Creating a Productive and Efficient Long-Term Recovery Group

California
Agenda

- Anatomy of a Disaster
- Building a Recovery Strategy
- Creating a Long-Term Recovery Group
- Financing the LTRG
- Common Pitfalls of the LTRG
Anatomy of a Disaster

Navigating from Response to Recovery
Recovery Continuum

- National Response Framework (NRF)
- National Disaster Recovery Framework (NDRF)

- Preparingness Ongoing
- Short-Term Days
- Intermediate Weeks-Months
- Long-Term Months-Years

Disaster Recovery Resources:
- FEMA Individual Assistance (IA) Housing Grants
- Small Business Administration (SBA) Loans
- National Flood Insurance Program (NFIP) Payments
- Community Development Block Grant – Disaster Recovery Grants
Short Term Response

Timeframe: Day 1 to Day 30

**Challenges/Activities**
- Search & Rescue
- Restoration of critical lifelines
- Debris removal
- Sheltering
- Damage assessments

**Resources**
- FEMA PA & IA
- SBA loans
- State & local funding
- Volunteers/VOADS/LTRGS
- Philanthropic donations
Mass Care services are typically available leading up to a disaster event. Mass care services include:

- Sheltering
- Feeding
- Distribution of emergency supplies
- Service animals and assistance animals
- Support for individuals with disabilities
- Mass evacuee support
- Reunification services for adults and children
FEMA Public Assistance

FEMA PA reimburses governments & nonprofits for eligible expenses on public facilities or for services that directly benefit the public.

Emergency Work (First 6 months)
CAT A: Debris Removal
CAT B: Emergency Protective Measures
- Prepositioning supplies and equipment
- Security
- Medical care and transportation
- Sheltering
- Emergency Operations Center costs

Permanent Work (Within 18 months)
CAT C: Roads and bridges
CAT D: Water control facilities
CAT E: Public buildings
CAT F: Public utilities
CAT G: Parks
Short Term Recovery

Timeframe: Day 31 to Day 180

Challenges/Activities

- Debris removal
- Temporary housing
- Maximizing FEMA IA

Resources

- FEMA PA & IA
- SBA loans
- State & local funding
- Volunteers/VOADS/LTRGS
- Philanthropic donations
FEMA Individual Assistance

IHP Assistance may include:

- Funds for temporary housing such as rental assistance, or reimbursement for hotel costs
- A temporary housing unit due to a lack of available housing resources
- Funds to support the repair or replacement of owner-occupied primary residence homes, including privately-owned access routes, such as driveways, roads, or bridges
- Funds for repair or replacement of personal property and vehicles, or funds for moving and storage, medical, dental, child care, and funeral expenses
FEMA IA Appeals

▸ FEMA awards tend to be woefully inconsistent: survivors can appeal an award within 60 days of receiving their approval or denial letter

▸ SBP offers FEMA appeals assistance at no cost to disaster survivors

▸ Survivors see a 65.7% increase in their total FEMA award

▸ To date, survivors appealing through SBP have been awarded on average $7,991.83 in additional FEMA funds to support their recovery

▸ SBP FEMA Help Hotline - (800) 276-9511
SBA Resources

▸ **Physical damage loans** – repair and replacement of physical assets damaged in a declared disaster for homeowners

▸ **Mitigation assistance** – expanded loan funding to allow for improvements to protect against future disaster damage

▸ **Economic Injury Disaster Loans** – loans to cover financial obligations and operating expenses for disaster-impacted businesses
Important Deadlines

- **FEMA Individual Assistance** Applications are typically due 60 days after the declaration.
- **SBA Home and Business Physical Disaster Loan** applications due 60 days after the declaration.
- **SBA Business Economic Injury Disaster Loan** applications are due 9 months after the declaration.
- **FEMA Public Assistance** requests are generally due 30 days after declaration and there is generally an Emergency Work 100% cost-share for 60 days.
Intermediate Recovery

Timeframe: Day 180 to Year 1

Challenges/Activities
- Temporary housing
- Housing repairs
- Infrastructure repairs
- Economic revitalization

Resources
- FEMA PA
- State & local funding
- Volunteers/VOADS/LTRGS
- Philanthropic donations
Long Term Recovery Groups

A long-term recovery group (LTRG) is a cooperative body that is made up of representatives from faith-based, non-profit, government, business and other organizations working within a community to assist individuals and families as they recover from disaster.

