



GREATER NEW ORLEANS  
**FAIR HOUSING  
ACTION CENTER**

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**What is the Road Home program:** The Road Home program is designed to provide compensation to Louisiana homeowners affected by Hurricanes Katrina or Rita for the damage to their homes. The Road Home program is the largest single housing recovery program in U.S. history.

**How is it discriminatory:** The program grants awards based in part on the lower of either pre-storm property value or the cost of repair. Homeowners in African American neighborhoods, where property values are lower due to decades of institutionalized housing discrimination, received less money to rebuild because of the formula. As a result, many homeowners in predominantly African American neighborhoods in New Orleans have still not been able to complete repairs to their homes and move back into their communities.

For example, consider two identical homes, with identical hurricane damage, and identical repair cost of \$150,000. One home is in a predominately white neighborhood, and worth \$150,000 while the second home located in a predominately African American neighborhood is worth only \$100,000. Under the discriminatory formula, the white homeowner would be eligible to receive \$150,000 while the black homeowner would be eligible to receive only \$100,000 - in spite of the fact that the homes are identical.

Because of the discriminatory formula, the black homeowner is \$50,000 short of the amount needed to get back into her home. This fact pattern has played out thousands of times leaving black homeowners far short of the amount they need to rebuild their homes.

**Case Details:** On Monday, August 16, 2010, the honorable Judge Henry Kennedy, Jr. granted the Greater New Orleans Fair Housing Action Center's (GNOFHAC) second motion for a preliminary injunction and temporary restraining order in the case Greater New Orleans Fair Housing Action Center, et al. v. United States Department of Housing and Urban Development, et al. In his ruling, Judge Kennedy notes that "plaintiffs are likely able to make out a prima facie case that the formula used to calculate awards under Option 1 of the Road Home program violates the Fair Housing Act," and prohibits the Louisiana Office of Community Development, from disbursing future, initial awards under the Road Home program using the pre-storm value of the home as a criterion for calculating the amount of such award.

In 2008, GNOFHAC filed the suit, alleging that Road Home grant calculations based on the pre-storm value of hurricane affected houses rather than the cost of repair were a violation of the federal Fair Housing Act. Pre-storm values in African American

neighborhoods across the city are lower than pre-storm values in predominantly white neighborhoods due to decades of institutionalized discrimination against African Americans. Judge Kennedy's ruling on Monday represents the first major victory for plaintiffs in the case.

A written copy of Judge Kennedy's August 16 ruling is available on GNOFHAC's website, [www.gnofairhousing.org](http://www.gnofairhousing.org).