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Eleventh Congressional Status Report on the Economic and Disaster Recovery Plan of Puerto Rico

Rebuilding Puerto Rico:
Picking Up the Pace from Recovery to Resilience

June 28, 2024

PUERTO RICO
**PUBLIC-PRIVATE
PARTNERSHIPS**
AUTHORITY



CENTRAL OFFICE FOR
**RECOVERY,
RECONSTRUCTION
AND RESILIENCY**



AAFAF Puerto Rico Fiscal Agency and
Financial Advisory Authority

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I. Introduction

In accordance with the Bipartisan Budget Act of 2018 ("BBA") P.L. 115-123, the Government of Puerto Rico ("GPR" or "Commonwealth") hereby submits the Eleventh Congressional Status Report ("Report") to the United States Congress to provide an update on the progress of Puerto Rico's Economic and Disaster Recovery Plan ("Recovery Plan").¹ As shown throughout this Report, the Puerto Rico Central Office for Recovery, Reconstruction, and Resiliency ("COR3")² is making significant progress to accelerate the pace of Puerto Rico's recovery efforts and toward fiscal transparency and accountability, implementing key improvements to achieve programmatic goals, and driving projects to successful completion. The reporting period for this Report spans from October 1, 2023, through March 31, 2024, capturing the latest advancements and initiatives in Puerto Rico's recovery journey.

Following the impact of Hurricane María (DR-4339) on September 17, 2017, damages across the Island were estimated to range between \$70.0 and \$90.0 billion. Presently, the Federal Government has allocated over \$85.7 billion³ to aid Puerto Rico's recovery through various funding channels.⁴ Key Federal awarding agencies, including the Federal Emergency Management Agency ("FEMA"), the Department of Health and Human Services ("HHS"), and the Department of Housing and Urban Development ("HUD"), have allocated funds to support the post-María recovery effort. That said, COR3 functions as the Recipient for FEMA funds, including funds received through the Public Assistance ("PA") Program, operating under Sections 428 and 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act ("Stafford Act")⁵, and the Hazard Mitigation Grant Program ("HMGP") under Section 404. Up to the date of this Report, FEMA alone has allocated \$49.2 billion to Puerto Rico.⁶ [Appendix A](#) provides an update on initiatives undertaken by other Federal agencies to support Puerto Rico's recovery efforts.

The main focus of this Report is on the FEMA funds allocated for Hurricane María under the PA Program and the HMGP and the significant progress achieved by the GPR during this reporting period. Despite the significant challenges faced by both the GPR and its Subrecipients, considerable achievements have been accomplished, as highlighted by FEMA's Region 2 Interim Progress Report titled *Puerto Rico: From Recovery to Resilience*, which states that "FEMA's efforts to help rebuild are paving the way for an unprecedented recovery and, in coordination with the Government of Puerto Rico, the pace of the recovery has gained momentum in the last several years, as new infrastructure, permanent repairs and reconstruction can be seen across the Island".

Furthermore, this Report demonstrates COR3's commitment to helping Subrecipients comply with both Federal and state regulations through intensified education and training initiatives aimed at ensuring maximum transparency and adherence to programmatic requirements in grant fund management, like the *Build Puerto Rico Llega a Ti* initiative. This specific program, which offers direct technical support to Subrecipients across Puerto Rico, has facilitated the development of

¹ On August 8, 2018, the GPR submitted the Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico ("Recovery Plan") to Congress. As required, updates are submitted every 180 days thereafter.

² COR3 was established on October 3, 2017, pursuant to Executive Order OE-2017-65, as amended by Exec. Order No. 2017-069 (November 10, 2017) and Exec. Order No. 2020-014 (January 31, 2020), to lead and coordinate Puerto Rico's recovery efforts, including those identified in the Recovery Plan.

³ An increase of \$1.9 billion since the Tenth Congressional Status Report.

⁴ COR3 Transparency Portal, <https://www.recovery.pr/en/financial-analysis/financial-summary#> accessed in March 2024.

⁵ 44 C.F.R. §201.6.

⁶ An increase of \$1.9 billion since the Tenth Congressional Status Report.

reconstruction projects in an efficient and compliant manner. These collaborative endeavors underscore a unified approach toward fostering resilience and promoting effective disaster preparedness.

Concurrent disasters such as the Earthquakes (DR-4473), the COVID-19 pandemic (DR-4493), and Hurricane Fiona (DR-4671) are also included in this Report in [Appendix B](#). Given that the priority of this administration is the recovery and reconstruction of Puerto Rico, this Report highlights the direct results of the accomplishments and efforts made toward executing Permanent Work projects. Additionally, it outlines the ongoing efforts to enhance resilience to effectively manage and prepare for future disasters.

II. Recovery Overview

In the wake of the devastation wrought by Hurricane María, Puerto Rico has embarked on a challenging journey towards recovery and reconstruction. Despite the challenges presented during Puerto Rico's recovery, significant progress has been achieved through collaborative efforts between the GPR, FEMA and Subrecipients. COR3 has played an important role in coordinating recovery efforts, ensuring efficient utilization of resources, and promoting transparency and accountability in project execution. The GPR and COR3 have maintained a relentless effort to develop and implement sustainable infrastructure projects, resulting in the obligation of over 98% of FEMA-approved María disaster funds. Presently, there are 3,664 Hurricane María-related projects in the engineering/design and permitting phase, totaling \$3.1 billion, while 4,510 projects are in the construction phase, totaling \$2.7 billion across the Island. Additionally, there are 11,120 damaged items earmarked for permanent work, representing \$4.3 billion in the planning phase. Furthermore, a total of 3,093 permanent work projects have been completed for a total of \$465.1 million, exceeding the \$317.0 million distributed among 2,231 projects previously reported in the Tenth Congressional Status Report.

An overview of the execution of permanent work projects by phase is illustrated in [Figure 1](#).⁷ Likewise, [Figures 2-5](#) show the projects in the design phase, procurement for the construction phase, construction phase, and completed projects, respectively.



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⁷ The Project Execution Dashboard reflects the data reported by Subrecipients in the last QPR corresponding to the period between January 1 and March 31, 2024.

