

**Disaster Recovery Initiative**  
**U.S. Department of Housing and Urban Development (HUD)**  
*[Docket No. FR-5051-N-01]*  
*Federal Register / Volume 71, Number 29*  
**Department of Defense Appropriations Act, 2006**

**Louisiana Office of Community Development,  
Division of Administration**

**Louisiana Recovery Authority**

**Action Plan Amendment No. 37 (First Allocation) – Assistance to Road Home Applicants  
with Contaminated Drywall**

**Presented to LRA Board: October 21, 2009**

**Public Comment: October 26, 2009**



**Bobby Jindal**  
Governor

**Mitch Landrieu**  
Lieutenant Governor

**Angele Davis**  
Commissioner of Administration

**David Voelker**  
Chairman, LRA Board

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<http://www.doa.louisiana.gov/cdbg/cdbg.htm>



## **Action Plan Amendment No. 37: Assistance to Road Home Applicants with Contaminated Drywall**

### **Introduction**

The purpose of this amendment is to allocate \$5 million to provide assistance to Road Home applicants that have contaminated drywall in their homes once a nationally recognized testing and remediation protocol is approved. These funds will be allocated from Community Development Block Grant Katrina/Rita disaster funds for housing programs awarded to the State of Louisiana.

Written comments on the proposed Action Plan Amendment will be accepted for ten days from the date it is posted. Comments may be submitted beginning October 26, 2009 and must be received no later than 5:00PM (CST) on November 6, 2009.

Comments may be sent to the attention of Paul Catrou at the above address or sent via facsimile to (225) 219-9605 to the attention of Paul Catrou. Comments may also be submitted via email at [ocd@la.gov](mailto:ocd@la.gov) or through the online form at <http://www.doa.louisiana.gov/cdbg/dractionplans.htm>.

<b>Eligible Activity</b>	<b>24 CFR 570.202</b>
<b>National Objective</b>	<b>Low to moderate income, Urgent Need, Slum &amp; Blight</b>
<b>Activity Amount</b>	<b>\$5 million</b>

A large number of homeowners, including Road Home participants, are experiencing an unforeseen hurdle in the rebuilding of their homes—the effects of contaminated drywall. While exact numbers are not available, numerous homeowners are experiencing problems with contaminated drywall such as severe damage to air conditioners, appliances, and personal health.

In order to support the continued rebuilding of South Louisiana, the state will allocate \$5 million to a program that will provide assistance to Road Home applicants that have contaminated drywall in their homes once a nationally recognized testing and remediation protocol is approved.

### **Program Description**

The program will be administered by the state.

### **Program Delivery**

#### **Program Size**

The state will allocate \$5 million to help Road Home applicants with contaminated drywall get back into their homes.

#### **Eligible Applicants**

Eligible homeowners would be limited to Road Home applicants.

#### **Use of Funds**

Funds would be used to assist Road Home applicants that have contaminated drywall in their homes once a nationally recognized testing and remediation protocol is approved.

## **APPENDIX A: Public Comments on Proposed Action Plan Amendment 37 – Assistance to Road Home Applicants with Contaminated Drywall**

### **State's Response**

### **State's Response**

There were two main lines of questions within the public comment. The first has to do with homeowners' eligibility for aid under the program and the second with the programmatic specifics of these funds.

While the state generally agrees with the first group of commenters, who by in large expressed that all people living with contaminated drywall, not just Road Home applicants, should be assisted by the \$5 million program, Louisiana is limited by the lack of funds available and Congressional constraints placed on the third allocation of CDBG funds for the Road Home program that prohibit the expansion of the program further to new applicants. Unfortunately, because funding for assistance is severely limited, the LRA is prioritizing Road Home applicants in order to move forward with a pilot program.

The state believes that the issue of contaminated drywall is a recovery issue because it affects so many of our families that have already struggled to recover at least once. However, remediating contaminated drywall is a task much larger than the limited resources and authority of the state of Louisiana, and ultimately this nationwide issue requires a national response, broad set of solutions and resources from the federal government.

To the second point, that the document is vague, because the state does not have federal testing and remediation protocols for dealing with contaminated drywall, this APA is simply to ask HUD for approval of the use of disaster CDBG for the purpose of assisting those affected by the problem. There are many programmatic details that need to be finalized, but Louisiana wanted to get the approval request to HUD while it works on the remainder of these details, which will be published in subsequent amendments.

In addition, the Greater New Orleans Fair Housing Action Center made a number of helpful recommendations that the state will take under consideration as it continues to build its program.

