

Testimony of New Orleans City Councilmember John A. Batt
U.S. House of Representatives Financial Services Committee
November 17, 2005

Mr. Chairman, it is an honor to appear before you today in support of Congressman Baker's bill HR 4100, the Louisiana Recovery Corporation. My name is Jay Batt and I am a business owner and a member of the New Orleans City Council. I would like to thank Congressman Baker for inviting me here today to discuss the extremely difficult situation we face in the City of New Orleans and to explain why I think that the Louisiana Recovery Corporation is essential to bringing back the City of New Orleans.

Now, I know that all of you watched as Hurricane Katrina hit the City of New Orleans and saw the pictures of the man-made levees breaching because of faulty construction, flooding eighty percent of the city, leaving over 350,000 people hurricane homeless. It has been said that New Orleans greeting "Where Y'at" has been replaced by "How's ya' house". Who are the hurricane homeless? Many live in my council district, in neighborhoods tourists rarely venture to - in neighborhoods like Carrollton, Faubourg-St. John, Hollygrove, Mid-City and Lakeview. They are police officers and physicians, lawyers and teachers, firemen and engineers, businessmen and union members - they are the hardworking middle and upper middle class glue of our great city. They represent over one third of the tax base of the city of New Orleans. They are the people who bring you Mardi Gras and Jazzfest. On any given weekend you can see over 3000 kids playing soccer with the Carrollton and Lakeview Soccer Associations, watch throngs of teenagers heading to the St. Dominic's CYO events and see empty nesters tending their yards for

the Lakeview garden of the month contest. Whether newcomers or 7th generation New Orleanians, they love their city and long to return. After a lifetime of hard work, they never dreamed they would be hurricane homeless – and they want nothing more than to get their piece of the American dream back. Now, you are probably still sitting there wondering who these hurricane homeless people are – what do they look like, how do they dress, are they anything like me... will I ever meet one. You already have. I'm hurricane homeless.

Hurricane Katrina pushed 9 feet of water into my home in Lakeview which sat there for two weeks. As you can see from the photos, it turned my lush green backyard into a barren brown wasteland. It destroyed the contents of my home which was covered in mold after two and a half weeks of water and rendered my entire neighborhood unlivable at the present time. My story is not unique, it is the norm. Pam and Kevin Lair lost their home when the 17th Street canal breeched in their backyard; they also lost the 9 employee neighborhood mortgage company they had worked for five years to build. Ilene and Mario Simoncioni, a disabled couple who own rental properties, lost all of their property and their income. Vicki and Steven Sobel, parents of pre-schoolers, lost their home while Steven in the hospital was receiving his first round of cancer treatment. All that we want is to be able to rebuild our homes and our neighborhoods, but that is a difficult proposition because each homeowner is faced with a different situation – some have flood insurance, some do not. Some have a business or a job to return to, some do not. As you hear the stories as I do every day, it is clear that a vehicle is needed to relieve homeowners of the immediate burden of their loss and assure those who want to

rebuild that they will be able to without fear and uncertainty over what their neighbors will do.

Congressman Baker's Louisiana Recovery Corporation is the only sensible solution I have heard of that will let people who can rebuild with confidence while allowing those who cannot to be compensated for their loss and have their mortgage paid off. It will prevent a wave of bankruptcy filings from underinsured, unemployed homeowners and give those individuals the first right of refusal to repurchase in their old neighborhood once they are on their feet again. The Baker Bill is not eminent domain, rather, it gives homeowners four great options: they can sell outright to LRC, they can sell to LRC with a special option to repurchase, they can partner with LRC to clean-up their property or they can do nothing at all. With these four options, I feel confident that people will be able to make the decision that is best for them in a timely manner. It will encourage historic preservation in one of America's most historic cities because those properties will not become blighted, instead they will be saved. Banks will be relieved of the burden of foreclosing on thousands of properties. By using U.S. Treasury bonds which will be paid back by private investors, it is a fiscally responsible vehicle to provide relief to the victims of Hurricanes Katrina and Rita.