Figure 1: Road to Recovery Project Execution Dashboard⁸

Execution Stage Overview

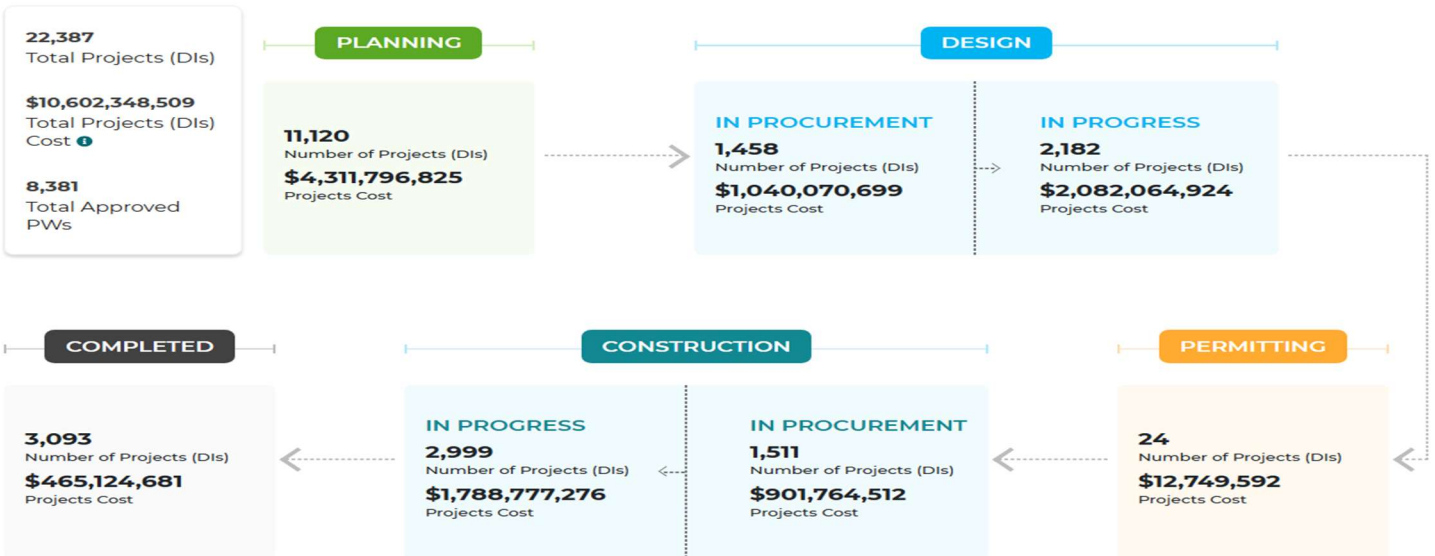
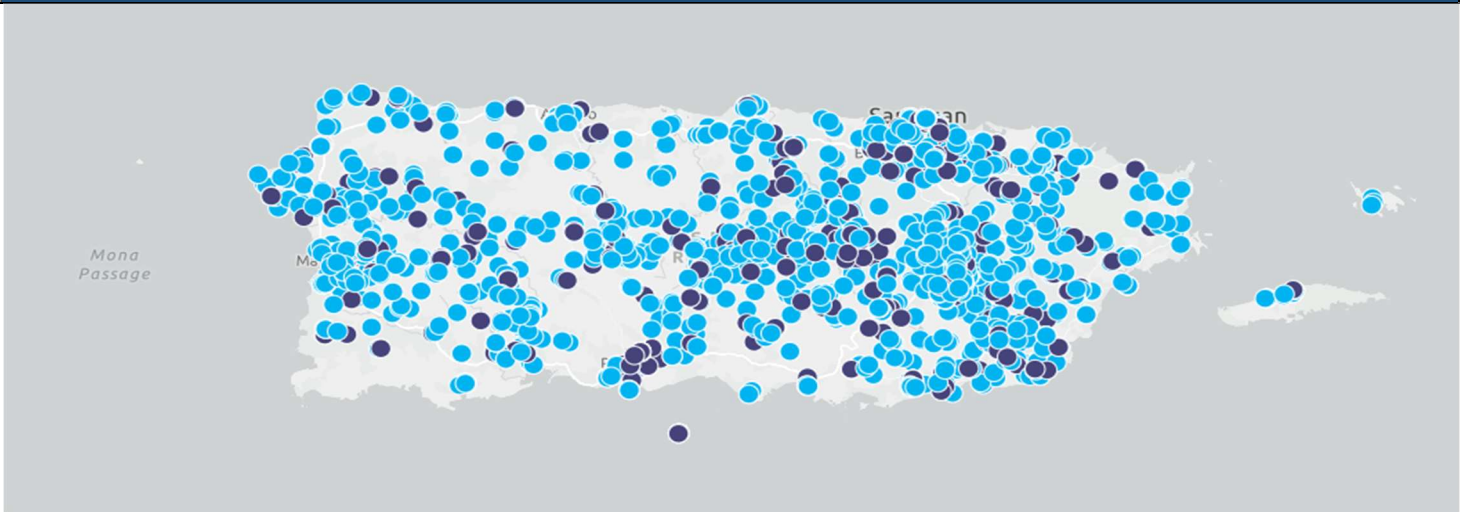


Figure 2: Road to Recovery Project Execution Dashboard – Design



⁸ The Project Execution Dashboard does not include data pertaining to the FEMA Accelerated Award Strategy ("FAAST").

Figure 3: Road to Recovery Project Execution Dashboard – Procurement for Construction

