

Grantee: Puerto Rico

Grant: P-17-PR-72-HIM1

April 1, 2021 thru June 30, 2021 Performance Report

Grant Number:

P-17-PR-72-HIM1

Obligation Date:**Award Date:****Grantee Name:**

Puerto Rico

Contract End Date:**Review by HUD:**

Reviewed and Approved

Grant Award Amount:

\$9,727,962,000.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

LOCCS Authorized Amount:

\$0.00

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$9,727,962,000.00

Disasters:

Declaration Number

FEMA-4336-PR

FEMA-4339-PR

Narratives

Disaster Damage:

The 2017 hurricane season brought insurmountable devastation to Puerto Rico when in the month of September, the island experienced Category five (5) and four (4) storms, Hurricane Irma and Hurricane Maria. Hurricane Maria was the most devastating natural disaster to hit Puerto Rico since San Felipe made landfall nine decades ago in 1928. Since that time, the population has doubled in size from 1.5 million residents compared to today's population of 3.4 million. Hurricane Irma made landfall on September 6, 2017 as a Category five (5) storm with winds up to 100 miles per hour. The storm cut power to an estimated two-thirds of the main island, leaving communities ravaged. Just two (2) weeks later, Hurricane Maria made landfall on September 20, 2017 as a Category 4 storm measuring 35 miles in width, making direct impact with the 35-mile wide island. Hurricane Maria impacted the entirety of Puerto Rico with recorded winds up to 155 miles an hour, river surges up to 47 feet, massive mudslides, and localized catastrophic flooding reaching up to 38 inches. An estimated 64 lives were immediately lost in the storm with hundreds more lost to secondary conditions caused by lack of power, contaminated water sources, and limited to no access to healthcare services. Today over 90% of the island's power has been restored, however recurring outages continue to affect the still-fragile grid. Inundated by back-to-back storms, Puerto Rico experienced 100% impact from Hurricane Maria just two (2) weeks after surviving regional impact from Hurricane Irma. The subsequent impact of these storms compounded damage to the island leaving extremely vulnerable housing structures extensively damaged or completely leveled in almost every municipio. As a US territory located 1,000 miles from the mainland states, the Puerto Rico archipelago is isolated from the continental US and depends heavily on maritime commerce for major resources. Hurricane warnings were issued 37 hours³ before landfall, but due to the severity of Hurricane Maria and the trajectory of the storm, first responders were unable to preposition relief resources. Relief efforts and immediate aid were further delayed by up to three days due to the shutdown of significantly damaged seaports and airports. The geography of the main island further complicated relief efforts. Stretching 100 miles across and 35 miles top to bottom, the island is covered with vastly different terrain: rain forest, deserts, beaches, caves, oceans and rivers. Puerto Rico has three (3) main physiographic regions: the mountainous interior which covers approximately 60% of the island, the coastal lowlands, and the karst area characterized by underground drainage systems with sinkholes and caves. There are over 50 rivers and 60 watersheds that surged with flood waters when Maria hit. According to data gathered by FEMA Individual Assistance Program, hurricanes Irma and Maria caused damage to an estimated 1,067,6184 homes, the collapse or severe obstruction of numerous roads, and loss of power across the entire island. Post-storm conditions have only complicated relief efforts as residents had been left without essential services including power and clean water. The National Oceanic and Atmospheric Administration (NOAA) recorded Hurricane Maria winds that reached up to 155 mph in the City of San Juan. Early estimates accurately captured extreme wind and rain threats, and a storm trajectory to impact the island head-on bef

Disaster Damage:

ore proceeding northwest to the mainland US. Puerto Rico sustained hurricane force winds sweeping at maximum strength first through the islands of Vieques and Culebra then the northeast coast before sweeping westward across the main island. Wind and rain collapsed weak homes and buildings, uprooted trees, and lashed fragile power lines in every corner of the island causing a complete blackout. Severe flooding and mudslides occurred in every interior mountainous region of the island.

Recovery Needs:

Puerto Rico is committed to building back stronger and more resilient to future hazards. Activities supporting this commitment will not only enhance the quality of construction for life-saving protective measures, but also preserve the integrity of the federal investment contributed by the American people. The rebirth of Puerto Rico hinges on sustainable growth yielded by the influx of recovery monies. Through strategic partnership and resiliency planning, Puerto Rico will set



the stage for long-term investment and economic return. Implementation of recovery activities will focus on innovation and the perpetual application of mitigation and resilience techniques.

With this opportunity to rebuild, Puerto Rico will increase housing opportunities and affirmatively promote housing choice throughout the housing market. Program implementation will be conducted in a manner which will not cause discrimination on the basis of race, color, religion, sex, disability, familial status, or national origin.

