Blanco housing program crosses first legislative hurdle
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BATON ROUGE, La. (AP) - Gov. Kathleen Blanco's $7.5 billion rebuilding and buyout program for people with hurricane-damaged homes started moving through the Legislature on Tuesday, getting approval from a House committee.

Blanco's legislative allies hope to move quickly and get final approval from lawmakers by early next week, so the governor can forward the state's application for spending hurricane recovery dollars to federal officials.

Checks aren't expected to go out to homeowners until at least late summer.

The program would spend federal aid for repairs, rebuilding and buyouts for homeowners in grants of up to $150,000 per homeowner, based on the pre-storm value of the homes. Homeowners must have uninsured damage of more than $5,200 from hurricanes Katrina or Rita to be eligible.

Those who were in a flood plain and didn't have flood insurance would have a 30 percent penalty taken off what they could receive. Homeowners who don't want to rebuild in Louisiana would get buyouts up to 60 percent of their homes' pre-storm value. And the insurance proceeds a homeowner received would be deducted from the amount of grant they could receive.

However, the housing program won't be fully funded unless Congress agrees to set aside an additional $4.2 billion in federal aid for Louisiana.

If the state doesn't get the additional cash, the plan would lower the amount of maximum assistance to half what homeowners would be able to receive under a fully funded program. But Blanco has said that without the $4.2 billion, she will scrap the plans and start over.

Procedurally, the Legislature's joint budget committee agreed to the program Tuesday, followed by the House Appropriations Committee.

House Speaker Joe Salter, D-Florien, said he expects the companion Senate committee to take up the resolution Wednesday, followed by the full Senate. Salter said the full House likely will consider the measure on Monday.

"I hope people are comfortable with it, but we're at the point where we've got to get this moving," Salter said.

The legislation also includes Blanco's $1.5 billion program for rehabilitating apartments and other rental housing.