

SENATE
NOTICE OF PUBLIC HEARING

COMMITTEE: Intergovernmental Relations
TIME & DATE: 10:00 AM, Tuesday, March 27, 2018
PLACE: E1.028 (Hearing Room)
CHAIR: Senator Eddie Lucio, Jr.

The Senate Committee on Intergovernmental Relations will meet to hear invited and public testimony on the following interim charges:

Hurricane Harvey Related Charges

- Examine and report on ways to improve the coordination of rebuilding housing and infrastructure following a natural disaster, including evaluating additional cost effective options for FEMA to utilize in providing direct housing assistance immediately following a disaster, creation of comprehensive lists of housing opportunities or web portals to disseminate information to survivors, ways to automatically waive local government regulations to facilitate rebuilding, and additional local resources available for rebuilding efforts.
- Monitor the distribution of federal disaster relief funds related to housing and infrastructure, including community development block grant (CDBG) funds, to ensure the timely dissemination of monies by state entities to local governments for reconstruction efforts. Develop recommendations for any statutory changes necessary to improve the efficiency of disaster recovery efforts, maximize housing and infrastructure funds, and ensure cooperation between private and government partners.
- Review and recommend options to expedite debris removal, including cutting unnecessary regulation and streamlining the process.
- Identify and report on existing disaster training opportunities available for local officials and make recommendations for training programs that equip them to efficiently interact with state and federal agencies during times of disaster.

Interim Legislative Charge

- Special Purpose Districts Bond Reform: Study the state agency

review of tax exempt bonds issued by special purpose districts and public improvement districts used to finance water and sewer infrastructure in new residential and commercial developments. Examine the disparities that exist between the feasibility review of water and sewer bonds backed by property- based assessments and those backed by ad valorem taxes, and make recommendations that ensure the continued stability of the Texas tax- exempt bond market by requiring all districts to undergo appropriate reviews prior to issuance.

Public testimony will be limited to 2 minutes per person. For those wishing to provide written testimony, please submit 20 copies to the Committee with your name on each copy.

** See Committee Coordinator for previous versions of the schedule **



TEXAS APARTMENT ASSOCIATION

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Disaster-Related Housing Recommendations
to the Senate Committee on Intergovernmental Relations
Testimony by David Mintz
March 27, 2018

1. Housing Portal

Develop a state portal for post-disaster housing.

One of the most common needs following a natural disaster is to find available short and long-term housing. While TDHCA's website has a portal for properties in agency-administered affordable housing programs, the site isn't designed for other types of property owners to list available housing. Following Hurricane Harvey, several private companies designed their own portals, which causes confusion for both people who are looking for a place to live and those wanting to list available units. For example, the TAA website currently has links to eight different portals. A state-run site that could be activated following a disaster could reduce unnecessary duplication and make it easier for those in need to find available housing.

2. Housing Resources

Create a state website with comprehensive information on post-disaster housing resources, such information about landlord/tenant rights and responsibilities, housing programs, etc.

While several agencies have post-disaster housing related information on their websites, there is no single comprehensive source of such information. Rather, the information is scattered across a variety of sites, such as Rebuildtexas.org, the General Land Office, the Texas Department of Housing and Community Affairs, the Texas Department of Insurance and the State Bar, etc.)

3. Disaster Planning and Response

Establish an ongoing working group of state agency personnel and other stakeholders to meet periodically to discuss housing relief planning and response.

The state has facilitated a Joint Housing Solutions Working Group after several disasters, including Hurricane Harvey to bring together various stakeholders to share information and respond to various issues. However, coordination has shifted several times. Since September 2017 responsibility for facilitating these meetings has shifted from the Texas Division of Emergency Management to the General Land Office and subsequently to the Texas Department of Housing and Community Affairs. Formalizing this effort and designating an agency to take the lead in organizing it, would provide greater continuity and provide a forum for an ongoing dialogue.

4. Codes

Give cities the ability to wave certain code requirements to facilitate rebuilding efforts.

State law requiring electrical work to be done in accordance with the 2017 edition of the National Electrical Code (NEC) added tens of thousands of dollars to the cost of repairing some apartment communities following Hurricane Harvey.

Electric outlets in apartments are generally placed 12 inches about the floor, and if flood waters enter an apartment, it may be necessary to replace a significant portion of a property's electrical system. The city of Houston has always enforced a policy that the system must be restored to its previous condition - meaning that the system would have to meet the electrical code that was in place when the building was constructed.

After Hurricane Harvey, however, the City of Houston's position is that they no longer have the authority to allow restoration to the previous condition. They believe Texas law mandates that all electrical work must be done in accordance with the 2017 edition of the National Electrical Code (*see Sec. 1305.101 (a), Texas Occupations Code*).

The NEC requires "[arc-fault circuit interrupters](#)" at basically every electrical connection. These cost about \$40 each, and an average apartment unit may require a dozen or more - depending on the number of outlets, switches, etc., that must be repaired.

Our industry supports the use of arc-fault interrupters in new construction, and in major - planned - rehab. It would seem to make sense, though, that building owners should be permitted to simply restore the electrical system to its previous condition after an event like Hurricane Harvey.