PRDOH will use housing counseling programs and whole community resilience programs to build programs informed by housing choice to provide affordable housing. Because planning decisions may affect racial, ethnic and low-income concentrations, these programs will help provide affordable housing choice in areas that are defined as low-poverty or non-minority where appropriate and in response to natural hazard related impacts. PRDOH will consider the impact of planning decisions on racial, ethnic, and low-income concentrations. This may include utilizing mapping tools and data to identify racially or ethnically-concentrated areas of poverty for the evaluation of possible impacts to those areas as well as to promote fair housing choice and to foster inclusive communities.

Puerto Rico will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.

Construction performed under the programs will adhere to the 2011 Puerto Rico building code.²⁰ Importantly, the Code includes requirements regarding earthquake loads. This is vital as Puerto Rico must build structures that are resilient not only for hurricanes and wind, but for seismic activity as well. This is consistent with the goal of protecting people and property from harm; emphasizing high quality, durability, energy efficiency, sustainability, and mold resistance; supporting the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, including possible sea level rise, high winds, storm surge, and flooding, where appropriate; and implementing and ensuring compliance with the Green Building standards.

Puerto Rico will enforce procurement procedures that increase the use of sustainable standards, which may include FORTIFIED Home™ and Leadership in Energy and Environmental Design (LEED) certified construction vendors.

For non-substantially rehabilitated housing structures, Puerto Rico will follow the HUD Community Planning and Development (CPD) Green Building Retrofit Checklist guidelines to the extent they are applicable to the construction methods utilized on the Island. When older or obsolete products are repla

Recovery Needs:

ced as part of rehabilitation work, Puerto Rico will use products and appliances with ENERGY STAR labels, Water Sense labels, or Federal Energy Management Program (FEMP equivalent) designations.

In conducting its impact and unmet needs assessment for this CDBG-DR Action Plan, Puerto Rico has designed program objectives and supporting budgets to consider the additional costs associated with protecting housing and community investments from future disasters through eligible resilience activities.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$6,520,783,000.00	\$9,727,962,000.00
B-17-DM-72-0001	\$0.00	\$1,507,179,000.00
B-18-DP-72-0001	\$6,520,783,000.00	\$8,220,783,000.00
Total Budget	\$6,520,783,000.00	\$9,727,962,000.00
B-17-DM-72-0001	\$0.00	\$1,507,179,000.00
B-18-DP-72-0001	\$6,520,783,000.00	\$8,220,783,000.00
Total Obligated	\$330,899,868.74	\$1,608,173,981.04
B-17-DM-72-0001	\$122,194,287.36	\$1,107,202,971.44
B-18-DP-72-0001	\$208,705,581.38	\$500,971,009.60
Total Funds Drawdown	\$112,815,283.48	\$332,133,411.50
B-17-DM-72-0001	\$92,024,326.76	\$299,033,099.96
B-18-DP-72-0001	\$20,790,956.72	\$33,100,311.54
Program Funds Drawdown	\$112,815,283.48	\$332,133,411.50
B-17-DM-72-0001	\$92,024,326.76	\$299,033,099.96
B-18-DP-72-0001	\$20,790,956.72	\$33,100,311.54
Program Income Drawdown	\$0.00	\$0.00
B-17-DM-72-0001	\$0.00	\$0.00
B-18-DP-72-0001	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
B-17-DM-72-0001	\$0.00	\$0.00
B-18-DP-72-0001	\$0.00	\$0.00
Total Funds Expended	\$112,813,834.73	\$332,132,603.59
B-17-DM-72-0001	\$92,022,878.01	\$299,031,820.78
B-18-DP-72-0001	\$20,790,956.72	\$33,100,782.81



HUD Identified Most Impacted and Distressed	\$30,972,044.75	\$119,603,702.79
B-17-DM-72-0001	\$19,829,483.88	\$104,226,117.60
B-18-DP-72-0001	\$11,142,560.87	\$15,377,585.19
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
Central Office for Recovery, Reconstruction and Resiliency	\$ 157,459.97	\$ 289,773.96
Department of Economic Development and Commerce	\$ 0.00	\$ 4,987.37
Economic Development Bank of Puerto Rico (BDE)	\$ 8,471,617.80	\$ 25,536,698.59
Foundation For Puerto Rico	\$ 453,374.98	\$ 1,980,368.64
Invest Puerto Rico Inc.	\$ 3,865,993.50	\$ 4,122,180.98
Puerto Rico Department of Agriculture	\$ 1,581,047.54	\$ 2,314,139.38
Puerto Rico Department of Housing	\$ 82,341,645.94	\$ 262,828,113.85
Puerto Rico Housing Finance (AFV)	\$ 15,939,439.56	\$ 34,968,632.71
University Of Puerto Rico	\$ 3,255.44	\$ 87,236.84

