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Contact: Sam Robles

[sam@texascomms.com](mailto:sam@texascomms.com)

(956)407-0661

## [HOUSTON CHRONICLE](#): Houston's Harvey recovery contracts face questions, delays as \$1B in aid looms

*HOME Coalition: Put People First*

*Houston families continue to live in unsafe homes from Hurricane Harvey damage*

### [Houston Chronicle](#)

By: Mike Morris

Nov. 8, 2018

Despite ongoing delays and questions about the procurement of contracts to manage massive disaster relief programs, Houston officials this week said they hope to finally get more than \$1 billion in federal Hurricane Harvey recovery aid flowing to storm victims next month.

City Council nailed down one of the most crucial arrangements on Wednesday, approving a \$36 million contract with a Virginia-based firm to help Hurricane Harvey victims access some of the \$1.17 billion in federal aid the city soon will receive, a key component of Houston's recovery from the catastrophic storm.

The contract with ICF International, which will be paid for with the federal aid, reached the council more than three months after it had been expected to and passed on a split vote amid questions about the firm's work after Hurricane Katrina, the local subcontractors it has selected and the work it will do to find storm victims and help them apply for assistance.

Although city officials say they could receive the long-delayed federal aid as early as the end of this month, another crucial Harvey recovery contract remains in the city procurement process. That deal, to hire construction firms that will carry out more than \$300 million worth of repairs on as many as 6,000 homes, originally was expected to reach a vote in August.

Another procurement snafu has forced the city to narrow the scope of its first key Harvey contract from \$25 million to \$11 million after state officials said the deal ran afoul of federal rules. That contract, with a firm that provides disaster experts to augment city staff and help administer the recovery, will need to start the procurement process over again.

Houston housing director Tom McCasland acknowledged the city's timeline has shifted, but he stressed that is due partly to delays in securing state and federal approval of its "action plan," the planning document required by the U.S. Department of Housing and Urban Development. Once that plan, which outlines how the city will implement its recovery efforts, gets federal approval, Houston can sign a contract with the Texas General Land Office and access the \$1.17 billion.

"If we can have reimbursement checks rolling out before Christmas, looking at hammers swinging in January, those are the targets that we're pushing for," McCasland said. "As long as we can get this last contract in place right around the end of the month or the very first part of next month, I'm confident we can still hit this timeline."

Mayor Sylvester Turner echoed that, saying, "When the dollars come, we'll be ready to roll."

Some council members, however, expressed concern about the delays getting Harvey recovery contractors on board.

The most immediate worry for Councilman Mike Laster, who chairs the council's housing committee, and the three colleagues who joined him in opposing it is the ICF case management contract that passed Wednesday.

ICF was hired to run two key home repair programs in Louisiana following Hurricane Katrina, but residents and lawmakers were critical of its work there. The firm and the state wrangled over missed performance benchmarks and improper expenses, and remain in court over more than \$200 million in alleged overpayments to homeowners.

ICF disputes the state's claims. Spokeswoman Lauren Dyke said the firm is proud of its work in Louisiana, pointing to the 124,000 property owners it served there as part of an effort that awarded \$7.9 billion in grants. Dyke also noted ICF's work disbursing \$2.5 billion in aid after Superstorm Sandy in Connecticut and in New Jersey, where it remains under contract.

"Stakes are always high with recovery work as people's lives have been turned upside down," Dyke said. "It is no surprise that these projects are often surrounded by a contentious political

environment and a level of negativity; particularly in the press. But our focus is always on our job and helping residents get back on their feet and on the path to long-term recovery.”

McCasland said he called local officials in various jurisdictions who had worked with both finalist firms during the bidding process and said ICF was the clear choice.

“Any firm that does this kind of work is going to run into litigation,” he said. “Just because you get sued can’t knock you out.”

Some council members also raised concerns about the subcontractors on ICF’s team, given that six have given campaign contributions to Turner and that the only one who did not is Barry Barnes, the mayor’s former law partner.

Barnes did not return a call for comment.

Turner said he divested himself of all business interests when he became mayor and said, “I divorce myself from the procurement process.”

Records show three of five subcontractors on the losing bidder’s team, as well as a local firm that had entered into a joint venture with that team’s prime contractor, also have donated to the mayor.

ICF said it selected its subcontractors by seeking out local experts suited to do the work, and said Barnes has experience with title and disaster recovery tasks, having done that work for the city after Hurricane Ike under the two mayors who preceded Turner.

“There’s 16,000 lawyers in Harris County. Can’t we find another lawyer or two that doesn’t have to be the mayor’s former partner?” Councilman Greg Travis said. “The optics are bad there.”

Still, Travis said his primary concern was the cost of the contract. He questioned whether some of Barnes’ legal work, or the door-to-door outreach envisioned in the contract, could be conducted by city staff.

“I’m not bothered by the fact that we’re hiring somebody to assist us. I just think we’re hiring somebody to do what we can do and have done,” Travis said. “When they put the proposal out there, they made it too expansive.”

Laster echoed those concerns, and said extra scrutiny was needed because the contract could be the most important Harvey agreement the city awards because it will serve as the conduit between storm victims and the aid they need.

“To be successful in this effort to help people we have to maintain the highest levels of trust with the public, and questions about that do not help in that process,” Laster said. “I have concerns about the operational premise of the contract that says we have to go out and find people to help when, in fact, every one of us knows exactly which neighborhoods, which houses, which streets flooded.”

McCasland agreed that the areas of need are known, but said applicants need help gathering the proper paperwork partly so the city can weather the HUD audits that will come without repaying millions in federal dollars.

“That is more money than we’ve received in our 30-year-plus history in the housing department,” he said, referring to the \$1.17 billion. “We need outside assistance from people for whom this is not their first rodeo, this is not their first disaster.”

Chrishelle Palay, executive director of the HOME Coalition (Houston Organizing Movement for Equity), said wrangling over funding and procurement delays overlooks the thousands of Harvey victims still living in unsafe conditions. The city should be more aggressive in extending some of its own funds while awaiting federal aid, she said, and should work to better coordinate the ongoing recovery work that philanthropic groups are doing.

“There needs to be a coordinated effort to deepen those efforts while the logistics and the bureaucracy is being managed,” Palay said. “We need to make sure that we put the people first. I feel like we’re putting process before people.”

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*Houston Organizing Movement for Equity (HOME) is a coalition of community, policy and service-based organizations committed to an equitable recovery from Hurricane Harvey for all Houstonians. For updates, follow us on Twitter [@HOME\\_Coalition](https://twitter.com/HOME_Coalition).*