

Response of the Federal Government to Puerto Rico Since Hurricane Maria

It has been almost four years since Hurricanes Irma and Maria devastated Puerto Rico. It was an unprecedented natural weather disaster that neither the federal or local government could manage. The disaster clearly revealed Puerto Rico's unique economic, social, political, environmental and infrastructure vulnerabilities.

Since 2018, approximately \$62 billion has been allocated to Puerto Rico in federal disaster funding for rebuilding post-Maria. However, damage estimates exceed \$100 billion, leaving approximately \$43 billion in uncovered damages. (The Puerto Rican government [estimated](#) that the island suffered \$139 billion in damage.)

In addition to the loss of life, some of the industries hit the hardest included manufacturing and agriculture. Additionally, there was catastrophic damage to the island's infrastructure.

As a result, [3.2 million](#) U.S. citizens struggled to live through the [longest blackout in U.S. history \(11 months\)](#) and the [largest disruption to energy customers in US history by a longshot](#). Thousands did not survive. Estimates of deaths following

Hurricanes Irma and Maria range from 3,000 to over 4,500. [One-third of the deaths](#) were attributed to delayed or interrupted health care.

The response by the federal government was hampered from the outset by a lack of familiarity and sensitivity to cultural norms, local government and institution structures, a unique legal framework, and language barriers. The lack of cultural and language competence coupled with opaque processes, political interference alternating with the complete indifference of the Trump administration, and unprecedented bureaucratic barriers imposed on Puerto Rico, has undermined and severely hampered recovery and rebuilding efforts on the archipelago.

The U.S. government response [was slow and underwhelming, especially when compared](#) to the assistance offered by [the Trump administration after Hurricane Harvey](#) which ravaged Texas and the southeast just weeks before Irma and Maria. [Numerous analyses](#) show that the [disaster response to the three areas](#) - Texas, Florida, and Puerto Rico - impacted by hurricanes within weeks of each other did not align with storm severity and likely affected deaths and recovery rates.

Supplies and aid delivered by FEMA nine days after each storm:

	MEALS	WATER (IN LTS.)	TARPS	PERSONNEL SENT
TEXAS (HARVEY)	5.1 MILLION	4.5 MILLION	20,000	30,000
FLORIDA (IRMA)	10.9 MILLION	7 MILLION	98,000	22,000
PUERTO RICO (MARIA)	1.6 MILLION	2.8 MILLION	5,000 1	0,000

Source: "How the Response To Hurricane Maria Compared to Harvey and Irma." PBS, Frontline (May 1, 2018). Einbinder, Nicole. Full chart [here](#).

Response of the Federal Government to Puerto Rico Following Earthquakes

From December 2019 through December 2020, while the island was still waiting for federal aid for Maria, Puerto Rico experienced over 9,000 earthquakes and aftershocks, including the [strongest series of earthquakes](#) felt in Puerto Rico in over a century. Hundreds of buildings and thousands of homes were destroyed, resulting in an [estimated \\$3.1 billion in damage](#). Many people slept outside with their families for months out of fear that their homes would collapse. Although the U.S. House of Representatives [passed a disaster aid bill](#) intended to help Puerto Rico recover from the earthquakes, the bill was never passed in the [Republican controlled](#) U.S. Senate and faced a [veto threat from President Trump](#). **To date, Congress has not appropriated any disaster funds to help Puerto Rico address the resulting damage from the 2020 earthquakes.**

In May 2021, nearly three and a half years after Hurricane Maria, it was estimated that families in 18,000 homes were still living under blue tarps. Only 34 of those homes have been reported as repaired or reconstructed under the Puerto Rico Housing Department's CDBG-DR Repair, Reconstruction or Relocation

Program (R3 Program). Not only homes that have blue tarps are in need of repair. Out of the tens of thousands in need, as of September 12, 2021 only a total of 1,633 houses had been repaired or reconstructed by the R3 Program. These numbers give us some idea about how much more needs to be done to truly help people and achieve a fair and sustainable recovery in the island.

