

FEMA Recovery Directorate Call

July 14, 2020

DRCA Attendance:

- Dan Craig, Chairman DRCA & CEO of Tidal Basin
- Casey Long, Managing Director of DRCA
- John Sullivan, President & CEO DRC
- Billy Sullivan, President SLS
- Jon Hoyle, President Thompson Consulting
- Tom Lewis, President, North America, WSP (formerly Louis Berger)
- Will Rachal, Director, Lemoine Disaster Recovery LLC
- Tyson Hackenberg, SVP Excel USA
- Scott Tezak, Vice President, Federal – Resilience, Response & Recovery Program
- Jonathan Burgiel, Business Unit President Disaster Recovery Tetra Tech
- John Buri, Director Post Disaster Programs Tetra Tech
- Ed Noonan, Director, Government Affairs, United Rental
- Barrett Holmes, Regional Manager CrowderGulf
- Lisa Miller, Lisa Miller Associates, President Lisa Miller & Associates
- Al McClaran, President, Southern Disaster Recovery

FEMA Attendees:

- Keith Turi, Assistant Administrator, Recovery Directorate
- Tod Wells, Deputy Division Director, Public Assistance
- Lisa Dilliplane, Attorney Advisor, Protection and National Preparedness Division

READ AHEAD MATERIALS

1. DRCA White Paper on Disaster Housing
2. DRCA White Paper on Debris Management
3. FEMA Memo on FEMA Communication with Recipients & Sub-Recipients
4. DRCA's Response to FEMA's Memo
5. Letter from Commissioner Bush

DRCA DISASTER RECOVERY AGENDA:

1:00-1:05pm	Introductions & Opening Remarks, Dan Craig
1:05-1:20pm	COVID-19 Update & Hurricane Preparedness, Tyson Hackenberg & Tom Lewis
1:20-1:30pm	DRCA White Paper on Debris Management, John Sullivan
1:30-1:40pm	DRCA White Paper on Disaster Housing, Billy Sullivan
1:40-1:50pm	The CARES Act & FEMA PA Discussion, John Buri
1:55-2:00pm	Closing Remarks

1:01pm Call Commenced

Casey Long: Casey opened the call by explaining that DRCA's goal is to ensure that DRCA educates the private sector on FEMA's current policies, practices, and guidelines. DRCA strives to streamline and limit incoming questions to FEMA. If we keep our membership informed, it prevents a long line of contractors from contacting FEMA to ask the same series of questions. By coming with one voice to FEMA, everyone's time is respected, and the process is more efficient.

Dan Craig: Thanks Keith for joining the DRCA call. "These are trying times with respect to disasters and hurricane season combined so we are grateful for FEMA taking time to join us today."

Tyson Hackenberg, Excel: Tyson opened by explaining that his comments were coming from a perspective of what “we are seeing on the ground as emergency management professionals. All on this call are part of the front line. We know that those at FEMA should be celebrated like the healthcare providers. Please accept our thank you for all of your work.” Tyson shared that he and his Excel colleagues are proud to have helped with the NOLA COVID center. “We are making sure that we are ready as we respond to the COVID.” Tyson discussed the mission of supporting Mass Care, working with states who are bracing for what a disaster situation looks like in conjunction with COVID. He specifically referenced how to manage all the special needs of those who don’t want to be affected by COVID because of their specific vulnerabilities. There are those with these special needs who need extraordinary care. FEMA has been out front to explain the tools in the toolbox, but we are seeing a few issues from the states on doing the right thing in terms of getting ready and planning.

Tyson discussed the following issues:

Use and allocation of CRF money: Tyson used the word “trepidation” when describing how communities are trying to figure out how to pull the trigger on using CRF money. Policymakers and governor’s Chiefs of Staff are asking, “Do we keep this war chest going? Do we use this money now?” Tyson’s point was that the trepidation causes self-doubt among policymakers as to how to use the CRF money and it affects judgment on a multitude of issues that need addressing.

Trepidation in solving complex issues: Tyson explained that because states and communities are doing the heavy lifting of dealing with COVID, many are not, understandably, taking the time to do planning for mass evacuation... many are asking do we go through the planning phase with COVID pressing us? We had a trial run with Tropical Storm Christopher and we weren’t ready in Louisiana. And believe it or not, we had conversations such as making sure search and rescue was in place as the population did not appear to want to evacuate if/when the time came. States are having to take on a lead role here... usually FEMA would push down decisions to the locals, but these great local solutions aren’t going to work with resource demands. The states are taking on a burden of responsibility that was not taken on in the past. The state solutions have to be coordinated with neighboring states. Finding a solution requires incredible coordination and planning.