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**WRITTEN TESTIMONY BY JIM ALLISON BEFORE SENATE
COMMITTEE ON INTERGOVERNMENTAL RELATIONS**

March 27, 2018

Chairman Lucio and Members of the Committee:

I serve as the General Counsel of the County Judges and Commissioners Association of Texas. Thank you for the opportunity to present information on the response by Texas counties to Hurricane Harvey. Several of our county judges testified at the IGR hearing on November 1, 2017, and I will provide an update and summary of the issues and recommendations identified by our commissioners court members since that hearing.

Hurricane Harvey was truly an unprecedented event. The rapidly intensifying storm inflicted severe windstorm damage to the mid-coast area and then unleashed record rainfall and flooding on the upper coast. Harvey presented the maximum challenge to our emergency management system. Fortunately, emergency management training and preparation has greatly improved in recent years. This increased training and preparation undoubtedly saved many lives during the storm event. We also witnessed an amazing outpouring of courage and dedication from both first responders and volunteers.

In the aftermath of the storm, the Texas coast was left with record damage to private property and public infrastructure. Credit is certainly due to the local, state and federal agencies and private volunteer organizations for their recovery efforts. Throughout the area, conditions are improving and lives and businesses are being re-built. However, in some areas, the recovery resources have been woefully inadequate, and the lack of state and federal assets has seriously impacted and delayed the recovery effort. Before another storm event, we need to consider and implement significant improvements in our recovery plans and procedures. Also, immediate access to resources after the storm is essential.

After securing the safety of our residents, counties immediately begin to address the removal of debris from the damaged area. This work is essential to the restoration of utilities, access by emergency vehicles, and recovery of public services and private businesses. A storm of the magnitude of Hurricane Harvey produces an enormous amount of debris; everything from demolished buildings, trees, vehicles, and personal items must be collected and properly disposed. Although county equipment and personnel are utilized, additional resources are required. In the wake of Hurricane Harvey, the burden of this task fell upon local governments. Counties often lack sufficient local reserves to adequately respond to this immediate need. These expenditures can leave a county in financial peril. Any reimbursement is often months, or years, away. For example, San Patricio County expended \$4.5 million for debris removal

following this storm. At this date, the county has received \$65,000 in reimbursement. Fortunately, this county had the foresight and reserves to meet this demand, but many other counties were financially unable to assume this burden. FEMA provides only partial reimbursement and that assistance is often delayed. The state should maintain a fund to provide immediate support to local entities for debris removal and other needs.

Local governments are dependent upon private contractors for the majority of debris removal. Delays in this task hamper recovery by utilities, schools, businesses, and housing. While larger entities may obtain pre-event contracts for these services, smaller jurisdictions cannot. Debris removal in smaller counties was delayed while proposed contracts were reviewed by FEMA. Also, some private contractors will engage in predatory practices, increasing prices, and abandoning contract commitments for larger contracts. A state agency should pre-qualify debris removal contractors for local governments, including bonding requirements to avoid defaults and price-gouging. The debris removal assets should be pooled and coordinated at the state level to insure their proper allocation and to prevent over-promising by contractors.

When large-scale damage is sustained, housing recovery becomes a critical step in limiting the long-term economic impact of the storm. When workers and their families cannot return to housing in the local area, this displacement will continue to damage the local economy. The recent study of delayed housing recovery following Hurricane Ike in Galveston has confirmed this effect. There is little point in repairing or replacing a local business if the employees and customers cannot return to live and work in the area. Emergency housing during an event is essential, but people need to be able to return to their homes and occupations as soon as possible. Unfortunately, this is an area where definite improvement is needed. Several months after the storm, the pace of housing recovery remains very slow. Displaced persons continue in temporary housing very far from their homes. Distribution of trailers remains agonizingly mired in bureaucratic delays. Some units have been distributed and then immediately withdrawn. Identification of housing needs should be an immediate priority after a storm. Distribution of trailers should be a matter of days, not months. Housing for low and moderate income workers, such as apartments and multi-family units, should be prioritized for damage appraisal and grants or loans.

Hurricane Harvey has provided an opportunity for examining our post-event plans and procedures and applying some of the improvements previously achieved in pre-event plans and procedures. While Governor Abbott has fashioned an ad hoc response with the designation of Chancellor Sharp to supervise this recovery, we need to fully prepare our state agencies and local governments for the next event. A single state agency should be responsible for training local officials and providing immediate response specialists to assist local officials in coordinating with state and FEMA officials following a disaster. That state agency should provide a hot-line for immediate consultation with local officials and provide clear instructions on the proper documentation to qualify and implement recovery efforts and expenditures. Private participation in disaster recovery projects should qualify for state tax credits against the margins tax and severance tax. A sufficient state fund should support local disaster recovery when the federal participation threshold is not reached in that county.

In summary, there has been significant improvements in our pre-event planning. First responders and volunteers responded heroically during the Hurricane Harvey disaster. The post-event recovery efforts can be significantly improved. We appreciate the interest and support of the Senate Committee on Intergovernmental Relations in this work.

Lone Star Legal Aid is a non-profit law firm whose mission is to protect and advance the civil legal rights of the millions of Texans living in poverty by providing free advocacy, legal representation and community education that ensures equal access to justice.

