

Road Home Program - Statement of Principles

Passed Unanimously by the LRA Board of Directors, May10, 2007

OVERVIEW: A Resolution of the Louisiana Recovery Authority Board to endorse a Road Home Program Statement of Principles.

Whereas, Governor Blanco prioritized housing redevelopment as the highest priority for the two federal supplemental appropriations received by the state;

Whereas, Governor Blanco charged the LRA with the responsibility of developing recovery policy and action plans and charged the Office of Community Development (OCD) in the Division of Administration with administration of the supplemental Community Development Block Grant recovery program;

Whereas, ICF International was selected by the Division of Administration through a competitive process to assist the state with administration of the Road Home Homeowner Assistance Program;

Whereas, since ICF's engagement in June of last year, many issues have surfaced regarding the company's administration of the program;

Whereas, state officials, including Governor Blanco, have discussed ongoing program issues with ICF officials and have demanded improved results and changes in operations to expedite the provision of assistance to Louisiana homeowners impacted by the hurricanes;

Whereas, citizens of the state impacted by the hurricanes and seeking to return to their homes continue to voice concerns about the speed of the program and the manner in which the program is being administered;

Whereas, in recent months, members of the Citizens' Road Home Action Team (CHAT) drafted certain principles of performance for the Road Home Program, which was later adopted by the councils of the city of New Orleans, St. Bernard Jefferson and Terrebonne Parishes;

Whereas, CHAT's initial concepts have been expanded, with their assistance, to a formal body of Road Home Program Principles; and

Whereas, by endorsing these Road Home Program principles, the LRA re-states its commitment to moving the Road Home Housing Program forward in an expeditious and fair manner, and re-states its commitment to moving the state's recovery forward.

THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby endorse the Road Home Program Statement of Principles, as follows:

Principles of Communication

1. The complete rules of the program should be available to homeowners.

It is the responsibility of the Road Home Program to make current, updated rules available to applicants as soon as new rules are put into effect, to notify applicants of any changes, and to make those improvements retroactive for those who have already gone to grant closing.

2. The closing documents for the program should be simple, fair, and easily understood.

3. ICF staff who are in contact with homeowners (counselors, call center staff, resolution and appeals staff, etc) should be thoroughly trained to be able to competently answer homeowners questions during appointments, calls, home evaluations, resolution, and at closing.

Homeowners often get incorrect information from those with the Road Home/ICF team or, worse, get different answers from different people. It is also common that Road Home/ICF staff are not able to explain why a program guideline operates in the manner that it does, and that they do not have supervisors available who are able to answer questions about program guidelines.

4. Counselors should clearly communicate the responsibilities of the covenants, of occupancy, and the impact they have on homeowners regarding the necessity to repair or rebuild.

HUD's actions to alter the program's repairing and rebuilding goals have affected the requirements that homeowners have to reoccupy a home on site if they receive a compensation award. Homeowners should be told the actual requirements of the covenants, which still require occupancy. Program staff, including counselors, should be clear in communicating that the covenants require occupancy of a structure meeting code/safety requirements.

5. The Road Home Program staff should communicate clearly and frequently the rules for the assignment of grant benefits, which enables eligible homeowners to sell their home to others willing to complete the occupancy requirements.

The concept of assignments has been a part of the program since its first action plan amendment. The implementation of assignments by ICF has lagged behind other features of the program. This rule is critical to allow for reasonableness and flexibility. It also affects resale of properties after homeowners have closed.

Road Home staffers are typically not aware of or trained concerning the rules regarding the assignment of Road Home benefits. It must be well communicated by the ICF team. Training of Road Home staff should be adequate to explain this process. In addition, training on this issue for clear and accurate communication with real estate professionals in South Louisiana is critical.

6. The program implementation by ICF needs to communicate accurately about methods of rebuilding safely, including instructions about how to elevate properly and mitigate against future storm damages.

Homeowners need to be given good information about how to rebuild in a way that prevents future losses. The program for elevations requires accurate and useful information be provided to homeowners. Should the program be funded, the same will be true for the program for Individual Mitigation Measures, which enables homeowners to fund up to \$7,500 for safety measures. These programs provide safety if the engineering and design is appropriate and adequate.

7. Policies of the program must be clearly articulated in program communications and outreach, so that homeowners know their options .

Principles of Timeliness

8. All applications should be processed in a timely manner.

Homeowners rely on the timely processing of their applications. ICF should maintain and routinely publish reports on the time periods that applications have spent at various levels of the program, with timely information regarding same on its web site, including the average number of weeks applications have remained at each stage. The contractor should propose and implement new strategies to effectively deal with long delays affecting applications. Finally, ICF and its subcontractors need to sustain an average of at least 500 closings per business day starting May 15, and contact benchmarks must reflect this goal with acceptable benchmarks for accuracy in awards closed.

