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**From:** "Melanie Ehrlich" <mehrllich8@yahoo.com>  View Contact Details  Add Mobile Alert

**Subject:** CHAT: Update on 3/8/08

**To:** fochat@thinknola.com,  chatlra@yahoo.com

Friends of CHAT,

**1. Thank you for sticking with CHAT even if you don't personally need help.**

Louisiana needs the Road Home fixed for the recovery.

So many applicants who went to closing or are waiting for closing are unnecessarily suffering financially, physically and mentally because of fixable Road Home Program that stay unfixed.

So many who had to sell their house at a loss out of desperation in 2006, were encouraged by the media to apply to Road Home, and were told in writing or by phone that they would get their grant if their was money left over, are still waiting.

Meanwhile Road Home is using up grant money for elevations that it could get from the FEMA Hazard Mitigation Money that was freed up for the vast majority of Road Home applicants as of Jan. 2008. That FEMA Money might well suffice for elevation allowances at the true cost of up to \$60,000 with estimates and receipts instead of blanket grants irrespective of real cost about ICC money received.

We may need some simple online email or phone help from friends of CHAT in the future. Please stay tuned.

**2. Those still needing help from Road Home are welcome to come to our meeting or take our online survey.**

If you live in the New Orleans area, are still a Road Home applicant, and can attend our next CHAT meeting, you are welcome to give a 3-minute description of your Road Home problem but please practice the timing beforehand and speak from notes to make sure that it is only 3 min.

Applicants and those who went to closing are welcome to take our survey. You can find the link at <http://chatushome.com>. If you want us to forward your information to Road Home officials please write that in the last box of the survey and give your application ID number.

If you need another chance to appeal, please write that in the last box and tell us why.

**3. Below is next week's schedule for the COX10 Broadcast of the 2/25/08 CHAT meeting with much information for applicants and the announcement of the free LouisianaREBUILDS/CHAT housing contractor forum.**

Mon. Mar. 10, noon- 2

Tues. Mar. 11, 1:30 – 3:30 PM

Thurs. Mar. 13, noon – 2 PM

Fri., Mar. 14, 1:30 -3:30 PM

Sat., Mar. 15, 3:30 – 5:30 PM

**4. Here is what people said about their own Road Home experience at the LA Senate Committee Meeting on the Road Home Program held on Mar. 6 in Gretna from 5:30 PM to 10 PM:**

Notes from Davida Finger, Staff Attorney (a champion of S. Louisiana's recovery)  
Loyola University N.O. College of Law

I have been treated with disrespect every time I call the Road to Home Program.

From the start, the information about my home was incorrect. It had the incorrect value and the incorrect percent of damage. I have gone through the appeals process and never heard back. I need to hear back because code enforcement in Jefferson Parish sent me a letter saying that if I didn't fix my house, I would be fined. I need my Road Home money to fix my house. I need an answer. The trailers all have to go too.

There is inconsistency in amounts of awards from one neighbor to the next. I live in a small subdivision. The entire subdivision flooded. How can property damage values be assessed so differently. Aren't there guidelines? Then, I sent back my option letter for one amount and when I went to closing, I got another amount. No one ever told me.

I am speaking on behalf of people slipping through the cracks. No one told me I wasn't eligible for this program. I was told I had been approved and waited and waited. I called and called and finally got someone to explain something to me. They told me I was ineligible. Then, miraculously, I got an ineligible letter in the mail after that. This is my house. What else do I have to do to show ownership?

They told us we weren't eligible but never told us why. We wanted to appeal that but we didn't know how. We want a chance.

So much of this has to do with the inspector. It was all up to one inspector to get the damage on our house. We want a new inspection because the other one wasn't right. The inspector only looked at the damage that was left. We asked if they needed anything else like photos or write-up of all the damage before our repairs. The inspector said no that he didn't need anything. Now, we don't have enough money to keep going. We need all

the damage looked at.

The PAL [Road Home casemanager] ignored my calls. I never got any calls back. I had to get a new PAL. My documents are ignored. No one can give you a straight answer. This is supposed to be the richest country in the world. We send all that money to Iraq but we can't rebuild New Orleans. We're getting the run around like we don't matter here.

I have been in pre-closing for 11.5 months. I am about to lose my house. I am making a choice between keeping the apartment I pay rent for my gutted home that I have to keep paying the mortgage for. I have submitted everything by fax, mail, certified mail and done that repeatedly because they keep losing my stuff. I'm at my wit's end. If these people would just stop telling us, "we want you to come home." Because if they do, just give me my money so I can rebuild.

I'm having palpitations so bad right now because I'm so nervous. The only thing I got was a letter. But that letter never told me I was ineligible. But now they say I'm ineligible. Why? After this woman spoke, an OCD program administrator shook his head no. Senator Murray asked the program managers not to tell the people that something didn't happen when they just stood their and said it did. Then he said, "They are not making these things up," and you need to listen. Then, Senator Shepperd said, "If this all typical, this is horrible." The OCD program manager then said he was shaking his head no because the information she got from the Road Home advisor was incorrect, not because the applicant was.