As a City Councilmember, I am constantly faced with zoning decisions and the decisions I will be faced with in the aftermath of these hurricanes concern me. I need to know the status and outlook for each of our beloved neighborhoods. By quickly determining the direction homeowners are taking in each of New Orleans' neighborhoods, the Baker Bill will allow for master planning and effective community redevelopment. Without the Baker Bill, we risk becoming a wild west of opportunistic

house flippers and fly by night developers who create an incoherent hodgepodge of a city. New Orleans neighborhoods have always been what city planners across the US are striving to achieve: traditional neighborhood developments. Children can walk to school and to the corner store to get a popsicle. Families walk to church on Sundays and to local restaurants at night. Neighbors meet over coffee on their front porches. We want our neighborhoods to be rebuilt in this manner - but better than ever.

On behalf of all Louisianians, I urge you to look into your hearts and answer this question: When a major city in the country has been destroyed shouldn't we seize the opportunity to rebuild it better than ever? I urge you to pass the Baker Bill, the Louisiana Recovery Act, and give our citizens the second chance at the American Dream they so desperately need.

Appendix: Letters from Lakeview

These letters were e-mailed to Councilmember Batt's office and are requested to be included in the official record of this hearing.

Letter 1: Charlene Mora

November 14, 2005

Dear Congress:

I am an older lady that spent my career in service to others. I worked as a school teacher and for local government. I never made much in the way of a salary.

I moved into the Lakeview area of New Orleans on September 1, 1958. My family and extended family called Lakeview home. The only real financial security I had was the equity in my home. I had planned to retire on it.

I pay my bills and I had insurance. But I never expected a total loss of my home due to flooding. I always knew the levee could fail but I never realized the consequence of that would not only be a loss of my home but a loss of my community and city. It is as if New Orleans went through a war and lost. All is lost. Nothing is worth what it was just a few weeks ago. I do not recognize the world I live in now.

If I were a young person, I could start over. But I am at the end of my career and the end of my healthy productive years.

My 82 year old father lived down the block. His home was destroyed. I have to take care of him now.

My brother is one of the heroes of this event. He was on duty as a New Orleans Firefighter during Hurricane Katrina and saved many lives in his boat the following days. He lost his summer home in Florida last season to Hurricane Ivan and his home to Hurricane Katrina. He has nothing left. His children and his wife now live in another state where her job transferred her. He stayed at his job and continues to help this city. He is waiting for a FEMA trailer but has no idea where he will live after that runs its course. He is 53 yrs old.

Please do something to help us rebuild our lives and recover financially. Please Please Please.

I want to rebuild. I want to be a part of the rebuilding of a better New Orleans. The world I lived in does not exist anymore. I am afraid of my financial future. I do not want to live a lifestyle of dependency. Please help me recover my losses. Pass the Baker Bill.

Thank you,
Charlene Mora

Letter 2: John Haspel

November 15, 2005

Distinguished Congressmen & Congresswomen,

I have been a life long resident of New Orleans. I resided at 5551 Cherlyn Dr, New Orleans, LA. until I was forced to evacuate due to Hurricane Katrina.

My family and I would like to return to New Orleans, however we have many concerns. First, do we rebuild our home or buy another within the city only to go through this again next year. Katrina exposed a seriously flawed levee system. Secondly, is the environmental condition, and in particular the air quality of the city a safe place to live and raise children? We are concerned that accurate information is not being disseminated to the public.

Another dilemma that many people are confronted with is the loss of equity in their home. The fact that people have to continue to pay on a mortgage on a house that they can no longer inhabit, and will only receive claims against their flood insurance, which in most cases does not cover the full extent of the damages. A fact that makes this hard to accept is that the flood was caused by a flawed levee system.

