

  
**Providence**  
COMMUNITY HOUSING

*Fostering healthy, diverse and vibrant communities in south Louisiana*

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**Oral Testimony**  
**U.S. House of Representatives**  
**Committee on Financial Services**

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I would like to thank Chairman Frank, Ranking Member Bachus, House subcommittee Chair Waters and the other members of the committee for the opportunity to appear before you. I am honored – and humbled – to be here today.

I am Jim Kelly, from New Orleans, CEO of Catholic Charities and CEO of a new independent Catholic housing initiative, Providence Community Housing.

Since 1727, Catholic religious orders and groups have been providing care to the poor of our nation. In fact, Catholic health, education and charities all trace their roots back to the 9<sup>th</sup> ward of New Orleans. In the past seventeen months, Catholic Charities has reached out and served over 700,000 people. We have delivered 70 million pounds of food and water, provided counseling and information to over a half million people, and through our emergency centers distributed millions of dollars in direct assistance to families in need.

Shortly after the storm, we knew that we were facing a housing crisis never imagined or experienced before by our country. I attended the very first “trailer” planning meeting with FEMA. It became very clear to me that these FEMA trailers were not going to be the answer.

A group of Catholic organizations, charities and CDC’s therefore came together to see how we might use our joint talents, experience and resources to help bring people of all races, cultures, faiths, and backgrounds home. Last April, Providence Community Housing, was formed 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, one of its sponsors, and with assistance from 9,000 volunteers, we have gutted and cleaned out over 800 homes and 800 apartments. Now we are attempting to assist these low income seniors to navigate the Road Home Program. Our staff, volunteers and seniors are finding this challenge to be even more difficult. The system is painfully slow, bureaucratic, and filled with a maze of legalese. For those seniors receiving insurance, mortgage companies are applying pressure for the pay off of the mortgages, leaving little or nothing for home repairs. Providence has now taken to repairing the homes – and fronting the money -- to our elderly friends. With assistance from NeighborWorks America, we are in the midst of developing a business

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plan for efficient, affordable and scalable homeowner rehab of low and modest income homes.

Whether you are staying in an overcrowded home with family, or a trailer, or an apartment eighty miles from your job, the stress and strain cannot be imagined. My friend Connie's house flooded on Bienville in mid-city, first she lived in a retreat center – 6 to 8 people per room -- helping homeless families, then she and her husband lived with her sister – sleeping on the two couches in the living room, finally they got a trailer. These trailers are very small and very cramped. Three months ago, Connie's husband had a heart attack. He recovered back on his sister-in-law's couches. He won't go back in the trailer.

In partnership with UJAMAA CDC – another of our sponsors, we have recently launched a pilot modular housing initiative for families like Connie's in need of real housing. Together with our other CDC partners: Tulane/Canal, Mary Queen of Vietnam and a soon to be formed Hispanic CDC, we are constantly exploring any and all options to rebuild our housing stock – our homes, our neighborhoods.

With a recent major award of Go Zone housing tax credits, we hope to soon refinance and begin rebuilding 902 apartments for low income seniors – who desperately want to come home. Insurance quotes, when we can get them, are coming in 400 - 600% over pre-Katrina rates. We are hopeful that some type of a special insurance reserve fund could be established. We are also hoping HUD will award supplemental income to project based section (8) contracts for these properties, and others like them, if not they will not have ample operating funds to open. But without a decrease in rates – or some new insurance vehicle, and without supplemental section (8) income, financial investors simply will not step up to buy the tax credits.

Fannie Mae and Chase have shown the most interest in investing in New Orleans but after them the list thins. Investors like insurance companies are concerned about another Katrina, something completely out of our control. They are also very concerned about the December '08 placed in service date. The longer Congress takes to pass the needed legislation to push the date back two years, the longer the market will remain skittish – and the greater the possibility that many of our seniors will never come home.

Providence, with our partner Enterprise, is working on a plan that would phase the redevelopment of the Lafitte public housing complex. We are anxious to have residents return as soon as possible. Last Thursday night, I attended a public meeting where the historical value of these buildings was under discussion. Miss Johnson, a member of the Lafitte resident council, leaned over and asked if I would call her the next day – and so I did. She asked me who all those people were at the meeting. She had never seen them before. I explained that most of them were preservationists. She said that they did not represent her. Yes, she wanted to come home as soon as possible but she wanted new homes and apartments for her family and friends like the ones they had voted on in September at our week long home planning charette with over 200 fellow residents. No large apartment buildings but instead singles and shotgun doubles that were both apartments and homes. She wanted new apartments that were larger, and had more bedrooms for the children.

I explained that we were advocating for a phased redevelopment where a large number of apartments would be reopened for those who wanted to come home right now.

Redevelopment of the new homes would then begin on the other unoccupied blocks. I reminded her that when complete, there would be a one to one replacement of all 900 subsidized units plus 600 new homes for first time homeowners. I asked Miss Johnson, based on her knowledge, how many families wanted to come home today. She thought between 300 and 400, probably closer to 300. This is the same number that our resident outreach staff has estimated.

Over the years, I have restored and converted over 200,000 square feet of historic churches and schools into apartments for the poor and the elderly. I was shocked when a leading preservationist told me recently that a resident's views, a resident's vote shouldn't matter. They were only renters.

I pray each day for a resolution to the public housing debate. The Times Picayune, the local daily newspaper, has said it is a question of building it right or building it fast. I do not believe that it is an either/or proposition. I believe a phased redevelopment is not the middle ground but rather the right ground. It allows residents to come home today while also allowing the building of healthy, diverse, vibrant communities where families' and children's lives are filled with plenty of opportunities and a host of dreams – that can come true.

Providence is working as fast as possible on many different housing fronts throughout New Orleans. We are at some stage of planning and/or development of over forty-three hundred homes or apartments. We, however, are not developers. We are simply driven by our mission to bring home 20,000 of our neighbors who have experienced tremendous pain and real suffering for seventeen months.

Since my first days in the Superdome and at Armstrong Airport, we have been blessed by so many from across the country: during those early weeks of emergency relief, during the months of recovery, and now as we begin the years of rebuilding. Our good friends at Catholic Charities USA and Enterprise -- Neighborworks, Fannie Mae, Chase, Credit Suisse, the Order of Malta, and dozens of other corporations and organizations -- have reached out to assist us.

We are most grateful for all the support and funding that we have received from Congress. Sadly, the clear majority of these billions have not gone for the rebuilding of our homes. A Gulf Coast Housing Trust Fund, additional low income housing tax credits, increased CDBG monies for soft seconds, a larger more ample supply of project based section (8) vouchers, and more funds for public housing will all be needed in the near future if we are truly going to provide the opportunity, the right, for all of our citizens: rich and poor, black, white, and brown, to return.

Katrina has taught us: that there are no simple answers, that we will make plenty of mistakes. To be successful, we will need a spirit of humility and collaboration. If we focus on the victims of Katrina, who we have been called to serve, then God, who loves these families infinitely more than we do, will bless our efforts together.

My prayers of gratitude to this committee for all you have done, and will do, for the good and brave people of Louisiana. Thank you.