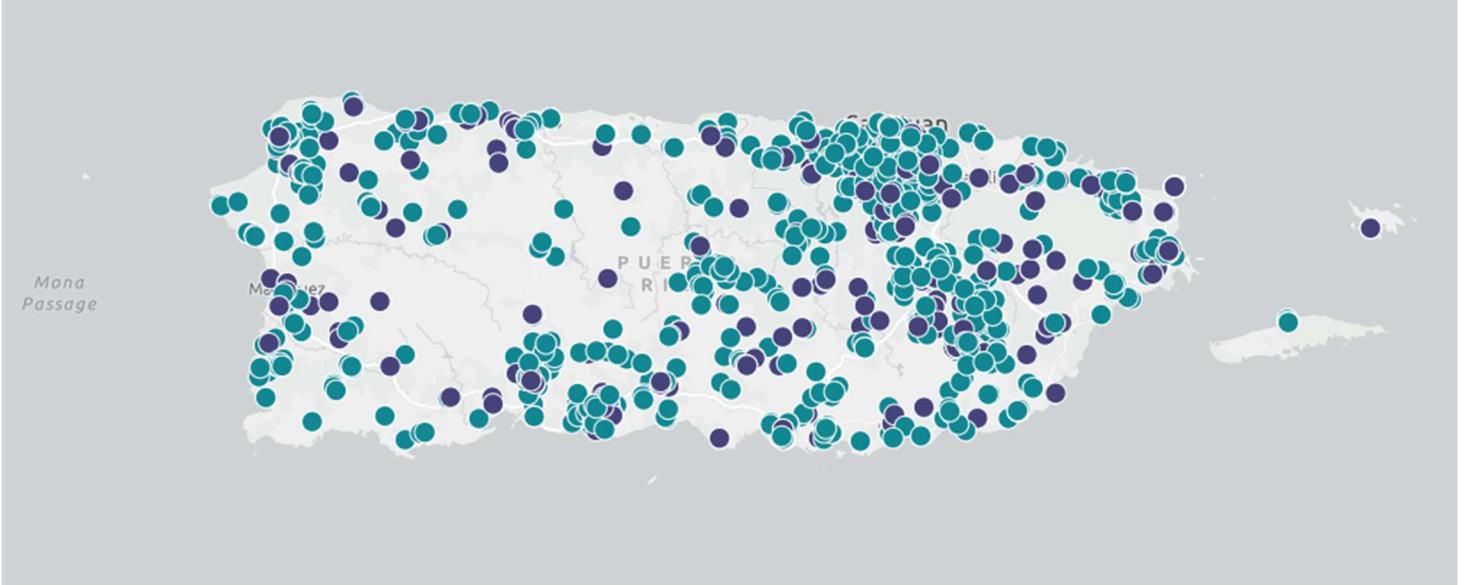
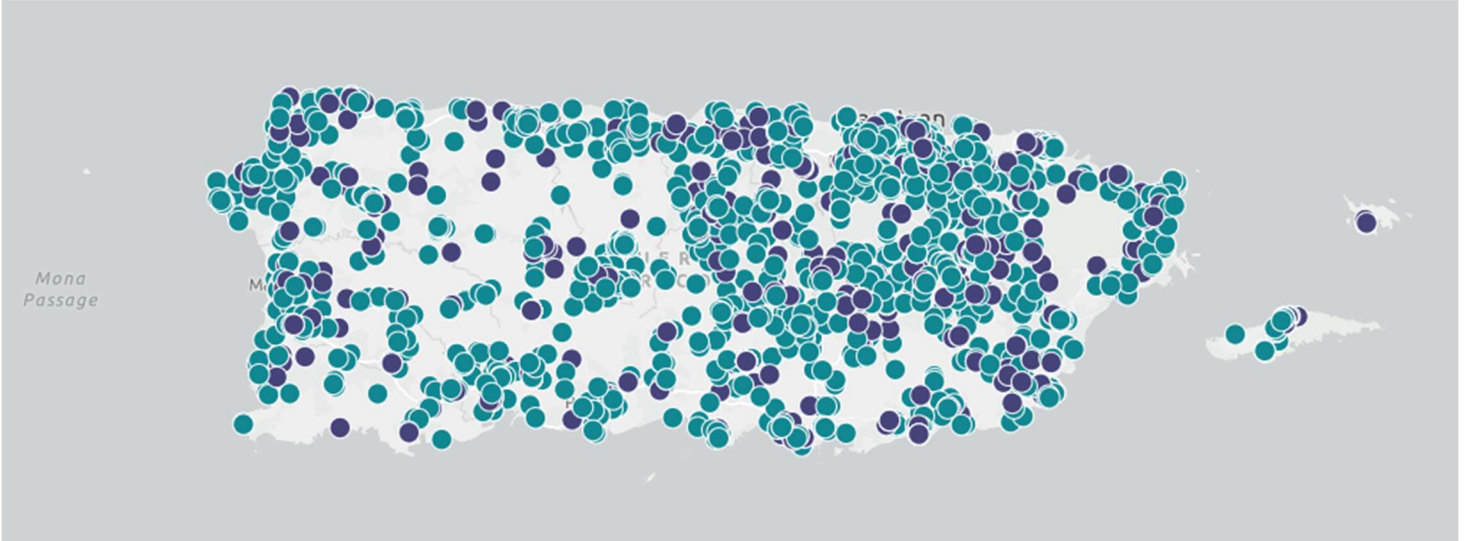
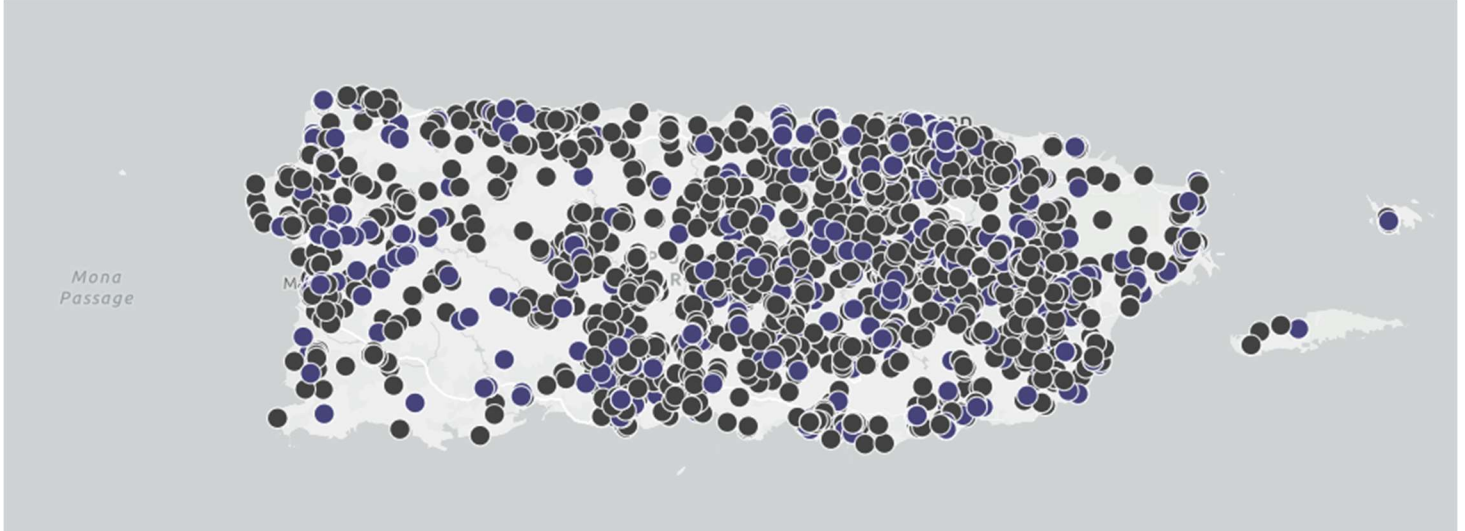


Figure 4: Road to Recovery Project Execution Dashboard – Construction



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Figure 5: Road to Recovery Project Execution Dashboard – Completed



Additionally, under the FEMA Accelerated Awards Strategy ("FAAST"), FEMA has obligated a Federal share of \$9.5 billion to the Puerto Rico Electric Power Authority ("PREPA"), \$3.7 billion to the Puerto Rico Aqueduct and Sewer Authority ("PRASA"), \$2.1 billion to the Puerto Rico Department of Education ("PRDE"), and \$554.0 million for the Puerto Rico Public Housing Authority ("PRPHA").