I sent in my yellow letter. Then I got an ineligible letter. I'm having the same problems as other people. I didn't even know there was a PAL system. I don't have a PAL. This information isn't relayed to us. I'm on an ineligible list and they say I'm "froze" because of that.

When I did my application I was unemployed. But I got a job and they calculated that 8 weeks of work as if I made that much for 12 months so they say I make \$70,000. No way. Every time I talk to someone, no one knows what's going on. They put me on hold. I don't know who to call. No one has a phone number for the title company.

I lost 7 rooms of furniture and had lots of damage. I got my award. But, is it too late for me to appeal. I don't know. I closed last February.

OCD's answer: Yes, it is too late to appeal. Appeals must be made within 90 days of closing.  
CHAT RESPONSE; IT SHOULD NOT BE TOO LATE FOR AN APPEAL BECAUSE NOW APPEALS IS SUPPOSED TO BE GREATLY IMPROVED AND NOW APPLICANTS ARE SUPPOSED TO BE ABLE TO GET ALL THEIR DATA, WHICH WAS NOT POSSIBLE BEFORE JAN. 1 2008. ACCORDING TO ROAD HOME'S OWN POLICY NUMBER CP100C (SEE <http://chatushome.com> for more explanation), WHICH WAS SIGNED BY THE HEADS OF THE STATE AGENCIES CALLED LRA AND OCD, ROAD HOME IS SUPPOSED TO GIVE PEOPLE A SECOND CHANCE AT APPEAL WHEN THE POLICY CHANGED IN THEIR FAVOR.

I call Road to Home every day. I'm told that I'm in verification stage. It is a big secret: what are they verifying? Then, I got my award letter. I called all the way to Baton Rouge. I was told I was closing in one week. Months go by. I was told I was ineligible. I have to start all over. I have to do everything again. They need the CAD report. It took me three months to get that from Road Home. Now, what am I supposed to do? No one can tell me.

Tonight I'm hearing about the additional compensation grant for low income people. How come I never knew about it? Can I get it now?

## 5. Notes from CHAT:

Within the last couple of weeks, CHAT has received multiple complaints from applicants that they still are being informed by phone of the outcome of their appeals or of notice the amount of their award. When they ask for this in writing they are told that they cannot get it.

We are receiving many complaints about applicants not getting the data in their files and some even told that they cannot have copies of those data, including pre-storm appraisals, CAD reports. How can applicants make sure that they get the highest pre-storm value (PSV) in their file (see highlighted sentence from LRA press release below), if they cannot get a copy of their file sent to them? Two 2 weeks ago, officials told me that applicants get a copy of their entire file sent to them by mail within two weeks of asking for it.

We are hearing many applicants having trouble with the new case management (PAL) system.

Road Home has not informed applicants by letter about the written documentation policy (CP189G), field review appraisal policy (CP188a), or the pre-storm value policy described below.

March 5, 2008

Media Contacts:

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State Outlines Changes to Road Home Elevation Calculations, Appraisals

BATON ROUGE, La. (March 5, 2008) - To speed the payout funds to homeowners and in recognition of the cost of elevation, most homeowners will receive a flat \$30,000 for elevation through the Road Home program, the Louisiana Recovery Authority (LRA) and the Office of Community Development (OCD) announced today.

Rather than each homeowner having an individual elevation grant calculation, homeowners will receive standard elevation amounts through the Road Home program, based on the type of home they have, at the following levels:

Site built homes and modular homes: up to \$30,000 elevation allowance;  
Mobile homes: up to \$20,000 elevation allowance.

"This across-the-board formula will give most homeowners a flat \$30,000 for elevation, which will cut through the red tape of individual grant calculations, speed the pace of payouts to homeowners and bring elevation awards more in line with actual elevation costs," said Walter Leger, chair of the Louisiana Recovery Authority's (LRA) Housing Task Force.

Homeowner compensation through the Road Home is still capped at \$150,000 per applicant. Almost 2,000 applicants have already received their elevation awards and will be eligible for additional funding if they received less than they would under the new policy provided the new amount does not exceed the total Road Home program cap of \$150,000.

For all homes, the policy change makes the program conform more closely to estimates by the Federal Emergency Management Agency (FEMA) of the actual cost of elevation.

The state announced in late February that homeowners who qualified for elevation awards would be receiving information about the program over the next several weeks. The state anticipates that the first elevation awards will be paid this spring. The elevation program was originally put on hold in April 2007 after concerns over a potential shortfall in the Road Home budget.

Louisiana will also run a second elevation program using Hazard Mitigation Grant Program (HMGP) funds beginning this summer. This program will help Road Home applicants cover the gap between their Road Home elevation awards and the actual cost of elevation.

In addition, the state announced Wednesday a change to the Road Home program regarding a full appraisal, called a 1004. This change will affect applicants who dispute their pre-storm value or submit a post-storm appraisal of their pre-storm value that exceeds the acceptable value based on existing Road Home policy.

Under the new appraisal policy, applicants will be given the option to request a 1004 appraisal or accept the highest valid pre-storm value currently in their file. If the applicant requests the 1004 appraisal, which is most similar to a full appraisal for real estate transactions, it will represent the final pre-storm value of their home. If the new appraised value is higher or lower than what is currently in the homeowner's file, it will result in an award calculation adjustment. This adjustment would result in either additional funding or a reduction in funding to the homeowner.