- LTRGs are critical for coordinating recovery resources.
- Success hinges on having an active recovery champion (single point of coordination).
Volunteer Organizations Active in the Disaster (VOAD) are typically the major rebuilding resource that is available during the intermediate recovery phase.

- VOAD coordination is critical for ensuring you avoid duplication of efforts.
- Provide support to the VOADs or they will move quickly to the next disaster.
Long Term Recovery

Timeframe: Year 1 to Year 7

Challenges/Activities
- Housing repairs
- Infrastructure repairs
- Economic revitalization
- Mitigation

Resources
- HUD CDBG-DR
- State & local funding
- Volunteers/VOADS/LTRGS
- Philanthropic donations
CDBG-DR Challenges

• CDBG-DR Activities must:
  o Be conducted in a Presidentially-declared county
  o Have a direct or indirect tie-back to the disaster
  o Meet a national objective

• CDBG-DR is the federal funding of last resort

• Must account for duplication of benefits

• Each disaster has new and slightly different rules
Building a Recovery Strategy

Communities Helping Communities
Disaster Recovery Truths

• Most people will recover themselves

• Some folks won’t:
  o Low to Moderate Income
  o Elderly age 65 and older
  o Disabled
  o Children 5 and Under in the home

• The Two Don’ts of Disaster Recovery:
  o Don’t rebuild the homes of high-income folks
  o Don’t reinforce a slumlord
Big Buckets Resourcing a Recovery

- FEMA INDIVIDUAL ASSISTANCE: Directly to Applicant
- FEMA PUBLIC ASSISTANCE: Debris Removal Infrastructure Cost Share Programs
- HUD COMMUNITY DEVELOPMENT BLOCK GRANT FOR DISASTER RECOVERY: LMI Federal Cross-Cutting
- NFIP
- SBA
- State Funding
- Private Funding and Donations

Shrinking Time Between Disaster & Recovery.

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Questions?

Do we have a purpose?

Do we have the money?

Do we have generally good people?

What happens if we don’t recover?
Question?

Why do so many disaster recoveries fail?
Common Failure Points

- We don’t use the same terminology
- We don’t have a process
- We are not organized for success
- We don’t have a good plan or even know the plan we have
Question?

What do all successful organizations have in common?
Leadership and Management

Outcomes of Leadership

- Purpose
- Motivation
- Direction

Leader provides

- Clarity in Communications
- Unity of Efforts

Outcomes of Management

- Effectiveness
- Efficiency

WE LEAD PEOPLE...WE MANAGE THINGS
Culture of Compliance v Culture of Commitment?

Compliance
Extrinsic
I have to do this...

Commitment
Intrinsic
I want to do this because....

NOT MUTUALLY EXCLUSIVE
End state- What do we want?

Can we adequately:
• Visualize the end?
• Describe the end?
• Direct us toward the end?

Ways- What are the various ways and methods which allow us to obtain our goal?
• Do they solve the problem?
• Are they feasible, suitable, acceptable?
• Do they provide a cost/benefit?
• Do the methods meet the spirit and intent?
• Are they moral and ethical?

Means- What resources do we have, or can we obtain?
• Money, People, Time

Most recovery efforts struggle due to a lack of strategy
A Standard Process Flow for Disaster Recovery

Based on our Needs Assessment
Who are we going to outreach to and are they eligible?