### **Public Comments**

Comments from Greater New Orleans Fair Housing Action Center

Submitted by:

Seth Weingart

Greater New Orleans Fair Housing Action Center

228 St. Charles Ave., Suite 1035

New Orleans, LA 70130

Phone: 504-596-2100

Email: [sweingart@gnofairhousing.org](mailto:sweingart@gnofairhousing.org)

The Greater New Orleans Fair Housing Action Center is writing to express its concerns regarding the implementation of this program to address toxic drywall in homes repaired after Hurricane Katrina. We agree that this program is badly needed due to the fact that

so many homeowners are affected and insurance and litigation are unlikely to provide any adequate redress.

However, we do have a number of concerns and comments. The Action Plan Amendment is exceedingly vague about how this program will be designed and implemented, and if the \$5 million to fund the program will be taken from funds allocated for other important housing programs. It is also unclear if \$5 million will be enough money to be able to help eligible homeowners.

We believe any program regarding the impact of toxic drywall must have the following components:

- Address the health and well-being of homeowners: This should include health assessments and medical care. Residents living in homes with toxic drywall may have long-term negative health problems.

- Temporary Housing Assistance: Many of the affected homeowners will be unable to live in their homes, which will require them to find temporary housing. This program should help homeowners find temporary housing through robust case management services and provide housing vouchers to cover the full amount of any rent and any relocation costs. This is especially necessary for homeowners who will need to continue paying mortgages for homes they cannot occupy.

- Rebuilding Assistance: This program should not be subject to any duplication of benefits in relation to funds already received from the Road Home Program, as the affects of toxic drywall is a separate incident. Rebuilding assistance should include funds to repair the damaged residence (and demolish if necessary), as well as construction management to ensure that unscrupulous contractors do not take advantage of homeowners. Based on information currently available, remediation of toxic drywall may require total replacement of all electrical wiring, HVAC components, plumbing, and affected appliances, in addition to the drywall itself. We recommend that funds be leveraged through the assistance of non-profit organizations that offer rebuilding assistance through the LRA's non-profit rebuilding program.

- Replacement Housing: The program should offer a buyout option, in cases where remediation is not cost-effective or by homeowner choice, where homeowners can use funds to purchase and/or build another house. There should be no penalty for choosing the buyout option.

Considering that this is only a pilot program, we also have a number of questions about its goals and expected outcomes.

- How many homeowners will the pilot program assist? With such limited resources, it is unlikely to be able to assist all eligible applicants. This will require a system that targets resources to those with the greatest needs, including low and moderate-income homeowners, the elderly, and disabled.

- How will the LRA accept applications and publicize the program? It should be publicized in a manner targeted towards vulnerable populations, members of protected classes under the Fair Housing Act, and low and moderate-income homeowners. Any marketing should actively abide by CDBG requirements to affirmatively further fair housing.

- What will be the eligibility criteria if more homeowners apply than funding allows? As stated above, funds should be targeted towards those applicants with the greatest need and those least likely to be able to afford home remediation and temporary housing.

- How will the LRA determine how much assistance each applicant receives? With limited resources, the program needs to be designed to offer assistance to as many applicants as possible that will actually help homeowners get back in their homes. Measures that limit the amount of individual assistance in order to help more people, but do not result in homes that can be reoccupied, will not have a positive impact.

- How much does the LRA estimate each home remediation will cost and will there be a maximum amount available to each applicant? Any maximum eligible amount must take into consideration the actual rebuilding costs, the homeowner's ability to contribute on-hand money, and other housing-related costs including mortgages and temporary rental housing.
- What pool of money will the \$5 million come from? Will it be reallocated from the Small Rental Repair Program, the Homeowners Program, or some other source? If funds are to be taken from any Katrina/Rita Disaster CDBG funded housing recovery program, the LRA should ensure there is enough money available to meet the needs of those programs, and those programs are fixed to correct prior mistakes and problems. This is especially relevant to the Small Rental Program, which continues to lag in providing assistance, and has already had funds taken from it in the past.
- If the pilot program is successful, does the LRA believe there would be enough funding to assist more affected homeowners, including those ineligible for Road Home grants? Toxic drywall has impacted homeowners who were not eligible for Road Home grants, and should be included in any additional program to address this issue.

Name: Ryan O'Neil  
rynocrx@aol.com  
Location: Madisonville  
Organization:  
Telephone Number:

Comments: why are you only helping Road home participants only with the contaminated drywall. It is unfair to only offer help to certain people. Who has 80,000 dollars sitting around to redo their houses again. Include everyone or no one! it's time to start being fair. I know several people who have tainted drywall and did not get LRA because they had insurance! That doesn't mean they can afford to wait 5 years for some lawsuit to go through. think about everyone not just the few!

