

Dear FoCHAT Members,

In this newsletter are the following:

1. Double Standard: 3 ft of water and over 12 stories = more than 51% damaged according to the state but rules for Road Home applicants are extremely different and against their recovery
2. Reminders about HMGP elevation grants (reimbursement) and appeals
3. First installment from recently published article "Stranded and Squandered: Lost on the Road Home," by Davida Finger, Staff Attorney for the Loyola Law Clinic.
4. CHAT meeting on Wed.

1. The Percentage Damage from Hurricane Katrina

Very many RH applicants with 1-story houses and 5-8 feet of sewerage/salt water/flood water for 3 weeks in their home have been told that they had less than 51% damage.

One applicant won a RH appeal of this type only after hiring a structural engineer!

I have been told by a top OCD official that a camel-back house or regular 2-story house with 8 feet of flood water would never qualify for more than 51% damage assessment by RH.

And yet, when this Administration wants more money from FEMA to rebuild a new Charity Hospital for NOLA rather than repair the existing one for less money and faster without destroying a NO neighborhood, Angele Davis, Commissioner of Administration refers to the state's claim that Charity Hospital with more than ten stories and about 3 feet of flood water (I was there at the time and saw it) was more than 51% damaged. Tulane University Hospital and Medical Center on the next block had the same amount of water (and also had infrastructure in the basement) and has long been fixed post-hurricane and made fully operational.

<http://www.nola.com/news/t-p/capital/index.ssf?/base/news-7/1240032705264560.xml&coll=1>

Citizens hoping to sway FEMA's hospital payout

Coalition also pushes to reopen Charity Saturday, April 18, 2009 By Bill Barrow Staff writer

Advocates for tearing down Charity cite danger from mold and mildew but LRA last summer made a rule not to cover repair of mold and mildew from the hurricanes.

What a double-standard!

How can Charity Hospital be more than 51% damaged?

How can applicant houses with the above-described flooding, not be more than 51% damaged?

2. Reminders:

Expansion of HMGP grants to \$100,000cap

<http://nola.live.advance.net/news/t-p/frontpage/index.ssf?/base/news-12/1239859984130360.xml&coll=1>

see <http://chatushome.com> for more details;

contact LRA-HMGP at 1-877-744-7235 or 1-225-339-3746 or hazardmitigation@la.gov

For unresolved mistakes made by RH on your grant

“The LRA and OCD will review these cases to ensure that homeowners received due process under the Road Home and that cases did not fall through the cracks.” <http://lra.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&pid=106>

- Email info@louisianarecoveryauthority.org with "Road Home Appeal" in the subject line
- Or mail a letter to the Louisiana Recovery Authority, ATTN: Ty Larkins, 150 Third Street, Suite 200, Baton Rouge, LA, 70801 (CHAT recommends certified mail and save the receipt)

3. Second installment from the recently published article “Stranded and Squandered: Lost on the Road Home,” by Davida Finger, Staff Attorney for the Loyola Law Clinic.

(The first installment was mistakenly repeated in two FoChat messages.)

From the Seattle Journal for Social Justice Vol. 7, (2009)

On May 24, 2007, Senator Mary Landrieu (D-LA) convened an oversight hearing to probe widely broadcasted projected budget shortfalls in Road Home, in addition to its other barriers.²⁰ Senator Landrieu concluded, “The lesson from this oversight hearing was clear, the mistakes for the Road Home program lie at many levels of government.”²¹

In her late seventies, Ms. R. from Gentilly²² had applied for Road Home funds in the first month of the program. Her home had been badly damaged by several feet of water. Ms. R. meticulously documented the phone calls she made each month to the Road Home call center. In virtually every call for the first eight months, operators told Ms. R. to send additional documents, several times requesting documents she had already provided. These included insurance paperwork, energy bills, FEMA documentation, and property ownership information. She provided the requested documents, mailing some three times. After scheduling several in-person meetings in downtown New Orleans, to which Ms. R. traveled by taxi, she was informed that she was “preclosing.” Ms. R. had been “preclosing” for four months when I met her. By this time, the wait for the federal rebuilding dollars had taken its toll.

Barely able to pay her mortgage, property taxes, and lot upkeep, Ms. R. was aware that Road Home was her last chance to repair the home that she and her late husband had worked so hard to build. She had heard stories about foreclosures in her neighborhood and was already behind on mortgage payments as she used her savings to pay contractors' bills for roof, electrical, and incomplete sheetrock work on her home. Ms. R. arrived in our office to figure out what would happen if she died before her Road Home award came in. As she explained, "My husband worked three jobs his entire life for that house—he is looking down and shaking his head at what we're going through to get back home."

I. BACKGROUND: THE ROAD HOME PROGRAM

A. Funding for Road Home: Community Development Block Grant

The U.S. Congress provided hurricane relief funding for the Gulf Coast following Hurricanes Katrina and Rita through a series of appropriations in the form of Community Development Block Grants (CDBG).²³ CDBG funds are administered by the Department of Housing and Urban Development (HUD).²⁴ "The primary objective . . . of the community development program . . . is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate-income."²⁵ With this objective as a mandate, the U.S. Congress allocated approximately \$13.4 billion to the state of Louisiana through CDBG.²⁶

While CDBG generally requires that at least 70 percent of its funding be used for the benefit of low- and moderate-income persons, post-Katrina the U.S. Congress authorized a general waiver of the CDBG's low- to moderate-income requirement.²⁷ As a result, the mandatory minimum amount of funding to be spent on low- to moderate-income people for all combined disaster recovery programs was lowered to 50 percent.²⁸

Louisiana was required to determine how the allocated CDBG funds would be spent. In Louisiana, the Office of Community Development (OCD), within the Division of Administration and under the supervision of the governor's office, is usually responsible for CDBG programs.²⁹ The Louisiana Recovery Authority (LRA), created in the wake of the hurricanes as the planning and coordinating body for Louisiana's recovery effort, made recommendations to OCD for implementation of Road Home.³⁰ After extensive negotiations, these implementation plans were submitted to the Louisiana governor and legislature for approval.³¹ Following State approval, the implementation plans were submitted to HUD.³² The Disaster Recovery Unit within OCD now administers the CDBG Disaster Recovery funds.³³ Throughout this article the terms "State" or "Louisiana" are used to refer to the agencies involved with Road Home.

In order to document for HUD how the CDBG funds would meet the lowered 50 percent moderate-income housing requirement, the LRA relied on a particular aspect of Road Home called the Additional Compensation Grant (ACG), a grant feature designed to provide additional assistance to applicants with household incomes 80 percent and below the parish's median income.³⁴ The ACG is supposed to add up to fifty thousand dollars to an applicant's grant when there is a "gap" between the estimated cost of damage (minus any other assistance received) and Road Home's actual compensation.³⁵

To be continued.

- Next CHAT Meeting-Time: Meetings on Wed. at 6:30 PM at UNO
- Place: Room 179, UNO Milneburg Hall, **on Milneburg Rd. (the road where the brand new dorms are, past the stop sign and the University Center and opposite the Fitness Center.**
Building #24: Directions to the Business Bldg are given on the Campus Map for UNO
- **NEXT MEETING** Wed., Apr. 22. Newcomers are welcome.*

Best wishes,

Melanie Ehrlich

Founder, Citizens' Road Home Action Team (CHAT)

Member, LRA Housing Task Force

<http://chatushome.com>