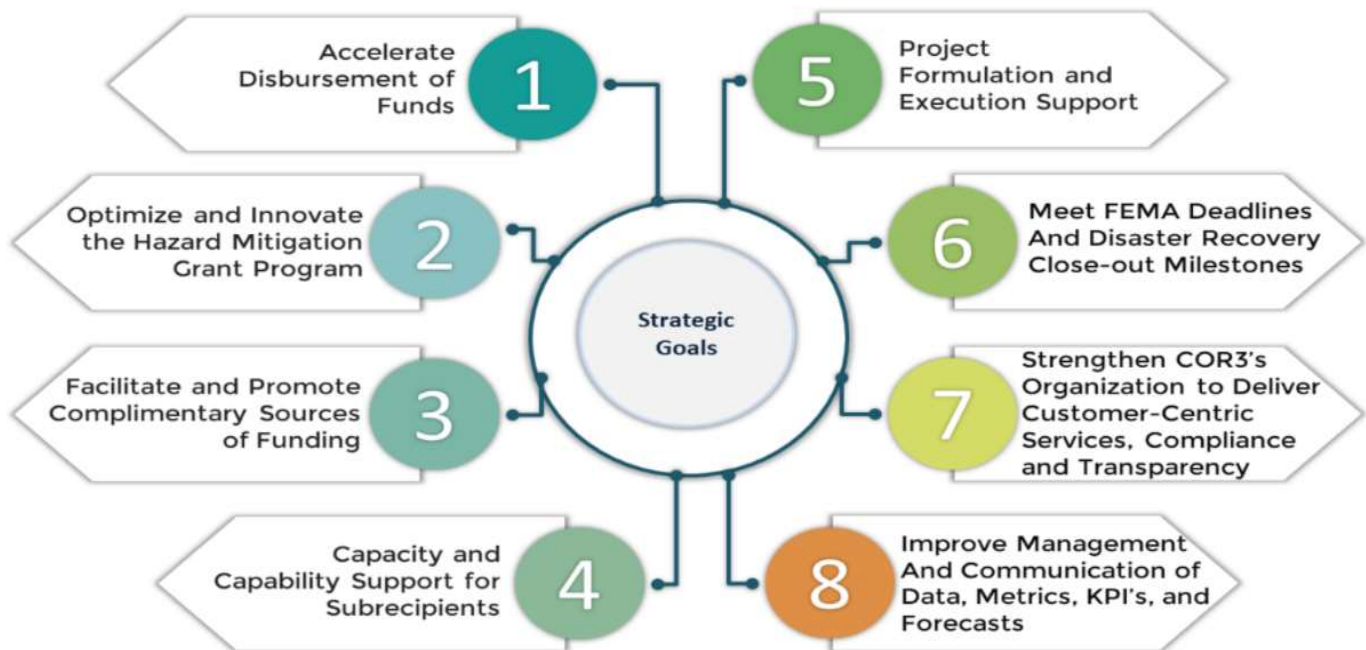
III. COR3 Strategic Goals

In 2021, COR3 established eight (8) strategic goals to guide GPR recovery priorities through 2024. These goals, detailed in [Figure 6](#) below, are intended to address the needs of Subrecipients during the disaster recovery process while striving for a more effective, resilient, and streamlined recovery process. These priorities are subject to regular monitoring and evaluation to ensure that they are being met with optimal performance and transparency.

This Report addresses the policies, improvements, and initiatives implemented by COR3 to achieve the objectives outlined below. Moreover, it focuses on providing Subrecipients with an optimized fund disbursement system, guiding them through the project execution stages, and providing technical assistance and project management support to expedite construction. The Report also covers the financial assistance provided by COR3 and the GPR to help Subrecipients overcome financial challenges, details the policy change requests submitted to FEMA, and describes the communication efforts to keep the public informed on Puerto Rico's recovery progress. Significant advancements have been made in each of these areas during the reporting period, as summarized below.

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Figure 6: COR3 Strategic Goals 2021-2024



IV. Recovery Progress for this Reporting Period

"Puerto Rico should serve as an example for other States and territories in terms of innovation and leading an unprecedented recovery". – Deanne Criswell, FEMA Administrator

In the aftermath of Hurricane María, COR3 has actively prioritized recovery efforts that promote sustainable economic growth and enhance infrastructure resilience and has made significant strides in accelerating the pace in which projects are obligated, formulated and executed. As Subrecipients of FEMA's PA program, including State Entities, Municipalities, and Private Non-Profits, focus on advancing project execution, COR3 remains committed to providing Subrecipients with technical assistance throughout the obligation, procurement, and construction phases. At the same time, COR3 is assisting Subrecipients in formulating the Scope of Work ("SOW") for Hurricane Fiona, which made landfall in September 2022. Various initiatives are currently underway to facilitate and accelerate the pace of project implementation and provide management support, including FEMA FAASt, the continuation of the Request for Working Capital Advance ("RFCA") Pilot Program, and the HMGP, among other significant endeavors. Likewise, additional funding streams are being explored and added to further advance recovery efforts.

A. Progress with FEMA Accelerated Awards Strategy

Hurricane María marked a significant chapter in FEMA's history and presented several challenges to the recovery efforts in Puerto Rico, which include the lack of technical expertise among applicants during the obligation and design phases of Large Projects, the high volume of inspections, and the time required to complete cost estimates for disaster-damaged areas. These challenges provided an opportunity to use Statistical Sampling Methodology ("SSM") to arrive at fixed cost estimates and to apply FEMA's FAASt to streamline recovery efforts.

In summary, the FAAsT methodology allows applicants to prepare a single Project Worksheet (“PW”) containing the estimated permanent work for all their projects within a master recovery budget. Nonetheless, applicants must provide a SOW for each project to comply with applicable regulations, industry standards, and program criteria. FEMA shall review and approve the SOW upon receipt, assessing compliance with Environmental and Historic Preservation (“EHP”) requirements and proposed hazard mitigation measures outlined in Section 406 of the Stafford Act.⁹





Presently, PREPA, PRASA, PRDE, and PRPHA have \$15.7 billion obligated for FAAsT projects: \$9.5 billion for PREPA, \$2.1 billion for PRDE, \$554.3 million for PRPHA, and \$3.7 billion for PRASA FAAsT projects. As of March 31, 2024, these State Entities have made significant progress in executing their obligated projects under FAAsT. Figures 7-9 provide an overview of current obligations and the status of the FAAsT projects by phase.

For this reporting period, there are 562 FAAsT approved projects, representing a total approved amount of \$6.3 billion, an increase of \$1.4 billion from the \$4.9 billion previously reported in the Tenth Congressional Status Report. Figure 8 provides an overview of project execution throughout the planning, design, permitting, construction, and completion phases.

Presently, there are 84 Hurricane María-related projects in the engineering/design and permitting phase, totaling \$1.8 billion, while 328 projects are in the construction phase, totaling \$2.1 billion across the Island. Additionally, there are 255 damaged items earmarked for permanent work, representing \$2.2 billion in the planning phase. Furthermore, a total of 164 permanent work projects have been completed for a total of \$271.1 million.

