

March 19, 2008

Dear Friends of CHAT,

Much interesting information is below.

If you are a Road Home applicant and possibly interested in elevating your house, please note the following.

Letters are being sent to those in the floodplain over a 6 week period that began a week ago. A State official recommends that you promptly fill out both the Road Home elevation incentive and the HMGP elevation forms and send them back. There is no obligation to elevate just because you filled them out. Go to road2la.org to learn more about these programs although some aspects are still unclear.

Note the following complications for the HMGP elevation grants.

From conversations with federal officials we have learned the following. Applicants who have signed contracts, bills, and building permits for elevation from before Mar. 16 are automatically eligible for the HMGP elevation grant. Their names still have to be sent by the State to FEMA.

Applicants who have not yet proof that they started the actual physical work of elevation, have to get that approval from FEMA before they sign a contract to elevate. Otherwise, they would not be eligible for HMGP-FEMA money although they would be eligible for the RH elevation incentive.

Even if applicants had not started elevation before Mar. 16, they should only have to wait about 2-4 weeks from the time the State sends their name to FEMA until they get approved by FEMA and then can start their elevation if the State sends them notification of FEMA approval rapidly.

A very small percentage of applicants who have special historical or environmental situations will have a long delay (maybe months, according to a FEMA official) between the time that the State approves them for elevation allowances and sends their name to FEMA and when FEMA approves them.

Best wishes,

Melanie Ehrlich
Co-Chairman, CHAT

HOMEOWNER'S CONTRACTOR INFORMATION FORUM

Saturday, March 29th 1-5pm
Ashe Cultural Center 1712 Oretha Castle Haley
New Orleans 70113
[Read more here.](#)

IRS Provides Needed Guidance to Louisiana & Mississippi Taxpayers Dealing with Casualty Loss Reimbursements

New Orleans — Louisiana and Mississippi taxpayers impacted by the 2005 Gulf hurricanes can get answers to questions on reporting federal reimbursement grants on their federal income tax returns by checking out new information posted to the IRS.gov Web site.

Additional information has been added to the IRS.gov Web site for Hurricane Katrina, Rita and Wilma victims who claimed casualty and theft losses on their individual income tax returns and are now handling reimbursements received in tax years after the loss occurred.

Taxpayers visiting the IRS.gov Web site will find guidance on the page entitled Frequently Asked Questions (FAQ's) under "Guidance for Those Affected by Hurricanes Katrina, Wilma and Rita ." (<http://www.irs.gov/businesses/small/article/0,,id=171218,00.html>) The "Grant Proceeds" category contains detailed information and several examples of how the casualty loss and reimbursement rules are applied. The "Sale of Home" category also provides several examples of how federal tax law is applied when there is a subsequent sale of personal residence after a casualty loss deduction.

The most current information applicable to any disaster can be found in the section entitled "Disaster

Frequently Asked Questions (FAQs)." News releases and other legal guidance documents are included in this section.

(<http://www.irs.gov/businesses/small/article/0,,id=156144,00.html>) The IRS encourages tax professionals and impacted taxpayers to use disaster guidance on the IRS website and IRS publications to determine how the tax law applies to their individual situation based on their facts and circumstances.

IRS will also conduct several Town Hall meetings to insure the most up to date disaster information reaches impacted taxpayers. Two sessions will be held at all locations. Registration is not required.

Schedule of Town Hall Meetings

HOUMA/THIBODAUX Wednesday, March 26th Session 1: 8:30 am to 10:00 am Session 2: 1:30 pm to 3:00 pm Location: Terrebone Parish Library at 151 Library Drive (formerly Civic Center Blvd.), Houma, LA 70360

LAKE CHARLES

Saturday, March 29th

Session 1: 9:30 am to 11:00 am

Session 2: 1:00 pm to 2:30 pm

Location: Central School of Arts & Humanity Center at 809 Kirby Street, Lake Charles, LA

NEW ORLEANS

Saturday, April 5th

Session 1: 9:30 am to 11:00 am

Session 2: 1:00 pm to 2:30 pm

Location: Superdome, New Orleans, LA

Notes from the LRA Housing Task Force Meeting 3/18/08; 2:45 p.m. – 7:15 p.m.; University of New Orleans Research and Technology Park; Lindy C. Boggs International Conference Center Lakeshore Drive, New Orleans, LA

Notes by Melanie Ehrlich (trying to capture parts of the meeting of special interest to FoCHAT members as well as I can)

George Pennick (GP) and Dr. Rick Eaden (RE) (Principal Investigator for this Report) from the RAND Corp. presenting a preliminary report reviewing the Road Home Program (RH)

Sept. 2007 Contract signed; First data from ICF in Oct. 2007

GP: Not yet a final report. Welcome questions and comments from the Housing Task Force (HTF) for the final report.

