



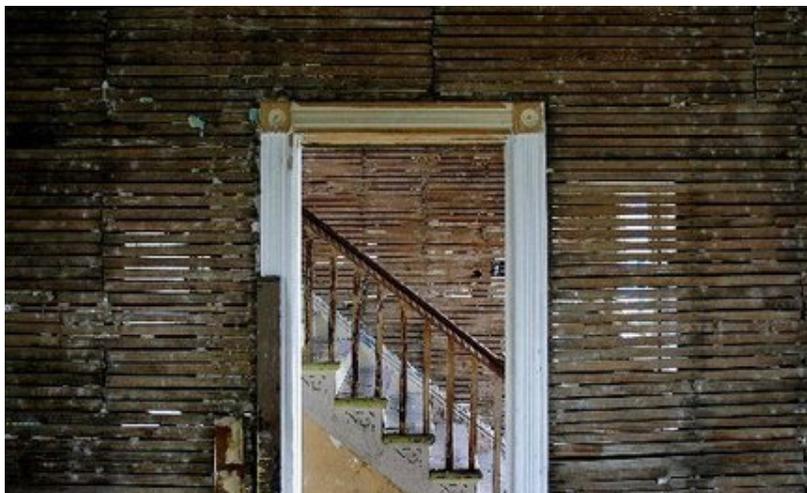
Everything New Orleans

Road Home's grant calculations discriminate against black homeowners, federal judge rules

Published: Monday, August 16, 2010, 6:38 PM Updated: Monday, October 11, 2010, 12:59 PM

By **David Hammer, The Times-Picayune**

A federal judge ruled Monday in Washington, D.C., that the **Louisiana Road Home** program's method of calculating grants likely discriminates against black homeowners.



Times-Picayune archive

It's been nearly two years since the Greater New Orleans Fair Housing Action Center and the national Fair Housing Alliance alleged that the Road Home's use of pre-storm home values to calculate rebuilding grants was discriminatory against African Americans.

But the court opinion comes so late in the **program's tortuous four-year saga** that it may end up affecting only a few hundred grants. State spokeswoman Christina Stephens said the state would appeal the ruling and is still analyzing how it might affect future grant payments.

It's been nearly two years since the **Greater New Orleans Fair Housing Action Center** and the national **Fair Housing Alliance** alleged that the Road Home's use of pre-storm home values to calculate rebuilding grants was discriminatory against African-Americans.

U.S. District Judge Henry Kennedy agreed that there was a "strong inference" of discrimination

and that the housing advocates were likely to prove their case, and on Monday he ordered the state of Louisiana to stop using the pre-storm value to calculate any future Road Home grants.

As of Friday, 127,776 homeowners have received some form of grant, leaving 3,090 applicants with their grants fully calculated but without any payment, according to the state's latest report.

The state has taken steps to soften the impact of using the pre-storm value on some black homeowners. It decided to use about \$650 million to pay additional grants to low- and moderate-income applicants.

But Damon Hewitt, a lawyer in New York representing the plaintiffs for the NAACP Legal Defense Fund and a native

New Orleanian, said that did nothing for black families with average or higher incomes whose grants still suffered because they lived in mostly black neighborhoods that suffered from depressed market values.

It's unclear how many of those would be affected by the order. The court's ruling deals only with grants for rebuilding -- and not those paid when the state buys out the homeowner -- and only those calculated using the pre-storm value of the house. In the course of the Road Home, those grants have comprised the vast majority, but it's hard to know if that's the case with the remaining group of applicants.

The housing advocacy groups sought to force Louisiana to recalculate all the grants that were determined using pre-storm value in the past four years, but Kennedy rejected that, saying Louisiana enjoys immunity from paying mass tort claims.

The plaintiffs have appealed that ruling to the District of Columbia Circuit Court of Appeals. Hewitt said they believe it's not a tort claim to ask the state to recalculate grants based on the cost of rebuilding or something else, especially when many grants have been recalculated and adjusted through the years.

The court found that the Road Home calculations were discriminatory because of the use of pre-storm value, when a house in a primarily black neighborhood was generally worth less than one of the same age, with the same living space and yard space, and with the same type of construction, but in a mostly white neighborhood.

The value disparities stem from historic differences in neighborhoods, and Hewitt said that relies on the market, something "artificial," rather than something concrete, like the cost to rebuild. The Road Home does use rebuilding or replacement cost to calculate some grants, but very few. That generally happened only in affluent neighborhoods where the home's value before the storm had appreciated so much that it was worth more than the standard cost to replace it.

The plaintiffs also tried to get the court to prevent the state from reallocating any of the \$148 million it says is left in the Road Home budget. But the judge believed the plaintiffs were trying to freeze all aid payments during the litigation and denied the request. Hewitt said the judge apparently misunderstood what the plaintiffs were seeking and said that, too, is under appeal.

© 2011 NOLA.com. All rights reserved.