6. In case you missed this Times-Picayune article, here is the link:

[http://www.nola.com/news/index.ssf/2008/03/elevation\\_grant\\_rules\\_change.html](http://www.nola.com/news/index.ssf/2008/03/elevation_grant_rules_change.html)

### **Elevation grant rules change**

**by David Hammer, The Times-Picayune Wednesday March 05, 2008, 8:21 PM**

**Louisiana has again changed its rules governing grants to raise hurricane-damaged homes.**

**It also has adjusted Road Home program rules for establishing pre-storm values, which are critical to calculating many of the grants.**

Best wishes,


Melanie Ehrlich

Founder, Citizens' Road Home Action Team (CHAT)

Member, LRA Housing Task Force

<http://chatushome.com>

Wed, 5  
Mar  
2008  
22:04:39  
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<b>Subject:</b>	Where are Fair Appeals For Road Home Applicants Fwd: State Outlines Changes to Road Home Elevation Calculations, Appraisals
<b>To:</b>	fchat@thinknola.com, "CHAT" <chatlra@yahoo.com>, gentilly_after_katrina@yahoogroups.com, rebuild_lakeview@yahoogroups.com

Dear Concerned Citizen,

In the LRA Press Release below it says that the Road Home Program will now let applicants "accept the highest valid pre-storm value currently in their file."

**How will applicants correct mistakes in their grant under this better policy (actually a reversion to the original policy before Road Home changed it to applicants' disadvantage in late 2007) if they cannot get their file or they are not given another chance to appeal under this better rule?**

*This evening, one of the applicants took our survey at <http://chatforfairness.org>. She applied to Road Home in Oct. 2006, finally got her award notice in Feb. 2007 and sent it back the next day. She still has not gotten a closing date for a grant to allow her to rebuild her house that had been flooded with many feet of stinking levee-break water.*

*She wrote, "I was assigned an advisor that was not helpful at all. I was told to wait for a call from Road Home when they had info to share with me.. I was assigned a PAL, this is worst. No calls returned and no one seem to have any info about what the problem is. Requested copies of files be sent to me, told that I could not get them."*

Many applicants, not just the lady above, continue to tell us that they are denied their complete, unedited file or even any part of their file by ICF although on Nov. 9, 2007, the state made a new policy called CP189A. This policy stated that Road Home had to give applicants a copy of their file starting on Jan. 1, 2008.

As to the other part of the LRA press release, house-elevation money is proposed to be spent from the main Road Home fund (mostly HUD money) although LRA all along told the public that the \$1.2 billion from FEMA Hazard Mitigation fund was to pay for elevation allowances. What is worse, FEMA had finally removed huge amounts of red tape in Jan. 2008 to make that money rapidly available to the State Road Home Program. LRA proposes to not spend that FEMA Hazard Mitigation money for Road Home applicants until the summer using up main Road Home funds for elevation allowances instead!

So we are left with the LRA and Gov. Jindal promising a fast end to the Road Home without consideration for fixing the terrible mistakes plaguing victims of the hurricanes and flooding.

Elevation funding from the FEMA Hazard Mitigation money ought to be fast-tracked to spare Road Home grant funds for the grants themselves. These grants should include, as promised, money for waiting applicants who, in desperation, sold their homes at a great loss in 2006. The grant money needs to also be used for finding and fixing untold thousands of mistakes in calculations with help from an independent, highly experienced source outside of ICF and the State agencies running the program (see <http://chatushome.com> for Road Home Improprieties? and disappearing dispute resolutions).

Applicants should finally be notified by mail about how they can get a full copy of their file and how they can use a certified appraisal for grant calculation. It is an often ignored Road Home policy (called CP100C; see <http://chatushome.com>) to inform applicants of a change in policy that might benefit them even after closing and to extend them the right to then initiate an appeal under the new more advantageous policy. ICF staff should be checked thoroughly (and not just by ICF) to make sure that they are following these new policies even if they result in ICF's mistakes being communicated to applicants so that applicants can get shortchanging of their grants fixed.

Applicants should be told by letter that if they find a mistake in their grant calculations when they receive their full file, they can appeal no matter how long ago they closed their grant.

**Fairness means the same applicant-friendly rules for all applicants without rules changing midstream (for pre-storm value and estimated damage calculations) to give some applicants less favorable grant calculations than others.**


**Fairness, transparency, and ethics in the Road Home means fixing mistakes before the Program ends, not simply rushing it to a conclusion with buried mistakes that can mean applicants losing their ability to continue to have their own home. Some even worry about homelessness in the future.**

Melanie Ehrlich

Founder, Citizens' Road Home Action Team (CHAT)

Member of the Housing Task Force (which was not consulted about the new elevation policy)

Sun, 24  
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13:33:48  
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<b>Subject:</b>	CHAT: About Elevation Allowances and Taking from Peter to Pay Paul:inactive applications
<b>To:</b>	fchat@thinknola.com, chatlra@yahoo.com

Dear Concerned Citizens,

## 1. Elevation Allowances

So, we have ICF International, the company hired to administer the Road Home Program for Homeowners, which has made so numerous and varied mistakes in the grants of weary, frustrated, and economically and emotionally stressed victims of the hurricanes/floods. Mistakes, I understand. Even a very high rate of mistakes in a brand new (overly) complicated program, I can understand. However, just as you tell your children, "if you make a mistake, acknowledge it (or say you are sorry), learn from it, and don't do it again."

