

Recovery Snapshot:
**Louisiana Road Home – Homeowner
Compensation and Incentives**

Grantee: State of Louisiana	Number of Grants Paid To Homeowners*:	103,377
Administering Agency: Office of Community Development (OCD) and ICF International	Homeowner Grants Paid*:	\$6.1 billion
Program started: 5/30/2006	Average Grant / Homeowner*:	\$58,949
Projected end date: 5/30/2016		*as of 4/1/08

Impact of Disaster: Hurricanes Katrina and Rita left an unprecedented wake of death, destruction, and devastation on coastal Louisiana. Taken together, 1,464 people lost their lives, more than 200,000 homes and 18,000 businesses were destroyed, and billions of dollars in property were impacted. Orleans, Plaquemines, and St. Bernard Parishes suffered widespread flooding as a result of the storm surge overtopping or breaching area levees. Along the north shore of Lake Pontchartrain, up to six feet of water inundated the cities of Mandeville and Slidell. The city of New Orleans was under a mandatory evacuation for more than a month.

Less than a month later on September 24, Hurricane Rita came ashore and flooded the coastal areas of southwestern Louisiana in the area around Lake Charles, affecting nearly a half million households. While Hurricane Rita exacted a lower death toll, taken together, these storms wrought catastrophic destruction on the Louisiana coastal areas.

Program Description: The program will provide compensation for three types of homeowners:

- Option 1: *Stay* Homeowners that want to stay in their homes.
- Option 2: *Relocate* Homeowners that want to sell their homes but remain homeowners in Louisiana.
- Option 3: *Sell* Homeowners that want to sell their homes and either move out of Louisiana or remain in the State but as a renter.

Since the overarching purpose of the Road Home program is to restore Louisiana’s impacted communities, the most comprehensive financial and technical assistance packages are made available to those pre-Katrina and Rita homeowners who make the effort and take the risks to move back and reoccupy housing in Louisiana (Option 1). Homeowners who owned their homes at the time of the storm may receive up to \$150,000 as a compensation grant for hurricane damage to their home, without limitations with respect to income, and an additional compensation grant of up to \$50,000 for homeowners whose household income is less than or equal to 80 percent of median income for the affected area. A third component is available if a homeowner agrees to elevation and mitigation that will harden the home in future events.

The State requires a homeowner who elects to keep his/her home to sign a grant agreement and accompanying covenants that requires that the home be owner-occupied within 3 years of receiving the compensation. The home must be covered by residential hazard insurance and flood insurance

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throughout the covenant period, and any new construction or repair on the property must comply with new, modern State and local building codes.

Homeowners may elect to sell their damaged homes to the State and relocate as owner-occupants to another home within the State (Option 2). Compensation is based on the home's pre-storm value or the estimated cost of damage, up to a maximum of \$150,000. Alternatively, an owner may choose to no longer remain a homeowner by either moving outside of the State or remaining in the State and becoming a renter (Option 3). The payment provided in the latter situation is limited to 60 percent of the amount available under Option 2.

Coordinating the Disaster Recovery Effort: The Road Home program was announced in February 2006. As part of the planning process, OCD established the Road Home Registry in March 2006 to collect data on displaced homeowners for future outreach efforts when the Road Home program was fully implemented. The registry was designed to allow both telephone and online registration. The information requested included the homeowner's name, current address and the location of the affected home, phone numbers, mortgage information, the status of any insurance settlements, and any FEMA or SBA applications or assistance. A total of \$2 million was allocated to support the registry.

An RFP was issued to select a contractor to administer the program, and ICF International was selected in June 2006 on the recommendation of a panel of State staff as well as CDBG and housing experts. To undertake the program, ICF had to:

- Find and hire the 2,000 people needed to operate the effort.
- Set up customer service centers throughout Louisiana.
- Develop procedures to interview and keep track of more than 100,000 applicants.
- Catalogue and verify hundreds of external data sources to prevent the duplication of benefits and fraud.

In July 2006, the Road Home program began a pilot to schedule consultation appointments with a small sample of homeowners who had preregistered with the Road Home Registry. During these appointments, housing professionals verified necessary documentation and assisted homeowners with any questions they may have had regarding their options under the Road Home program. During the pilot, these homeowners moved through the entire Road Home process, including funding of any applicable awards, to provide the basis for refining the policies and procedures for a fully scaled program.

The registry closed in August 2006 when the full-scale Road Home program opened. ICF opened 10 Housing Assistance Centers (HACs) throughout the affected region. Each center is equipped with functioning voice and data systems, furniture, equipment, trained employees, and security. Homeowners establish appointments at HACs to begin the processing of their Road Home applications.

As of March 31, 2008, there were total of 185,106 applications recorded and 166,093 appointments held. These resulted in 154,830 eligible applicants and 104,886 closings held. Of these applicants, 118,993 selected Option 1; 10,104 selected Option 2; and 2,809 selected Option 3.

For more information, visit <http://www.road2la.org/homeowner/default.htm>.