Four Years of Ongoing Crises

For the past four years since Hurricane Maria, while the island has fought to receive federal dollars to rebuild following Maria and historic earthquake events, the island has experienced an ongoing state of crises. Continued [energy insecurity](#), devastating tropical storms and hurricanes (like [Isaias](#) in July 2020 during the Covid-19 pandemic), repeated [droughts](#) leading to water restrictions, damaging [flooding](#) on a regular basis, and severe [austerity](#) in public services imposed to repay debt, plus unemployment, growing food insecurity, and a severe public health care burden as [a result of the pandemic](#) have left the island and its residents battered and exhausted.

Federal Funding for Puerto Rico in Response to Hurricane María - Where Does it Stand?

As of September 2021, of the [\\$62 billion](#) “appropriated” to Puerto Rico for hurricane disaster relief, around \$44 billion has been “obligated.” **Only \$18 billion, or 29% of the federal funds allocated, have been “disbursed.”**¹ (Puerto Rico Disaster Recovery Transparency Portal [COR3 Financial Analysis and Summary updated 9/6/21.](#))

FEMA is the lead federal agency responsible for assisting Puerto Rico to recover from disasters. **Nearly 82 percent of the \$62 billion appropriated by Congress in 2018 following Maria are allocated through two federal agencies: FEMA programs** (Department of Homeland Security (DHS) Federal Emergency Management Agency), **and HUD-CDBG programs** (Department of Housing and Urban Development (HUD) Community Development Block Grants). Locally, FEMA collaborates with the Puerto Rico Central Office of Recovery, Reconstruction, and Resiliency (“COR3”), and HUD works with the Puerto Rico Housing Department, [Departamento de Vivienda](#).

FEMA FUNDING POST-MARIA SUMMARY - \$30.6 BILLION

As of September 2021, from the \$30.6 billion allocated to FEMA’s Public Assistance, Individual Assistance and Hazard Mitigation programs, only \$7.05 billion have been disbursed.

FEMA PUBLIC ASSISTANCE - \$25,165,210,203

FEMA’s public assistance (PA) program works in partnership with Puerto Rico to provide funds to rebuild damaged infrastructure and restore services. FEMA-PA grants to state agencies, municipalities, and private non profits are administered by the Government of Puerto Rico. As of September 6, 2021, \$25,165,210,203 has been allocated and obligated. **\$4.52 billion or about 18 percent has been disbursed.** (Puerto Rico Disaster Recovery Transparency Portal [COR 3 FEMA Public Assistance Program Financial Summary updated 9/6/21.](#))

FEMA INDIVIDUAL ASSISTANCE PROGRAM - \$2,530,021,149

Provides financial help and direct assistance to individuals and households, as well as territorial and local governments who have sustained losses due to disasters. As of September 6, 2021, around **\$2.5 billion have been allocated and obligated.** \$2.5 billion or 100 percent has been disbursed. and disbursed. (Puerto Rico Disaster Recovery Transparency Portal [COR3 Individual Assistance Programs Summary updated 9/6/21.](#))

¹The Federal Appropriations Process and Disaster Assistance | Congress makes decisions about spending specific funds through a complicated “appropriations process.”The key concepts to understand in this process are:

- First, Congressional committees of jurisdiction draft and negotiate appropriation bills, which provide the legal authority to obligate and spend money from the U.S. Treasury.
- Second, funds are then allocated, sometimes by legislation, but most often by the Office of Management and Budget (“OMB”), which authorizes the transfer of funds from a global appropriation account to fund a specific program run by a government agency.
- Third, funds are then obligated, this occurs when a government agency makes a definite commitment that generates a legal liability of the federal government for the payment of goods and/or services.
- Finally, an expenditure or outlay occurs when a specific amount is paid by a federal agency. In plain language, this is when the U.S. Treasury writes [disburses] a check to pay for the program.