Figure 7: DR-4339 FAAsT Overview

Obligations by Agency

	Main PWs	Administrative Cost	Architecture & Engineering	Equipment & Materials	PA 428 + Additional HMP 406
 PRASA	\$3.7B	\$213.7M	\$265.0M	N/A	\$1.1B
 PRPHA	\$554.3M	\$21.7M	\$9.0M	N/A	\$1.1B
 PREPA	\$9.5B	\$620.2M	\$977.8M	\$1.4B	\$2.1B
 PRDE	\$2.1B	\$131.3M	\$178.3	N/A	\$1.3B

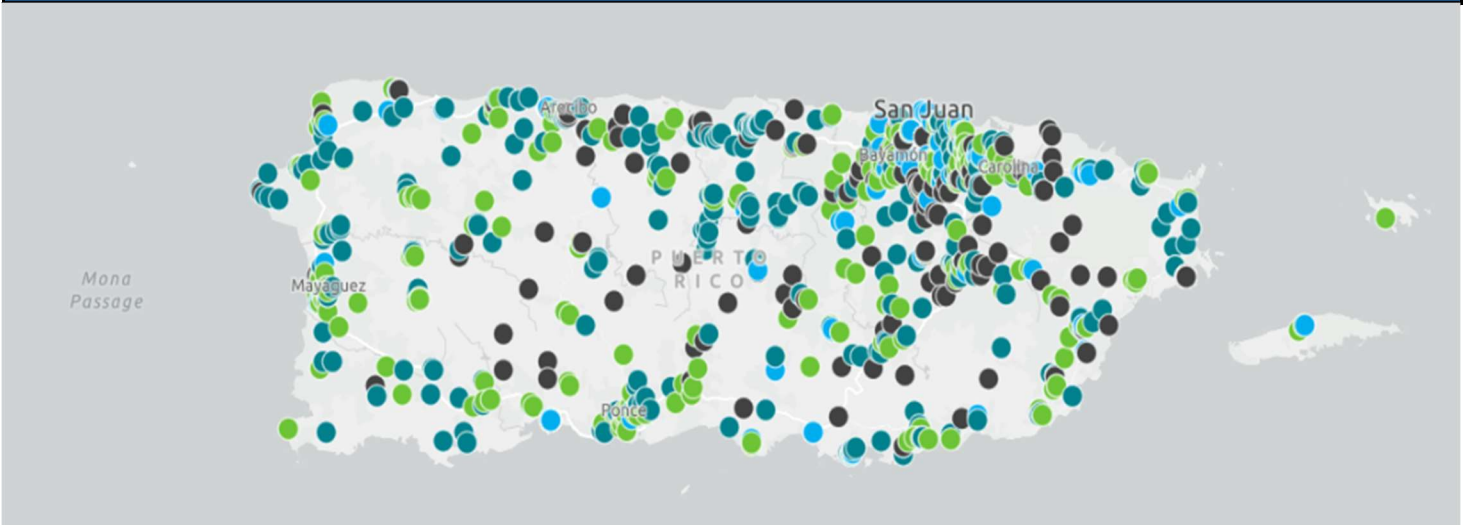
⁹42 U.S.C. 5172.

Figure 8: FAASt Projects Execution Dashboard – Overview

Execution Stage Overview



Figure 9: FAASt Projects Execution Map – Overview



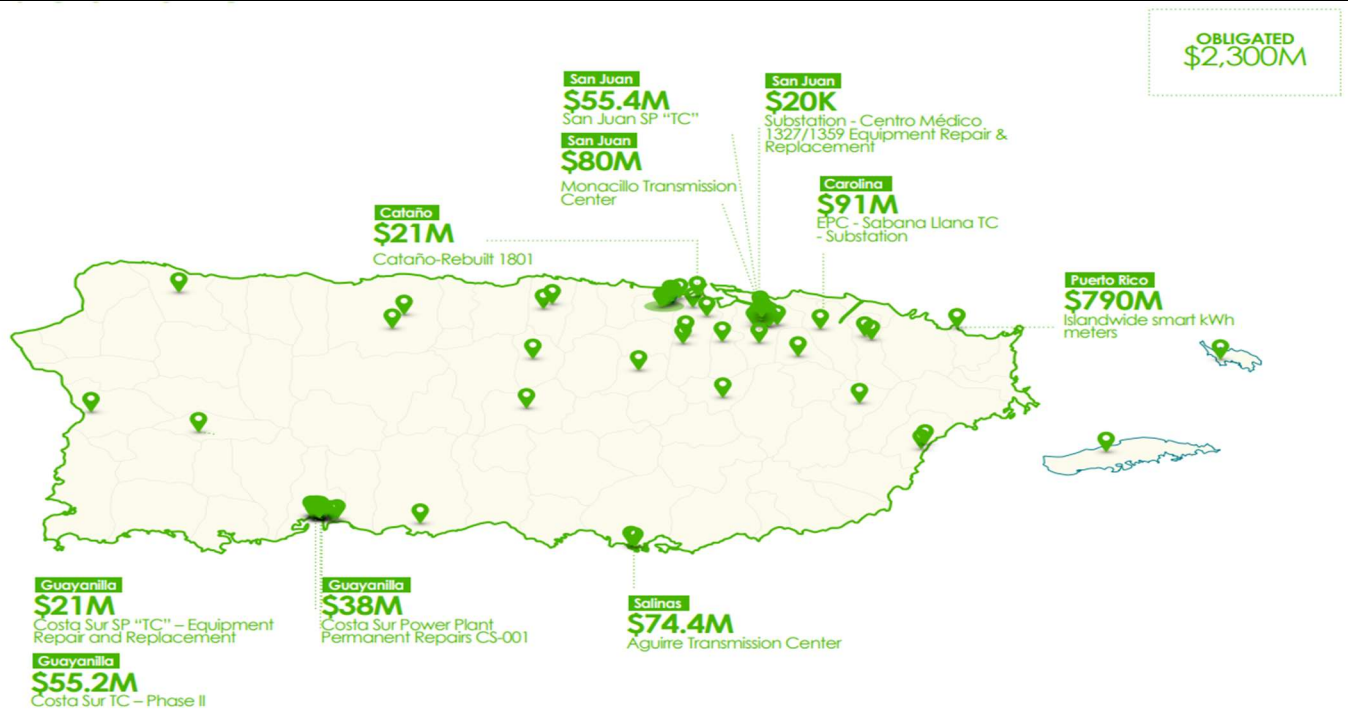
1. Puerto Rico Electric Power Authority¹⁰

Approximately \$9.5 billion was obligated to PREPA in September 2020 to develop permanent work projects that will directly impact 1.5 million residential, commercial, and industrial customers, the largest award in FEMA history. LUMA Energy ("LUMA"), the private company that operates and maintains the transmission and distribution ("T&D") system, has primary responsibility for developing and implementing T&D projects under FAAS.

Consistent with this, in January 2023, the GPR announced a public-private partnership with Genera PR for the operation and maintenance of PREPA's generation fleet and subsequently, on January 24, 2023, Genera PR, a domestic branch of the multinational New Fortress Energy, secured a 10-year contract for these purposes. This period is in line with the Integrated Resource Plan, ensuring systematic progress in the development of the electric grid and renewable energy sources. To ensure compliance with Federal and state regulations, as well as the terms of the contract, COR3 continues to work with the Public-Private Partnership Authority ("P3") to effectively monitor PREPA's progress.