Title of the Report: Timely Assistance: Evaluating the Speed of RH

EGrantsPlus dataset; dates progress of each application by stage through Dec. 18, 2007 for applicants who went to closing by that date

Analyzed mostly the applicants who had not been funded by Dec. 18, 2007 who had applied in Aug. 2006.

Many stages of the processing had the potential to contribute more than 100 days to the total time for processing an application.

There was no goal for timeliness in the RH. There were RH program goals that were for parts of the processing, not for completion of processing.

The 3 title firms who were subcontractors provided very uneven timeliness in processing applications.

Mean 250 d for processing of grants the first 57,000 grants that went through to closing and dispersal of money by Dec. 18, 2007 but the wait could be up to 500 d.

Applications are sent on to the next step by batches. If the error rate of a batch is more than 5% , the whole batch is rejected; however, >95% of the batches have less than this error rate.

Melanie Ehrlich (ME) This is most disappointing because the LRA Bd. issued a press release April 10, 2007 called for an in-flight review with emphasis on improving the quality of the Program and the Scope of Work from the contract has as its second sentence that RAND was to look at how the Program is meeting the LRA Statement of Principles. In addition, RAND issued a press release stating that it was looking at how well RH was doing relative to the LRA Statement of Principles (<http://road2la.org/about-us/principles.htm>).

ME: Mr. Knapp (Adam Knapp, Deputy Director of the LRA), will you comment on the lack of any reference to the Statement of Principles or quality of the program other than timing of processing the applications. As you know from your participation in discussion of the Working Group of the HTF, the Wkg. Gp. was very pleased that the RAND contract prominently included how well the RH is addressing the LRA Statement of Principles. Would you respond to the fact that there is no mention of this at all in the RAND report.

Adam Knapp (AK, paraphrase of his comments): We have been discussing this with RAND and asking them for each of the 8 major points that were covered in the Scope of Work laid out in the RAND contract whether they would be included in the report. They have not been able to cover all of these and we need to address this.

Mike Spletto (MS, Housing Director of the Office of Community Development {OCD} MS): One member of the HTF asked about the categories of ineligible and inactive. There are many categories of ineligible. There are 7-8 categories of inactive.

KC King (KC) There is not an active process of reviewing applications that are in inactive status.

MS: If someone is in the inactive category, all they have to do is to call their PAL (case manager).

An HTF member; Many people call me every day mostly about dispute resolution and appeals. I have one constituent who won their appeal 6 months ago and no one will return a phone call from ICF. What we have to do is to fix the appeals and dispute resolution.

Report on Rental Housing Demand in the Orleans Metro Area by GCR: low-appraisal houses are by far the least likely to be repaired after the hurricane-flood damage.

ME: May I ask Mr. Bowman from the LRA why the RH grant money is being used for house-elevation incentives. This will deplete RH funds if the \$1.2 billion in FEMA Hazard Mitigation (HMGP) is not the primary source. This HMGP money has been made available as of Jan. 2008 by FEMA granting an unprecedented exception to Louisiana that greatly decreases red tape. I have spoken to someone in the Federal Gulf Coast Recovery Office and another official from FEMA in DC and Mr. Rainwater (Paul Rainwater, Exec. Dir., LRA) and they told me that the delay time from the State sending lists of names of approved applicants for elevation allowance until FEMA transfers money to the State for those applicants would be only 2-4 weeks for the vast majority of applicants.

{From conversations with federal officials we have learned the following. Applicants who have signed contracts, bills, and building permits for elevation from before Mar. 16 are automatically eligible for the HMGP elevation grant. Their names still have to be sent by the State to FEMA.

Applicants who have not yet proof that they started the actual physical work of elevation, have to get that approval from FEMA before they sign a contract to elevate. Otherwise, they would not be eligible for HMGP-FEMA money although they would be eligible for the RH elevation incentive. Even if applicants had not started elevation before Mar. 16, they should only have to wait about 2-4 weeks from the time the State sends their name to FEMA until they get approved by FEMA and then can start their elevation if the State sends them notification of FEMA approval rapidly.