Please do not consider these as criticisms. We are here to support FEMA in any way we can.

Tom Lewis: WSP has been building on the successes of Luis Berger and Parsons Brinkerhoff with decades in housing. As Luis Berger’s former president prior to the WSP acquisition (I was president of the emergency management business with engagement in this space over 20 years). We work with FEMA, the Army Corps and other federal agencies and we have state and local contracts with NY and many eastern states like FL and SC. We are seeing lots of challenges and things that get in the way of success, and like the prior speaker, my comments are in no way criticisms.

Two key issues:

Supply chain: Building on the earlier comment about readiness...the more we can get the state and local emergency counterparts to be ready BEFORE the event and not after, the better. It bogs down the process and timing when the key stakeholders are not ready pre-storm. The supply chain cannibalism with those fighting for assets, equipment and materials has caused major issues with price escalation and gouging. It’s counter-productive to strong response and recovery efforts.

Role of sustainability and resilience: the hazard mitigation program has been successful and the one thing I see is, and I am on the board of the International Coalition for Sustainable Infrastructure, are that there needs to be standards, tools and systems and ways to measure success. Success means different things to different people. If the government took a leading role in defining what resilience looks like, it would be very helpful to communities.

Keith Turi, FEMA: I am tracking all the points that were just discussed. We are working to address them the best we can. I won't go over the standard FEMA talking points re: the unprecedented COVID combined with hurricane season. It's tough to stay ahead and our policies have tried to evolve. We have worked to frame our approaches and there are challenges we can't solve with the stroke of pen or policy or even a federal contract solution. The balance of day-to-day dealing with what's in front of us or what might be happening in hurricane season is real. We have worked hard...every member of our team is working on COVID response and hurricane preparedness. "We need to treasure every day between now and the first strike."

CRF Funding: On the CRF funding, we issued guidance about it. Where we would normally say, "you get funds if there is no other funding source," we are now providing flexibility to allow FEMA PA or CRF. We released this guidance regarding what hurricane season might look like and we are pushing for preparedness. Our Regional Administrators are pushing the states and we put out a sheltering policy for non-congregate sheltering...and it would be without federal approval .

Supply Chain: The supply chain issues are a challenge, but are making sure we are helping states to get what they need when they need it... We want to help find equipment & supplies when needed. It takes time and we all wish we had more and had it sooner. We are seeing case numbers go back up and that work has not let up and every day we push and work to be ready for what might be coming. It is great to hear the feedback and we appreciate hearing the feedback you have. These are issues we recognize.

John Sullivan: Opened the discussion about federal and local procurement. He talked through that qualified contractors are not just a simple low bid. In a time of emergency, best practice is that the award does not go to the lowest price but the **lowest qualified price**. Vendors need training, experience and relationships with locals that are needed in a time of disaster. FEMA has been supportive of this and they have said it doesn't have to be low bid. The CFR says lowest qualified bid. Lot of local communities may not read all of the regulations of the CFR or the PAPPG guidance. We have found that when FEMA sends out its short guidance documents, it helps "the customer." Our firm realizes that FEMA is our customer and that we have to give guidance to states and local communities and cities. We are asking that FEMA release a short memo to recommend that local communities engage pre-event contracts which is a good thing and its good for the federal partners. It is very helpful for those involved in this emergency measure to know where we are going when the storm hits including understanding where the debris management sites are, who the local truckdrivers and contractors are, etc. We need pre-storm contracts in place with the assistance of FEMA putting in place qualified contractors. There are those who move dirt which is different than moving massive amounts of debris. With some of our members, all we do is move debris. Making sure that FEMA recommend *lowest qualified* is paramount. Part of disaster response is having available credit line with banks so the debris company can pay the trucks every Friday and put diesel in trucks every day. In many cases, companies such as ours and others become interim financing. For example, some states and cities don't have a war chest. Coastal states usually do but some inland states most likely don't and the contractors are funding the recovery until FEMA can reimburse. It's important for FEMA to let the locals know that its OK for contractors to show financial capabilities as well as past performance. We have to leave room for small businesses to join. DRCA is representative of both small and large debris contractors. We recommend if a small city of 25k to 50k folks may not have the same past performance qualifications as the City of Houston, NYC, or Miami. We don't want to lock out small businesses, but we also don't need a "guy with million-dollar credit line" trying to bite off Miami Dade County if a Cat. 5 storm hits.

Mr. Sullivan presented the draft white paper in hopes FEMA would send out proper guidance for sound, good quality RFP's and other items that encourage local communities to ask for experience, financial resources, training programs, and other best practice qualifications.