Lone Star Legal Aid serves 72 counties in Texas and four in Arkansas, an area that covers one-third of the state Texas, including almost 60,000 square miles from Texarkana to the Louisiana-Texas Gulf Coast state-line and down to Matagorda Bay, and four counties in southwest Arkansas, which covers an additional 2,500 square miles. In addition to its Houston headquarters, LSLA has 12 offices throughout east, southeast, and northeast Texas. Recent Census data for the LSLA service area reveals that there are almost 2 million people living at 125% of federal poverty guidelines and are therefore eligible for its services.

Hurricane Harvey is estimated to have dumped 27 trillion gallons of water on Texas and Louisiana over just six days in August 2017.¹ Other deadly storms like Hurricane Katrina and Hurricane Irene had a maximum of 17 inches², with Superstorm Sandy getting approximately 7 inches, paling in comparison to Harvey's 51 inches. Tens of thousands of Texans, renters and homeowners alike, were forced to evacuate their homes, leaving their life's possessions behind.

Immediately after Hurricane Harvey hit, LSLA initiated its standard disaster response: preparing documents, flyers, and intake sheets to deliver information and advice to disaster survivors, staffed shelters and FEMA Disaster Recovery Centers (DRC), and hosted pop-up clinics to reach the large number of disaster survivors in neighborhoods and areas not easily accessible to a DRC.

Through flyers, presentations, and intake screenings, LSLA identified multiple issues that Texans who are struggling to make ends meet face after a natural disaster. Disaster-related legal issues involve areas such as contract and contractor problems, landlord/tenant disputes, environmental and public health issues, and FEMA appeals.

Hurricane Harvey devoured countless homes in LSLA's service area leaving thousands homeless and struggling for substandard housing. As many as 200,000 homes were damaged by the storm, with about 12,000 of those completely destroyed, leaving the affected areas in an exacerbated housing crisis. 24 members of its staff in Houston and Beaumont had their own homes flooded. Renters are facing a multitude of issues that include 5-day notices to vacate, failure to return security deposits, and self-help evictions.

According to an update published by the National Low-Income Housing Coalition on December 4, 2017, there are still as many as 44,551 pending FEMA applications. 89% of FEMA claims are in LSLA's service area. LSLA provides advice about how to apply for benefits and how to appeal

¹ Griggs, B. (2017). Harvey's Devastating Impact by the Numbers. *CNN*, <http://www.cnn.com/2017/08/27/us/harvey-impact-by-the-numbers-trnd/index.html>.

² Wilingham, A. (2016). 12 Years Ago Today, Katrina Hit. Here Is How It Compares to Harvey. *CNN*, <http://www.cnn.com/2017/08/25/us/hurricane-harvey-compare-storms-trnd/index.html>

a denial. FEMA has denied large numbers of claims on the grounds that the claimant is not the owner of the home. FEMA's rules require a registrant or disaster survivor to prove ownership by having their name on a list of specific documents. Many families in Texas live in inherited property that has not gone through a formal probate procedure, meaning their names are not referenced on the approved documents and they are being denied assistance.

To date, LSLA attorneys have assisted in 2,041 Hurricane Harvey related legal matters and have another 718 still in process. In the immediate aftermath of a major disaster and for the years that follow, legal aid lawyers will continue play an important role in the delivery of disaster legal services to survivors who cannot afford a lawyer.

Successes

A woman named Katie came to us after her home was filled with 3 feet of water. Her father had just passed away, dealing with his loss and the loss of all of her belongings made her contractor meetings equally difficult. After she had paid thousands of dollars over the course of a few months, her contractor stopped work. Katie contacted us; we began communications and negotiations with contractor that resulting in the work being completed in her home.

When James came to us, his PTSD was flaring up; he is a Navy Veteran who completed tours in the Middle East and in Somalia. His trailer did not flood, but suffered water damage in several rooms from the ceiling. James wanted to remain in the home while his landlord fixed it up, but he did not agree and gave James 5 days to move. We filed a temporary restraining order giving him more time to move and connected him with other veterans' services to assist him in the transition.

Residents of a Port Arthur neighborhood that was not flooded contacted LSLA after a debris management site (DMS) moved into some empty land across the street. LSLA wrote letters and met with officials from the city and the Texas Commission on Environmental Quality demanding that existing EPA rules, like how DMS locations should be located away from residential areas, be followed and testing be conducted. Shortly after our letters, the DMS closed - allowing the residents to breathe again.

Pamela in Beaumont, TX had lived in her father's home after his death for over 20 years. In all of those years, the home had never flooded. When she applied for FEMA benefits, she was denied because all records still indicated her father as the legal owner of the home. LSLA drafted the necessary documents for Pamela and filed it with property records. With those documents now on record, Pamela could appeal her FEMA decision. Upon their receipt of her proof of ownership, Pamela was awarded \$14,000 to repair her home. The role of legal aid is essential as claimants are not likely to secure the benefits they are entitled to without an attorney.



