BATON ROUGE -- The Louisiana Recovery Authority's plan to offer grants of up to $150,000 to homeowners to rebuild hurricane-damaged houses has begun to move through the Legislature, winning approval of two budget committees Tuesday.

Gov. Kathleen Blanco, key lawmakers and members of the authority last week said they had resolved many of their differences over the proposal, indicating that the $7.5 billion blueprint to repair homes is unlikely to encounter much legislative opposition. The Joint Legislative Committee on the Budget and the House Appropriations Committee approved the plan without objection.

The Senate Finance Committee is set to consider the proposal today, and legislative leaders expect that the resolutions supporting the plan could make their way through the Legislature by early next week.

Legislative approval is necessary to get the proposal to the final step of governmental review: consideration by the U.S. Department of Housing and Urban Development. But the plan hinges on Congress appropriating another $4.2 billion for Louisiana's housing crisis, which will be considered by the U.S. Senate this week as part of a larger budget bill. State officials are hopeful that Congress will approve that legislation by the end of the month.

If that money comes through, getting the program up and running will be labor-intensive, Andy Kopplin, executive director of the recovery authority, told members of the budget committee. Kopplin previously said the target for homeowners to start getting repair checks is late summer.

Kopplin said the contractor hired to implement the program will have to complete many evaluations of each house, including determining the prestorm market value, estimating the damages incurred and verifying ownership.

Seven companies are vying to run the program. Their bids are unavailable for public review until a winner is selected. Kopplin said the state hopes by May 15 to select the company to run the program, which would likely hire many subcontractors.

"The No. 1 criteria for the contractors is their ability to get up to speed quickly, because homeowners need money," Kopplin said.

"The Road Home" housing proposal includes both the homeowner program and a proposal to help rehabilitate rental apartments, which is particularly important in the New Orleans area, where many displaced residents were renters. The rental housing
component uses a federal tax credit and Community Development Block Grants to promote the development of large-scale apartment complexes, including affordable units, as well as a program to help smaller landlords rehabilitate their damaged houses or apartments.

The state says about 123,000 houses incurred either "major" or "severe" damage in Hurricanes Katrina and Rita and would qualify for the program for owner-occupied homes.

The program would allow a homeowner to repair a damaged house, tear down that house and rebuild in the same location, or relocate somewhere in Louisiana, offering a grant of up to $150,000 for the uninsured damage on the structure. Payments from insurance companies and the Federal Emergency Management Agency would be deducted from the damage estimates when the grant is calculated.

For example, if a house worth $250,000 before the storm was completely destroyed and the homeowner received $150,000 in flood insurance, that homeowner would likely be eligible for a $100,000 grant to rebuild the house. Owners also could receive mitigation grants to elevate a house if it is determined to be cost-effective.

Kopplin has emphasized that the program also makes available affordable loans if the grant dollars are insufficient to help homeowners rebuild, particularly considering the increase in construction costs after the storms.

For people who want to sell their property to the state and leave Louisiana, the program would offer them 60 percent of the house's pre-storm value, minus any insurance proceeds or FEMA payments. But the program would not offer homeowners more than it would cost to repair the house.

The owners of houses inside the flood plain who did not carry flood insurance would be subjected to a 30 percent penalty. That means the maximum grant they could receive would be $105,000.

The state is now registering people for the program. Homeowners can make their initial applications by calling a 24-hour toll-free hotline at (888) 762-3252 (888-ROAD2LA), or online at www.louisianarebuilds.info. The direct Web site for the registry, which is called "The Road Home," is www.housing-la.com.