Currently, I am in the process of opening up business in the New Orleans area and I am very concerned about finding qualified employees. I have come to understand that this problem exists because of the lack of housing for employees. This seems to be a vicious cycle, people are reluctant to return without services and business open, and without people and housing business can't and won't open.

To sum up, I believe that the problems that confronts New Orleans and the Gulf Coast are unprecedented and requires the help from Washington D.C. Please help us.

Sincerely,

John Haspel

Letter #3: Paul Sterbcow

November 14, 2005

Members of Congress:

I am a lifelong Lakeview resident, married with 3 children, ages 14, 11 and 22 months. Prior to Katrina, Lakeview was a model American neighborhood. A mixture of upper, upper-middle and middle class families, young and retired, the neighborhood is situated in Orleans Parish between downtown New Orleans and the surrounding suburbs. Many residents were second generation in the area. It's streets are lined with beautiful oak trees. It had a vibrant and diversified religious community. Large Catholic, Methodist, Lutheran, Episcopalian and Presbyterian churches, and an orthodox synagogue, are located within 2 miles of one another. It had a large neighborhood playground, supported by neighborhood families, that provided excellent athletic programs year round and was a feeder for the city's best high school athletic programs. It provided a sound and substantial tax base for the city. It was clean and crime free. It never flooded in heavy rains even when other parts of the city were affected. Working families who chose to stay in the city and raise their kids rather than flee to the surrounding parishes called it home.

All of this changed on August 29. The levee that was supposed to protect us failed DUE TO HUMAN ERROR, not the hurricane. Had the levee been designed and built properly, the vast majority of residents would be back in their homes. Now, the neighborhood has been left in ruins by salt water and it's contents. Homes had 4-10 feet of standing water for weeks. I had a little less than 8 feet of water in my home, which my wife and I purchased in 1989 and spent years remodeling and improving. The first floor, where my 3 kids' bedrooms, the kitchen, great room and computer room were located, was totally destroyed. My 14 year old daughter lost her clothes, school records and yearbooks, hundreds of childhood photos, religious articles and irreplaceable mementos of a wonderful life. In addition to his clothes, etc., my 11 year old son lost his prized baseball equipment and trophies to salt water that ate through them like a hot knife through butter. My kids cannot go back because the scene causes them to have nightmares. My story has been repeated thousands of times throughout the neighborhood, which remains without electricity, water and gas 10 weeks after the levee break. All plant life below the water line is dead and rotting. Although residents want to go home and in fact have returned to tear out the damage in their homes and try to protect their assets, we are very limited in what we can accomplish as individuals, particularly without utilities. Each passing day allows further rot and deterioration, and lessens the chance that we can bring our neighborhood back.

I respectfully suggest that every member of Congress visit my neighborhood and see the destruction firsthand. Although I have provided before and after photos, neither words nor photos can tell the true story. You must see, smell and taste the devastation. You must experience a place with no birds, squirrels or other sounds of life. Then, imagine

your neighborhood and your constituency in this condition. Any decent human being will be deeply moved and compelled to take action to help.

Please provide us with the help we need to rebuild. As the most powerful country on earth, we clearly are capable of accomplishing this monumental job. We are quick to rebuild cities and countries around the world, most notably Iraq, a country where many of the citizens hate America. Yet, the taxpaying, patriotic residents of Lakeview somehow must “justify” our need for substantial federal assistance. This is unconscionable and unacceptable. We are not looking for a welfare handout; if we receive the basic help that we need, such as a subsidy for a bankrupt utility company, a quick, decisive and competent levee rebuilding effort, trailers to allow us to return while we rebuild and bridging funds to help us with rebuilding expenses while we fight with out flood and homeowners insurance companies, we will rebuild our own neighborhood. If Congress ignores Lakeview, it is ignoring a model American neighborhood grounded in religious, family and civic responsibility. Lakeview needs and deserves the highest priority so that we can once again become a wonderful place to live and raise a family.