ICF does not acknowledge most of the repeated mistakes that are tormenting very many applicants and the dispute and appeals processes are woefully vague, unfair, slow, and often circular. Therefore, ICF's data for projections of a grant surplus are fatally flawed. This "surplus" can be estimated with any confidence only after informing the applicants about everything in their files and getting an independent and experienced entity to look at the ICF data and also show ICF how to really implement best business practices, greatly improve their data systems, and supervise/train their workers better.

LRA and OCD told CHAT leaders that dispute resolution and appeals will be greatly revised. However, when we recommend a lawyer to them who is heavily involved in advocacy for Road Home to help them fix these irregular processes that they have constructed or to turn to CHAT leaders, we get no response.

Now to briefly discuss the new problem that could have been made into a win-win situation, however, greatly delayed, namely, the Road Home elevation allowances.

**Of course, these programs must be started immediately and are so important to a successful recovery. However, the flaws that have already been built into the plans for these programs are so unnecessarily hurtful to thousands of applicants.**

**Why?**

**In brief, it is estimated that there is something like \$1 billion in "surplus" Road Home homeowner grant money. However, that does not take into account the shortchanging of very many applicants from very many different mistakes in processing their applications that have inexcusably not been corrected. It**

also ignores the several thousand applicants who sold their home at a loss in 2006 out of economic necessity and have been told that they could get their grant only if there is a surplus.

CHAT members Frank Silvestri, KC King, and myself talked with a policy director from the office of the Federal Coordinator for Gulf Coast Rebuilding on Feb. 1. He told us that FEMA had already removed most of the red tape from processing elevation grants for Road Home applicants so that there should be a wait of only about 2-3 weeks from when the State sends an elevation allowance request for a Road Home applicant to FEMA until FEMA gives the money to the State for that applicant. He said that FEMA was waiting for the Road Home's plans and procedures to immediately start the program with that \$1.2 billion pot of FEMA (Housing Mitigation Grant Fund, HMGP) money. He did state that a small percentage of applicants would have a greatly delayed processing by FEMA. However, this small percentage could be directly funded by the State.

The federal official with whom we spoke did say that he was very concerned that the State might have plans to give the elevation allowances without the kind of proof (contractor estimates and bills) that the work had been completed. The current plan for the use of Road Home funds for elevation contains that flaw as well as the same mistake-ridden company, ICF International, as the contractor for the administration of the elevation grants. The federal government has challenged the idea of the State funding elevation grants without applicants having to show receipts for the elevation work. (Baton Rouge Advocate. <http://www.theadvocate.com/news/politics/15129311.html>)

Unless the three of us CHAT Board Members were misled by this major federal official from the Gulf Coast Rebuilding office, the State should be able to use the HMGP (FEMA) money for the elevation allowances of almost all the applicants and spare the main Road Home grant money for Road Home grants and fixing the shortchanging of applicants.

More explanation about what needs to be changed about these plans.

CHAT has successfully advocated for recent policy changes that would make the Road Home Program (RHP) much fairer for applicants. These policies permit more accurate grant determination by greater use of certified appraisals for house values, written documentation of grant decisions, and giving applicants their own RHP records and grant calculation data (see <http://chat.thinknola.com>). Moreover, the RHP's adoption of these important new policies should trigger communication from the RHP of these new policies to applicants who might benefit from them and an extension of appeals deadlines according to their own regulations. This policy is as follows (RHP # CP100C):

"If the Road Home Program adopts after the homeowner closed, a significant policy that impacts homeowners who have already signed the form, these homeowners have the ability to appeal if the policy change is designated by the Road Home Program as significant. This will require the Road Home program to identify and notify certain homeowners of significant policy changes."

The above homeowner-friendly RHP regulation has not yet been followed and applicants are still being told outcomes of dispute resolution only over the phone and having trouble getting their unedited records or even their home valuations and damage estimates used for grant calculation (CAD).

**CHAT strongly advocates that applicants be informed by letter of the new appraisal and written documentation/data access policies. Then, even if they went to closing long ago, those applicants who request and receive their complete Road Home data should have an extended appeals submission deadline in accordance with Road Home's policy about extending significant favorable policy changes retroactively. We recommend that they have 4 weeks from the time of the data is received to send a letter (certified mail) to initiate an appeal if there is a mistake in their grant.**

**Road Home could achieve a fair outcome if:**

**a. those sensible policies that would follow Road Home's own rules about applicant notification and waiving appeals deadlines were followed;**

**b. the highly flawed RHP dispute resolution and appeals processes were really fixed;**

**c. appeals were no longer conducted by the same groups who made the policies and implemented them (ICF and the state agency overseeing ICF, OCD).**

**Especially with Gov. Jindal's administration emphasizing ethics in government, this is the time to fix mistakes and faulty procedures that are plaguing thousands of RH applicants.**

**It is most troubling that the RHP has committed almost all of the surplus for elevation grants which would not allow fair grants for those still waiting and correction of previous shortchanging mistakes as a first priority for the extra \$3 billion appropriated by Congress to the RHP in 2007.**

## 2. Inactive applications.

I was told by a top LRA and OCD officials that the "inactive" category for most RH applicants who recently had their grants transferred to that category does not mean anything other than a way for RH to keep track of an application that is not moving. There are two of about 8 subcategories of "inactive," I was informed that do mean something. One of these is those who sold at a loss before they got their grant.