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	77.08%	86.64%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$6,260,849,035.00	\$6,893,733,221.00	\$47,905.14
Limit on Public Services	\$.00	\$407,500,000.00	\$7,157.34
Limit on Admin/Planning	\$.00	\$783,891,950.00	\$330,492.46
Limit on Admin	\$.00	\$486,398,100.00	\$322,178.35
Most Impacted and Distressed	\$.00	\$9,717,962,000.00	\$119,603,702.79

Overall Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH) hired an additional eight (8) staff members. These hires included: Two (2) Legal Specialists, one (1) Financial Specialist, one (1) Title Clearance Specialist, one (1) Public Outreach Specialist, two (2) Secretaries, and one (1) Technical Specialist for the Housing programs. These hires will assist in general management, oversight and coordination of the CDBG-DR grant as a whole. The Legal Division continue to add new staff to ensure compliance with Section 3, Fair Housing Policy, federal, state, and local regulations, as there has been an increase in executed contracts, Subrecipient Agreements (SRAs) and amendments in the current reporting period. The Housing sector added a new specialist to continue recovery efforts and ensure proper project implementation to accomplish the desired outcomes. The Public Outreach Specialist will assist in public awareness and knowledge about programs's progress and provide information so that the public can understand project goals and how these programs are making a positive impact in the community.

Regarding oversight and monitoring overall program performance, the PRDOH's Monitoring Team continued conducting remotely on-site monitoring events, because of the circumstances presented by COVID-19, and started to conduct on-site monitoring events as the situation began to normalize for subrecipient's operations. During this period, 19 remote on-site monitoring events were conducted under the R3 Program, including 17 to Municipalities, and two (2) to Program Management service providers, and four (4) on-site monitoring events were initiated to Construction Managers, for a total of 23 on-site monitoring events. In addition, nine (9) Financial monitoring reviews were conducted to four (4) entities under the R3 Program, two (2) under the Housing Counseling Program, one (1) under the Small Business Financing Program, one (1) under the Rental Assistance Program, and one (1) under the Non-Federal Match Program. Although, these events were conducted and completed during the reporting quarter, some of the reports are expected to be issued during the month of July 2021. The Team also completed one (1) additional remote monitoring event to Discover Puerto Rico under the Tourism and Business Marketing Program. In addition, two (2) capacity assessments were initiated to the Department of Economic Development and Commerce (DDEC) for the Economic Development Investment Portfolio Program, which withdrew from the Capacity Assessment process, and to the Department of Agriculture of Puerto Rico for the Re-grow PR Urban-Rural Agriculture Program. In addition, the Monitoring Team participated in a HUD Technical Assistance session to discuss regulatory requirements related to Capacity Assessment, and follow-up on the recommendations made on the previous session with the intention of standardizing the capacity evaluation processes in compliance with HUD's guidance for subrecipient capacity evaluation criteria, and as indicated in regulation under the Uniform Guide in 2 CFR 200. As a result, the Monitoring Team is still reviewing the final adjustments made to the Capacity Assessment Standard Operating Procedures (SOP) and related documentation to standardize this process. Time was invested in requesting subrecipients to provide certifications stating compliance with Single Audit requirements, in compliance with 2 CFR 200 Subpart F. The team continued the capacity building of the Monitors during the monitoring events and through the participation in several training and/or technical assistance sessions. There were no changes in staffing during this period; however, interviews were conducted in an effort to fill the vacant positions in the new organizational chart and positions for the Monitoring Team as approved by local regulatory agencies.

At the end of the reporting period, six (6) processes were Awarded, two (2) processes were Cancelled, thirteen (13) processes were in Pre-Solicitation, one (1) process was in Solicitation and fourteen (14) processes were in Offers Evaluation. PRDOH reviewed and approved several program documents, including program guidelines, agreements, policies and



amendments to existing documents.

On June 10, 2021, PRDOH reviewed, approved, and issued the second version of the Whole Community Resilience Program Guidelines. Also pertaining to the Planning Sector, a second version of the Puerto Rico Geospatial Framework Program Guidelines was published on June 28, 2021. Subrecipient Agreements were executed under the Municipal Recovery Planning Program for the following Municipalities: Lares, Aibonito, and Canaánvanas.

From the Housing Portfolio, the Community Energy and Water Resilience Installations Program Guidelines were published on May 4, 2020. Related to the Social Interest Housing Program, eleven Subrecipient Agreements were executed with eligible Non-Profit Organizations.

From the Economic Development Section, the following Program Guidelines were approved and published during this period: a second version of the Tourism & Business Marketing Program, posted on May 5, 2021; a fourth version of the Small Business Financing Program Guidelines, published on May 4, 2021; as well as a fourth version of the Re-Grow Puerto Rico Program Guidelines, issued on April 20, 2021. Eleven (11) Subrecipient Agreements were also executed with eligible entities, eight (8) for the Small Business Incubators and Accelerators Program and three (3) for the Workforce Training Program.

