



**Office of the Houston City Controller  
Harvey Recovery Oversight Committee (HROC) Meeting  
November 14, 2018**

**Meeting held at: Controller's Office 8<sup>th</sup> Floor Conference Room**

<b>Committee Members Present:</b>	<b>Members Not in Attendance:</b>
City Controller Chris Brown; Chair	Shannan Nobles, Chief Deputy Controller
Courtney Smith, City Auditor	
Alexander Obregon, Deputy Controller	
Christine Lally	
Michael Porier	
Gary Horn	
John Sorrells	
Representative from Department of Homeland Security, Office of Inspector General	

**I. Meeting Called to Order at 2:00 PM** **by Controller Brown**

**II. Introductions**

- **Controller Brown** welcomed committee members and thanked them for their continued commitment to the committee and the City of Houston.

**III. Committee Review**

- **Deputy Controller Obregon** outlined the discussion and presentation from the **Housing and Community Development Department (HCDD)** to focus on the Homeowners Assistance Program (HOAP) and the five “sub-programs” included.
- **Deputy Controller Obregon** indicated the City received \$385 million in funding for the HOAP which is the first large disbursement of federal funds.
- **Mayra Bontemps** advised the HOAP is for repairs to homes damaged by the effects of Hurricane Harvey, and detailed the five “sub-programs” to include:
  1. Reimbursements: funding for initial work and repairs already completed by private contractors. **Mayra Bontemps** stressed the need to accurately compile records to capture the total amount of resources homeowners receive from other sources.
  2. City-Managed program: funding repairs conducted by City of Houston procured contractors; scope to be developed by City of Houston inspectors.
  3. Homeowner: funding to assist homeowners who have already engaged a contractor and needs support or guidance.



- **Deputy Controller Obregon** asked when the Construction Management contracts will come to Council for approval. **Mayra Bontemps** indicated HCDD is in contract negotiations and hope to request Council approval sometime in early December.
- **Deputy Controller Obregon** asked when reimbursements will start to be processed. **Mayra Bontemps** indicated **HUD** is reviewing the Action Plan amendment; once **GLO** receives approval, the City may proceed with all the programs.
- **Committee Member #3** asked if the \$392 million is separated among five categories – and if there’s a breakdown of how much funding each “sub-program” can enjoy. **Mayra Bontemps** indicated it’s difficult to gauge the funding needs until the survey is completed. **Mayra Bontemps** advised 80% of funds will be spent on low- to moderate-income households, and 20% will be spent on non-income restricted households.
- **Committee Member #2** asked if the reimbursement program will have any reasonability check to determine the value of the houses and scope of expenditures.
  - **Mayra Bontemps** indicated inspectors will be routinely verifying work already completed, as well as using a software platform providing up-to-date pricing on scope of work to establish a basis for the reimbursements provided to contractors.
- **Deputy Controller Obregon** asked **Mayra Bontemps** to discuss some of the internal controls **HCDD** has from the front end of the eligibility check through the various checkpoints up to the point a reimbursement is distributed or a check is remitted to the Contractor.
  - **Mayra Bontemps** distributed an end-to-end workflow chart detailing both the steps a homeowner would follow and the internal controls **HCDD** has to the Committee.
- **Deputy Controller Obregon** asked what the anticipated timeline is for completion of the programs outlined. **Mayra Bontemps** advised the **HUD** funding is for a period of six years, though **HCDD** is working on a more aggressive timeline of five years. **HCDD** anticipates the majority of the work done on the **HOAP** program will be done in the first three years.
- **Auditor Smith** asked if six years was for the \$1.17 billion or \$392 million in funding. **Mayra Bontemps** indicated the \$1.17 billion was a six-year grant.
- **Committee Member #1** asked if HCDD plans on having one special group in place that does the final sign off before approving a contractor? **Mayra Bontemps** advised HCDD has a QAQC division to ensure compliance from survey, intake, to construction.
  - **Committee Member #1** asked if there’s a system set up to retain QAQC documentation. **Mayra Bontemps** advised she was not sure, though indicated document retention is critical to ensuring compliance and would confirm.
- **Deputy Controller Obregon** asked if there are caps on the programs for the number of homes eligible to be served. **Mayra Bontemps** said it appears HCDD will be able to serve approximately 3,000 households.
- **Controller Brown** welcomed **Director Tom McCasland** to the meeting.
  - **Mayra Bontemps** indicated there is an \$80,000 cap on the rehabilitation project households.

- **Controller Brown** asked **Director McCasland** which entity will be responsible for oversight over the contractors of the City-managed program. **Director McCasland** indicated **HCDD** would be responsible for oversight. **Mayra Bontemps** advised the contractors will agree to a software platform to ensure accurate pricing. **Deputy Controller Obregon** asked about **HCDD's** plans to provide oversight over change orders to mitigate potential price gouging. **Mayra Bontemps** advised City inspectors conduct an initial scope of work, and the contractor confirms the scope of work to be appropriate and accurate.
- **Director McCasland** advised permitting – not contractors conducting more work – is prompting high value change orders as they relate to FEMA-provided aid. **Deputy Controller Obregon** inquired whether a change order push what the City remits to the Contractor above the cap. **Mayra Bontemps** said it's unlikely for reconstruction – but not totally for rehabilitation projects.
- **Committee Member #3** asked a question relating to the strain in area construction workforce. **Mayra Bontemps** said more than 30 contractors participated in the procurement and do not expect a strain.
- **Committee Member #2** asked if there are performance measures for each contractor. **Mayra Bontemps** indicated there are performance measures.
- **Committee Member #3** asked if there was a system in place that manages the controls for approval process moving forward. **Mayra Bontemps** advised IMI Software is building this software platform for **HCDD**.
- **Controller Brown** asked if the Committee had any additional questions for **Director McCasland** and **Mayra Bontemps** before excusing them from the meeting.

#### **IV. Discussion**

- **Controller Brown** asked the committee for their insight on requests submitted by HCDD to the Office of the City Controller relating to proposed changes to internal financial parameters of the City Controller relating to the DAHLR program.

#### **V. Future Meeting Dates**

#### **VI. Adjournment**

**Meeting adjourned at 3:07 PM by Controller Brown.**