Keith Turi, FEMA: We do support preposition contracts. On July 7th, we released guidance to encourage pre-event contracting action with one option being vetting contractors in advance and others full on contracts (doing training for July and August on these topics). The training will provide pros and cons of waiting to contract after the disaster and while not specific to debris, our training hits on things John Sullivan has talked about. Keith volunteered and agreed to

take our white paper to discuss it with FEMA's procurement division. He stated, "We want to be careful to not direct communities on their options but let them know the options they have and the considerations around what is available." Keith said he appreciates the feedback and that DRCA has been pushing advance contracts. Keith followed with, "If there is anything we can do, we are happy to take a look at the white paper's recommendations and incorporate into our guidance."

Billy Sullivan: Disaster Housing – Our company has been engaged in multiple programs dating back to Sandy. The Rapid repair program was the first STEP program...we have seen it in various STEP programs and guidance around each version. We saw STEP in Texas after Harvey and in the Caribbean. When FEMA came out the end of last year and paused STEP and cancelled the Pilot Program it was a shock to our clients...many of local governments were shocked by removal of the program. From my perspective and other DRCA members, we understood why FEMA paused the program --- to get control of STEP and we saw through various places we work there has been good and bad with STEP. Baton Rouge went well as we were preparing homes 21 days after the event. There have been other experiences where we didn't do STEP until 6 months after a disaster which did not exactly follow the Stafford Act under emergency protections. Considering the various concepts in housing recovery (congregate shelter, PHC Units, FEMA trailers, hotels, and apartments), we believe that STEP should be a tool in the tool kit. If Baton Rouge was happening in 2019, our goal would be to have residents out of shelters 21 to 30 days after the event... that is what we want to do and not wait for 6 months.

My brother just spoke about the benefit of pre-position contracts and being prepared. DRCA is proposing in our white paper the same thing the debris industry does. A state or large municipality can set up contracts during peace time. It's a great time for locals to procure contractors and establish pricing during peace time vs post storm and crisis when prices fluctuate (typically increasing). One of the ways we think FEMA can reinstate the STEP program is look no further than debris and follow MS or GA. We believe that STEP is a program FEMA would want to use after a major event and we encourage you procure a collection of contractors qualified and prepared to do the work. In fact, it would be helpful to identify a mix of large, minority, and small businesses and make sure vendors are ready to go. It would be helpful for FEMA to define what are permanent repairs and define emergency repairs. These caused confusion with the STEP program in the past. For example, is sheetrock permanent or not? Do we have a \$15k cap per structure? Do we install window units or re-pipe the house for HVAC? Do we install boilers or use space heaters? If FEMA provided guidance throughout the states, we could encourage these specific guidelines to be defined and adhered to by the states. If the states did this, then the STEP program can be successful. DRCA members have all been involved with STEP since the beginning and can help.

Texas GLO wrote a letter in support of reinstating the STEP program in light of COVID and we as a group encourage it as well.

Billy also discussed FEMA public housing vs CDBG. He indicated that after Hurricane Maria and Harvey, there was a robust public housing program. Question for FEMA --- does the federal government work toward FEMA public housing or let the unmet needs "roll into CDBG." Billy recommends that if FEMA supports public housing, DRCA would as well but FEMA would need to provide guidance on the timing and housing parameters. Lastly, Billy discussed FEMA issuing a Request for Information (RFI) to update one that was done (not sure about the dates) over a decade ago to see if there are new and innovative ideas on how housing can recover after the storm.

Keith Turi: Mr. Turi stated, "I read the whitepaper and like it and you hit on many of the points to find a path forward. What is in the white paper is what we talk about internally at FEMA. When we put a pause on the STEP program there was a lot of thought into that decision. At the end of the day, when we announced it, it was an authority issue. From our perspective, it's an authority issue. To implement housing repairs under emergency measures when those measures take 6 months or more doesn't make sense..." Keith continued, "There is minimal number of residents that it benefited with this delay. We believe the FEMA STEP program went beyond what we believed was practical under our authority. A direct repair program has a lot of merit to it, but we saw that we are not in the position to implement this."

Keith Turi, FEMA: Ultimately, we want to get to the model in the white paper. We would need to do some work to get to that approach and would need amendments to our authority. Keith's expectation was that he expected to get a lot of feedback about STEP's termination, but he only received "some." Keith continued, "The engagement around what works on the path forward and what authority is needed has to be revised. I agree that if we were to do it and do it under a shelter program for life safety, we would need pre-determined contracts similar to how we deliver IA and how we deliver overall FEMA services." He followed by stating, "We will work that front but as you can imagine, housing hasn't been top priority but it's something that we're looking at. However, we have no intention to bring back STEP this hurricane season. That is just where we are. We want to solve this problem holistically and design something within our authority."