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Name: Terrell L Arroyo  
fjackson@alcorpmarketing.com  
Location: 2233 Blanchard Dr Chalmette,La 70043  
Organization:  
Telephone Number: 504-324-3969

Comments: We lost everything in Hurricane Katrina 8-29-05 in St Bernard Parish. We relocated to Covington,La and built a house. It was completed in May 2006.We discovered we had chinese drywall in May 2009.We had adequate Ins on our home in St Bernard, therefore we did not apply for Ira. Will we be able to apply through Lra for the Chinese drywall?

To complicate things my 86 year old Mother died of lung cancer on 7-24-09.I (62 yrs old)was just diagnosed with Renal Cell Carcinoma on 9-24-09.Something needs to be done. Who will ever know the real effects of this tainted drywall. Please Help!!!

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Name: Shaun Boudreaux  
sboudreaux84@gmail.com  
Location: Chalmette, LA

Organization: St. Bernard Citizen looking to stay home Telephone Number: 5049751429

Comments: The Amendment states that it will be for eligible Road Home Applicants. Does that mean \*only\* previous Road Home applicants from Hurricanes Katrina, Rita and Gustav...or new applicants as

well? This situation has nothing to do with whether you applied for Road Home before or not. I just wanted to clear this up and make sure that new home owners, like myself, will be included.

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Name: Dara [senac3849@charter.net]  
To Whom it may concern,

My family and I built a home after katrina and are now finding out we have chinese drywall. We did not receive any road home money for katrina or rita. Does not mean we will not receive any help at all? I am living in this mess with a Leukemia patient and we have no where else to go. We put all our money into this home and now it is worthless and no one will help us.

Please Advise,

Dara & Jacques Senac  
985 845 3849

Name: Shawn Moran  
smoran@humana.com  
Location: Arabi, Louisiana  
Organization: None  
Telephone Number:

Comments: So are you saying that if you didn't qualify for roadhome then basically there is no help for you? I was a roadhome applicant but did not qualify but yet have a home with Chinese drywall. So what about these people and there are plenty?

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Name: Alexis Carter  
alex11212003@hotmail.com  
Location: Covington, LA  
Organization:

Telephone Number: 504-628-8153

Comments: What about the people who were affected by the hurricane but were NOT road home applicants???? It seems a little screwed up that the people who received free money from road home are the only ones eligible to receive free money again!

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Name: Rickey R Ryckman  
rryckman@sonrg.com  
Location: Kenner, Louisiana  
Organization:  
Telephone Number: 504-234-6237

Comments: Is there a plan of action being implemented concurrently with No. 37 for those of us who did not apply/receive previous Road Home funding?

This state's rebuilding efforts have included all returning residents to the State of Louisiana. We all have struggled both emotionally and financially following the aftermaths of hurricanes Katrina and Rita. Fortunately for some of us, our homes were not directly impacted to the severity as were others by those events. But now 4 years later, have become subsequent victims to these disasters as well. We now face a disaster of equal or greater proportion impacting our homes and our families, this imported toxic Chinese Drywall.

Unknowingly at that time, I like others have invested in new, renovated, and or added on to our existing homes after the storms. We are now discovering some cannot reside in them, others are having health issues, there are mechanical and electrical failures occurring with possible life threatening consequences, and our property values have further plummeted due to the effects of this contaminated drywall.

The proposed LRA's eligibility requirements for Action Plan Amendment No. 37, currently excludes Louisiana residents who did not apply for Road Home funding after the storms. The investments and rebuilding efforts I, and others have made in their communities, Parish's, and the State of Louisiana, are worth no less than previous recipients of the program.

Time is of the essence in the remediation of this inferior product from our homes contaminated with this drywall. Further delays for additional programs and/or eligibility requirements will simply exacerbate the current deteriorating problems we face daily. Action Plan Amendment No 37, or a plan for non Road Home recipients should be implemented immediately as well, for ALL Louisiana residents affected by this potentially catastrophic Chinese Drywall.

Respectfully

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Name: MGitler335@aol.com

I get sick and tired of seeing NON Profits. You are taking food out of my family's mouth everytime you give money to the NON PROFITS. They do not hire contractors or men in the trades to do their work. With housing at a standstill many of us our fearful of our futures in the State. We will stand up and protest your useage of the money in such a hurtful ways to your citizens

COncerned

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Name: Andrew Allen

dallen@precaststep.com

Location: 3704 Clifford Dr. Metairie, LA 70002

Organization:

Telephone Number: 504-309-3428

Comments: This should not be limited to road home applicants only. I am a road home applicant that received road home money to rebuild my previous home. I now live in a new home that has chinese drywall. I did not receive road home money for my new home. Will I still be eligable?

