Sheila Cayolle said Saturday that no one else paid flood insurance premiums for her eastern New Orleans home and that it's wrong for government officials to deduct her insurance settlement from a grant she may receive as part of a $7.5 billion post-Katrina plan to help homeowners rebuild.

The government "did not pay my premiums (and) now everyone wants a piece of it," Cayolle said. "That should not be."

Her view was echoed by others in a crowd of about 200 who attended an afternoon meeting of the Pontilly Association at St. Gabriel of the Archangel Church in Gentilly. State Sen. Derrick Shepherd, D-New Orleans, Louisiana Recovery Authority officials and Councilwoman Cynthia Hedge-Morrell attended the meeting to explain details of the state's Road Home rebuilding plan.

"This is a take-it-or-leave-it plan," Shepherd said. "I do like the plan to a certain degree. The best I can do is present it to you."

Hedge-Morrell said residents must understand that flood insurance already is subsidized by the federal government, which bears the cost of offering insurance in risky areas generally avoided by private insurers. Also, the Road Home program is simply trying to make people whole in their rebuilding, she said.

"This is not lagniappe," Hedge-Morrell said. "This is only to help you get back in your house. You are not going to walk away with money in your pocket."

The LRA last week approved the final draft of its plan to help homeowners rebuild, and Gov. Kathleen Blanco and lawmakers said they had worked out their differences over the proposal's details. It is not expected to face significant opposition when the Legislature considers it this week. If it wins lawmakers' approval, the plan still needs the blessing of the U.S. Department of Housing and Urban Development before federal recovery money can pay for it.

The owners of nearly 123,000 houses that suffered "major" or "severe" damage from Hurricanes Katrina and Rita would be eligible for the owner-occupied recovery program. The relief program is designed to encourage homeowners to return to Louisiana, offering more grant money for those who repair or rebuild at the same location, or move to somewhere else in the state. All grants would be capped at $150,000.

Insurance payments received would be deducted from a homeowner's damage estimate, meaning the state program would cover only uninsured damages. The owners of
structures in a flood plain who didn't carry flood insurance would be subject to a 30 percent reduction in the size of their grant.

Charles Darensbourg said it was unfair to penalize elderly people who didn't have flood insurance. He said his 76-year-old parents are ill and his father couldn't afford flood insurance for their Pontchartrain Park home, built 51 years ago.

To reduce confusion, Shepherd and LRA officials used one audience member's situation to illustrate the grant possibilities.

The 40-year-old home of Oddie Moore's father, located in a flood plain in Pontchartrain Park, is worth $90,000 and they had no flood insurance. They received $5,000 from homeowner's insurance for wind damage. Under the state plan, Shepherd said the insurance would be subtracted and the grant would be reduced by 30 percent because they didn't have flood insurance. That means the owner probably would receive a grant of about $59,500, the state officials said.

Moore said after the meeting that probably would be enough to restore the home, and he was pleased to gain a better understanding of the process.

Shepherd said it's important to visit as many neighborhoods as possible to explain the Road Home plan and encourage people to apply for grants.

"What people are going to have to realize at some point is, 'Hey, I paid off my mortgage, but I don't have enough money to rebuild.' But there are going to be enough programs to help. I think it's going to work," he said.

Shepherd said he will address the Gentilly Civic Improvement Association on May 13 at 2 p.m. at the University of New Orleans, in room 165 of the old business building.

For more information on the Road Home program, call (800) ROAD2LA or (225) 342-4712. Information is also available online at www.LouisianaRebuilds.info.