Planning & Paying For Disaster Recovery

What to Do & What to Avoid

National Tornado Summit

February 27, 2018
What are we covering today?

1) What a successful disaster recovery looks like?
2) Why recovery is so difficult?
3) How do you plan successful disaster recovery?
4) How do you finance successful disaster recovery?
5) What compliance considerations you should be aware of?
The Road to Recovery - Navigating to a More Resilient Future

WHY SHOULD YOU CARE

In 2016, the United States weathered 23 natural disasters with economic damages exceeding $48B. The statistics for the past 10 year include:

- **165 storms** impacting 88M people with $280B in damages
- **14 floods** impacting 11M people with $36B in damages
- **3 Wildfires** impacting 1M people with $18B in damages
- **5 earthquakes, droughts, and landslides** with $22B in damages

Our public sector clients are challenged with the daunting task of not only responding to such events and protecting people, but also building back communities that are stronger and planning for greater resilience.

Source: www.unisdr.org and www.emdat.be

WHAT ARE THE COMMON CHALLENGES

- Lack of response readiness
- Lack of transparency
- Lack of a thorough recovery plan
- Ineffective local assistance
- Lack of strategic community vision
- Lack of private-sector involvement
- Lack of defined roles & responsibilities
- Lack of political commitment
- Underfunded mitigation agencies
- Intense public scrutiny
- Exposure to financial risk
- Limited funding availability
- Burdensome eligibility requirements
- Exposure to reputational risk
- Undefined communication protocol
- Uncoordinated responders
- Uncoordinated mitigation efforts
- Lack of community education
Things we are hearing:

“This process is complicated!”

“We need to slow down a little and think long term.”

“Who is in charge?”

“It depends on who you talk to!”

“I am falling between the cracks.”

“Can we be reimbursed for partially finished projects”

“We keep getting different answers?”

“We have to act quickly.”

“We’re tearing it down!”

“Does the right-hand know what the left-hand is doing?”

“Water and sewer infrastructure is a mess.”

“Is the State requesting additional disaster recovery funds?”

“Economic Recovery needs to be a part of this process!”

“Flood insurance is a joke.”

“Some of these houses need to be reassessed!”

“We need a comprehensive plan to make us more resilient for the future.”

“When will our reimbursements get here? We have not have extra funds.”

“Do we send receipts to FEMA or Homeland Security for reimbursement?”

“If we don’t have a plan, they will tell us what to do.”

“I was handed a list that included the county’s Long Term Recovery Committee…I didn’t know we had one!”

“We can’t get them to talk to us!”

“They already have a plan!”
What makes recovery so complicated?

**Psychosocial Phases of Recovery**

**Australian Disaster Manual – Emergency Management Australia**
What is the outcome of a “good” recovery?

What are the things you are dealing with?

Event Impact
Pre-Existing Factors
Financial Risk
Reputational Risk
## Stages of Disaster Recovery – FEMA’s NDRF

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeframe</th>
<th>Activities</th>
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</table>
| **Short Term** | (Days) | • Health and safety needs beyond rescue  
• Assessment of damages and needs  
• Restoration of basic infrastructure  
• Mobilization of recovery organizations and resources  
• Restarting, restoring essential services for recovery decision making |
| **Intermediate** | (Weeks – Months) | • Returning individuals, families, critical infrastructure and essential government or commercial services to a functional temporary or pre-disaster state  
• Regional priorities, strategies, goals, and decision-making  
• Site specific remediation |
| **Long Term** | (Months – Years) | • Complete redevelopment and revitalization of the impacted area  
• Rebuilding or relocating damaged or destroyed social, economic, natural, and built environments  
• Move to self-sufficiency, sustainability and resilience |
**Stages of Disaster Recovery & Considerations**

**Short Term**  
(Days)  
- Health and safety needs beyond rescue  
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**FEMA NDRF**
- Development funding/resource strategy  
- Establish communication strategy  
- Update procurement guidelines  
- Establish Strategic Recovery Office

**LTDR**
- Conduct project execution planning  
- Implement community outreach plans  
- **Develop Recovery Plan**  
  - ID “Champion Projects”  
  - Finalize community vision and strategy

**Implement compliance & monitoring plan**  
- Execute and oversee projects  
- **Manage federal and state programmatic requirements**  
- Solicit partnerships from private organizations
**Long-Term Disaster Recovery (LTDR) Strategy**

An effective Long-Term Disaster Recovery strategy will account for how your community can leverage short/immediate term efforts to build a sustainable and comprehensive long term recovery strategy.

