

LRA revises formula for Road Home benefits - Damage above 50% may mean 'totaled'

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BATON ROUGE -- As they begin to implement the state's much-anticipated Road Home program, the Louisiana Recovery Authority and the contractor hired to manage it say they have tweaked the benefit packages in a way that will give the owners of hurricane-damaged houses enough money to go home.

Homeowners will still be allowed to sell their houses to the state, relocate within Louisiana, rebuild on a lot from scratch or repair damaged structures. But under changes agreed to by ICF International and the LRA, grant amounts will be determined by the level of damage to a house, state officials said.

If a house is declared more than 50 percent damaged by local authorities and categorized as having "severe" damage by the Federal Emergency Management Agency, the exact level of damage to the house will not figure into the grant calculation.

Instead, the house will be considered totaled and the grant will be based on the pre-storm value of the home, minus insurance and FEMA payments, up to a grant cap of \$150,000, said Andy Kopplin, executive director of the recovery authority. A technician will be sent to the house to double-check the parish damage estimate, he said.

A house with less than 50 percent damage will prompt an ICF inspection to estimate the cost of repairs. That estimate, minus insurance and FEMA awards, would be used to determine the size of the grant, Kopplin said. All grants are limited by the pre-storm value of a house and the \$150,000 cap.

Realistic level of aid

Under the \$7.5 billion program, owners inside a FEMA-determined flood plain who did not carry flood insurance will still have their grant reduced by a 30 percent penalty. And the grant for homeowners who sell their houses to the LRA and move out of state will still be set at only 60 percent of the pre-storm value of the property, with the maximum again set at \$150,000.

Kopplin said the changes to the grant calculations are based on conversations with ICF's staff as they try to determine how to implement the policy guidelines approved by the recovery authority.

While ICF International does not expect to open housing centers across the state where homeowners will submit their applications until the end of August, a pilot office recently opened in Baton Rouge to test the system, using 400 randomly selected homeowners.

Walter Leger, who heads up the recovery authority's housing task force, said the latest incarnation of the program offers people a realistic level of assistance.

"We have always said from day one that we wanted to calculate the amount of money to repair a house," he said. For example, Leger said owners of a house flooded to the rooftop will likely need money equivalent to its pre-storm value to pay for repairs or rebuild, even if local officials estimated the damage at 80 percent.

Leger said estimating repair costs also is a more homeowner-friendly way of dealing with less-damaged structures.

The previous method of determining the grant amount called for multiplying the damage percentage by the pre-storm value of the house, and then subtracting various payments already received by the homeowner. The inspection method will provide homeowners with a quality estimate to give to a contractor, he said.

'Moderate' costs are base

Bob Santucci, ICF's program manager in charge of the inspection process, said the company intends to employ three levels of inspectors: those internally trained to inspect houses; people who have inspection experience, perhaps with insurance companies; and inspectors trained as engineers or with other extensive higher education. There are currently 12 of the top-tier inspectors evaluating houses for the pilot program, Santucci said, while the less-experienced staff should be used more as the program gets off the ground.

The home evaluations will be based on a database of cost estimates tailored to "hurricane recovery situations" and the local parish, Santucci said. All of the estimates will also include a 10 percent contingency figure to cover unforeseen costs.

Prices will be based on "moderate" costs of replacing household components.

Santucci said the inspectors also will estimate the cost of elevating houses, as the LRA will require houses with more than 50 percent damage to meet new FEMA advisory base flood elevations. The recovery authority has indicated it would provide elevation assistance for less-damaged houses if it is cost-effective to raise them.

Advisers to help

Once completed, the evaluation will be sent to a homeowner's housing adviser, who will determine the grant amount, figuring in the insurance and other payments. The advisers also will be expected to help families figure out whether it makes more sense to rebuild or relocate, based on how much money they will be receiving, Santucci said.

Mike Byrne, the chief program executive of the Road Home program for ICF, said the company wants to open a call center to offer homeowners guidance on their options before the housing assistance centers open at the end of August.

The call center will be responsible for calling those who have registered for the program to set up appointments to meet with advisers.

According to deadlines set by the state, ICF has five months to get all of the initial applications completed. While the company "is trying to be creative," Byrne acknowledged that it could be "some months" before some homeowners can submit their applications. Officials believe it will take six to eight weeks to process standard applications and longer for those with title or other documentation problems.

Homeowners can make their initial registrations for the Road Home program by calling a 24-hour toll-free hotline at (888) 762-3252, or online at www.louisianarebuilds.info.

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