

**Dear Members of the CHAT Network,**

**As we are almost at the 3<sup>rd</sup> anniversary of the hurricanes, I want to say a bunch of thank yous!**

**First, here are the negative statements.**

I could not take part again in a city-wide "Thank You Anniversary Celebration," (if there were one) as I did last year because there is so very much less consideration of fairness for thousands of unlucky Road Home applicants by ICF International; at least some of the subcontractors, including First American Title and HGI; LRA and OCD; and Gov. Jindal. As a result, many thousands of applicants are being denied any grant; being delayed in getting their closing; being delayed in getting their money; being ignored in their attempts to fix Road Home mistakes; being given arbitrary and irresponsible deadlines despite a groundswell of opposition from applicants, their advocates, and the New Orleans City Council; having \$1.6 billion of their compensation grant money unnecessarily allocated to other purposes (see my public comments to LRA below), and losing home ownership, critical finances, mental health, and physical health, and the chance to elevate their homes. In addition, the recovery of hurricane-flood devastated S. Louisiana is being unnecessarily set back. That many thousands of applicants were lucky and got a fair grant is no comfort to their many thousands of cheated neighbors.

**Now, here are the positives.**

A great large bunch of people have come together to work for fairness and the common good just because this is a matter of simple justice and accountability for a state-run, federally funded program.

**Here is my Hurricane Anniversary Thank You to you:**

Over 900 members of our email network, who are very important to give us the connectivity that an organization like CHAT needs, the email input, and the offers of help.

Over 1000 applicants who took the trouble to fill out our online surveys.

Dozens of hard-core CHAT members who regularly come to our meetings or help us in other ways.

This includes (please excuse the many omissions) John Murden (certified appraiser who has helped so much with appraisal issues), Steve Donahue and Ricardo Gutierrez who attend LLT meetings and NORA meetings as CHAT representatives, Laura LeBon, Linda LeBon, Homer Branch, Barbara Blackwell, Brenda and Chip Chiappinelli, Joe Middleton, Mary Dake, Chris Price, John Vigo, Evelyn Wright, and Ken Ehrlich.

Dr. Xueqing Xu (Shwaychin Shu) from my lab who spent many volunteer hours setting up our new website and our new blog site, and is setting up our new email network soon to be initiated.

Leaders of other organizations giving us invaluable help or exposure, including, the incredibly dedicated and smart Davida Finger, Esq, staff attorney at Loyola Law Clinic and members of her staff, including Salmun Kazerounian; Peg Case, Head of TRAC and her staff devoted to helping those in the recovery who are most in need; the innovative Deborah Cotton, Gerrish Lopez, and Christopher Reade of LouisianaREBUILDS.info; and the trustworthy TV friend of Road Home applicants, George Blow, Producer of COX 10.

Rep. Sam Jones for his selfless work trying to improve Road Home by legislation and by executive oversight.

Ken McCarthy of Hudson Valley, New York, who generously sought us out with an offer of help and continues to quietly pay the monthly fees for our online surveys and Cindy Kappler of Arizona, our guardian angel for setting up the first two online CHAT surveys.

Many others, whom I am sure I could explicitly mention but have inadvertently omitted (for lack of time) or not singled out for reasons of discretion.

And most of all, to my clever and extremely civic-minded Co-Chairman, Frank Silvestri, Esq., whose thousands of email CHAT interactions and behind-the-scenes work is the diesel fuel for CHAT.

In addition, I thank all of you on behalf of the incredibly sweet, anonymous person who left an assortment of beautiful, fragrant multicolored roses on my doorstep this morning. Anonymous gifts are said to often be the highest order of gift giving.

Here are the words on the unsigned letter that accompanied the roses that are meant for all the CHAT network.

## On Three Years Down The Road Together

Dear Melanie and Ken and Frank and ALL the others on your God Sent Team:

You take no dues.

You take no donations.

The truth is probably

You take no vacations.

In the history of our shared recovery,

You will always be know,

Remembered and revered as the angels of our hope and inspiration.

This is NO Bogus Award, for you are truly loved.

To you, the best.

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Let me add that I receive so many beautiful email thank you's, that I treasure. Those thank you's belong to every person who stays with CHAT until our mission is complete because CHAT is a big wonderful network of people helping people as illustrated so inspiringly when CHAT members help newcomers who come to our CHAT meetings with insights into this maize of Road Home. Often, people talk so long and so intently to one another after our meetings that we can't get them to go home.

Lastly, in our most recent endeavor, I thank all who made public comments on LRA Amendments 27 and 28. You can see the more than 60 responses at

<http://www.chatushome.com/blog/?p=8>

I end with my summary public comment on these Action Plan Amendments from LRA.

Additional Public Comments for LRA Action Plan Amendments 27 & 28

Today, I received an answer to my public records request about LRA projected and incurred expenses for the Road Home Program.

This information and insights from other public comments on these amendments merit additional statements about these Action Plan Amendments.

\$650 million dollars of Road Home Community Development Block Grants (CDBG) funds are projected to be spent on Individual Mitigation Measures (IMM) if HUD approves LRA Amendment 27. LRA had said all along in 2007, that IMM funding would be from the \$1.2 billion dollars of FEMA Hazard Mitigation Grant (HMGP) money set aside for mitigation right after the hurricanes and made officially available to Road Home applicants by FEMA as of Jan. 2008.

In addition to the IMM funds, LRA has appropriated \$1.1 billion dollars of Road Home grant money for house-elevation grants that were supposed to be paid from HMGP money, not the Road Home grant/CDBG funds.