Regarding CDBG, IA, PHC: We have a better relationship with HUD than any other time. We're looking at where CDBG fits in and the politics behind it and we are working on that transition. We are working on those things that fall between the cracks of short-term and long-term solutions.

In 2016, LA did a lot of work on housing. We plan to continue to do that. One area we are working on is with MIT to develop a unit/use for replacing structures when they are destroyed (USVI and other areas).

Questions:

Tyson Hackenberg: Tyson asked about the authority issue? Does it extend to the PA piece?

Keith Turi, FEMA: "The challenge is that we don't have the ability to give a state and local authority to do repairs outside of IA. If go into the PA side under 403, those are only emergency protective measures so we must look at the time frame. STEP is not perfect, the overview and white paper talks about the challenges and we could work through with a direct repair program. Perhaps we need to amend the emergency protective measure side. Is it effective to do temporary repairs and then go back a second time to the home for permanent repairs? We don't have the solution from a design perspective, and it means a top down approach with the right authority."

Tyson Hackenberg: In NY, we had 90% of homes completed in 90 days. In terms of emergency action, there was a lot of work done in the beginning. Mayor Bloomberg brought all the contractors together... so the real question is "should the Federal government be in the position of repairing an individual's home?"

Keith Turi, FEMA: Keith, "That is another angle on this...there is that question... Do we want to do this... is this the right thing to do with uninsured or do we find ways to not have the federal government perform this function? Some folks have that view." Keith believes we are ARE in the housing business... and we need efficient ways to do that and I believe that's direct repair. Keith questioned, "What position are we putting Federal government in however with this program?"

Tyson Hackenberg: We all have a soft spot in our heart for STEP and we believe its good public policy. When you look at the failures that have happened, they are all overcomeable. We can find a reason why all the problems occurred. It was a pilot program and perhaps it should have been a final program. We will stand behind FEMA and good public policy and we will put whatever resources to bear that are needed. With COVID, we won't solve the problem without shelter at home options because we know there are those who WILL NOT LEAVE their home. In the past, STEP was probably too quick and too fast, but we can tweak it and get it right.

John Buri: CRF and FEMA PA and Eligibility Rules & Guidance:

National issues: Tetra Tech is providing grant management and helping dual recipients who have Treasury dollars, FEMA dollars and HUD dollars.

John Buri Continued: Globally , the last 14 days between Treasury issuing FAQ and FEMA offering FAQ has put more meat on the bones so we can understand what the Feds are expecting. On April 24, there's money in bank accounts and communities across the country but they want to know what to document. We are seeing now FEMA giving flexibility to choose which funding source... In the past, we have always heard that FEMA funding source was the last resort so now communities are trying to grapple and understand... the goal is that no one wants to have funds clawed back. Folks want to see consistency between FEMA regions. Sometimes, CA and FL have different decisions than NC or other states. With the grants portal program now adopted, it is leading to higher work products with a speed at which the funds can be delivered. I believe that locals, and the private sector as well, are hungry for information and folks are appreciative of it when it comes out.

Timelines: Incident period is confusing. When would Category B end? When does Emergency Protective measures timeline end? When does first wave end and when does 2nd wave start? We would hope that FEMA would engage with other groups to clarify this. If we think about it, so many Americans are stuck behind their desks throughout the day. They are facing the challenge of what is available for the reopening of America and they are hungry for any and all information. There are spending plans for CRF (a couple dozen of those) and some are looking at how do we put proper protocols in place to reopen and how does FEMA participate?

Keith Turi, FEMA: Keith stated, "Throughout this process, these are big sticky questions and we recognize that rational logical folks would say answers are needed faster than FEMA delivers them. The range of funding, new approaches, etc... It's difficult to do all that. I agree that some of the things FEMA and Federal Government are doing means that applicants are not prepared of CRF and worry that some will have to give money back." Folks are waiting for a list of eligible activities. He continued, "On the timeframe, we have no determination of when things will close. We're not in a position to answer that. It's ever-changing and we communicate what we know and what we don't know... and there's a ton of dependencies."

FEMA is working on guidance on the reopening piece as quickly as we can. It's hard – what is are emergency protective measures – how does that relate?

Keith Turi: Mr. Turi thanked DRCA for our efforts and apologized for having to end the call at 2pm. He closed with "**The role you play is critical and we look forward to continued progress.**"

Call Concluded at 2:02pm