We must have visibility of these critical aspects of our program in order to meet our goals.

Once we decide on who and where we must have a formal agreement or contract of who does the work and when and agree on outcomes.

Monitoring and Compliance throughout the process

Core functions that make the process fully transparent
Questions
Creating a Long-Term Recovery Group

Communities helping Communities
National VOAD Definition

“A long-term recovery group (LTRG) is a cooperative body that is made up of representatives from faith-based, non-profit, government, business, and other organizations working within a community to assist individuals and families as they recover from disaster. LTRGs are as varied in their structure as are the communities in which they work. The personality and operation of each group are unique and reflect local needs, available resources, cultural diversity, leadership style, and community support.”
Key Elements

• Cooperative body

• Working to assist individuals and families

• Recover from a disaster
The Big Three Up-Front

• Each LTRG is different and unique because disasters are different and unique and there is no ‘right’ or ‘wrong’ way to structure your LTRG

• Must have or become a fiscal agent for 501C3 status as a non-profit organization

• You are responsible to donors for positive outcomes
The Basic Organization

Executive Committee

Executive Director

DCM Function

Construction Function

Communications Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function
The Executive Committee

- Odd number 3-5-7
- Responsible for:
  - Charter, by-laws, and governing documents
  - Strategy Development
  - Hiring the Executive Director
  - Obtaining Resources
  - Donor outreach
  - Fiscal accountability and auditing
  - Donor outcomes

Best Practices:
- Don’t get into the internal working of the LTRG and micromanage the Executive Director
- Closely monitor fiscal reporting
- Conduct an annual audit
The Executive Director

• Responsible for:
  • Strategy Development
  • Staffing
  • Systems
  • Policy
  • Day-to-Day Leadership and Management
  • Client and Construction Management
  • Fiscal accountability
  • Coordinating with Elected Officials, Public Administrators, and Emergency Management
  • Face of the LTRG

Best Practices:
• Paid Position
• Coordination of staff and volunteers, and keeps Board informed
• Policy driver
Disaster Case Management

- Start the process...good inputs lead to good outcomes
- The most critical function is to first obtain the client
- Listen to the client...‘couch sit and hand hold’
- Help the client ‘help themselves’ with an Individual Recovery Plan
- Deem the client eligible under our policy
- Brief the client case for decision
- Sign the client
- Follow the client through the process
- Close out the process

The IRP is Critical!
Construction Management

- Coordinates with DCM to receive eligible clients
- Conducts the ECOR: Estimated Cost of Repair
- Coordinates with volunteers and/or contractors to execute the work
- Writes construction contracts as required
- Controls cost and manages change orders
- Monitors construction activity
- Ensures local code compliance...building permits and certificates of occupancy
Communications Function

- Coordinates internal and external communications
- Coordinate themes and messages
- Broadcast themes and messages
- Advertises the program
- Broadcast successes

Success breeds Success... especially with donors, focus on storytelling
• Inventory management
• Donation management
• Be judicious in distributing or disposing of donated goods
• Providing resources in a timely manner
• Coordinate with other relevant agencies to receive and distribute
Donation Management Function

- Go get the donations
- Donor management
- Publicize success
- Apply for donations and grants
- Coordinate closely with the fiscal agent

People will donate.... Everything
Fiscal Function

- Fiscal Agency requirement for 501C3 status
- Finance and Accounting Function
- Can be internal or have a fiscal agent
- Fiscal Transparency

REPUTATION MATTERS
How it all works
In a perfect world...
Step 1: How it all works

Step 1: Go after donations

DCM Function  Construction Function  Communications Function  Warehouse Or Supply Function  Donation Management Function  Fiscal Function

Executive Committee

Executive Director

Donor Request
Step 2: How it all works

Step 2: Receive money/goods/services and budget allocate

Donor

$ Or Goods Or Services

Executive Committee

Executive Director

DCM Function

Construction Function

Communications Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function

Supplies on Hand

Budget
Step 3: How it all works

Step 3: DCMs determine the need...not the want...the need!