To date PREPA has several projects in various stages of progress, including formulation, design, construction, and closeout, with \$2.1 billion specifically earmarked for energy sector recovery efforts. [Figures 10 -12](#) illustrate PREPA's obligated, under construction, and completed projects.¹¹

Figure 10: FAAS Energy Sector – Obligated Projects



¹⁰ In the Tenth Congressional Status Report, the amounts listed represented the total project cost. For this reporting period, the amounts represent the obligated Federal Share.

¹¹ Figures 10-12 illustrate data obtained as of March 2024.

Figure 11: FAASt Energy Sector – Projects Under Construction

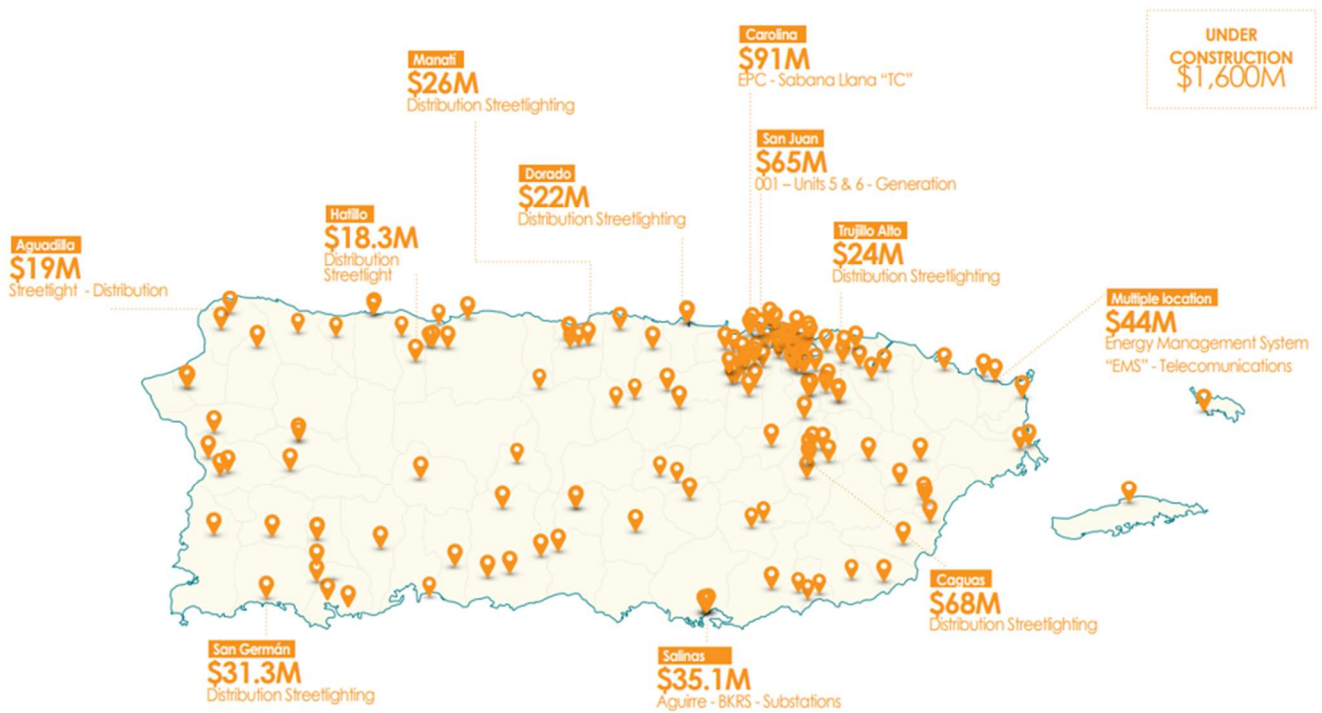


Figure 12: FAASt Energy Sector – Completed Projects



Following Hurricane María, PREPA experienced challenges with its private insurance company in the settlement of its damage claims. After extensive negotiations, the parties ultimately agreed to a payout of \$286.0 million, with a reduction of \$25.0 million as a deductible. The method of distribution has yet to be determined, whether it will be based on specific assets covered by the policy or disbursed as blanket coverage for the entire PREPA policy.

Nonetheless, in response to the complexity of PREPA's projects related to Puerto Rico's infrastructure, different allocations have been made specifically for the generation, transmission, and distribution aspects, including FAAsT projects, which are aimed to rebuild, expand, and improve these systems to meet energy recovery goals.

As of March 31, 2024:

- PREPA has 161 obligated projects with a total amount of \$2.1 billion distributed as follows:
 - 15 Generation projects amounting to \$270.0 million;
 - 122 Transmission and Distribution projects amounting to \$1.3 billion; and
 - 24 Substation and Telecommunication projects amounting to \$561.1 million.
- A total of \$633.3 million was disbursed through the RFCA Pilot Program.
- The Global Architecture and Engineering ("A&E") fee approved for the development of architectural and engineering designs ascends to \$977.8 million.
- The Global Equipment and Materials ("E&M") fee approved for the acquisition of long-lead items, such as transformers, oil circuit breakers, feeders, poles, and major generation unit components remains at \$1.4 billion.

Asset Categories

- **Generation:** Energy generation projects will improve the reliability and resiliency of the Generation Fleet Infrastructure by reinforcing or replacing major critical components affected by recent natural disasters.
 - **Update:** A total of \$270.0 million has been approved for the generation of assets distributed across 15 projects.
- **Transmission:** Projects formulated for energy transmission are designed to improve the reliability and resiliency of 230, 115, and 38 kV transmission line infrastructure by strengthening or replacing critical transmission structures and components.
 - **Update:** Six (6) projects, representing approximately \$17.7 million, have already been approved across the Municipalities of San Juan, Arecibo, Manatí, Vega Baja, Vega Alta, and Bayamón.
- **Distribution:** Projects formulated for energy distribution aim to replace damaged overhead and underground distribution lines that have been identified as critical and in need of repair. These projects also focus on minimizing safety hazards associated with critical distribution poles and conductors in need of repair or replacement.
 - **Update:** 55 projects, totaling approximately \$561.1 million, are in the formulation process. A total of \$508.9 million has been approved for distribution facilities for 115 projects spread across 74 different Municipalities. Of these, 19 distribution projects in the regions of Arecibo, Bayamón, and Caguas have already been completed and are awaiting final inspection.
- **Substations:** Projects to upgrade, modernize, and rebuild damaged transmission and distribution substations and improve long-term system reliability and substation security. These projects include the relocation of flood-affected

populations and the strengthening of existing and aging substation infrastructure, including physical security (e.g., locks, fencing, card readers, signage, CCTV, etc.), animal/bird mitigation, vegetation management, and repairs to grounding system.

- **Update:** A total of \$501.8 million has been approved for substation equipment for 19 projects located in the Municipalities of San Juan, Peñuelas, Guayanilla, Carolina, Culebra, Vieques, Cataño, Manatí, Río Grande, Salinas, Bayamón and Naranjito.