Pertaining to the Infrastructure Programs, a third version of the Non-Federal Match Program Guidelines was published on June 17, 2021. From the Non-Federal Match Program, Subrecipient Agreements were executed with the following Municipalities: Villalba; Camuy; Bayamán; Florida; and Cabo Rojo.

Other agreements and Memorandums of Understanding were executed with Governmental entities to establish procedures by which PRDOH may exchange data, subject to the Personally Identifiable Information, Confidentiality, and Nondisclosure Policy (PII Policy). Subrogation and Assignment Agreements were also executed between PRDOH and the Municipalities that are Subrecipients under the City Revitalization Program, in compliance with the dispositions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Several Memorandums of Understanding were also executed with Municipalities to award Grant Administrative Costs in order for them to conduct administrative tasks and comply with eligible CDBG-DR projects requirements.

A third version of the Cross-Cutting Guidelines, applicable to all CDBG-DR Programs, was approved and published on June 8, 2021. A second version of the CDBG-DR Section 3 Policy was approved and published on June 28, 2021, in compliance with new federal regulations.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
B-17-DM-72-0001	\$0.00	\$0.00	\$0.00
B-18-DP-72-0001	\$0.00	\$0.00	\$0.00
B-18-DP-72-0001	\$0.00	\$0.00	\$0.00
Administration B-17-DM-72-0001, Administration	\$12,824,836.66	\$486,398,100.00	\$60,037,039.47
B-17-DM-72-0001	\$4,493,541.37	\$75,358,950.00	\$44,939,454.14
B-18-DP-72-0001	\$8,331,295.29	\$411,039,150.00	\$15,097,585.33
Economic B-17-DM-72-0001, Economic	\$12,528,795.71	\$335,000,000.00	\$30,056,918.22
B-17-DM-72-0001	\$12,528,795.71	\$117,500,000.00	\$30,056,918.22
B-18-DP-72-0001	\$0.00	\$217,500,000.00	\$0.00
Economic B-18-DP-72-0001, Economic	\$1,738,507.51	\$892,500,000.00	\$2,603,913.34
B-17-DM-72-0001	\$0.00	\$0.00	\$0.00
B-18-DP-72-0001	\$1,738,507.51	\$892,500,000.00	\$2,603,913.34
Economic Non RLF B-17-DM-72-0001, Economic Non RLF	\$159,411.19	\$90,000,000.00	\$378,274.65
B-17-DM-72-0001	\$159,411.19	\$47,500,000.00	\$378,274.65
B-18-DP-72-0001	\$0.00	\$42,500,000.00	\$0.00
Housing B-17-DM-72-0001, Housing	\$73,400,342.11	\$4,592,530,619.00	\$195,832,301.65
B-17-DM-72-0001	\$72,821,929.10	\$1,003,570,050.00	\$195,253,888.64
B-18-DP-72-0001	\$578,413.01	\$3,588,960,569.00	\$578,413.01
Housing B-18-DP-72-0001, Housing	\$9,687,866.37	\$300,000,000.00	\$13,703,444.86
B-17-DM-72-0001	\$0.00	\$0.00	\$0.00
B-18-DP-72-0001	\$9,687,866.37	\$300,000,000.00	\$13,703,444.86
Infrastructure B-17-DM-72-0001, Infrastructure	\$827,294.38	\$1,436,039,431.00	\$22,526,524.11
B-17-DM-72-0001	\$827,294.38	\$100,000,000.00	\$22,526,524.11
B-18-DP-72-0001	\$0.00	\$1,336,039,431.00	\$0.00
Infrastructure B-18-DP-72-0001, Infrastructure	\$0.00	\$0.00	\$0.00
B-17-DM-72-0001	\$0.00	\$0.00	\$0.00
B-18-DP-72-0001	\$0.00	\$0.00	\$0.00
Multi-Sector B-17-DM-72-0001, Multi-Sector	\$486,423.05	\$1,298,000,000.00	\$1,173,100.10
B-17-DM-72-0001	\$31,548.51	\$23,000,000.00	\$56,145.10
B-18-DP-72-0001	\$454,874.54	\$1,275,000,000.00	\$1,116,955.00
Multi-Sector B-18-DP-72-0001, Multi-Sector	\$0.00	\$0.00	\$0.00
B-17-DM-72-0001	\$0.00	\$0.00	\$0.00



B-18-DP-72-0001	\$0.00	\$0.00	\$0.00
Planning B-17-DM-72-0001, Planning	\$1,161,806.50	\$297,493,850.00	\$5,821,895.10
B-17-DM-72-0001	\$1,161,806.50	\$140,250,000.00	\$5,821,895.10
B-18-DP-72-0001	\$0.00	\$157,243,850.00	\$0.00

Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	0	42
Monitoring Visits	0	42
Audit Visits	0	0
Technical Assistance Visits	0	0
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	35