Executive Director

Donor

$ Or Goods Or Services

DCM Function

Construction Function

Communications Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function

SUPPLIES on HAND

BUDGET

CLIENT RELATIONSHIP

Disaster Damaged Home

Disaster

Damaged

Home

Step 3: DCMs determine the need...not the want...the need!
Step 4: How it all works

Step 4: DCMs determine Eligibility and brief the case for decision... Construction determines the Estimated Cost of Repair

Client Briefing:
- Eligible in accordance with our Policy?
- What is the need?
- What is the Estimated Cost?
- Should we assist?
- Do we have the resources to assist?

Client Briefing and Decision

Executive Director

DCM Function

Construction Function

Communications Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function

CLIENT RELATIONSHIP

Disaster Damaged Home

SUPPLIES on HAND

BUDGET

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Step 5: How it all works

Step 5: Construction determines either/or volunteers or contracts for the repair.

- Executive Director
- DCM Function
- Construction Function
- Communications Function
- Warehouse Or Supply Function
- Donation Management Function
- Fiscal Function

Disaster Damaged Home

SUPPLIES on HAND

BUDGET

Disaster Damaged Home

Resources
Step 6: How it all works

Step 6: Communications provide Public and Donor Feedback

Executive Committee

Donor

Executive Director

DCM Function

Construction Function

Communications Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function

Repair Home

SUPPLIES on HAND

BUDGET

Resources

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Step 7: How it all works

Executive Committee

Executive Director

DCM Function
Construction Function
Communications Function
Warehouse Or Supply Function
Donation Management Function
Fiscal Function

Step 7: Feedback

Supplies on Hand
Budget

Repaired Home

Shrinking Time Between Disaster & Recovery.
Step 8: How it all works

Step 8: Go after donations

Executive Committee

Executive Director

Donor Request

DCM Function

Construction Function

Communication Function

Warehouse Or Supply Function

Donation Management Function

Fiscal Function

SUPPLIES on HAND

BUDGET

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Questions
Break
Financing the LTRG

Funding the recovery
Handling Financial Resources

• LTRGs must operate as a not-for-profit entity in some fashion

• LTRGs can use an existing fiscal agent with 501(c)3 status

• LTRGs will be handling money entrusted to the group by individuals, foundations, and other organizations
The Basic Organization

- All LTRGs need funds with which they will operate
- Must acquire resources to meet unmet needs and for running the LTRG
- Fiscal function must work with the governing body to set a preliminary budget
  - This budget will change over time
  - Micromanage income and expenditures and adapt as needed
  - Community-wide unmet needs assessment should drive budget
Budget Basics

- Operating
  - Salary + Fringe for Employees
  - Communications Budget
  - IT System of Record
  - Rent/Utilities/Supplies
- Unmet Needs
  - # of Homes Damaged
  - Cost per Home
  - Donated Resources
- Community Need Post-Disaster
  - Mitigation and Preparedness

LTRG Budget
Operating Budget

• How long do we plan to operate?
• What resources will we need to operate?
  o Staff (paid or volunteers):
    • Program Director
    • Case Management
    • Construction Coordination
    • Volunteer Coordination
  o Facilities and IT
• What are our communications needs?
• What resources/funds have we identified so far for operations?
• What is the gap for funding operations for long-term recovery?
Unmet Need Budget

- What were the identified unmet needs of the community?
  - Housing
    - Homes damaged/destroyed
    - Pre-disaster housing stock
    - Individual disaster assistance received through State funding, SBA, insurance, FEMA
  - Social Services
    - Legal aide, mental health needs, housing counseling
- What in-kind donations do we have?
- What do we still need to locate to meet needs?
- What amount of additional funding do we need to raise to meet the remaining unmet needs?
Post-Disaster Community Needs Budget

- Are there projects that the LTRG wants to engage in for the recovery of the community?
  - Preparedness
  - Mitigation support
- What would a budget be for those projects?
- What state/federal/local resources are there for those projects?
- What in-kind resources can be identified for those projects?
- What amount of additional funding do we need to raise for the projects?
Finding Funds and Other Resources

Preliminary Unmet Needs

Understand Community Needs

Asset Mapping

Understand Community Assets

Fundraising

Funding from Donors and Government Sources
Asset Mapping

“Asset mapping” is a technique for identifying local resources.