If I were one of those applicants with a grant wrongfully switched to the inactive category, I would keep contacting RH in writing and by phone to get it out of that category. CHAT members have told us that they have succeeded in that way to get their application back into the active category.

I requested that RH send a letter (see the written documentation policy, CP189A, <http://chat.thinknola.com> or [http://thinknola.com/files/chat/CCB\\_WrittenDocumtn\\_23189A\\_11\\_07.pdf](http://thinknola.com/files/chat/CCB_WrittenDocumtn_23189A_11_07.pdf)) explaining what their application's subcategory of "inactive" means and what they could do about their application being there.

If possible, please write letters-to-the-editor of your newspaper about one of these issues([letters@timespicayune.com](mailto:letters@timespicayune.com), give your daytime phone # and your address; less than 200 words).


Keep on trucking, RH'ers,

Melanie

Melanie Ehrlich  
Co-Chairman, Citizens' Road Home Action Team (CHAT)  
Member, LRA Housing Task Force (not consulted about elevation allowances)

<http://chat.thinknola.com>

Sun, 24  
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<b>Subject:</b>	From KC King & Melanie Ehrlich at CHAT: important questions & answers about elevation allowances
<b>To:</b>	fchat@thinknola.com, chatlra@yahoo.com

Dear Road Home Applicants Interested in the Elevation Allowances,

The new Road Home elevation allowance plans are discussed (with some critical missing details) here at the following two links:

[http://www.road2la.org/news\\_releases/elevation\\_022208.htm](http://www.road2la.org/news_releases/elevation_022208.htm) and the updated FAQ <http://www.road2la.org/homeowner/faqs.htm#9>

**The amount of money you can get is unclear** but the talk that CHAT hears from an OCD official and an LRA Board Member is that it may be \$30,000 for single family owners regardless of the amount spent for elevation and that there will be lower amounts for manufactured (not modular) homes and condominiums. {This has been confirmed; Mar. 7, 2008}

The State's Hazard Mitigation program (HMGP, Hazard Mitigation Grant Program) from FEMA is separate and distinct program from the RH program with its HUD funding through the CDBG (Community Development Block Grants).

In Saturday's Times-Picayune (<http://www.nola.com/timespic/stories/index.ssf?/base/news-5/120374882251080.xml&coll=1>), it was reported that between the two programs applicants would be eligible for up to \$60,000 apparently on top of the current ICC program for elevation costs of those who had flood insurance.

### **How will the timing of three programs for elevation be devised?**

We already have problems galore with the great complications that were unfortunately built into the Road Home (RH) grant program. It seems that more are being added with two new elevation allowance programs instead of one. However, most importantly, money is being taken away from the basic grant program when it seems that the HMGP program has been standing at the gate, ready to go, for many weeks now.

Some of the time lines are **confusing and contradictory**. If you take the money, you have to elevate within 3 years of receiving the elevation grant. This is not consistent with the original time line that says this has to be your primary residence within three years of receiving your original compensation

grant. You would think that any requirement to finish your total recovery work would, at the least, be reset to the latest (elevation) time limits. ICF International is supposed to take on this Road Home elevation contract work in addition to its Road Home grant processing even though this company has such trouble keeping up with grant processing and made so many mistakes for the Road Home applicants in a large part due to deficiencies in best practices.

**This HMGP program has a March 15th cut off for “pioneers” (those who have already rebuilt, and in this case elevated to above the ABFE mark) to have started their construction. These pioneers may have faster processing of their HMGP grants.**

**Safety** concerns about the new elevation program follow.

If you sold your Option-1 home after Katrina, the buyer is not entitled to this elevation grant. As a result original owners are encouraged to elevate but not new owners. This doesn't promote total neighborhood safety and property values.

There is no test for level of damage and this may mean that applicants with one foot of water for 2 hours will get the same as those with 14 feet of water for 15 days. This will use up needed money to fix shortchanging of the basic RH grants for very many Road Home applicants.

BFE is used to calculate (subsidized) insurance premiums, not assess risk. Before the hurricanes, there was gross underestimation of the height and extent of hurricane-related flooding and a lack of good engineering and safety-oriented thinking that went into deciding on the existing BFEs.

Today, the US Army Corps of Engineers publishes maps of flood risk that are much higher in many places than any ABFEs. Citizens must also think about risks to their lives and properties and the disruption that property damage causes.