Source: Center for a New Economy CNE [“Taking Stock of Puerto Rico’s Reconstruction Process.”](#) Sergio M. Marxuach (May 27, 2020)

FEDERAL FUNDING FOR PUERTO RICO

FEMA HAZARD AND MITIGATION FUNDS - \$2,998,722,283

The FEMA Hazard Mitigation Grant Program focuses on risk reduction and the protection of life and property from future hazard events. The grant is administered and implemented by Puerto Rico's COR3. As of September 6, 2021, \$147,592,772 has been obligated. **\$4.42 million or approximately 15 percent has been disbursed.** (*Puerto Rico Disaster Recovery Transparency Portal COR3 Hazard Mitigation Assistance updated 9/6/21.*)

The \$30.6 FEMA funds are allocated as follows:

FEDERAL FEMA FUNDING ALLOCATED TO PUERTO RICO IN RESPONSE TO MARIA

PROGRAM	FUNDS ALLOCATED
FEMA - PA (Public Assistance)	\$25,165,210,203
FEMA - IA (Individual Assistance Program)	\$2,530,021,149
FEMA - MIT (Hazard Mitigation Program)	\$2,998,722,283
TOTAL ALLOCATED	\$30,693,953,635
TOTAL DISBURSED	\$7,055,276,807

HUD CDBG (DR/MIT/ENERGY) FUNDING POST MARIA SUMMARY - \$20.2 BILLION

The Community Development Block Grant (CDBG) Programs provide grants to states, cities, municipalities and non-profits to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Of the \$20 billion CDBG funds allocated, according to the [Center for a New Economy](#), as of March, 2021, \$3.2 billion (7.5 percent) had been obligated, and **only \$219 million or 1.08 percent had been disbursed.**

The \$20 billion CDBG funds are distributed as follows:

FEDERAL HUD FUNDING ALLOCATED TO PUERTO RICO IN RESPONSE TO MARIA

CDBG-DR	\$10,005,815,230
CDBG-MIT	\$8,285,284,000
Energy	\$1,900,000,000
TOTAL ALLOCATED	\$20,191,099,230
TOTAL DISBURSED (MARCH 2021)	\$219 MILLION

Challenges getting FEMA and CDBG disaster aid to the island

FEMA PUBLIC ASSISTANCE BARRIERS

Although Congress appropriated \$62 billion in federal funds for disaster relief and the reconstruction of Puerto Rico after Hurricanes Irma and Maria, the Trump administration placed restrictions that made it more difficult for the government of Puerto Rico and recovery partners to access the FEMA funds. See GAO's report *Puerto Rico Disaster Recovery: FEMA Actions Needed to Strengthen Project Cost Estimation and Awareness of Program Guidance*⁵ which found that guidance changes issued by the Trump administration caused unnecessary confusion and that barriers unique to Puerto Rico also placed by the Trump Administration, created challenges which slowed down implementing programs and accessing funds. The GAO made recommendations for improving FEMA processes in Puerto Rico. FEMA is the lead federal agency responsible for assisting U.S. localities following disasters..

FEMA INDIVIDUAL ASSISTANCE BARRIERS TO ASSISTANCE

As of July 2021, FEMA registered 1,126,413 claims under the Individual Assistance program. Unfortunately, FEMA [denied the vast majority of claims](#) (79 percent) under its Individuals and Households Program or [approved low payments](#), with only 232,429 cases approved for housing repair or replacement. Of 43,380 appeals submitted by [July 12, 2018](#), 34,332 - **nearly 80 percent of appeals - were also denied and classified as ineligible**, mainly because [FEMA would not recognize the type of property ownership documents](#) largely considered valid under Puerto Rican law.

Numerous reports have highlighted that [FEMA had a lack of trained personnel in Puerto Rico](#) – and had a [shortage of bilingual workers](#) that could communicate in Spanish with the majority of affected island residents. This, combined with the lack of broadband internet access in disaster zones and/or lack of technological equipment, as well as the lack of knowledge of local law by FEMA personnel and contractors, imposed nearly impossible barriers for individuals to access the much needed aid.