**Leverage Short/Immediate Term Efforts**

- Immediate Assistance
- Resource Management
- Communications & Advocacy Strategy

**Build a Long-Term Recovery Game-plan**

- Comprehensive
- Post Event Impact – Cross Sector Approach
- Pre-Event Factors – Prior Challenges / Assets
- Community Drive/Sustainable Outcomes
  - People
  - Financial
  - Cultural
  - Environmental
Benefits of a LTDR Planning Process

Create Community Focus
- Channels Emotions = Healing Process
- Community-Engaged Solutions = Comprehensive Approach

Build Community Capacity
- Significant Effort = New Participants
- Community Engaged Planning = Implement Recovery

Empower Resilient Recovery
- Comprehensive/Sustainable Recovery Outcome
- Improve Community’s Future
LTDR Plan Principles

Plan Vision

Plan Development

Plan Implementation & Assessment
**LTDR Plan Principles**

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1) **Assemble Community-Wide Representation**

- **Community Sectors / Groups**
  - Public Sector (City, County, etc.)
  - Business Sector (individuals, Chamber, others)
  - Foundations, Non-Profits, etc.
  - Faith Community (churches)
  - Civic Organizations
  - Education
  - Human Services (e.g., Health Care, etc.)
  - General Public

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Your LTDR Organization should have a core leadership team to help provide overall guidance/direction for the LTDR planning process. You should include business, education, government, and human services.
LTDR Plan Principles

Plan Vision  Plan Development  Plan Implementation & Assessment

2) Conduct Area-wide Assessment Validation

➢ Community Sectors
  o Individuals
  o Housing
  o Businesses
  o Infrastructure
  o Public & Community Services
  o Human Services (e.g., Education, Health Care, etc.)
  o Mitigation & Future Preparedness

LTDR Org. should validate event impact via work being done by others (e.g. Case Management, others). This validation process is a component of the LTDR planning process. The LTDR Organization should be responsible for the overarching LTDR planning process.

A critical difference exists between the overarching LTDR Organization & LTDR Plan Project Owners
LTDR Plan Principles

3) Secure Outside Support & Develop Resource Strategy

➢ Types of Support & Assistance
  o Volunteers Labor
  o Donations (e.g., financial, material goods)
  o Technical Assistance (e.g., professional services, others)

➢ Sources of Potential Financial Support & Assistance
  o Public Sector
  o Private Industry (corporations, associations, foundations)
  o Foundations, Non-Profits, etc. (traditional)
  o Faith Community (churches) and Educational Institutions (Universities, others)
  o General Public and Media

LTDR Strategy will be further refined as projects are identified/approved by the community and governing authorities. Each approved LTDR project will have its own detailed Project Execution Plan.
LTDR Plan Principles

4) Establish Communications / Public Relations

➢ Local Stakeholders
  o Housing community, lenders, contractors
  o Business Community – direct vs. indirect
  o Others – as identified by Assessment & Engagement

➢ External Stakeholders – sources of support / assistance
  o Federal government
  o State and local governments
  o Grantee agencies

Messaging has be to appropriately delivered to the respective stakeholders to be effective
5) **Conduct Community Outreach & Engagement**

➢ **Identify Community Needs (validate needs)**
  
  o Post Event Impact
    
    • Housing
    
    • Businesses
    
    • Infrastructure
    
    • Public Sector Facilities & Services
    
    • Mitigation Issues
  
  o Pre-Event Factors
    
    • Housing
    
    • Economic Distress
    
    • Environmental Considerations

Community engagement occurs via a public process. This engagement process helps validate or possibly expand the LTDR Org. assessment of community needs. It is not usual that additional needs are identified.
5) Conduct Community Outreach & Engagement (cont’d)

- Vision and Goals Alignment – should be validated/confirmed

- LTDR Plan Approval - by appropriate governing body
  - Housing
  - Businesses & Economic
  - Public Sector Facilities
  - Environmental Considerations
  - Mitigation & Preparedness Issues
  - Other – Cultural, “Quality of Life” factors, etc.?

