

March 23, 2008

Dear Friend of CHAT,

1. Here is a letter to the editor published in the main Baton Rouge newspaper that summarizes a few of the recent major problems with the Road Home Program.

[www.2theadvocate.com/opinion/16918431.html](http://www.2theadvocate.com/opinion/16918431.html)

Letter: ICF gets break; applicants don't

Very many Road Home applicants who got their grants know that there were mistakes in their awards which are undercutting their ability to repair or rebuild in Louisiana.

This includes several thousand whose languishing disputes were supposedly resolved by the contractor, ICF, in July 2007 to avoid a contractual fine for not meeting a benchmark. However, the state is giving ICF until May 8 to provide "more convincing proof" that those disputes really were resolved and not just dropped.

So while ICF gets almost a year to try to prove that it does not deserve a fine for failing to meet a contractual benchmark, thousands of applicants are stranded with shortchanged grants that they were pressured into accepting. The applicants are not given the time, data or fair appeals system that they need to get the mistakes reversed, even though some will lose home ownership as a result of not getting a fair grant.

Although the amount of money that the Road Home contractor, ICF, can be paid for Road Home work was increased in December by \$156 million, applicants who were encouraged to apply but had to sell their homes at a loss in 2006 are now being told that budget constraints prevent their grants being funded.

Meanwhile, the state is promising a rapid end to the Road Home Program while eating away at the pot of grant money. It is unnecessarily using grant money for elevation allowances, even though there is \$1.2 billion in a separate FEMA Hazard Mitigation fund that had been described all along as the intended source of money for elevation and hazard mitigation allowances.

More than \$1 billion of Road Home grant money (mostly HUD money) might be spent on elevation allowances and mitigation allowances despite the long-awaited release of FEMA Hazard Mitigation (HMGP) money as of January by an unprecedented cutting of red tape by FEMA. If the state gives out most of the elevation money from the Road Home grant funds, it will thereby save money from this HMGP fund.

That HMGP money came to Louisiana as an automatically transmitted percentage of FEMA money spent on immediate disaster relief in the wake of hurricanes Katrina and Rita hitting south Louisiana.

The use of Road Home grant money as the primary source of elevation grants, unlike the original plan to depend on HMGP money, will prevent the best use of Road Home grant money for fairer grants to applicants in great distress because of these hurricanes that devastated their homes.

Once again, the Road Home Program is losing sight that this federally funded program was supposed to be designed for sake of the applicants, not the contractor and not the state.

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