March 26, 2018

**Statement for State Senate Intergovernmental Affairs Committee -
The Honorable Charles J. Wax, Mayor, City of Rockport**

Dear Senator Lucio & Members of the Senate State Affairs Committee:

Thank you for the opportunity to share my perspective on the recovery efforts underway in Rockport. I have prepared this statement in order to keep your committee fully informed of the rapidly changing situation and needs we see at the local level coming from this unprecedented disaster response.

As you know, Rockport was devastated by Hurricane Harvey, on August 25, 2017. This area experienced the full force of the storm which was categorized as a full Class IV storm. The effects of this event are still being felt on the local economy and the community is working hard to make a comeback. As you know and I have testified before, we are actively working on a Long-Term Recovery Plan. The plan is shifting as needed to address the key challenges we face on the ground so that we can fully respond to the critical issues presented by this emergency situation. The key elements are:

- 1) Debris Removal, Safety & Cleanup
- 2) Housing (Temporary, Short Term & Long Term)
- 3) Economic Recovery of Key Industries
- 4) Stabilization of Critical Government Services
- 5) Strategic Public Communications
- 6) Management of Donation Resources
- 7) Resilience and Future Mitigation Efforts and
- 8) Health & Wellness

In addition, we have taken a unique approach to the Long-Term Recovery efforts here and formed a special Long-Term Recovery Team (LTRT). The team works with all the elected leadership (Aransas County, Rockport, Fulton & Navigation District) and we strive to work just as the EOC did in the early days of the storm and speak with one united voice. Our team is headed up by Mr. Mike Koerner and composed of several staff members who are 100% dedicated to the Recovery Operation thanks to a grant from the Sid Richardson Foundation as well as the National Dislocated Worker Program through Texas Workforce. I believe the hard work of this team and all the resources of the various local governments here in Aransas County have made a significant difference in the pace and steady progress of our Recovery efforts. Listed below are just a few examples of the work we have been able to achieve thus far:

- To date, the Aransas County team has moved over 3.6 Million cubic yards of debris. In comparison, the City of Houston has moved 1.7 Million cubic yards. That equates to 1.23 cubic yards per person in Houston while in Aransas County we have collected about 152 cubic yards per person.

- A Communication Strategy was developed and a comprehensive website with a complimentary citizen hotline and Facebook feed has been established. The hotline is staffed by the team to assist local survivors. The LTRT has also organized and hosted numerous public meetings to engage the community on the status of the recovery effort.
- A Federal/State Strike Team was conceived, organized and hosted that focused major attention and future resources on the recovery progress of the County.
- Approx. 100 homes have been repaired by volunteers marshaled and organized by the team representing over 50,000 hours contributed by hundreds of volunteers. Emergency temporary housing was organized for approx. 10 displaced City/County workers who lost their housing in the storm.
- The community has been engaged in developing both a short and long-term Economic Development Plan and a draft Housing plan.
- Two Local baseball field complexes have been restored with help from the Sid Richardson Foundation and insurance claim funding.
- Testimony for numerous State/Federal House and Senate Committee meetings has been drafted and delivered by local officials active in the recovery operation.
- Millions of dollars in future federal assistance have been coordinated and applied for.

Consequently, our team has done excellent work and has seasoned experienced managers who are well qualified to make professional assessments and comments on the questions posed by your Committee. Listed below are a few observations, comments and responses to the issues your Committee is interested in:

Question #1

“Examine and report on ways to improve the coordination of rebuilding housing and infrastructure following a natural disaster, including evaluating additional cost effective options for FEMA to utilize in providing direct housing assistance immediately following a disaster, creation of comprehensive lists of housing opportunities or web portals to disseminate information to survivors, ways to automatically waive local government regulations to facilitate rebuilding, and additional local resources available for rebuilding efforts.”

Following a disaster, the typical response of the federal government is to initiate efforts to provide temporary housing assistance to storm survivors through a two (2) step process. The first step is to provide Temporary Housing Assistance Vouchers (TSA’s). This assistance is critical in making sure survivors have access to immediate shelter if their home was destroyed. It should be noted that the TSA’s were taken to other parts of the State, and as a result of their elongated use, have resulted in what may be permanent relocation of valuable workforce. Following that step, efforts are made to place survivors in temporary housing often in the form of Manufactured Home Units or MHU’s. In the past, this process at least ensured that survivors were housed until longer-term repairs and/or rebuilds of additional housing could be done to support the housing needs created by the disaster event. This method/approach has been used in several disaster events.

What we have found in the aftermath of Harvey was that step number one, TSA placement was accomplished in pretty short order. However, with the demands so high (thousands of Harvey victims) FEMA and the State of Texas (GLO) were not prepared to deliver and place so many MHU's. Privacy Act requirements imposed by federal government laws slowed the communication and coordination of MHU placement between the Federal/State and local levels. Billions of dollars were expended in purchase and delivery of "temporary MHU's and RV's" that will eventually become a management and relocation challenge to move out of several floodplains in another year due to the process as designed. We recommended in our Federal/State Strike Team meeting on December 7, 2017 that newer technology could overcome this temporary housing effort by using "snap together" military proven technology that would provide quick assembled permanent housing options for survivors. These units come in the form of modular housing and Structural Insulated Panels (SIP) which can be erected on-site in 1-7 days. Taking this approach is most definitely (compared to today's methods) an out of the box solution that might better solve the housing issue following a natural disaster. This approach would shift the discussion from temporary placement of MHU/RV's to assembling more permanent housing on site that would quickly replace the destroyed housing and leave the survivor and the community stronger and more resilient in any future events. Such an approach would be more cost effective in the long run. In fact, we requested funding for a pilot program to demonstrate this approach. However, we have not been able to secure any financial assistance to pioneer this effort. We believe such early concept testing may be a significant step forward in future disaster funding.