Since Road Home has declared that its elevation program is distinct from any FEMA program, why are they using ABFEs as the standard?

Since both levee-protected and unprotected areas which were not in flood plains were flooded by Hurricanes Katrina and Rita why not use the actual flood extent and depth to award Road Home Elevation grants?


**CHAT is concerned that homeowners who actually flooded and are continued at risk to flood will not be encouraged to elevate by the criteria for who gets a Road Home elevation allowance. In addition, those RH applicants who elevated even though they did not have to will be shortchanged. This includes one applicant who explained today that she elevated for the safety of her family even though they did not have to since they were 20 yards from the border of a must-elevate district.**

**This policy needs to be fixed to be about safety first and foremost and using the separate available pot of FEMA money that is supposed to now be available so that the main Road Home money can be used to fix all those mistakes that are driving applicants up the wall or will deprive them of sufficient funds to own their own walls. Some shortchanged Road Home applicants tell us that not correcting these mistakes might even mean homelessness.**

Regards, KC King and Melanie Ehrlich,

CHAT Board Members

Sun, 17  
Feb 2008  
10:50:11  
-0800  
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<b>Subject:</b>	CHAT: Elevation Grant Update On Feb. 17, 2007
<b>To:</b>	fchat@thinknola.com, chatlra@yahoo.com

Dear Concerned Citizen,

CHAT has been receiving many inquiries about elevation (raising houses above the calculated flood elevation levels) and mitigation (raising air-conditions, storm windows, etc.) allowances. Most recently, we received one from one of our dedicated servicemen now overseas whose home in LA was hurricane-devastated.

Here is the situation as I understand it.

### First Some Background

#### 1. What are the Sources of the Money for Applicants' Grants?

There are two pools of money that are available for Road Home (RH) homeowner applicants. The main money for RH grants is federal Community Block Development Grants (CDBG). These come from the federal Housing and Development. In addition, the State of LA put \$1 billion into the RH funds for homeowners in answer to demands for this from Congressmen. This State money must be used for the RH grants as one of the stipulations of the additional \$3 billion that Congress gave RH to cover the projected shortfall in

Since the beginning of the program, the other pool of money that RH officials had been hoping to use for elevation and mitigation grants is from the Federal Emergency Management Agency (FEMA). It is more than \$1.2 billion. This is money that comes from a program called the Hazard Mitigation Grant Program (HMGP). Under HMGP, FEMA may provide a State with up to 7.5 percent of the total disaster grants awarded by FEMA. FEMA can fund up to 75% of the eligible costs of each project. The state must provide a 25% match with state funds or CDBG funds.

<http://www.fema.gov/government/grant/hmgrp/FAQHowmuchmoney.shtm>

**In summary, the grant money used for the RH is federal CDBG funds (HUD) plus about one-tenth of the funds from the state.**

**The money for elevation and mitigation allowances for RH applicants was supposed to come from the HMGP program (FEMA).**

## **2. Problems With Using the FEMA (HMGP) Money For Elevation and Mitigation Grants**

First, there have been controversy between the federal and state governments about whether the HMGP money could be used for elevation and mitigation funding. Second, if it could be used, how would the money get out to the homeowners without great delays due to the very time-consuming federal requirements for use of HMGP funds (cost-benefit analyses, environmental reviews, historical reviews, etc) that are done one house at a time. Third, HMGP regulations do not allow reimbursement of those who have already done the mitigation or elevation work. In this case, it would be the pioneers who elevated and rebuilt their LA homes before the RH started or in the middle of it.

The last problem was finally solved in Oct., 2007.

On Oct. 16, 2007 because of pressure from the State and highly effective advocacy provided by **David Hammer, reporter, and Steve Donahue, CHAT member** described in an article by Hammer in the Times-Picayune about the hold on elevation allowances, there was a breakthrough in HMGP policy.

[http://blog.nola.com/times-picayune/2007/09/people\\_who\\_elevated\\_their\\_home.html](http://blog.nola.com/times-picayune/2007/09/people_who_elevated_their_home.html)

<http://www.nola.com/news/t-p/editorials/index.ssf?/base/news-4/1191392516129840.xml&coll=1>

FEMA declared, based on the unique circumstances in Louisiana after hurricanes Katrina and Rita, that the White House's Office of Management and Budget (OMB) granted a waiver to FEMA to allow for approval of costs incurred prior to award of the Hazard Mitigation Grant Program (HMGP) funds. The waiver permits FEMA to establish a limited exception for retroactive approvals under the HMGP of certain mitigation actions in Louisiana.

The effective date of this limited exception is January 16, 2008.

[http://www.fema.gov/media/fact\\_sheets/wip\\_guidelines.shtm](http://www.fema.gov/media/fact_sheets/wip_guidelines.shtm)

On Feb. 1, a letter to the editor in the Times-Picayune by Jim Stark, Acting Deputy administrator of FEMA Gulf Coast Recovery Office indicated that FEMA was accelerating approval of mitigation grants (including elevation allowances). He wrote that LRA Executive Director Paul Rainwater said at the end of January that the state plans to release plans for mitigation allowances "in the coming weeks."