CDBG-DR BARRIERS TO ASSISTANCE

In January 2020, the Trump Administration imposed a [Federal Financial Monitor](#) to oversee the grant administration and disbursement process of disaster recovery funds to Puerto Rico. This was a requirement unique to Puerto Rico and created unnecessary bureaucratic oversight that slowed down the recovery process. Also, the allocation of the CDBG Mitigation (\$8.2 billion) and energy funds (\$1.9 billion) [were unfairly and deliberately delayed](#) by the Trump administration.

DISPLACEMENT BEFORE MITIGATION

The PR Department of Housing estimates that more than 200,000 homes in Puerto Rico are located within 100-year flood plains. Numerous [complaints](#) have been filed with HUD's Office of the Inspector General, for among other things, alleging that the Puerto Rico Action Plan for CDBG-DR funds [failed to address any disaster mitigation strategies](#), focusing instead on the relocation of families in flood plains. Individuals and communities should know all their potential mitigation alternatives before having to relocate. Single-home mitigation alternatives are not enough. Vivienda must provide technical assistance and participatory planning to evaluate community-level mitigation alternatives prioritizing safety and the right to decide where they want to live.

⁵U.S. Government Accountability Office. (Feb. 5, 2020). *Puerto Rico Disaster Recovery: FEMA Actions Needed to Strengthen Project Cost Estimation and Awareness of Program Guidance*. <https://www.gao.gov/products/gao-20-221>

Progress of CDBG-DR funds disbursement has moved at a glacial pace

Disbursement process for CDBG-DR funds

	P.L. 115-56	P.L. 115-123		P.L. 116-20	
Appropriation	\$1.507 billion <i>Housing & Econ.</i> Sep. 8, 2017	\$8.221 billion <i>Infrastructure</i> Feb. 9, 2018	\$8.285 billion <i>Mitigation</i> Feb. 9, 2018	\$1.9 billion <i>Electric Power</i> Feb. 9, 2018	\$277.85 million <i>Infrastructure</i> Jun. 6, 2019
Federal Register Notice	Published Feb. 9, 2018	Published Aug. 14, 2018	Published Jan. 27, 2020	-	Published Jan. 27, 2020
Action Plan & Amendments	Approved Jul. 29, 2018	3rd Amend. Approved Feb. 24, 2020	Approved Apr. 19, 2021	-	6th Amend. Approved Mar. 15, 2021
Grant Agreement	Executed Sep. 20, 2018	Partially Executed Feb. 4, 2020	-	-	-

Source: Disclosure Statement for the Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al., May 11, 2021, p. 122.



PROPERTY OWNERSHIP IN PUERTO RICO

Puerto Rico property law is different from those in the United States, and there is a historic issue of informal housing, especially in the most vulnerable communities. Many people lack a title or formal deed for their homes yet this presents no problem for the recognition of ownership under Puerto Rico laws. For the past four years, this has consistently been one of the main barriers for people to access much-needed federal emergency and recovery funds. Currently, many of the Puerto Rico CDBG-DR and CDBG-MIT programs continue to create barriers to access by requiring titles or deeds. When pushed to make these requirements more flexible, Vivienda often cites federal policy as the reason they cannot. After four years of denials based on the inability to meet this requirement (which is not required by federal disaster guidelines), the flexibility has been announced by FEMA. However, no provision for addressing the hundreds of thousands of denials based on this has been announced.