1. Start with what is present within the community:
   ○ local government, volunteers, referral services, disaster response, and other social service agencies, media outlets, foundations, corporations, large churches, and other religious institutions, etc.

2. Identify individual client capacities and abilities for recovery

3. Promote connections or relationships between individuals and organizations, encouraging them to share resources as they help meet the needs of the community

4. Stress local determination, investment, creativity, and control

5. Create directories of social services, or augment directories that may be maintained by Information and Referral (I&R) agencies within the community
Fundraising

• Identify and account for all funding to date
• Create a gap funding statement to utilize for fundraising
• Set fundraising goals
• Research and identify state/local/federal funding sources
  • Government
  • Non-profit
  • Foundations
  • Faith based
• Develop grant writing capability/strategy and assign tasks
Potential Funding Sources

**HUD**
- Emergency Solutions Grant (ESG)
- HOME Investment Partnerships Program (HOME)
- Continuum of Care (CoC)
- Making Home Affordable (MHA) Program
- FHA Section 203(k) Home Rehabilitation Loan Program
- Older Adult Home Modification Program (OAHMP)
- Housing Counseling Grants
- Healthy Homes Initiative (HHI)
- Community Development Block Grants
  - Disaster Recovery (CDBG-DR)
  - Mitigation (CDBG-MIT)
  - CARES Act (CDBG-CV)
  - Annual Formula Allocations (CDBG)

**USDA**
- Rural Dev. Loans/Grants
- Multifamily Housing Direct Loans/Grants
- Mutual Self-Help Housing Technical Assistance
- Community Facilities Direct Loan/Grant Program
- Water and Environmental Programs (WEP)
- Emergency Watershed Protection (EWP) Program

**SBA**
- Disaster Loan Assistance (Home, Personal, Business, EIDL)

**FEMA**
- Public Assistance (PA)
- Section 406 Mitigation
- National Flood Insurance Program (NFIP)
- Group Flood Insurance Policies (GFIPs)
- Mitigation Grants (FMA, BRIC, HMGP)
- Individual and Households Program (IA, ONA)

**DOE**
- State Energy Program (SEP)
- Weatherization Assistance Program (WAP)

**FHWA**
- Emergency Relief Program
- Surface Transportation Block Grant Program (STBG)
- Transportation Infrastructure Finance and Innovation Act (TIFIA)

**EPA**
- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Water Infrastructure Finance and Innovation Act (WIFIA)
- Water Infrastructure Improvements for the Nation (WIIN) Act
Financial Controls

Financial controls and systems are one of the first things a new LTRG should consider and implement

- All incoming funds should be independently seen, recorded, banked, and accounted for by two or more persons.
- Someone other than the person who opens mail should compare each incoming check with issued receipts.
- All expenditures should be approved by someone other than the person who signs checks. Someone other than the person who issues checks should do monthly bank reconciliation.
- Require at least two signatures on all checks.
- Checks should never be signed “ahead” by one or more of the signatories.
Financial Reporting

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<tr>
<th>Reports</th>
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<tr>
<td>Balance Sheet (quarterly)</td>
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<tr>
<td>Income Statement (monthly)</td>
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<tr>
<td>Budget vs. Expenditures (monthly)</td>
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- Balance Sheet should present the LTRG assets and liabilities at least quarterly.
- Statement of Income and Expenses should include line item detail of project/program income and expenses.
- All reports should compare the current period’s fiscal performance and the year-to-date performance to the annual budget.
- Simple analysis of budget variances (i.e. “why did we over- or under-spend in a particular area?”) can be helpful in keeping an LTRG on track and in future programmatic decision-making.
Audit