There have been outrageous delays in even setting up mechanisms for dispensing HMGP money for elevation grants and telling applicants whether they are eligible so that they can start elevating without losing eligibility. We wonder whether we will soon hear that the HMGP money cannot be spent for that purpose at all. We wonder where the \$1.2 billion of FEMA money intended for Road Home applicants is going. We have not had this question answered by LRA although we posed it in a public records request 6 weeks ago.

Money diversion from compensation grants themselves to IMM and elevation conveniently robs applicants of \$1.2 billion to fix their short-changing mistakes, which we know are not just “mistakes” but due to unpublicized, indefensible policies or practices that CHAT has had verified over and over again from multiple types of sources about downgrading grant amounts. Sometimes, this shortchanging involves grants shrinking from more than \$50,000 in an award statement to a subsequent phone notice that the grant is now zero. Sometimes, it involves unjustifiably withholding money won in appeal for many months or money promised in a notarized closing document.

Small grants are built into new policies that ought to be great improvements. It is good that LRA has opened up grants (at CHAT's and applicants' urging) to those who sold their homes at a loss. However, only \$100 million dollars is projected to be spent on applicants who sold their homes at great losses due to financial exigency after the hurricane and before the program started.

There are about 5000 applicants in that category and many more whom LRA is excluding because they sold at a loss between Sept. '06 and Jan. 1, '07, when the program had hardly paid out any money other than to the contractor and subcontractors. What is more, the applicants who are low income are excluded from an additional compensation grant to which all other applicants are entitled. What is the excuse given by LRA? They cannot determine the estimated cost of damage for those homes. However, they are getting official documents from applicants that can give the square footage of those homes and they could determine the estimated cost of damage from the square footage just as they do for demolished homes.

This squeezing of low-income applicants is mirrored in public comments about these amendments and abundantly in evidence from hundreds of low-income applicants responding to CHAT's online surveys. It is illustrated by several of the public comments and by many written testimonials to CHAT about Road Home recalculating additional compensation grant eligibility at later and later dates so that applicants who had no or minimal earnings the year after hurricane become ineligible due to just getting a higher salary.

One of the public comments illustrates another frequent source of downgrading of grants, ignoring Road Home rules. There is a Road Home policy document, which CHAT obtained by public records request, that specifies the following. Two monthly check stubs can be used to extrapolate the yearly salary for determination of eligibility for an additional compensation grant but only if those two reflect the yearly salary. That makes sense. However, we have had multiple examples of applicants protesting that they only temporarily made more money, and the paystubs used to disqualify them (after they had been initially qualified) were not representative at all of their yearly income.

One of the reasons that Amendment 28 should be put into effect immediately is that CHAT knows from many sources that an unpublicized rule about deviations of Road Home determinations of pre-storm value by more than 35% often lead to not giving applicants the highest valuation in their file during appeals. This happens even though the publicly posted Road Home policy unambiguously provides for an applicant appealing their home valuation to receive notice of all the valuations in their file and to be able to choose the highest. This is the antidote to ICF accumulating multiple low-quality, erroneous valuations and picking the lowest for an applicant.

Very many applicants faced/face downsizing of grants from the systematic restricting of policy, especially in 2008, that made the rules for grant calculation yield decreases in grants over what applicants were told in their grant notification. As many applicants tell us, Road Home personnel tell them that their grant award notices are worthless and only to be ignored.

As detailed in many of the public comments to Amendments 27 and 28 and by hundreds of survey responses and testimonials at our meetings, LRA meetings, and town hall meetings, the appeals process is malfunctioning for most of the applicants who deserve a fair appeal.

Why should more be expected when ICF and its subcontractors still regularly and purposefully ignore phone calls and certified letters from applicants?

Why should more be expected when Road Home regularly ignores its deadlines that will help applicants but has recently imposed onerous, arbitrary and unjustified deadlines on applicants that even the New Orleans City Council objected to in a recent unanimous resolution?

Why should more be expected when ICF still makes so many uncorrected “mistakes,” LRA and OCD are still exercising far too little effective oversight, but ICF, LRA, and OCD staff make the decisions on appeals without representation by the applicants and often without any written explanation of denied appeals?

Why should more be expected when applicants still are reporting to us in droves that they cannot get a copy of their file?

Act 872, which engendered Amendment 28, specifies an independent appeals system that gets opened up to applicants who did not have a fair appeal in the past. LRA cannot have it both ways. If LRA continues to maintain that no action plan amendment is required for the appeals part of Act 872, why have they delayed the legally mandated appeals reform for a law signed into effect on July 9?

Why is LRA trying to spend grant money for purposes not intended for the CDBG funds and thereby pleading inadequate resources for extending appeals?

It is not because HUD mandated these applicant-hostile changes in policy because the Director of HUD's Disaster Recovery Unit in letters to me and other CHAT members described the large degree of independence given to the States in managing and setting rules for CDBG programs.

We ask that the State of Louisiana and Gov. Jindal not continue to let the Road Home Program be rushed to conclusion, thereby forgetting the ill-served applicants who need and deserve fair, independent, reopened appeals. The federal money given for this program should serve the storm victim-applicants' pressing needs first and foremost and not, as often seems the case, last and grudgingly. The public comments made by applicants about LRA's Action Plan Amendments are representative of large numbers of Road Home applicants and give evidence for the need for approval of Amendment 28, disapproval of Amendment 27, and opening up fair, independent appeals according to the intent of Act 872.

Melanie Ehrlich  
Co-Chairman, Citizens' Road Home Action Team (CHAT)  
Member, LRA Housing Task Force

Best wishes and thank you again to all members of FoCHAT (Friends of CHAT),

Melanie