

Oct. 18, 2009

Dear CHAT Members,

\$100,000 sounds like a lot of money.

It was announced that the cap for Additional Compensation Grants (ACGs) for low-income Road Home Program (RH) applicants will be increased from \$50,000 to \$100,000.

<http://www.neworleanscitybusiness.com/uptothe minute.cfm?recid=27389&userID=0&referer=dailyUpdate>

That is good news for many applicants.

It is not good news for many low-income applicants who unfairly had their income eligibility for these grants revoked.

Many applicants submitted their income qualification documents early in the program, were told that they were eligible, and many of these unfairly had their eligibility re-determined at a much later date and were then disqualified. While some of these redeterminations may have been justified, we know that often they were not. For example, sometimes seasonal workers and applicants doing overtime work for a short while had incorrect yearly extrapolations of salary from a few paychecks. Extrapolations from monthly salary checks not representative of yearly salary were contrary to the RH rules but often went uncorrected despite applicants' protests.

We are also concerned about a complicated and arbitrary formula that limited eligibility for these grants in addition to the \$50,000 cap.

It is rather strange that HUD is involved in this announcement of the lifting of the \$50,000 cap because the cap was only instituted in Nov. 2006 (the full RHP began at the end of Aug. 2006) and did not involve HUD, but rather only a change-policy (CP) document through the state (see the reference below).

http://chatushome.com/chatusfiles/CP30&38_AddnlComp_ExpressInterviews.pdf

Moreover, the LRA \$100,000 cap on ACGs recalls the impressive-sounding, but often out-of-reach, raising of the Hazard Mitigation Grant Program (HMGP) elevation funding cap from \$30,000 to \$100,000 for uncompensated costs for building a new elevated home for a RH applicant.

The HMGP elevation grant program is also under the direction of the LRA Executive Director Paul Rainwater. The problem is that complicated and arbitrary rules make this cap a far-distant unachievable goal for large numbers (most?) of applicants who would be led to think that they do qualify for it.

1. Many applicants, like me and my husband, have just been left in limbo by HMGP despite turning in very complicated and difficult-to-obtain documents long ago and attempts to have a phone call returned.
2. The definition of “cost reasonableness” for the building costs, a requirement for eligibility seems to involve a very low cost per square footage formula, much lower than used for repair of RH houses in the main RH program.
3. The delay of up to 1 ½ years from the time FEMA approved the HMGP elevation grant program (January, 2008) to when the state has informed applicants of their eligibility so that they could begin building has been a great and unnecessary burden which prevents some applicants from using the grant because they could not wait for 4 years after the hurricane-flood damage to rebuild.
4. The square footage calculations devised this year that are part of eligibility determinations, with state and federal components of the formula, are using arbitrary rules (as in the sister program, the RH) that exclude applicants from eligibility (more about porches in a later newsletter).
5. LRA did not spend any \$100,000 given by FEMA in early 2008 specifically to publicize the HMGP rules. Similarly, all the important RH rules are not posted on the website. There is no notice at home pages at the RH website of rule updates. The 40% of RH applicants who (according to the contractor) are not internet connected never got any mass mailing of the basic RH grant or ACG grant rules.
6. LRA has still not filled my almost one-year-old public records request for a document stating how much of the HMGP funds have been spent on elevation grants and how much has been spent on other program in non-hurricane-impacted regions of the state. Their lawyers told me such a document does not exist.

Once again the imposition of poorly justifiable and overly complicated rules that are not explained to applicants in a timely fashion, not explained at all, or not explained clearly may make the large amount of promised money to many highly stressed applicants more broken promises that sound good in public announcements.

Best wishes,

Melanie Ehrlich

Member, LRA Housing Task Force

Founder, Citizens' Road Home Action Team (CHAT); <http://chatushome.com> <http://www.chatushome.com/blog/?p=64>