9. Every applicant should have access to a fair and swift resolution of errors, disputes, and appeals.

The Road Home Program should have a timeline for dispute resolution and appeals. The resolution and appeals process should be mandated in the program rules to provide a written, point-by-point response to applicants for all questions raised in their appeal. The contractor and state should give monthly reports detailing the number of personnel and supervisory personnel handling these issues and the progress of appeals to final resolution.

Principles regarding Applicant Access to Information

10. Homeowners should have access to accurate information about the status of applications by informed and trained personnel within 24 hours of your request.

Homeowners should be able to access information by phone immediately. The contractor should provide staffing sufficient so that voicemail should not be necessary or used (a person should always be available to answer a phone). Training of phone operators should be sufficient and up to date so that they can always inform homeowners of status, policies, and rules.

11. No applicant should go 30 days without contact by the ICF/Road Home program staff or otherwise being made aware of the status of their application in the process.

One of the biggest challenges is the problem of homeowners who have heard nothing about the status of their application since their home evaluation or since returning their benefit options letter. Homeowners must be given timely, accurate information about their files at every stage through closing and appeals.

12. Homeowners should be able to know the Road Home choices being made in their neighborhood, on their street, or in their community to help them make decisions about how to move forward themselves.

13. Homeowners with complicated title situations or special needs should be provided in-house or third-party assistance to help them move through the Road Home Program.

Some homeowners have major challenges in accessing the resources of the Road Home program. They benefit from having non-profits and others help them apply, resolve title problems that impact their awards, or other matters. These services should be implemented well, made known to homeowners, monitored for their scope and effectiveness, and expanded if they are well used.

14. The State should identify methods of helping homeowners avoid fraudulent contractors through financial training and construction management counseling.

These should be publicized widely and, whenever possible, information about these should be given to applicants at closing.

Principles of Access to Adequate Funding

15. The calculation of Road Home program benefits should be consistent, fair, and accurate, and applicants should be able to accept grant money without losing the ability to appeal or go through resolution.

Pre-storm value is fundamental to the calculations of benefits. The state improved the rules of the appraisal process in determining pre-storm values in late December. These rules allow that a homeowner without a pre-storm appraisal can order a Louisiana-certified appraisal after the storm, which is accepted as the primary determinant of pre-storm value if a valid pre-storm appraisal does not exist. These guidelines need to be clear to all homeowners, and training of ICF counselors and resolution officials should make this clear.

16. Elevation awards should be realistic to encourage applicants to rebuild safer, stronger, and smarter.

The rebuilding and recovery of the housing stock requires that there be grants available to help homeowners elevate their homes. HUD's determination that the state can't require homeowners to elevate creates a problem for a program that needs to give homeowners

this resource in a way that ensures that elevations will occur. However, this program must remain a priority. The LRA supports the need for additional resources to help homeowners meet their actual elevations costs if possible.

17. The state should strive to provide sufficient loans at affordable rates to enable applicants to rebuild or repair if they have a low pre-storm appraised value.

Middle to low income families with homes of moderate value, in particular, are less likely than other income groups to get enough Road Home compensation grants to rebuild. Congress should waive the SBA duplication of benefit requirements so that homeowners will be able to retain their low-cost SBA loans for their additional rebuilding needs. Further, the state should strive to create more affordable or forgivable loans for those with rebuilding costs that exceed their pre-storm values.

18. State and federal partners should strive to ensure that applicants receive their calculated award.

The LRA will work together with partners in the state and federal government to ensure that funds exist to serve all the eligible homeowners who have applied.

Principles of Property Acquisition

19. Properties acquired by the Road Home Program should be reintroduced to commerce by local redevelopment entities in a manner that ensures current and future safety of the community, or be retained as open space when necessary. The disposition should follow local community input, neighborhood planning, and safety requirements.

Where possible, the disposition of properties acquired by the Road Home program should be the responsibility of local leadership, and greater public participation should be sought for the Road Home Corporation or other organizations dealing with acquired properties. This principle has been the baseline for the Road Home program design for the acquisition of properties since the Road Home was written. Local development entities should seek public input at the district and/or neighborhood level throughout the impacted areas to garner public participation regarding land-use decisions for property acquired by the Road Home Corporation. Assuming the Road Home program funding requirements are served, the Road Home Corporation and local redevelopment entities should use the proceeds from the sale of Road Home Corporation-acquired properties for the benefit and redevelopment of the areas directly impacted by the hurricanes.