as a result of the levee breach. We are a middle income neighborhood; not rich but not poor. We are a close-knit community. We are members of the oldest and largest neighborhood association in Louisiana and have developed a model program of block captains that enable us to collect needed data about our neighborhood to closely monitor our progress and our problems. We are considered the model of recovery in New Orleans because we have a resident population that is trying to move forward as best as they can, on their own. But many of our residents cannot do it on their own. As this display indicates, nearly two years after Katrina, only about 17% of our residents have returned to their rebuilt or repaired homes while another 24% is moving ahead with rebuilding or repairs. Nearly 60% have not moved forward because they are waiting for the Road Home Program to let them know if they will have sufficient resources to rebuild or repair, or will they simply have to sell their property and move on.

At St. Paul's Homecoming Center, we actually give Road Home representatives use of our offices, at no charge, to provide assistance for our residents. You can only imagine the traffic flow that we have. People come from all parts of the city. They come to try and get answers, and still walk out without any answers. In preparation of this hearing, I sat with the Road Home Representative and asked her what were the main complaints about the program and what she saw as the problems. The representative's response was:

1. The wait ... it was just taking too long for people to get their money ... many just can't hang on anymore.
2. The Road Home was so over protective regarding fraud that the anti-fraud policies were detriments to the program.
3. Policies were inconsistent. Everyday something changes ...some employees know about it and some don't. Every time you call someone there is a different answer.

4. People can never get the same answer ... you never talk to the same person and you are always told that you will be contacted and you rarely are.

The difficulties of this program are so severe that faith-based organizations, such as the Episcopal Diocese of Louisiana, are now offering home owners money for rebuilding with the hope that when the homeowner gets their Road Home money, the Diocese will be paid back . If this money doesn't come through, then the rebuilding programs will end. I am personally a member of their faith-based staff and am seeing disillusionment and discouragement from my constituents, as they are beginning to question why the government cannot more quickly and efficiently provide the resources that have been committed by Congress to speed our recovery. Why should they continue to carry the full burden of this recovery on their backs? These organizations have invested millions of dollars, time and effort. Thousands of volunteers are coming to New Orleans this summer to help us through the next phase of our recovery which is "rebuilding," but we are in a dead standstill, as there is no money for building materials. I can honestly say that as someone who has worked with volunteers and faith-based organizations for over a year now, that if they become as discouraged as the residents and start pulling out, then we can kiss our recovery good-bye.

We were devastated both physically and emotionally. Our mental health is in crisis. The depression has shifted from the storm to the hopelessness and stress of the Road Home. Yes, it is that bad. We all know that New Orleans has numerous problems and the finger cannot be pointed at just one thing. Clearly, the Road Home is one of the main problems blocking the recovery.

I have identified our problems and possible solutions as follows:

1. Problem Identified – Too Many Anti-Fraud Safeguards

Suggested Solution:

Just as the Internal Revenue Service requires annual tax returns to be filed first, with audits done at a later date to verify the accuracy of the data submitted, so should the Road Home Program. Every year, we sign our tax returns with an oath stating that the information submitted is true and correct under penalty of law including prison. Every American is viewed to be on an honor system when filing tax returns and audits are done on a random basis or when the data submitted is determined to be out of the ordinary. Refunds are distributed before audits are conducted. Why does the Road Home Program treat its applicants, who have clearly sustained catastrophic losses, as guilty of fraud until they are proven innocent? Applicants who are awarded a grant and are later determined in an audit to have submitted false information would be subject to the same harsh penalties that tax evaders face.

2. Problem Identified – The Calculation Process is Too Complex

Suggested Solution:

Publicly disclose the formula that is used to calculate the award. Currently, it is not available to even check for miscalculations. No one knows how to determine if it is correct or even fair. And there is some component that requires the calculation of the property's repair cost, **which is subjective.** The award should be based on the loss sustained based on pre-Katrina appraised value, not a subjective attempt to determine repair costs.

3. Problem Identified - Inconsistency of Award Amounts

Suggested Solution:

Three homeowners with homes of similar age, style, size, damage, and insurance coverage in Lakeview, received widely different award letters ranging from zero to a full award of \$150,000. All Road Home Inspectors must have simple procedures to follow in determining awards and all must know those simplified rules. Hire local certified real estate appraisers who know and understand our market.

4. Problem Identified – No Specific Timeline for Claims Resolution and Award Payment

Suggested Solution:

Just as the IRS does, if the appeal process is to take more than 90 days, the appellant needs to be told the reason why additional time is required to resolve the claim, and who is the specific person handling the case and their contact information. Hire local real estate attorneys to mediate more complex issues such as multiple ownership, inheritance rights, property swaps, multi-family homes, and condos. Create a Problem-Resolution Department, just as the IRS has with an assigned case manager who shepherds the case until the award is paid. Many of the earliest applicants that are in resolution are passed over, while later applicants are now getting paid.

Thank you for the opportunity to appear before you today. May God bless us all as we press through these challenges in our recovery.