Technology such as this has been used to great effect during the shale oil boom. Although the term can be somewhat derogative, "man camp" is the descriptor. What this actually could be in response to a disaster is quickly available multi-family homes that are set up similar to a hotel operation to include a dining room and staff. The funds currently used for Temporary Housing Assistance could be used to support this type of temporary shelter. The timelines could remain the same although, according to our research, the overall costs would be lower. We have found assets such as these that can be erected in a 3 to 5 week period offering short term housing to those displaced. A facility such as this requires only water and sewer plus the electrical connection and can be obtained as a turn key operation. This approach also has the advantage of keeping displaced families in the local area to continue their jobs and not disrupt their children's schooling. It also would respond to those who rented property instead of owning whose eligibility for many government programs is limited. When a community experiences a loss of multi-family housing due to a natural disaster, this approach would respond to the community's need quicker than the traditional approach of one MHU being placed at a time and then only on property owned by the beneficiary.

Another housing related issue involved the Multi-family Repair and Lease program – This program was intended to provide early and quick turnaround in rehabilitation of multi-family housing. However, the program criteria was unattractive to many unit owners. Sadly, there were few property owners that took advantage of the program.

It should be noted that although the housing response has been slow, not everything related to the housing issues has been a failure. We have seen many not for profit agencies and faith based groups come into the community and make a significant impact. For example, groups such as Texas Baptist Men, United Methodists, Samaritans Purse, Mennonites and Habitat for Humanity to name just a few have been invaluable in cleaning out damaged homes, making repairs and in some cases doing total rebuilds. To date we have seen hundreds of repairs and efforts take place that has brought much needed hope to the citizens of our community.

In addition, we have the following observations regarding the Housing process:

Our team would concur that a portal accessible by the community would be a useful tool. Finding affordable housing options in the impacted area is currently a major barrier to our recovery efforts. Anything that would help expedite that process and help link housing seekers with affordable options would be a major step forward. This would especially benefit Case Workers in trying to resolve issues.

As for ways to “automatically waive local government regulations to facilitate rebuilding.” Our team was able to do that and avoid conflict with federal mandates. For example, both the County and City of Rockport passed Resolutions (with approved federal language) temporarily waiving floodplain management requirements for placement of MHU/RV’s in the floodplain. These regulations are temporarily suspended until April, 2019. In a coastal community with limited land options due to wetlands and low lying areas, this was a major barrier for the placement of MHU’s that was addressed.

Regarding the waiving of local rules as we stated previously, we have already proceeded to make the system simple and easy for builders to use. Our free Contractor registration system protected the public from shoddy work and consumer fraud. While we agree with waiving of unnecessary regulations, we caution against going too far and removing life safety provisions at the State and local level. Standard Codes such as electrical requirements, roofing, septic tank location, and wind-load requirements as well as water and sewer connection requirements protect the health and safety of consumers, survivors and citizens of our State. Short cuts that allow inferior work will only cause additional problems in the future and work to defeat the goal of safe, affordable housing for all Texans.

In closing, we believe the housing response system following Harvey, while not ideal, is not totally broken. Yet, it is still a process that can be and should be improved. Such improvements need to begin with changing the Stafford Act that governs FEMA and the IA process. For example, rigid rules and regulations imposed by FEMA (such as minimum \$17K in damage to qualify for IA or mandatory filing of lengthy SBA Loan applications) significantly slowed and complicated the process. This system also unduly favored higher income earners and home owner’s vs those in MHU/RV’s or renters. We believe it is time for a new set of standards based more on the local economy and wage scales should be used by FEMA to determine the type and amounts of assistance. The Aransas County team would be happy to hold a separate meeting just on this aspect of the disaster response. Please contact us if you are interested in having this specific dialog?

Question #2

Monitor the distribution of federal disaster relief funds related to housing and infrastructure, including community development block grant (CDBG) funds, to ensure the timely dissemination of monies by state entities to local governments for reconstruction efforts.

With regard to CDBG funds, they are controlled by the federal government. The whole process begins in Washington and from our point of view the State distribution efforts cannot truly begin until Congress, OMB and the US Dept. of Housing & Urban Development finalize guidance for the funding. In the case of Harvey, the federal process has been delayed since November/December 2017 despite the best efforts of the Governor. Currently, we are awaiting the release of funding with little or no guidance on the details of how these funds can be used. In addition to the slow pace of funds the requirements placed on the funding by the federal government are so complex and burdensome it remains to be seen if the dollars will address the needs we see here on the ground.