• LTRGs should have a financial audit annually
  o Will be required if LTRG is organized as a 501(c)3 or if LTRG expends at least $750,000 in federal funding
  o LTRGs should recruit a CPA to serve on the board to assist with policy development
  o CPAs can donate audit services or LTRG should procure audit services

• Audit must verify that the LTRG has sufficient internal control

• In the organizing stage, LTRG should have a review of financial controls and procedures prior to expending funds
Reports to Donors

Donors are what allows an LTRG to function – reports to donors should tell the story

- Reports will need to include where funding is utilized
  - Number of families assisted
  - Nature of assistance provided
  - Ongoing identification of emerging needs
- Fulfill any donor-mandated requirements
- Monthly, quarterly, and annual reports should be sent to all financial donors
Common Pitfalls In LTRGs

Communities Helping Communities
Common Pitfalls

- LTRGs are critical in the Recovery Process
- Must fill gaps that the Government cannot fill
- Learn from the mistakes of others

We want you to be successful
Common Pitfalls: Policy

● Failure to build and train a common policy
  ○ Lack of defined eligibility policy
  ○ Tend to attempt to serve everybody rather than needs-based

● Failure in key policies
  ○ Fiscal accountability
  ○ Construction management
Common Pitfalls: Lack of Community Involvement

• LTRGs often consist of the same folks who do everything in the community

• Seek the whole community for success

• A mix of elected leaders, public administrators, emergency managers, non-profits, and business community members

• Recovery impacts us all
Common Pitfalls: Lack of a Defined Leader

- One person as the operational decision maker
- One person to provide the outcomes of:
  - Purpose
  - Motivation
  - Direction
- One person to be the ‘face’ of the Disaster
Common Pitfalls: Lack of Organization

- Lack of clearly defined roles and responsibilities
  - Internal to the LTRG
  - External to the LTRG

- Assign crystal clear specific duties and responsibilities to partner organizations
  - Clearly defined Teaming Agreements
  - Clearly defined Memorandums of Agreement

- Outline what specific goods and/or services partners will provide
Common Pitfalls: Lack of Fiscal Accountability

● Failure to be transparent with funding
  ○ Failure of oversight
  ○ Failure to conduct internal auditing

● Donors want to back financially sound organizations

● Failure in local contracting and contracting transparency
Common Pitfalls: Volunteer Capabilities

● Failure to organize for volunteers
  ○ Failure to have the worksite prepared for volunteers
  ○ Failure to have work appropriate for volunteers

● Attempting to use volunteer labor for missions beyond their capabilities

● Failure to train volunteers

● Failure to enforce safety protocols
Common Pitfalls: Construction Management

● Failure to properly scope the repair
  ○ Inadequate repair estimate
  ○ Weak contract to repair

● Failure to hold contractors accountable

● Failure in contractual time standards
  ○ Clients out of home for excessive time periods
  ○ Increased cost of temporary lodging

● Failure in warranty management
Common Pitfalls: Resident Expectations

- Failure to have the client with ‘skin in the game’
  - Weak Signing Agreement with the client
  - Failure to manage expectations

- Failure to obtain a building permit due to unpaid taxes

- Failure to meet internal and client expectations
Common Pitfalls: Material Management

• Failure to manage incoming donations

• Failure to know what you have and don’t have

• Failure to disperse or transfer resources in a timely manner...nothing should be held in reserve in a disaster

• Failure to have warehouse and transportation capability
Questions

Stay in touch! Contact Joe Boyes at jboyes@sbpusa.org or Angela Calabro at acalabro@sbpusa.org for more information!