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/120184699477170.xml&coll=1>

In addition, CHAT learned that for most applicants the red tape was being greatly reduced by FEMA to accelerate applicants getting these elevation allowances (probably up to \$30,000 for work done to elevate) and other mitigation funds (probably up to \$7,500 for other storm protecting work, such as elevating air-conditioning units and storm shutters for windows).

[http://www.nola.com/news/index.ssf/2008/01/fema\\_will\\_reimburse\\_for\\_more\\_h.html](http://www.nola.com/news/index.ssf/2008/01/fema_will_reimburse_for_more_h.html) plus other sources

## **3. So, What Is The Holdup Now on Elevation and Mitigation Allowances for RH Applicants?**

CHAT has learned that state officials are now considering using "surplus" funds from the main RH money (CDBG plus state money) for elevation allowances to be possibly supplemented by the HMGP money (FEMA) for extended elevation grants.

However, recently, we are hearing about more and more shortchanging of the size of grants to RH applicants (unexplained decreases in grant size at closing; assignments of <51% damage to homeowners with huge amounts of flood water in their home; estimates of damage from CAD reports that seem way too low) and increases in applicants learning to their shock that their application has suddenly been shifted to the inactive pile although they were told earlier by RH staff that, of course, they would get a sizeable grant based upon their data).

Originally, the additional \$3 billion from Congress for the RH (in addition to the previously allocated \$1 billion for the state) was deemed enough or almost enough by RH officials to plug the anticipated shortfall.

\$3 billion bailout aids Road Home

Posted by The Times Picayune November 10, 2007 9:08PM

By David Hammer

Staff writer

A \$3 billion congressional bailout of the Road Home program, passed with some last-minute wrangling Thursday, is likely to keep the homeowner-aid effort solvent through at least the end of April.

And state leaders hold out hope that if things keep breaking their way, the \$3 billion could be enough to cover every eligible applicant, or at least all but 10,000 to 20,000 of them.

About 186,000 people applied to Road Homes housing repair and buyout program, but 6,500 have already been ruled ineligible, and another 24,000 haven't showed up for initial appointments with program staff to determine their eligibility.

[http://blog.nola.com/times-picayune/2007/11/3\\_billion\\_bailout\\_aids\\_road\\_ho.html](http://blog.nola.com/times-picayune/2007/11/3_billion_bailout_aids_road_ho.html)

<http://www.neworleanscitybusiness.com/uptotheminute.cfm?recid=13849&userID=0&referer=dailyUpdate>

It seems that it is now the LA state officials who are holding up elevation grants and mitigation funds for more than a month while they work out a plan. That plan may involve using some of the RH grant money and saving some of the originally intended FEMA federal money depending upon what they say the "surplus" is from the pot of grant money.

Because the FEMA money that can be used for elevation grants and mitigation allowances has been finally freed with much less restrictive and delaying restrictions, CHAT strongly supports using the main funding for the RH to make sure that all eligible RH applicants get their fair grant and have downsizing mistakes in their grant calculations fixed.

This includes finally giving applicants, upon request, a copy of **all** of the information in their file so that they can effectively refute mistakes with an overhauled dispute resolution and appeals system that is fair and no longer vague and enormously drawn out.

It includes suspending appeals deadlines for those who finally obtain the records.

It also includes allowing those whom the RH encouraged to apply for grants even though they sold their property at a loss to obtain grants.

Lastly, it includes the RH getting some highly experienced, objective, and independent group to check for mistakes in grant applications and improve the electronic and supervisory systems at ICF because the current systems in place clearly do not provide anything near the accuracy that a program of this importance deserves.

This is especially true of ICF and the immediate oversight state agency OCD, who regularly provide excuses when examples of repeated mistakes are presented instead of constructive change.

<http://www.nola.com/timespic/stories/index.ssf?/base/news-10/1198390858300920.xml&coll=1>

<http://www.nola.com/news/t-p/editorials/index.ssf?/base/news-4/1198996269203570.xml&coll=1>

<http://www.nola.com/news/t-p/editorials/index.ssf?/base/news-4/1199773254152710.xml&coll=1>

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/120046453758810.xml&coll=1>

<http://www.nola.com/timespic/stories/index.ssf?/base/News/1200810112239510.xml&coll=1>

<http://www.nola.com/news/t-p/editorials/index.ssf?/base/news-4/1198996269203570.xml&coll=1>

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1201587689241850.xml&coll=1>

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1201156554244670.xml&coll=1>

<http://www.nola.com/news/t-p/letterstoeditor/index.ssf?/base/news-11/1202625115150270.xml&coll=1>

<http://www.theadvocate.com/news/neworleans/15387296.html?showAll=y&c=y>

What is the justification for the state possibly saving much of the HMGP funds (more than \$1.2 billion) by using mostly the main RH money, CDBG (HUD) funds, for elevation allowances rather than for fixing RH problems and mistakes?


**Lastly, for the RH program to escape being an object of national ridicule as more and more irregularities are revealed, it must, for the first time, become focused on the applicants' needs and not those of the state or federal government or contractor.** This can be done in a way that complies with government regulations and the RH regulations very much better than currently.

This is really the last chance for the RH to fix itself because time is running out.