In the future, perhaps a more pre-arranged "Block Grant" approach could be instituted in multiple States prone to disasters with MOU partnerships being established between the State and local levels. If such pre-arrangements could be organized and made between the State and local level, once funding begins to move out of Washington to the State locale plans could be put in place to expedite the effective expenditure of housing related dollars. Such delegations and pre-arrangements could better meet needs and address the slow and cumbersome system we are currently experiencing. It is our recommendation that the best work done in a disaster is before the disaster occurs. This type of pre-planning allows time for discussion and provides certainty, that is an element that is critical to the success of any housing investment by the development community. Changing the rules and focus after each and every disaster is not a recipe for long-term success. Best practices are readily available and should be used. Block grant (or low cost government loan) values could be set as a percentage of damage. For example, Rockport's initial estimate of damage from Texas Task Force One was 35% of businesses and homes. Given a pre-storm certified appraisal totals of 1.4 billion within the city, an initial allocation of block grant funding could be set at 35% of the original 1.4 billion or some other equally logical percentage. This approach would apply regardless of the nature of the disaster if calculated against pre-disaster values.

Question #3

Develop recommendations for any statutory changes necessary to improve the efficiency of disaster recovery efforts, maximize housing and infrastructure funds, and ensure cooperation between private and government partners.

As we mentioned earlier in this testimony, we believe it is time that the Stafford Act is updated and the basic approach of FEMA changed as it relates to the recovery aspect of federally declared disasters. There are a number of changes we could suggest for both the IA and the PA portions of the process. To highlight just a few items on the IA side, we believe that setting arbitrary damage limits before FEMA Assistance can be offered is a bad idea. The \$17,000 IA limit has frustrated many of our citizens and delayed the recovery efforts of our community. We are unaware of the source of the \$17,000 number, what it was based on. It seems that any limit in a governmental program should be clearly articulated as to the sourcing and computations associated with the limit. In addition, people applying for IA who rent have often been denied or unnecessarily delayed in receiving needed assistance. The system often times seemed targeted to homeowners more rather than those who had a wide mix of housing situations. That factor notwithstanding, it has been the faith based groups and volunteers working tirelessly through the unmet needs table (at this point in the disaster process) that has been a real difference maker. We believe if "Block Grant/Assistance Funding" could be provided or pre-arranged through charitable/not for profit or faith based groups aid could be distributed faster and with less administrative burden and frustration.

As for the PA process, the complexity of arranging for and successfully capturing federal dollars to use in the recovery portion of the disaster is growing increasingly difficult to negotiate especially for smaller jurisdictions. Even with trained professional staff the complexity, delays in funding and administrative documentation required has posed significant burdens and challenges for our community. One example is the debris collection efforts related to canals and water borne debris. FEMA approved the cleanup efforts for the debris blown on the land, but, has resisted efforts to clean up debris blown into the water; and, this continues to be the case even after this type of requested action was taken at Tiki Island following Hurricane Ike. In addition, the PA process for damaged facilities has required significant staff resources to coordinate, plan and execute. In addition, after multiple visits and meetings have been required 7 months after the storm, still very little PA dollars have been received. Even worse, the community has not been

informed as to what levels of PA to expect or when. Because the community does not have this information to coordinate and combine with insurance claims, local communities such as ours cannot proceed with reconstruction planning.

The process needs to be streamlined and made more responsive to the operational needs of the impacted local governments. The Federal Government may be able to have the staying power and cash flow to operate this way; however, going months and months without equipment and replacement facilities has hampered the recovery and impacted local government operations significantly. In addition, the FEMA teams that have been assigned here at this stage of the disaster are helpful only in their issue area. This is in contrast to the more experienced FEMA staff that came during the initial part of the disaster (first week to 60 days). Once the Recovery phase of the disaster happened the presence of FEMA faded away and TDEM staff were more readily available. This has worked well except for when FEMA disagrees with the advice and approach of the State TDEM. We believe a new approach and blanket delegation of authority from FEMA to TDEM needs to occur in order to minimize conflicting direction and improve the overall efficiency of recovery operations at this stage of the disaster.

In closing, our team would be happy to engage in a dialog with experienced staff and conduct a workshop on this issue. From this workshop we could document the various issues and propose targeted solutions that would improve this system for future disasters.

Question #4

Review and recommend options to expedite debris removal, including cutting unnecessary regulation and streamlining the process.

The Aransas County team has moved over 3.7 Million Cubic Yards of land based debris since the storm. To give you an idea of scale, 30,000 cubic yards of debris stacked 20ft high takes up an acre of land! We have moved to date more than double the City of Houston (last reported # we have of 1.7Million Cubic Yards). We believe our coordination, planning and pre-awarded debris contract resources made a huge difference in the outcome on this issue. We also worked closely with TX DOT & Other State assets such as the Forestry Service to move and safely incinerate large amounts of debris.

Question #5

Identify and report on existing disaster training opportunities available for local officials and make recommendations for training programs that equip them to efficiently interact with state and federal agencies during times of disaster.

In response to this question, we do not believe any level of training would have prepared us to face the level of devastation faced in this event. However, we also believe that we can always learn more and that regular training from TDEM and FEMA should be offered. Even now, we have staff attending and scheduled to attend various training events and conferences. We believe that regular Table top training should be conducted (especially along the Gulf Coast) to plan for and update our existing emergency.