REIMBURSEMENT AND MATCHING FUNDS

Most non-profits in Puerto Rico are small by US standards and lack the financial capacity and cash flow required to participate in CDBG-DR or CDBG-MIT programs with reimbursement mechanisms and or matching fund requirements. Many community-based organizations cannot participate in the currently open Whole Community Resilience Planning Program due to its reimbursement funding structure which requires capital outlays prior to receiving reimbursement. HUD and PR Housing Department should waive reimbursement and matching funds requirements for local nonprofit organizations in order to facilitate maximum participation and get money to important stakeholders

LACK OF TRANSPARENCY

The lack of transparency to ensure accountability is another issue. In July 2020, [Hispanic Federation advocated for the creation of a R3 Program Dashboard](#). In February 2021, the R3 Transparency Portal was created. Despite this tremendous step forward, more data and information should be readily available (such as the number of houses with blue tarps that have been repaired or are still waiting to be repaired by the municipality).

LACK OF EFFECTIVE PUBLIC PARTICIPATION

Lack of effective public participation and community engagement from HUD and the PR Housing Department negatively impacts the sustainable recovery of the island. For example, the CDBG-Citizen Advisory Committee (CAC), which is one of the few spaces created for community groups, philanthropy, and other stakeholders to participate and provide feedback, is not yet fully active nor effective. Although it was reportedly reactivated on May 26, 2021, as of September 2021, there has been no meeting scheduled or agenda set. The Comite needs to democratically define its working structure and reconvene stakeholders. On June 10 and [September 10, 2021](#), the Hispanic Federation [submitted recommendations](#) to the Puerto Rico Department of Housing about how to improve CAC guidelines.

This lack of effective participation in programs and guidelines has resulted in public controversies, multiple guideline amendments, and even legislative investigations to address the ineffectiveness of programs, such as the R3 Program and Regrow. Communities know their needs best and are the first to come to the aid of their members after a natural disaster.

HUD should be providing best practices to Vivienda on how collaboration and participation can be improved.

“ Recovery has been hampered in Puerto Rico by the previous federal administration’s politicized response and suffering has been compounded. The federal government has an obligation to assess what harms were caused by the federal response and work to mitigate them. ”



The Biden administration has begun to remove barriers and release funding allocated by Congress to Puerto Rico

Under President Biden's leadership, the federal government has eliminated some of the bureaucratic barriers unfairly imposed by the previous administration to access funds.

- On February 2, 2021, the Department of Housing and Urban Development (HUD) finally began the [process of final approvals](#) of the Puerto Rico Housing Department's CDBG-MIT Action Plan, required prior to allocation of disaster funds, including the release of [\\$1.3 billion in CDBG-MIT funds to Puerto Rico for critical disaster and recovery funds](#).
- On April 19, 2021, the Department of Housing and Urban Development (HUD) removed the requirement of a [federal financial monitor as well as other barriers](#) to accessing \$8.2 billion in CDBG-DR funds.
- On April 19, 2021, HUD approved the current [CDBG-MIT Action Plan](#) to begin the development of guidelines to implement the programs under the \$8.2 billion CDBG-MIT funding.
- On July 22, 2021, the long-awaited reactivation of the [White House Puerto Rico Working Group](#) was welcomed as an important step to ensure interagency coordination of resources and technical assistance. However, the Working Group [must immediately engage](#) with Congress and Puerto Rico stakeholders, including community-based organizations that work directly with people most impacted to ensure disaster relief and other federal funds, including those intended for COVID relief and rebuilding the energy grid, are distributed in a timely, effective, and equitable manner.
- In July 2021, after years of efforts by local nonprofits, such as [Ayuda Legal Puerto Rico](#) and [Hispanic Federation](#), HUD [publicly clarified](#) that CDBG-DR funds do not have a federal requirement of "proof of ownership" and that any decision about requiring applicants to submit proof of ownership is up to the grantee - in this case the PR Housing Department (Vivienda). Also, HUD clarified that if a grantee CHOOSES to follow the HUD recommendation to require proof of ownership, there are several ways ownership can be documented that does not involve a deed or title.
- On September 2, 2021, FEMA also [relaxed the ownership documentation requirements](#) to increase access to assistance by disaster survivors across the country including in Puerto Rico. (This change was based on an executive order issued in January 2021, President Biden issued Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government.)