



The presentations today are part of a collection of studies included in a special issue of CENTRO Journal devoted to Post-Disaster Recovery in Puerto Rico and Local Participation.

These studies show evidence of :

- how post disaster recovery is progressing in Puerto Rico,
- the challenges and opportunities for local participation in reconstruction programs, and
- the potential of nonprofit organizations, municipalities, and local businesses to contribute to post disaster recovery in Puerto Rico.

To date, the available evidence leads to a portrait of an uneven recovery.

- The nonprofit and business sectors had a wide participation in the immediate emergency phase of the post-disaster recovery. They were primarily supported by private donations, with minimal support from the local or federal government.
- We also saw a flourishing of grassroots efforts for reconstruction and community resilience, integrating recovery from natural disasters and social reconstruction.

But nonprofit and grassroots organizing efforts are confronted with the challenge of how to build capacity to participate in disaster recovery programs. Their capacity to participate is constrained by the limited experience with housing and economic development, and

mitigation and resiliency-building programs. These programs constitute the bulk of the long-term post-disaster federal economic recovery programs.

In these introductory remarks, I discuss the context for understanding the ongoing recovery.

## Post-Disaster Recovery in Puerto Rico and Local Participation

Common indicators of post-disaster recovery include:

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- the renewal of business activity, and
- the successful restoration of damaged infrastructure such as housing, public infrastructure, and government services.

First, Common indicators of post-disaster recovery found in the literature include:

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- the renewal of business activity, and
- the successful restoration of damaged infrastructure such as housing, public infrastructure, and government services.

In this webinar, we examine empirical indicators associated with these different aspects of disaster recovery.

**Table 1 Federal Disaster Spending Data for All Disasters Declared in 2017, United States and Puerto Rico (Billions)**

	Allocated	Obligated	Outlayed
<b>United States(a)</b>	<b>118.6</b>	<b>81.3</b>	<b>42.1</b>
(%)	100%	68.5%	35.5%
DHS-FEMA	49.4	49.4	29.6
HUD	35.4	12.7	0.950
<b>Puerto Rico (b)</b>	<b>56.5</b>	<b>36.7</b>	<b>16</b>
(%)	100%	65.0%	28.3%
DHS-FEMA	29.4	29.4	13.8
SBA	2	2	1.3
HUD	19.9	3.2	0.112
CDBG-DR(FA)	1.5	1.5	0.112
CDBG-DR	8.2	1.7	--
CDBG-MIT	8.4	--	--
CDBG-DR(EP)	1.9	--	--
DOD(CE)	2.5	0.095	0.041

Source: FEMA's Spending Explorer, Data as of 9/30/2020.

Among these indicators, one key indicator is how much of the federal allocations for disaster recovery have been spent or outlayed.

Table 1 of the introduction, shows that Puerto Rico received \$56.5 billion, or about half of the total allocation of federal funding for disasters in 2017.

Of this total, \$36.7 billion, or 65% of the total, has been obligated or assigned to programs managed by different agencies. Yet, only \$16 billion have actually been spent, which account for 28.3% of the total allocation.

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Further examination of the data indicates that \$29.4 billion have been assigned to FEMA.

About half of this funding, 13.8 billion, have already been spent in public assistant programs corresponding to the emergency phase of recovery. The remaining portion of disaster recovery is devoted to long-term mitigation and infrastructure reconstruction programs.

HUD programs target long term recovery. Of the \$19.9 billion allocated by Congress to HUD for CDBG programs, only \$3.2 billion have been obligated to specific programs, and only \$96 million have been actually spent.

Based on a study of CDBG-DR action plans for disasters from 2003 to 2014 conducted by the Urban Institute, program implementation in Puerto Rico is taking twice longer than the typical timeline for other jurisdictions across the United States.

**Table 3 IRS Exempt Organization Returns Filed in Calendar Year 2019 (From 990 Forms)**

Sector	#	Revenue		Assets	
		Total	Average	Total	Average
Arts, Culture, and Human.	23	29,126,795	1,266,382	85,557,722	3,719,901
Cooperatives	16	141,527,602	8,845,475	2,525,222,028	157,826,377
Education	89	1,014,567,503	11,399,635	1,829,698,789	20,558,413
Health	81	1,378,082,922	17,013,369	1,495,944,636	18,468,452
Housing and Com. Devel.	58	46,655,404	804,404	173,006,470	2,982,870
CDC's	12	12,124,396	1,010,366	56,257,777	4,688,148
Human Services	117	176,099,476	1,505,124	200,975,876	1,717,743
Other Civic	53	167,839,988	3,166,792	158,677,918	2,993,923
Public Safety	29	76,149,905	2,625,859	514,656,348	17,746,771
<b>TOTAL</b>	<b>466</b>	<b>3,030,049,595</b>	<b>6,476,234</b>	<b>6,983,739,787</b>	<b>50,566</b>

Sources: <https://www.irs.gov/statistics/soi-tax-stats-annual-extract-of-tax-exempt-organization-financial-data>; and <https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-eo-bmf>

Community organizations play a critical role in disaster recovery.

Nonprofit organizations motivate volunteerism, assess local needs, and distribute goods and aid.

However, whether nonprofit organizations will be able and can successfully participate in disaster recovery programs in Puerto Rico remains an open question.

First, the nonprofit sector in Puerto Rico is relatively small employing 40,676 (or 4.4 percent) of the civilian population aged 16 and older. By comparison, in the United States, the nonprofit sector constitutes 10 percent of the workforce.

Table 3 of the introduction shows that the nonprofit sector in Puerto Rico comprises 1,510 organizations registered with the Puerto Rico State Department and 114 cooperatives registered with COSSEC. Of these 1,608 organizations, 466 were IRS exempt organizations and represent the more robust cohort of nonprofits in the island.

In 2019, based on 990 returns for calendar year 2018, nonprofits reported \$3 billion in total revenues and \$7 billion in assets.

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In comparison to the afore mentioned nonprofit sectors, the Housing and Community development cohort is, with the exemption of human services organizations, the weakest sub-sector, whether measured by average revenues or assets.

Community development corporations, or CDCs, are the most-ready organizations to participate in recovery program. This is because they have experience in and capacity for housing rehabilitation, reconstruction, and construction.

Yet, we identified only 12 CDCs, a very small fraction of all IRS exempt nonprofits.

This evidence points to the urgent task of strengthening the CDC infrastructure and to encourage more organizations to undertake community economic development projects in their neighborhoods.

## Post-Disaster Recovery in Puerto Rico and Local Participation

Takeaways from the data:

- Economic, population, and disaster program indicators offer a picture of an uneven and sluggish recovery.
- The nonprofit sector, with support from the philanthropic and private sectors and local businesses, had a strong initial response during the emergency phase of recovery.
- Implementation of disaster recovery programs, has been sluggish and largely divorced from engagement of local resources.
- Nonprofit participation in long-term recovery requires capacity building and inclusive public policy.

To conclude, three years after the 2017 hurricanes, economic, population, and disaster program indicators offer a picture of an uneven and sluggish recovery. In Puerto Rico.

The nonprofit sector, with support from philanthropy and local businesses, had a strong initial participation during the emergency phase of recovery.

But the island's transition to long-term recovery, which requires implementation of disaster recovery programs, has been sluggish and largely lacking engagement of local resources.

In sum, nonprofit participation in long-term recovery requires capacity building and inclusive public policy.

These are the topics that we will address today.

Thank you for listening.