

### Undocumented Road Home grants surpass \$1 billion mark - Grant recipients required to prove they've moved back - State may be asked to repay money

*Times-Picayune, The (New Orleans, LA) - December 21, 2015*

**Author/Byline:** Robert McClendon, Staff writer **Edition:** ROP or AM2 **Section:** NATIONAL **Page:** A01

**Readability:** >12 grade level (Lexile: 1650)

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The number of Road Home grants not properly accounted for continues to grow, mushrooming to over \$1 billion, according to a newly released audit of the program.

The state could be on the hook for that money if it can't get people into compliance or force them to pay back their grants. State officials, though, are hopeful a recently inked agreement with the federal government will provide a path for more people to get back into their homes and back into compliance with the \$9.7 billion program.

The Louisiana Office of Community Development, which administers Road Home, identified in 2015 an additional 7,800 homeowners who have yet to document they fulfilled all of the requirements of their grants, worth a combined \$263 million. In all, about 21,500 homeowners are out of compliance.

Their bill outstanding to the state now clocks in at \$1.06 billion, according to the Louisiana Legislative Auditor's office, which released its report Wednesday.

In his official response to the audit, Pat Forbes, the Office of Community Development director, pointed out the auditors' findings were based on the program's own monitoring system, which tracks grantees through the compliance process. That monitoring system also resulted in \$213 million in grants being brought back into compliance and removed from the list, he said.

"The compliance and recovery process is an ongoing effort, and those numbers will continue to change as we progress through the recovery process and bring the program to a close," he said in a statement to NOLA.com and The Times-Picayune. "The next big step in the recovery process will be to send out letters to those folks who received Road Home elevation grants and have not yet established compliance for elevation. We have tools to help many of these homeowners. But until they provide the documentation of compliance or work out their best option with the program, they will be in recovery."

Forbes has previously said the state only needs to demonstrate it made good-faith efforts to recover noncompliant grant money. The federal government won't force Louisiana taxpayers to foot the bill if grants prove to be unrecoverable under the state's process, he said.

People who took Road Home money to rebuild were required to prove they had moved back into their homes, had flood insurance and, if they took \$30,000 in elevation money, to prove their house had actually been raised.

Of thousands still deemed to be out of compliance, some may have simply absconded with the money, but housing activists say a huge number of people were put in impossible situations because they didn't get enough money to fix their homes, making compliance with the grants impossible.

Contractor fraud ran rampant. Some people saw the bulk of their grants seized by their banks to pay off outstanding mortgages. Many of those who live in low-income, predominantly black neighborhoods never got enough money in the first place. Because grants were based on market value, not the cost of repairs, they got short changed.

Many who were displaced had to use their grants on living expenses.

Previous changes to the program addressed some of those concerns, but people who used elevation grants on repairs or spent their grants on living expenses — two of the largest groups of noncompliant grantees — were still out in the cold.

The federal department of Housing and Urban Development, which funded the program, agreed in August to relax rules for those two groups. If people can demonstrate through a home inspection they were justified in using the elevation money on repairs, the state will now be allowed to consider them in compliance. The state will also be allowed to consider interim housing costs, up to two years per grantee, as qualifying expenses.

That opens the door to people whose rebuilding budget was eaten up by rent while they were displaced to apply for additional funding so they can complete their house.

People with questions about their Road Home grant are encouraged to call the program's help line at 1.888.762.3252.

**Caption:** STAFF PHOTO BY ELLIS LUCIA Thomas C. Boyd (left) and LaFayette Hill (cq) measure sheetrock to be cut for bathroom repair at Josephine and Martin Cure's 1909 Goldfinch home in Poydras. Boyd, Hill and Cardell Gay, all from northern Alabama, are volunteering their time and talent to help residents rebuild. Art for a Karen Turni-Bazile story on the myriad number of groups who have come to St. Bernard Parish to help folks gut and rebuild their property following Hurricane Katrina Wednesday, October 25, 2006.

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