Some LTDR projects identified may be selected for the approved plan, yet remain ‘unfunded’. Other projects may not be selected, yet are realized through an independent effort and funded separately.
LTDR Plan Principles

6) LTDR Plan Implementation

➢ Champion Projects
   o Housing Repair / Rehab Initiative
   o Housing Reconstruction Program
   o Business Relocation & Support Program
   o Grocery Store
   o City Park Restoration

It is important for an impacted community to experience a ‘quick-win’ to boost the moral of the residents. The ‘Champion Project(s) should reflect either an important physical or emotional recovery need.
7) LTDR Plan Execution

➢ Projects are ‘Owner-Focused’
   o Project Execution Plans finalized for each project
   o Project Eligibility confirmed
   o Budget confirmed (funding and other resources)
   o Timeline validated
   o Procurement Compliance

➢ Project Management Requirements
➢ Project Oversight & Monitoring Requirements
➢ Project Close-out

For each project there should be an established Project Team and identified Project Owner. External/outside professional can provide guidance and oversight for all aspects of the project’s lifecycle.
8) LTDR Plan Update

➢ Prior-approved Projects
   o No longer needed
   o Not able to be completed

➢ New ‘high priority’ needs that arise following Plan approval
   o Unrecognized recovery need identified
   o Previously funded project lose funding
   o New recovery opportunities arise not previously known
     • Significant economic development
     • Other potential recovery opportunities
   o Community priorities change

If an impacted location has undertaken a thorough and complete LTDR planning process, it should have identified its recovery needs. Updates to a recovery plan do happen, and are encouraged when appropriate.
Other LTDR Process Recommendations -

Organize LTDR Process Smartly!
➢ Establish Governance (Policy & Procedures)
  o Financial Compliance
  o Reputational Risk

Determine your “Planning Sweet-spot”

Do not overlook non-financial recover resources

Multiple LTDR Locations, Can You Collaborate?
Compliance Requirements
Improving recovery oversight and outcomes

Grantees must have a robust, on-going and update schedule for compliance procedures including:

- Risk Assessment
- Duplication of Benefits
- Civil Rights
- Monitoring
- Procurement
- Labor
- Section 3

Risk Assessment

<table>
<thead>
<tr>
<th>Monitoring Schedule</th>
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<tbody>
<tr>
<td>Projects - Subrecipient or City of Joplin</td>
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<tr>
<td>ATTC - Chamber of Commerce</td>
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<tr>
<td>Joplin Housing Authority Tenant Based Rental Assistance* and Joplin Housing Sites Improvement - Joplin Housing Authority</td>
</tr>
<tr>
<td>FEMA THU Relocation* and JHRP* - Catholic Charities</td>
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<tr>
<td>JHRP Single Family Rehabilitation* - Economic Security Corporation and Rebuild Joplin</td>
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<tr>
<td>Community Clinic* - Joplin Community Clinic</td>
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<tr>
<td>Ozark Mental Health*</td>
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<tr>
<td>Crosslines*</td>
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<tr>
<td>20th Street Main to CT - City of Joplin</td>
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<tr>
<td>Crossroads - Joplin Industrial Development Authority</td>
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<tr>
<td>Early Childhood Center - Joplin Schools</td>
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Front End Documents

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<tr>
<td>Risk Assessment</td>
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<td>Labor</td>
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<td>Section 3</td>
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Front End Documents

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<tr>
<th>TABLE OF CONTENTS</th>
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<tr>
<td>Section A: Information for Bidders</td>
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<tr>
<td>Notice to Contractors</td>
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<td>Scope of Work</td>
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<tr>
<td>Inforamation for Bidders</td>
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<tr>
<td>Special Provisions</td>
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<td>Section 3: FAQs</td>
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<tr>
<td>Section B: Documents Needed at Bid Opening</td>
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<tr>
<td>Bid Bond</td>
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<tr>
<td>Bidder Qualifications &amp; Certifications</td>
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<tr>
<td>Section C: Documents Needed at Contract Execution</td>
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<tr>
<td>Agreement</td>
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<tr>
<td>Performance Bond</td>
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<td>Payment Bond</td>
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<td>Anti-Competitive Certification</td>
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Risk Assessment