In closing, as I have stated before, while our challenges are great here in Rockport, they are not impossible! Our team is dedicated, focused and determined to bring back Rockport even bigger and better than before. Yet, we know the decisions made about the scope and depth of the State/federal/local/charitable/private sector partnerships formed in the recovery phase will determine how well we do overall. Our challenge is to discover new ways to work alongside in true partnership with us to find the best ways to form and fund our long-term recovery efforts. Our goal is nothing less than a full complete recovery that will become a model for Texas and the nation. Thank you so much and we welcome your interest, follow-up and support as we move forward together.

To: The Intergovernmental Relations Committee

From: Ben Hirsch, Strategic Partnerships Manager and Cofounder, West Street Recovery

RE: PREPs Implementation and Necessary Improvements

Date: March 27, 2018

Overview:

West Street Recovery is a grassroots hurricane relief organization that works with 180 low income households in Northeast Houston. This brief, which explains inadequacies in how PREPs is delivered and offers recommendations that would improve the direct assistance program, is based on our conversations and home visits with families in our caseload who have been through the Partial Repair and Essential Power for Sheltering program.

For many households in our caseload, and in Houston more generally, PREPs represents a crucial opportunity to return to a home that is safe and livable following Hurricane Harvey. But the program is being implemented in a way that undermines its potential. Over the last two months we have seen houses that have been through PREPs, but are still full of flood soaked building materials and furniture, show visible mold, and test at moisture levels that are known to foster future mold growth. In addition, homeowners distrust and feel disrespected by PREPs contractors because of low quality work, poor communication, financial incongruities and even theft of materials by contractors.

After explaining the shortcomings of the program, this brief concludes with seven easily implementable recommendations which could allow PREPs to realize its potential to get people back into safe, dignified homes in a timely fashion.

Clear Communication and Program Transparency:

Many of the problems described in the following sections precipitate from poor communication between GLO hired contractors and flood impacted residents about the goals and scope of PREPs, and how it actually works. Critical items that are not clearly understood by residents are 1) that participation in PREPs is voluntary and not mandatory, 2) exactly what is eligible or ineligible for inclusion in a PREPs project, and 3) that participants will lose any temporary housing that they have been provided shortly after the work is complete.

From the perspective of flooded homeowners, there is little transparency about what repairs a resident is entitled to through the PREPs program. When clients ask about incomplete work, they are often told that the requested task is beyond the scope of the work order, but, for residents and advocates alike, there is no clear way to determine if this is due to a work order that is incomplete or incorrect, or if the work is, in fact, beyond the scope of the program's parameters. Additionally, when it is clear that a contractor's work fails to meet the specifications of a work order, participants do not know how to hold the program accountable. Some clients never even get to a final inspection where work could be reviewed. Instead, they are so frustrated by the process that they ask contractors to leave, therefore "exiting the program" and losing any chance of having low quality work improved or repaired.

Mold Elimination and Prevention:

West Street Recovery staff and volunteers have seen evidence of PREPs work which does not adequately address the dangers of mold. Mold remediation experts state that all material which has been soaked by floodwaters should be removed from homes before any new materials are installed, as mold can spread from one surface or object to another. WSR has seen homes where soaked cabinets, bathroom vanities and even walls are left within the house even as new materials are being installed. In some cases contractors have claimed that removing parts of garages is beyond the scope of PREPS even when they are directly adjacent to walls PREPS has installed. When WSR clients have felt empowered enough to state this to contractors, their concerns have been dismissed or ignored..

In order for future mold growth to be prevented, the framing of a house must be dry and free of mold. According to the National Institute of Environmental Health Services, dry means moisture content of below 17%. *West Street Recovery* staff have found homes where studs behind drywall hung by PREPs contractors are well above this level. More shockingly, we have found studs that have visible mold that has not been cleaned off, let alone sanitized. This failure is creating environments where dangerous mold will thrive.

Another way to prevent mold growth is by using vapor guards and tar paper between exterior walls and insulation. PREPs contractors are not using these materials. This omission has been justified by PREPs staff with the argument that the work is considered temporary. From our perspective, it is an unreasonable position that homeowners, who have already lived in hotels or with family and friends for over six months will undo the work which allowed them to return home. This is especially untenable if they are not provided with financial resources to make the repairs mold-resistant and permanent.

Poor Quality Work

The PREPS program states that it will provide residents with completed exterior walls, floors, hot water, and working electricity. But contractors hired by PREPs have failed to meet this standard. We have seen PREPs contractors cover existing outlets with drywall or failing to replace outlets that were submerged during flooding, install water heaters which don't work, and leave holes in resident's floors.

Maybe even more worryingly, PREPs contractors have done work that hides serious structural issues with the house from view, and made fixing them more difficult and costly. Contractors have hung drywall that covers studs that are inadequate due to termite damage and rotting, and obscured dangerous wiring. These missteps may cause a safety concern, increase the long term cost required to fully repair the home and create material waste. Furthermore, this low quality work leaves home owners feeling disrespected and devalued and, in some cases, prevents home owners from seeing the dangers to their home and health.