**Louisiana does not need a rush to complete this program in a way that leaves untold multitudes unfairly stranded with downsized grants or no grant.**

Melanie Ehrlich, Co-Chairman, CHAT

Sat, 16  
Feb 2008  
15:03:58  
-0800  
(PST)

<b>From:</b>	 "Melanie Ehrlich" <mehrllich8@yahoo.com> <a href="#">Add Mobile Alert</a> Yahoo! DomainKeys has confirmed that this message was sent by yahoo.com. <a href="#">Learn more</a>
<b>Subject:</b>	CHAT: Some Questions and Numbers
<b>To:</b>	fchat@thinknola.com, "CHAT" <chatlra@yahoo.com>

Dear Concerned Citizen,

**1. Have you been in dispute resolution or appeals for more than 4 months and suddenly found that your application was not no longer in dispute resolution?**

If you received no answer to your dispute and and mistakes are still in the Road Home's calculations and you would like to share your information with CHAT, please contact us at [chatlra@yahoo.com](mailto:chatlra@yahoo.com) with details and contact information (including phone number and present and affected address).

**2. Has your application been in dispute resolution or appeals at least four months and then was shifted to the inactive file without any explanation?**

If so and if you would like to share information with CHAT, please send an email to [chatlra@yahoo.com](mailto:chatlra@yahoo.com) with details and contact information (including phone number and your present and your affected address).

**3. Do you know that the RHP used one of **their** determinations of pre-storm value for your grant calculation (not a certified appraisal from you) but that it one not the highest one?**

If so and if you would like to share information with CHAT, please send an email to [chatlra@yahoo.com](mailto:chatlra@yahoo.com) with details and contact information (including phone number and your present and your affected address).

**4. We have learned from your survey responses (chatforfairness.org), emails, and descriptions at CHAT meetings (next one is Wed. Feb. 27; see the bottom of our web page at [chat.thinknola.com](http://chat.thinknola.com) for details) that **there is an upsurge in applications being inexplicably and inappropriately put in the inactive category.** That category is not given in the table below from the Road Home website.**

We are told by RHP officials that you can get your grant out of that category if it is there by mistake although other than going to advisory meetings, calling, sending certified letters, or contacting your legislator for help, it is not clear how.

**5. Some Calculations**

The amount of benefits calculated is given as \$9.5 billion by the RHP.

According to a Sept. 9, 2007 LRA presentation there was \$7.9 billion for RHP homeowner grants. Congress subsequently gave an additional \$3 billion dollars explicitly for RHP homeowner grants for a total of \$10.9 billion.

Apparently the \$0.67 billion was for contractor fees does not have to be factored into these numbers, as per the LRA presentation.

According to the data below, there are 3,756 applicants who sold their home prior to their application. LRA and OCD have not yet made a commitment to fund these applicants.

If the average grant amount is used minus the price obtained upon selling the home at a loss (let's estimate \$30,000), it might cost the program only about \$ 0.1 billion dollars to fund these applicants. Even if (as we hope) the RHP adds the applicants who had to sell at a loss in the few months after the program started and before any appreciable number of grants were awarded (before the end of 2006), the amount of funds required to give them grants would probably still be less than \$ 0.2 billion.

If LRA and OCD decide to fund these applicants who had to sell at a loss in 2006 (as we hope they will), that leaves uncommitted something like \$1.4 billion dollars of unexpended RHP funds (for the homeowner program).

**The first priority for these funds should be fixing mistakes that led to shortchanging applicants and denying grants to applicants who should qualify, including extending appeals deadlines for those who obtain additional data about their grant calculations.**

**According to LRA and OCD policy, all applicants are entitled to their full file as of Jan. 1, 2008 but we have been told that this information is not yet routinely transmitted to applicants by email or hard copy.**

#### 6. Numbers from the RHP website:

Weekly Detailed Statistics as of February 11, 2008

\*\* The following statistics are updated on a weekly basis and include detailed information broken out by parish, this information can be accessed through the "Weekly Program Statistics" link below.\*\*

œ Total applications recorded to date:	<b>185,106 (final)</b>
œ Appointments held	
Initial Appointments Held:	<b>166,093* (final)</b>
Advisory Services Appointments Held:	<b>46,107</b>
œ <b>Eligible Applicants:</b>	<b>157,300</b>
œ Benefits Calculated:	<b>156,657</b>
œ No Funding:	<b>1,337</b>
œ Elevation Only:	<b>15,013</b>
œ Sold Home Prior to Application:	<b>3,756</b>
œ Total Benefit Options Selected:	<b>132,996</b>

Option 1:	<b>114,120</b>
Option 2:	<b>9,835</b>
Option 3:	<b>2,750</b>
œ Amount of benefits calculated:	<b>\$9.5 billion</b>
œ Average benefit calculation:	<b>\$61,066</b>
œ Total amount of awards disbursed:	<b>\$5.8 billion*</b>
œ Average award disbursed:	<b>\$59,726*</b>
œ Closings scheduled:	<b>630</b>
œ Closings held:	<b>98,359</b>

Best wishes,

Melanie Ehrlich  
Co-Chairman, CHAT