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<tr>
<th>Row Labels</th>
<th>Y Sum of Total Risk Score</th>
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<tbody>
<tr>
<td>ATTC Phase II</td>
<td>57</td>
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<tr>
<td>Crossroads Phase I</td>
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<tr>
<td>Senior Housing Facility Direct</td>
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<tr>
<td>ATTC Phase I</td>
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<td>Early Childhood Center</td>
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<td>20th Street Improvements - Main to Connecticut</td>
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<td>Crosslines</td>
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<td>Crossroads Phase 2</td>
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<td>J-HAP Direct Costs</td>
<td>41</td>
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<td>Trails</td>
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<td>Main Street Improvements</td>
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<td>Storm Project #14</td>
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<td>20th Street Improvements - Connecticut to Ri</td>
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<td>Joplin Housing Site Improvements</td>
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<td>Senior Center- Phase I</td>
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<tr>
<td>Surface Project 4064</td>
<td>36</td>
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FEMA Public Assistance Common Challenges

Project Formulation:
- Accurately documenting damages

Project Execution:
- Capturing and documenting scope changes
- Adhering to procurement regulations

Monitoring & Compliance:
- Capturing reimbursement documentation
- Segregating funds from different sources
- Dealing with issues of non-compliance

Closeout:
- Maintaining documents

Managing Staff turnover
**FEMA Public Assistance Common Challenges**

### Project Formulation

#### Accurately documenting damages

Working with FEMA during the project formulation phase will be critical to accurately documenting damages through a Project Worksheet, and subsequently receiving reimbursement for the work performed.

#### Capturing and documenting scope changes

Changes to the scope of work listed in a Project Worksheet should be approved by FEMA and documented through a Version to the Project Worksheet, before work proceeds.

### Project Formulation

#### Adhering to procurement regulations

FEMA Public Assistance recipients must adhere to the most stringent of federal, state, local, or the applicant’s own procurement requirements.

#### Capturing reimbursement documentation

In order for FEMA to reimburse Public Assistance recipients, you must maintain sufficient documentation for each category of expenditures including Direct Administrative Costs (DAC) and Management costs, Force Account Labor, Material, and Equipment, and Contract documentation.
**FEMA Public Assistance Common Challenges**

### Project Formulation

#### Segregating funds from different sources

Public Assistance recipients often receive funding from other sources including HUD CDBG-DR, FHWA ER, EDA, and other funds.

#### Dealing with issues of non-compliance

Each Public Assistance recipient should have policies and procedures in place for managing issues of non-compliance, whether from a subrecipient or from a contractor. Such issues could include not adhering to a Project Worksheet’s scope, not maintaining proper documentation, or not following procurement regulations.

### Project Formulation

#### Maintaining documents

FEMA requires that Grantees and subgrantees keep all disaster documentation for a period of 3 years after the disaster has been closed. Recipients of FEMA Public Assistance funding should maintain both paper and virtual documentation.

#### Managing staff turnover

Recovering from a disaster can be a long process. Oftentimes, the staff working on a recovery are not the same who see it through to completion. Managing documentation will be critical to onboarding new staff.
PwC’s Road to Recovery - Navigating to a More Resilient Future

ANOTHER WAY OF VISUALIZING OUR SERVICES

- Resilience Strategy Design
- Policy Design & Implementation
- Training & Resource Development
- Crisis Strategy & Organization
- Project Prioritization
- Program Design
- Technical Assistance
- Program Metrics & Reporting
- Project Management Oversight
- Closeout

- Infrastructure, Housing, Econ. Development Program Design
- Compliance Program Development
- Public Private Partnership (PPP) Strategy
- Closeout Program Design
- Coordination with Cross-Sector Entities
- Fund Management

- Capital Planning & Project Prioritization
- Stakeholder Outreach & Coordination
- Project Execution Plan Development
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- Stakeholder Outreach & Coordination
- Project Execution Plan Development

- Regulatory Assistance & Policy Interpretation
- Partner Outreach & Technical Assistance
- Public Outreach, Informational Meetings
- Regulatory Assistance & Policy Interpretation
- Partner Outreach & Technical Assistance
- Public Outreach, Informational Meetings

- Dashboard Development & Implementation
- Reporting Assistance
- Risk & Issue Tracking/Mitigation
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- Reporting on Key Performance Indicators (KPI)
- Integrated Master Schedule Development
- Cost and Schedule Monitoring
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- Coordination with Cross-Sector Entities
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