Energy Sector Projects Under Formulation

For this reporting period, the amounts reported in this section represent the obligated Federal share of 90%.

- **Distribution Streetlighting Program** | Estimated Project Cost: \$300.7 million – As a result of Hurricane María, an estimated 70% of the streetlights in Puerto Rico were damaged. Many of these damaged streetlights require repair or replacement to bring them up to code. Damages include, but are not limited to, broken or missing lighting fixtures (luminaires), broken or damaged electrical pipes, pipe connectors, junction boxes and grounding rods that ensure grid capacity, broken poles, and pole arms, broken or missing photocells, streetlight wiring, circuit contactors and circuit breakers and their corresponding electrical enclosures for the power supply line along the Moca distribution streetlight area.
 - A total of 34 projects associated with this program are under review by FEMA, with an estimated total project cost of approximately \$300.73 million.
 - This program will impact 34 Municipalities: Utuado, Isabela, Humacao, Río Grande, Vega Baja, Vieques, Juana Díaz, Canóvanas, Toa Baja, Moca, San Sebastián, Santa Isabel, Yauco, Fajardo, Ceiba, Barranquitas, Añasco, San Lorenzo, Camuy, Lares, Rincón, Sabana Grande, Jayuya, Salinas, Cabo Rojo, Guayanilla, Ciales, Patillas, Adjuntas, Arroyo, Quebradillas, Peñuelas, Loíza, and Aguas Buenas.
- **Island wide Vegetation Clearance Program** | Estimated Project Cost: \$122.0 million – This program is intended to clear and dispose of vegetative material that poses an immediate threat to the 38kV and below power transmission and distribution lines in the event of a future disaster. These projects will be fully funded under Section 406 of the PA Program.
 - Currently, there are six (6) projects associated with this program that are under review by FEMA EHP, with an estimated total project cost of approximately \$122.0 million.
 - The Municipalities expected to be impacted by this program are San Juan, Bayamón, Caguas, Ponce, Arecibo and Mayagüez.

Priority Transmission Line

- **Transmission Line from Costa Sur Steam Plant to Cambalache Gas Plant** | Estimated Project Cost: \$143.4 million¹² – This project involves the repair, restoration, or replacement of damaged elements, as well as functionally interdependent non-damaged elements of the overhead portions of the 51200 transmission line from Costa Sur Steam Plant to Cambalache Gas Plant, which is a 230kV line that spans approximately 37.6 miles, primarily through forested and mountainous areas, as allowed under FEMA's PA Alternative Procedures ("Section 428").

¹² The Applicant is considering whether the project will be underground. The method selected will affect FEMA's evaluation, which may conclude with an Environmental Assessment ("EA"). The cost estimate may vary depending on the alternative that is ultimately selected.

- **Update:** PREPA is reassessing the SOW in response to ground disturbance impacts. The proposed line direction is south to north, which will require additional documentation to meet FEMA's requirements.

Execution Progress on Energy Sector Projects

Advanced Metering Infrastructure ("AMI")

- **Meters and Telecommunications Improvements:** This project consists of the planning, design, procurement, and implementation of a new AMI system infrastructure, including the replacement of meters and telecommunications systems that were damaged by Hurricane María. The project involves replacing and upgrading a total of 1,446,249 meters, including 36,394 metering kWh units and 2,299 legacy Island-wide Two-Way Automatic Communications Systems ("TWACS") kWh meters. The system will be brought up to code and standards with modern metering and communication functionalities.
 - **Update:** During this reporting period, the project was obligated for a total amount of \$788.6 million and several pre-construction reviews were conducted.

Battery Energy Storage

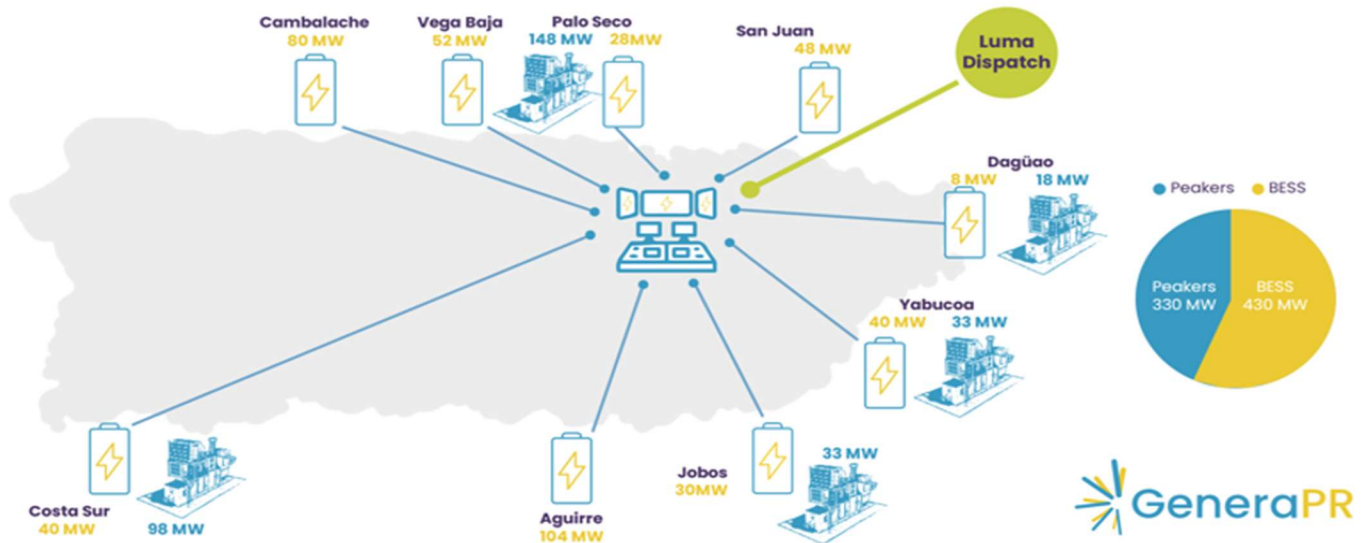
- **Battery Energy Storage System ("BESS"):** This project is intended to use existing points of interconnections ("POIs") at PREPA's legacy generation facilities to install utility-scale batteries and new peakers. The purpose is to place BESS with existing conventional generation, peakers, or baseloads at each site to maximize available electricity injection capacity without overloading the existing grid capacity. Genera PR proposes to install batteries at existing peaker fleet facilities and base-load power plant locations to inject 430 Megawatts ("MW") of active power at the point of interconnection for four (4) hours to cover temporary generation shortfalls caused by a disaster event or the start-up ("blackstart") of fast-generating units. The batteries and peakers are monitored and controlled both locally and remotely from Genera's control room.
 - **Update:** During this reporting period, a Request for Proposal ("RFP") was awarded to develop the detailed SOW.