Paul Sterbcow

Lewis, Kullman, Sterbcow and Abramson

601 Poydras St., Suite 2615

New Orleans, LA 70130

Letter #4: Denise Brown

November 14, 2005

Dear Congressmen and Congresswomen:

Here is my Lakeview Story: We evacuated about 3 am. on Sunday morning. As you may recall, until about 2:00 on Friday afternoon, the National Weather Service was predicting that the storm would go to Florida. As you can see from the before photos, I tried to pick a few things up off the floor. My house had never flooded before, but a friend whose husband is an airline pilot called to tell me that this was the "perfect storm"--get out. I sandbagged the doors, taped the windows and left for Baton Rouge where we hotel reservations through Tuesday night.

At first, it looked as though the worst had passed through and Lakeview might be safe. A little while later we heard that the levee broke. I lived about 1.5 miles from the levee, near the Orleans Ave. canal. A neighbor, who stayed because her husband was on rotation at E.J., called and said we were fine until the levee broke and then the water rose 5 feet in less than 3 hours. A few hours later on CNN I saw helicopters rescuing people from the top of the bridge across the street from my house. On Wednesday night, our reservation expired. We'd made back up reservations at the hotel across the way, but the people there refused to leave. We hated to "squat" in the hotel room we had, but had no choice. We called the manager, told him our predicament and as luck would have it, he was able to accomodate us because the football game was cancelled and an executive order was passed so people wouldn't be turned out on the street. Try to imagine living in a hotel room for 2 weeks with 3 changes of clothes and everything you own in the back seat of your car, in a strange city where you get lost every time you venture out.

I'm one of the lucky ones. I got an apartment and my kids are in town. I know three families where the whole family has been split apart since Katrina. Mom was staying with me and working in Baton Rouge, Dad is working in Metairie, kids are in different schools, pregnant daughter in Tennessee---even the dog is staying with friends! Others are commuting almost 200 miles round trip everyday.

I saw my house for the first time on October 3. My children have no high school year books or pictures of their friends. My daughter, who is a freshman at LSU, said she just wanted to go home for a visit, but she can't. We had no winter clothes, no bathing suits, no toenail clippers, no bathrobe. I had no closed toe shoes, or sweaters or jackets for the first cool snap. Things that people take for granted every day. We didn't have trick or treat in our neighborhood this year, we won't have Thanksgiving or Christmas morning at home this year either. Unless Congress and the bureaucrats get moving, we won't have it next year either.

We just want to go home, but we can't until the levees are fixed and a new building code is issued so we can rebuild. Hopefully this will happen sometime before insurance

benefits run out for housing and the ICC deadline expires, but hope wears thin when our questions are answered with blank stares and red tape and an answer that is the equivalent "this isn't our job--call another agency".

Please try to remember that these are people's lives and homes. Before you vote against the appropriation for levees and rebuilding, try to imagine what it would feel like not to be able to go home tonight, or ever again. At lunch your house and community were there, and by dinner they were gone. Close your eyes and imagine that these are your children. They can't go back to their school and play soccer this year. That your pregnant daughter is in Tennessee about to deliver your first grandchild, or that this was your child's senior year of high school and they were competing for a scholarship. This happened to people just like you--not just a few criminals who were staying in the Superdome!

We have spent billions of dollars on a war in the Middle East and rebuilding several foreign countries, it is absolutely unthinkable that citizens of this country would have to beg for what our Congress gladly gives citizens of other countries.

Denise Langlois Brown
Corporate Counsel, Senior Vice President
Assistant Secretary
Hibernia National Bank

Letter #5 – Maria Eck Bullard

Dear Councilman Batt,

I understand that you will be testifying before the US House Banking Committee in support of HB4100, the Louisiana Recovery Corporation. I would like for you to share our story with them, as we call upon them to assist us in gaining the economic stability to facilitate returning to our community.