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Name: Amy Gagnon [amygagnon@live.com]

Hi,

I am affected by Chinese drywall and am praying we find assistance. We lost our home in New Orleans after Katrina to 8ft. of water. We applied for Road Home but because we had sold the home, we did not receive any money. We felt we had to sell the home because we could not afford 2 homes. We relocated to Mandeville. Now, we have Chinese drywall and are hoping to receive Road Home money this time but everything I read says the \$5 million is for Road Home applicants. Technically, we are an applicant but did not "rebuild with Road Home funds". Do you know if there will be any assistance for folks like us?

Thanks for your time,

Amy Gagnon

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Name: Raffy M. Rigney

thinkpink2@bellsouth.net

Location: 42166 Autumn Run Dr., Hammond, LA 70403

Organization: homeowner affected by Chinese drywall Telephone Number: 985 210 6994

Comments: We are victims of hurricane Katrina. We lived in Jefferson Parish however, We did not apply for the road home program because we were able to sell our home. We relocated to a new construction home in Hammond. It is full of Chinese Drywall. Our health, out home and its value have deteriorated. The cost of the new home, replacing our furniture and lost possessions have left us with no extra funding

to gut and replace all that is lost again. Insurance doesn't cover this, our home builder Cretin homes will not help us.

Now you are proposing to only help previous road home applicants. Now you are proposing to help only low income families. That is totally unfair. All victims should be help if they apply. Our government should help us! They allowed this contaminant in the country in the first place! If we don't receive funding to completely gut our home, we will lose it. WE WILL BECOME HOMELESS. WE HAVE 2 LITTLE GIRLS! We have no other means to start over completely again! We still have much debt incurred from the aftermath of Katrina. We just don't have it! Please help us!!! Please call me if we can assist you in any way to help further our cause and the cause of so many others like us.

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Name: Bridget Wallace  
ba5180@aol.com  
Location: baton rouge, LA  
Organization:  
Telephone Number: 2258026242  
Comments: PLease help all families that have this issue or they will be low income families.

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Name: Beverly and Rene [reneandbeverly@yahoo.com]  
I am a Realtor in Hammond, Louisiana representing families that have been put out of there home due to Chinese Drywall. In some cases families with small children cannot afford to move out and rent as well as make the mortgage payment. Surely you are not going to categorize who gets assistance with the monies you are receiving for distribution. I am requesting that you send me more information on this funding issue.

Thanks,

Beverly Delatte  
Southeastern Real Estate Partners  
303 W. Minnesota Park, Suite 5  
Hammond, Louisiana 70403  
985-345-3090  
Rene J. McLin 985-634-7904  
Beverly S. Delatte 985-969-0474  
Associate Brokers  
Southeastern Real Estate Partners  
985-345-3090  
Hammond, LA  
Licensed by Louisiana Real Estate Commission  
[www.serepartners.com](http://www.serepartners.com)

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Name: Jennifer Monceaux  
jenjodmon@bellsouth.net  
Location: Lafayette, LA  
Organization:  
Telephone Number:  
Comments: I feel as though we should not just help out lower income people. Don't they get enough "Handouts"?? What about you middle class hard workers who do not ask for help unless in dire need? This is bologna that everyone is for helping lower income and lower class people, the hell with the working man!

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Name: Brandy Bascle

Location: Louisiana

Organization:

Telephone Number:

Comments: I believe that anyone who applies for assistance should receive it. It is not the consumers fault that they were given chinese drywall, therefore, they should be helped in replacing the product so that their homes are safe to live in.

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Name: Micah Bujol

huntmar@bellsouth.net

Location: Hammond, LA

Organization: none

Telephone Number:

Comments: I am writing in concern for my neighbors, George and Raffy Rigney. They are a victim of chinese drywall. They built here in Hammond after Katrina. After contracting their house through Creton Homes, they became a victim of chinese drywall. I can recall a conversation w/ her in regard to this matter. Creton was not holding themselves accountable for the tainted drywall. My husband and I self-contracted our home. I offered her assistance w/ different subs in order to assist w/ good contractors to do it themselves. This is when she advised me that they were literally doing it themselves b/c there were no funds left!!! My heart breaks for this family. Could you imagine the dream of owning a brand new home, only for it to be contaminated...poisoning your children! This is the situation the Rigney's are in.

Please do the right thing.

Sincerely, Micah R. Bujol