

Grantee: Puerto Rico

Grant: B-19-DF-72-0001

April 1, 2022 thru June 30, 2022 Performance Report

Grant Number: B-19-DF-72-0001	Obligation Date:	Award Date:
Grantee Name: Puerto Rico	Contract End Date: 01/05/2028	Review by HUD: Submitted - Await for Review
Grant Award Amount: \$36,424,000.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$36,424,000.00	Estimated PI/RL Funds:	
Total Budget: \$36,424,000.00		

Disasters:

Declaration Number

FEMA-4473-PR

Narratives

Disaster Damage:

On December 28, 2019, an increase in seismicity started an earthquake sequence with an event of magnitude 4.7 that shook a population that had never experienced a seismic event of this power before.¹ Although the archipelago of Puerto Rico lies in a tectonically active region, the Island had not been struck by a major earthquake since the year 1918. Earthquakes differ from other natural hazards, such as floods, hurricanes, or wildfires, in that earthquake swarms can last for weeks, years, or decades, rather than occurring as just one event or season. Additionally, earthquakes represent a particularly severe threat due to irregular time intervals between these events, lack of adequate forecasts, and the catastrophic damage that can occur as a result of a significant event of this nature. An earthquake is caused by the release of stored energy within, or along the edge of, the tectonic plates of the Earth. They are characterized by a sudden shaking of the earth. The severity of an earthquake depends on its place of origin (epicenter) and the amount of energy released. Upon the occurrence of the earthquake, seismic waves radiate from the earthquake source, causing the shaking of the earth. The severity of the tremor increases as energy is released and decreases according to its distance from the epicenter. The tremors can be felt hundreds of miles from its epicenter. The intensity of shaking is the result of several factors, such as: the extent and type of earthquake, the distance from the epicenter, the area's soil conditions, and the relative orientation of the site with respect to the seismic event.²

On January 7, 2020 a 6.4 magnitude earthquake, the mainshock of the 2020 Southwest Puerto Rico earthquake sequence, displaced thousands of Puerto Ricans from their homes and resulted in extensive damage to the Island's built environment including individual homes and critical infrastructure. This early January earthquake led to a confirmed fatality and island-wide power cuts. As of January 10, 2020, three (3) more persons died because of health conditions that local officials indicated might be related to the temblor's effects.³

Major Disaster Declaration DR-4773-PR & HUD CDBG-DR Allocation

On January 11, 2020, the Governor of Puerto Rico, Wanda Vázquez Garced, requested that President Trump declare an expedited major disaster as a result of the continuous seismic activity on the Island. The United States President declared an emergency under the Stafford Act on January 7, 2020, which initially authorized assistance for emergency protective measures. On January 16, 2020, President Trump signed the major disaster declaration DR-4773-PR authorizing the Federal Emergency Management Agency (FEMA) to provide aid for Individual Assistance (IA) and Public Assistance (PA) in the designated areas, and Hazard Mitigation throughout Puerto Rico. Additionally, the major disaster declaration authorized Small Business Administration (SBA) Disaster Loans. Responsibility for PA administration was delegated to the Central Office of Recovery, Reconstruction, and Resiliency (COR3).

Public Law 116-20 appropriated \$2,431,000,000 through the Community Development Block Grant Disaster Recovery (CDBG-DR) program. The funds were



Disaster Damage:

to be used to address specific infrastructure needs of select 2017 disasters, remaining unmet disaster recovery needs for disasters in 2018 and 2019, and provide any remaining funds to support mitigation activities for 2018 disasters. On January 2021, HUD published the Federal Register Notice Vol. 86 No. 3 (Wednesday, January 6, 2021), 86 FR 569, which allocated a total of \$85,291,000 in CDBG-DR funds to multiple grantees appropriated by the Additional Supplemental Appropriations for Disaster Relief Act, among which the Commonwealth of Puerto Rico was allocated a total of \$36,424,000. As per the Federal Register 86 FR 569, the Municipalities of Guánica, Yauco, Guayanilla, and Ponce were the HUD-identified Most Impacted and Distressed (MID) areas, and these were required to be given funding priority in the recovery from the disasters caused by the 2019-2020 seismic sequence.

Recovery Needs:

PRDOH analyzed the unmet needs, considering the preliminary assessments completed to date by the U.S. Federal Government under FEMA response and factors in long-term resilience based on historical methods. Although the grantees receiving an allocation for a 2018 or 2019 disaster may propose the use of funds for unmet economic revitalization and infrastructure needs, the Federal allocation notice and prior notices, require grantees to primarily consider and address its unmet housing recovery needs.⁴ Since data from prior disasters indicates that initial FEMA loss estimates often underrepresent the full breadth of impact, either through unit counts or with loss estimates, PRDOH has utilized methodologies, based on HUD frameworks, and applied indicators to extrapolate impact for residents who may not have been fully evaluated in the initial assessments. This has provided an initial assessment of approximately \$1,035,000,000 in housing impact throughout the island, for which \$43,582,442 had been made available until May 2020 from FEMA through the Individual & Households Program (IHP) program. Accounting for structural hardening costs needed to withstand continued ground movement, the estimate is an initial \$1,368,156,231 in housing unmet need based on FEMA indicators adjusted for HUD rebuilding estimates. However, PRDOH recognizes that HUD conducted an analysis that calculated the Serious Unmet Housing Need for the MID Areas, based on best available data from FEMA and SBA. The breakdown of said assessment is shown in Table 1 below. This assessment was taken into consideration for the distribution of the funding set-asides for the CDBG-DR Housing Program. It is important to differentiate the needs assessment that was conducted to calculate the \$1,324,284,531 in housing unmet need, which was part of an analysis that is traditionally used to extrapolate impact and account for resiliency, from the HUD-identified serious unmet housing need estimate. Firstly, HUD data extracts the serious damage amounts from SBA and FEMA data for a point in time, whereas the needs assessment estimates hope to account for consequential impact that was not captured and other jurisdictions not identified as MID Areas, even beyond Municipalities that are not within the disaster declaration area.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$36,423,460.00
Total Budget	\$0.00	\$36,423,460.00
Total Obligated	\$833.84	\$833.84
Total Funds Drawdown	\$393.88	\$393.88
Program Funds Drawdown	\$393.88	\$393.88
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$393.88	\$393.88
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
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
Overall Administration	\$ 0.00	\$ 0.00
Puerto Rico Department of Housing	\$ 393.88	\$ 393.88



Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$25,496,800.00	\$.00	\$.00
Limit on Public Services	\$5,463,600.00	\$.00	\$.00
Limit on Admin/Planning	\$7,284,800.00	\$.00	\$.00
Limit on Admin	\$1,821,200.00	\$.00	\$.00
Most Impacted and Distressed	\$29,139,200.00	\$36,423,460.00	\$.00

Overall Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH) completed the following tasks in support of the Seismic Housing Repair and Reconstruction program. Several meetings have been held with the six participating municipalities affected by the seismic events. The SRA for the consortium is in development and technical assistance meetings for the consortium team members are being scheduled for July. Changes are being made to the Program Guidelines and the Action Plan in order to add other earthquake-affected municipalities, Peñuelas and Lajas, and the municipality of Mayaguez that was affected by the storm Isaías (87 FR 6364). The changes to the guides and action plan also include the new allocation and relocation.

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
Administration B-19-DF-72-0001, Administration	\$393.88	\$1,821,200.00	\$393.88
Housing B-19-DF-72-0001, Housing Rehabilitation and	\$0.00	\$34,420,680.00	\$0.00
Planning B-19-DF-72-0001, Planning	\$0.00	\$182,120.00	\$0.00

