

Summary of Some Highlights of the Road Home Program and the Associated Hazard Mitigation Grant Program for Road Home applicants, Aug. 18, 2010

The numbers of applicants

The Road Home Program for Homeowners (RH) promised to give sufficient compensation to Louisiana homeowners whose homes were devastated by Hurricanes Katrina or Rita, five years ago. This promise was publicized in the media and is implicit in the closing documents that require applicants to complete the rebuilding or repair of their homes.

This program was very helpful to many tens of thousands of the 127,000 RH applicants although it was a "hellish" experience, as a New Orleans newspaper recently described it in their five-year Katrina commemoration article.

http://www.nola.com/katrina/index.ssf/2010/08/5_years_later_we_understand_how_hurricane_katrina_changed_us.html

What is worse is that many tens of thousands of RH applicants received far less than they should have through no fault of their own.

Many of them had their grants unfairly cut just before or at their grant closing with no explanation or wrong explanations.

Many were given too little money to be able to fulfill the rebuild covenant because the grant rules were income-discriminatory (as CHAT leaders informed top RH officials in a meeting in New Orleans in October, 2006). A federal judge just ruled that these rules were indeed discriminatory to African Americans because of their indirect income bias. The RH claims to have adjusted for this with their additional compensation grant to low-income applicants, but again, arbitrary rule changes withdrew all promised money from many low-income applicants .

<http://www.prnewswire.com/news-releases/legal-defense-fund-wins-relief-for-victims-of-post-katrinarita-housing-discrimination-100793559.html>

In addition, many middle- and upper-income applicants received far too little funding because of the seemingly never-ending and unfair changes in the rules (some were posted and some were kept secret). These included a rule made in 2008 that excluded mold and mildew damage despite the fact that tens of thousands of the applicants had homes which stewed in sewage-flood-sea water for several weeks due to faulty construction work supervised by the US Army Corp of Engineers.

Many had mistakes in their grant calculations that were made during processing and that RH resisted correcting.

ICF Emergency Services (ICF) has a very bad reputation in S. LA because, in its administration of the RH, it "has messed over so many people in so many ways over such a long period of time that, at this point, it takes a particularly egregious error to attract attention now" but nonetheless, ICF got nearly 10% of the \$10 billion RH funds.

http://blog.nola.com/jarvisdeberry/2008/10/lose_the_attitude_not_the_pape.html

ICF has managed to parlay its RH experience, into obtaining grants from Homeland Security for antiterrorist work and HUD for a Head Start project.

It is scandalous that the ICF and other RH contractors and now the associated Hazard Mitigation Grant Program contractor have systematically ignored applicants' requests for information about their grants, lost applicant documents that applicants had to resend numerous times, and made an extraordinarily high rate of mistakes in grant calculation.

- The Louisiana Legislative Auditor in a Jan. 9, 2009 audit report stated the following.
 - ❖ If applicants dispute their pre-storm value, Road Home employees check the PSV dispute flag in eGrants. If this flag is checked, ICF uses the highest pre-storm value in the award calculation.
 - ❖ However, because the policy says that applicants disputing their pre-storm must go through the resolution process, all applicants with a PSV dispute flag should have a corresponding issue in JIRA which is the system used to record and track disputes.
 - ❖ However, we analyzed 50 applicant files of a total of 22,650 that had the PSV dispute flag as of March 2008 and found that 27 of the 50 (54%) did not have an issue related to PSV in either JIRA or JIRA archives.¹

¹ [http://app1.lila.state.la.us/PublicReports.nsf/6F905AB4148A123C8625753D0066BD41/\\$FILE/00008378.pdf](http://app1.lila.state.la.us/PublicReports.nsf/6F905AB4148A123C8625753D0066BD41/$FILE/00008378.pdf), P.20

In short, ICF buried applicant inquiries about mistakes in ICF's grant calculation by not putting a required electronic flag on half of files with requests for mistake correction.

http://chatushome.com/chatusfiles/HUD_OIG_Complaint_ForPublicRelease_final_2_2_09.pdf

We detailed abuses of the RH at the contractor and state level in a 39-page, 88-footnote complaint to the HUD Inspector General. Our complaint was accepted for investigation, the investigators sat on it for 7 months, and then issued a summary letter of case closed with no explanation, because they could give none. <http://chatushome.com/>

We are nearing the end of giving out grants from the Road Home Program.

The state is sending out letters to applicants who did not move back into their house within 3 years of getting their Road Home grant. Many of these applicants were led to expect a fair evaluation of their appeal of grant-shortchanging mistakes after grant closing but did not get one.

The state recently estimated that there are **at least 15,000 applicants** who will not fulfill this requirement.

For many thousands of these applicants, the reason they did not rebuild or repair their homes is that they did not receive enough money to rebuild due to the state-devised rules for the program, changing rules which decreased the grants, or systematic mistakes that downgraded the extent of damage to applicants' homes or the value of those homes

The state knows that very many applicants did not get enough to rebuild, e.g., they did a survey which cost \$42 K of taxpayer money.

This **LRA-LSU Customer Satisfaction Survey** (Center for Media and Public Affairs) **was never publicized. CHAT obtained it only by filing a public records request, finally engaging a lawyer, and waiting 8 months for it.**

Only applicants who had just gotten their grant or had been contacted by RH staff **within two weeks prior to the survey** were interviewed. Of course, this eliminated the 1000's of applicants left in limbo for many months.

Out of more than 6000 interviewed applicants, answers from only about 600 were used. Most of the discarded responses were because applicants said no to the question of whether they got the information they needed from the contractor, ICF. If they answered no to that question, incredibly, their questionnaire was not used.

Despite the biasing of the results to satisfied applicants, 55% of applicants who had not rebuilt their home and were included in the survey said that they did not rebuild because their grant was too small.

Road Home funds are still being withheld for technical considerations about titles from more than 1000 applicants who want to rebuild their homes and Elevation Grant money through FEMA funds is being diverted away from applicants.

Again the rules are squeezing applicants out of grants with ridiculous stipulations like applicants get no funding if it cost more than \$74 -98 per sq. ft. to rebuild and elevate.

Because more than 15,000 applicants unsuccessfully tried to dispute mistakes in their grant calculation, and never had a chance for an independent appeal with rules for how appeals were decided, the state should not ask for money back from these applicants even if they did not rebuild.

Left-over Road Home funds (FEMA funds) and Hazard Mitigation Grant Program (HMGP) money sent to Louisiana in the aftermath of Hurricanes Katrina and Rita should be used to help low- and middle-income applicants who got too little money to rebuild. The money can be given in installments with applicants proving that they are using it for rebuilding.

Instead, the constricting rules, loss of documents and unreturned phone calls continue under the HMGP house-elevation and mitigation programs.

The state should stop diverting HMGP money away from Road Home applicants and towards parts of the state that were not affected by the hurricanes. That money was promised to the applicants and they need it.

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