Without this guarantee of safety and level of comfort that a secure, sufficient and reliable levee system will bring, many of Louisiana's citizens and successful companies have relocated and will continue to relocate out of state.

My family lost our home in Lakewood South which was located on the 17th Street Canal, and we do not feel comfortable returning with our family to this or any part of the Greater New Orleans Area. Our 4 children knew no other home but New Orleans, but day by day, they are adjusting to their new life outside of the state. All of our memories are in our home, which is now destroyed. The memories most predominant now are the looks on our children's faces as we drove up to and looked through the windows of our destroyed home. Our home was a one-story, located on the 17th Street Canal Levee, and we lost literally EVERYTHING.

My husband was a pediatric dentist in the New Orleans area, but without the assurance of our family's safety, we will also not be able to bring our business back into the area. We also fear that without the assured safety from this type of preventable devastation, our patients will not be returning to the city either, therefore the economic feasibility of returning is bleak. We also lost all of his dental equipment and office, so we are hesitant to make the financial commitment to rebuild if we are not assured this level of safety and financial viability of New Orleans.

We love our home of New Orleans, and the future of our city and the entire area is depending on you to take some action and to ensure the safety and future of our families. If my children grow up outside of Louisiana because of this, the likelihood of them returning as adults will be greatly diminished, and that saddens us.

You hold the future of our state in your hands, therefore we call upon you for action regarding the community's safety and future.

Sincerely,
Maria Eck Bullard
Currently residing in Little Rock, Arkansas
(lifelong resident of New Orleans)

Letter #6 Vicki Sobel

Dear Members of Congress,

My husband and I purchased our home at 5239 Marcia Ave. in Lakewood South in April. We spent two months renovating it and moved in on May 30th, 2005 only to find out that same day that my husband had cancer. He was diagnosed with multiple myeloma after a stay in the hospital earlier that month with pneumonia. He is only 48 years old and we have two small children, ages 5 and 2. This was a bit of a shock to say the least. So we researched and found that the best place for his treatment was at a facility in Little Rock. It is called the Myeloma Institute and has been a Godsend.

We were doing okay given the circumstances and had contemplated selling our new home because of the financial stress we were under. Then the phone call came. A friend called to tell us that a hurricane was headed straight for New Orleans. Of course, we figured we would be spared once again, but did have some friends board our house and move some things up to "higher" ground. By the morning of the hurricane, we felt that was the case. Then the levee broke..... we tried to think the best, but feared the worst.

We sat glued to our tv for weeks until my brother-in-law finally made it to our house on September 16th. He cried as he called me to tell me the news..... we had at least 5 feet of water in our home. It took a week or so for the reality to sink in. Then I had to prepare myself to return ALONE.

My husband cannot go anywhere near our home given his current state of health. I arrived the first week of October. I am sure people have said you can't really imagine what it's like until you see it in person. Well, that's true. You have to see it..... it's horrific. I spent a week trying to salvage anything, something, pictures, china, from my house. I felt fortunate compared to some of my neighbors. I got about 15 small boxes of stuff..... X-mas china, photo albums, knick knacks...things that wouldn't mean a thing to anyone else, but were so valuable to me. Then I made the decision to have the first floor of my house gutted because I had no idea what else to do.

I returned back to Little Rock with no time to spare. My husband underwent his first stem cell transplant two days later. He's doing great, but the weight is on me to figure out what to do with our house. We are uncertain as to whether or not Steven can live there because of his illness. The best thing for us would be to sell the house, but so far, we've had one offer and it was too low. We owe a large amount on our home and we cannot afford to lose everything at this point. We are hoping and praying that someone, something will happen to help us out of this mess. As for now, I am planning on renovating my home. It will be a challenge. Renovating from Little Rock..... but I've come this far, I'm sure I can handle it!

I hope our story helps convey some of what people are going through. This has been a nightmare for so many of us. I hope we all wake up soon.....

Vicki Sobel