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Walter Leger (Chairman, Housing Task Force, WL): I am sorry, Melanie, that you are talking to FEMA and Powell's office.

MS: It is true that for the last four months we have been getting much more cooperation from FEMA.

Paul Rainwater (Exec. Dir., LRA; PR): FEMA has processed only 2400 applications so far. They may have to process 40,000. I doubt that they will do it fast enough.

ME: But you should try it to see if they will so that you can save precious RH grant money for applicants who had to sell at a loss in 2006, applicants whose grants were shortchanged, and better policies to fund applicants who need the money the most to rebuild, for example, better rules about how income is calculated for the Additional Compensation Grant (dates used for the salary calculation, removing the \$50,000 cap).

WL: Mr. Rainwater, is it true what Dr. Ehrlich said that the State could give up to \$60,000 from HMGP money if it chose to?

PR: We don't think that there would be enough money for that and we want to fund from HMGP other projects like municipal mitigation projects in Jefferson and Orleans Parish.

MS: {In answer to a request for this information to be presented at the HTF meeting} 199 second disbursements have been made for applicants who won their appeals. {Note that more than 3100 applicants have won appeals so that they were supposed to get additional money in these second disbursements and that CHAT members have been asking OCD for months why hardly any of these people who won their appeals had been funded. However, this is the first time that we got actual numbers for these second disbursements for those who won appeals.}

KC: Applicants should not have to be out of appeals in order to qualify for an elevation incentive from the RH. It is a simple matter to make sure when they get money for winning an appeal after getting an elevation incentive that applicants don't get more than the maximum set at \$150,000.

MS: We have to make sure that applicants are out of appeals first so that we can be accurate.

ME: That is far less than the several thousand applicants who have won their appeals.

MS: I know that the number is low. We are working on it.

MS: There are 10,000 inactive applications.

MS: 96 applicants have requested a copy of their files and ICF has caught up with all the requests.

ME: We hear from many applicants this week and the last few weeks that they cannot get a copy of their files and sometimes cannot even get a copy of their CAD or BPOs.

MS: Send me the names and application numbers of those applicants.

ME: I have been sending them to Mr. Rainwater.

WL: There is nothing more fundamental to due process than an applicant getting their full file. Appeals deadlines should be extended for applicants who can prove that they tried to get their files before.

ME: Applicants should not have to prove that. Many knew that they could not get a copy of their files. Mr. Rainwater, will you agree to sending a letter to applicants about the written documentation policy (CP189A) and the field review appraisal and advise applicants that they can appeal or appeal again once they get a copy of their file according to CCB100C?

PR: I have to think about it.

MS: 12000 calls to PALs. The PALs are working very well.

ME: CHAT has gotten many complaints about PALs.

MS: Send the applicants names and ID to me. Two were found to be out of order and were fired.

Adam Knapp: Red ribbon examination of each file will be done as a final evaluation of each file.

ME: But RH has refused to look at official documents that applicants want to provide and that would refute

mistakes and has not put them into their files.

ME: (followup to public comments). Mr. Knapp please note that many applicants had very erroneous estimated cost of damage (CAD). Some of these applicants have already repaired their homes and were not allowed to offer evidence of what the damage was before repair or even to speak to the evaluator.

FOR IMMEDIATE RELEASE:

April 10, 2007

MEDIA CONTACT:

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LRA Recommends Expanding Housing Panel; Homeowners to be Appointed

Board Also Directs Staff to Prioritize Additional Funds, Should Federal Government Waive Cost Share

BATON ROUGE, La. (April 10, 2007) - The Louisiana Recovery Authority (LRA) Board of Directors today recommended expanding the Housing and Community Development Task Force to include homeowners as members and advisors. The board also supported conducting additional "in-flight reviews" of the Road Home homeowner assistance program to supplement other audits and program reviews already in place to assure a high level of quality of the program.

Additionally, the board proposed the consideration of a "Homeowner Bill of Principles" at the group's meeting next month. The principles were originally developed by the Citizens' Road Home Action Team (CHAT) and later supplemented by LRA policy staff.

"We thank CHAT for its input and look forward to an in-depth review of these guidelines at our next meeting," said LRA Housing Task Force Chairman Walter Leger. "They provided us with a very good start and since then we've actually added a few more guiding principles homeowners can use as they continue to move through the program."