Financial Mismanagement and Contractor Theft

According to *West Street Recovery* clients, contractors have both stolen materials and personal belongings directly from participants and over-reported the work they have done, therefore overcharged the *General Land Office* for work. In at least three cases we are aware of, PREPs subcontractors have told clients that they need to use materials that the client had already purchased or worked hard to attain through donations or recycling. In other cases they have used the materials a client has purchased in the home, but charged the GLO to purchase the materials anyway. In at least one case subcontractors stole personal belongings, a jacket and other clothing, out of a client's home while they were working. Incidents like these both reduce the efficiency of the program, and create an environment of mistrust and suspicion. It is essential to remember that the victims of these thefts are both program participants who have already lost everything, and other potential clients whose future participation is risked through inefficiency.

Recommendations:

To address the problems explained in this brief, *West Street Recovery* recommends seven easily implementable changes to the PREPs program:

- 1) Before PREPs work begins there must be a clear communication of final inspection criteria and scope of work.** Homeowners need to be provided with a copy of the work order, and a clear explanation of each task, and shown how to use it as a checklist to track progress. This will empower them to assess the work in a way that is clear and accessible.
- 2) Before work begins, the protocol for reporting low quality work, poor client service and unfulfilled scopes of work needs to be explained to the program participant.** This will both improve the accountability of contractors and increase participant buy-in to the program.
- 3) All houses should be fully mucked before repairs begin.** No soaked or molded sheetrock, cabinets or vanities should remain in the house, as they can spread mold to work that PREPs does. In addition, any wood subflooring which can conduct mold must be removed before work begins.¹
- 4) All PREPs houses should undergo a complete mold remediation process.** Before rebuilding begins, framing and other structural elements must be scrubbed, floors and walls must be vacuumed to remove mold spores, and all structural surfaces should be sprayed with industry standard antifungal spray such as concrobium

¹ Flooring is costly and we acknowledge that PREPs is a temporary aid program. At a minimum however, clients should be given high quality accessible information about the risks of keeping wet floors and an offer to remove flooring, and empowered to choose what solution they feel is best for their family at that time.

5) All homes must be fully dried. Studs, bottom plates and other framing should be tested for moisture by contractors before they are allowed to begin repairs. No sheetrock, countertops or other material that may become permanent should be installed until all structural parts of the house are safely dry.

6) PREPS work must not obscure more serious problems. Serious problems such as damaged beams, leaking plumbing or exposed wire should never be hidden behind work done by PREPS. If the appropriate scope of required repairs cannot be done within program guidelines, this needs to be clearly communicated to the homeowner and documented in writing.

7) Simple repairs that protect PREPS work and increase the safety of the home must be required by the General Land Office. These may include installing tar paper behind siding, moisture barrier behind brick, patching holes in siding, and adequately patching roof/ceiling damages. In addition damaged studs and bottom plates must be replaced. Although these repairs may increase short term costs, they will increase the longevity of work completed and the structural integrity of the home.

Contact

For more information about the experience of West Street Recovery clients in the PREPs program please contact Ben Hirsch, Strategic Partnerships Manager, at Ben@weststreetrecovery.org or 737-932-3179. Alternatively, you can reach our Operations Manager, Alycia Miles, at Alycia@weststreetrecovery.org.

PREPs in Northeast Houston: Resident Experiences and Recommendations

Ben Hirsch
West Street Recovery

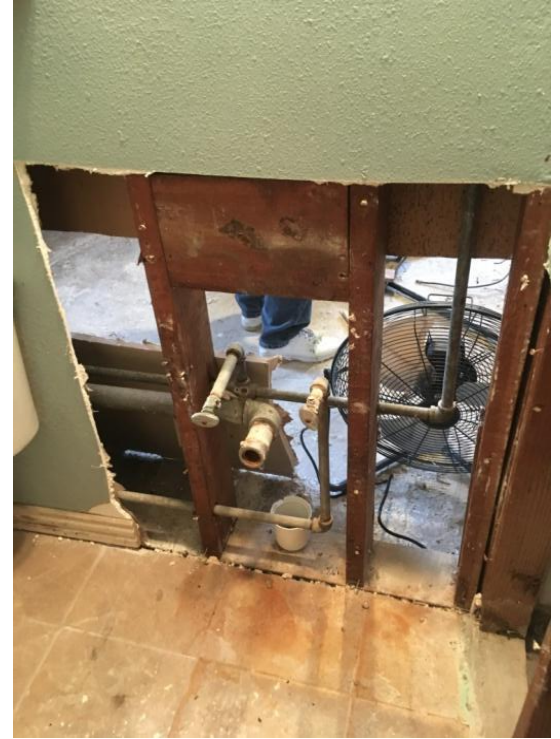
Mr. Howard



Ms. Luvenia



Ms. Anita



Ms. Maria



Recommendations

1) Before PREPs work begins there must be a clear communication of final inspection criteria and scope of work.

2) Before work begins, the protocol for reporting low quality work, poor client service and unfulfilled scopes of work needs to be explained to the program participant.



Recommendations

3) All houses should be fully mucked before repairs begin.

4) All PREPs houses should undergo a complete mold remediation process.

5) All homes must be fully dried, with wood framing testing at below 17% moisture content.



Recommendations

6) PREPS work must not obscure more serious problems.

7) Simple repairs that protect PREPS work and increase the safety of the home must be required by the General Land Office.