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Figure 13: Proposed Locations and Capacity of Peakers and BESS

Generation Permanent Mitigation Project Proposed Locations and Capacity



- **Equipment Purchase:** This project, with an obligation of \$1.4 billion, is intended to mitigate the impact on construction schedules by procuring and storing materials prone to shortages or long lead times and has an obligation. A detailed list of such items has been compiled with the intent of managing their storage and use by tracking them at all locations to ensure compliance with FEMA-obligated FFAST funding. The process involves tracking each phase to prevent the use of designated items at other locations, consistent with previous funding guidelines.
 - **Update:** This project will be modified to include long lead items based on PREPA’s project schedule.

- **The Aguirre Power Plant:** The power plant, located in the Municipality of Salinas, has three (3) generation projects with an obligation of over \$27.03 million.
 - **Updates:**
 - The first project, with an obligation of \$18.8 million, consists of the repair and renovation of Units 1 and 2 of the power plant. The project is 92% complete.
 - The second project, with an obligation of \$5.5 million, involves installing a Stage 2 and a Stage 3 combined gas turbine rotor bucket set to increase the power generation capacity. This project is 70% complete.
 - The third project, with an obligation of \$2.7 million, entails repairing and upgrading the wastewater treatment plant infrastructure to comply with the new 2018 codes. The project is 86% complete.
 - At present, the percentage of work completed among the three (3) projects is 82%.



- **The Aguirre Transmission Centers Breakers ("BRKS") Substation:** This project, located in the Municipality of Salinas, has an obligation of \$35.1 million. The renovation works aim to mitigate existing risks and vulnerabilities within the system. The project integrates cutting-edge technology, including seven (7) 230Kv oil circuit breakers ("OCBs"), a 230Kv gas circuit breaker ("GCB"), ten (10) 115Kv OCBs with GCBs, and a 115Kv GCB at the switchyard. Additionally, it involves the replacement of the control room, the autotransformer (115Kv seven 230Kv), and a backup generator for both switchyards. Other work includes GCB platforms, disconnect switches, line arresters, power transformers, ground grids, high-voltage conductors, secondary control cables, ancillary equipment, and foundations. These repairs and enhancements will improve network protection in case of an incident.
 - **Update:** This project is currently 5% complete.



- **The San Juan Power Plant:** The three (3) generation projects at this power plant, with an obligation of \$95.4 million, include the repair and refurbishment of Units 5, 6, 7 and 8 of the San Juan auxiliary infrastructure.

- **Update:** At present, these projects' completion percentages are 41%¹³, 100%, and 26%, respectively, representing 56% of work completed among the three (3) projects.



- **The Palo Seco Power Plant:** This power plant has four (4) projects with an obligation of \$85.4 million, and it is located in the Municipality of Toa Baja. The first project, with an obligation of \$53.7 million for the purchase, delivery, installation, and testing of mobile generator units, and the second project, with an obligation of \$2.6 million for the replacement of the existing tank with a clean demineralized water tank to supply demineralized water to the Mega Gens gas turbine, were both reported as completed in the Tenth Congressional Status Report.
 - **Update:** The third project has an obligation of \$25.9 million for the repair and renovation of Units 3 and 4 and is 23%¹⁴ complete. The fourth project has an obligation of \$3.1 million for the repair and renovation of auxiliary infrastructure with 63% completion. The two (2) remaining projects in the construction phase are 43% complete.



¹³ For this reporting period, the percentage of completion is lower because the project was modified, and a new SOW was added. According to Genera PR data, the percentage of this project decreased significantly during the transition from PREPA to Genera PR.

¹⁴ The percentage decreased due to the transition from PREPA to Genera PR. After reviewing the project information, Genera PR believes that the amount is less than the percentage reported by PREPA.

- **Monacillo Substation**: This project has an obligation of \$79.3 million to upgrade the substation to industry standards, improve system resiliency and reliability, and address safety and environmental concerns by replacing damaged circuit breakers and related elements. Moreover, the project includes the construction of a new transmission, and distribution center facility, the Monacillo Transmission Center switchyard, compliance with Advisory Based Flood Elevation ("ABFE") Zone A requirements to mitigate the risk of flood damage, design and installation of equipment foundations, a study of the grounding grid system, the addition of Spill Prevention, Control, and Countermeasure ("SPCC") measures to transformers, and the replacement of various components such as fencing, lighting, poles, eyewash stations, and control house elements.
 - **Update**: During this reporting period, the project has an obligation of \$79.3 million. Construction is scheduled to begin in September 2025.
- **The San Juan 115kV Underground Transmission Loop**: With an obligation of \$14.8 million, this project aims to provide a highly reliable transmission path around the San Juan area by repairing the underground loop that connects seven (7) of the major Transmission Center ("TC") substations in the Metropolitan area. This involves the repair or replacement of circuit breakers and grid upgrades (protection and control upgrades) at the seven (7) TC substations (Viaducto, Monacillos, Bayamón, Isla Grande, Palo Seco, Martín Peña, and Hato Rey).
 - **Update**: During this reporting period, the project has an obligation of \$14.8 million and construction is scheduled to begin in October 2024.
- **Streetlighting Project in the Municipality of San Germán**: This project has an obligation of \$31.4 million for the repair of existing lighting components, luminaries, arms and related hardware, and the installation of new lighting components. It also provides for the replacement of poles, including foundations, and the installation or repair of tranches.
 - **Update**: This project continues in the construction phase with 34% of the work completed.
- **Streetlighting Project in the Municipality of Manatí**: This project has an obligation of \$25.8 million and involves conducting condition assessments, preparing SOWs, performing additional repairs, removing debris and hazardous materials for damaged bulbs, and replacing non-LED luminaires with LED luminaires.
 - **Update**: This project continues in the construction phase with 57% of the work completed.
- **The Río Grande Estate Substation**: This substation has an obligation of \$10.5 million, which includes the demolition and replacement of the control building, perimeter fence, conductors, and 38 kV circuit breaker, among others. Additional repairs, including the retaining wall, feeders, drainage systems, and others, will be made to restore the substation's functionality. This project is part of PREPA's 10-year Infrastructure Plan.
 - **Update**: For this reporting period, the project is currently in the construction phase with 18% of the work completed.

2. Puerto Rico Aqueduct and Sewer Authority

Following the devastation following Hurricane María, PRASA's infrastructure was severely damaged throughout the Island. A total of \$3.7 billion was obligated to PRASA to restore pre-hurricane conditions and improve resiliency to potential future events. To advance the recovery and reconstruction efforts, several of PRASA's projects have benefited from the FAASt

approach through the development of a comprehensive recovery budget for the focus areas included in PRASA's Investment Strategy, which was developed in collaboration with FEMA and COR3. This approach will allow PRASA to lay the foundation for a safe, reliable, and efficient water and wastewater treatment system. Figures 14-16 illustrate PRASA's obligated projects, projects under construction, and completed projects in green, orange, and blue, respectively.¹⁵

Figure 14: FAASt Water Sector - Obligated Projects

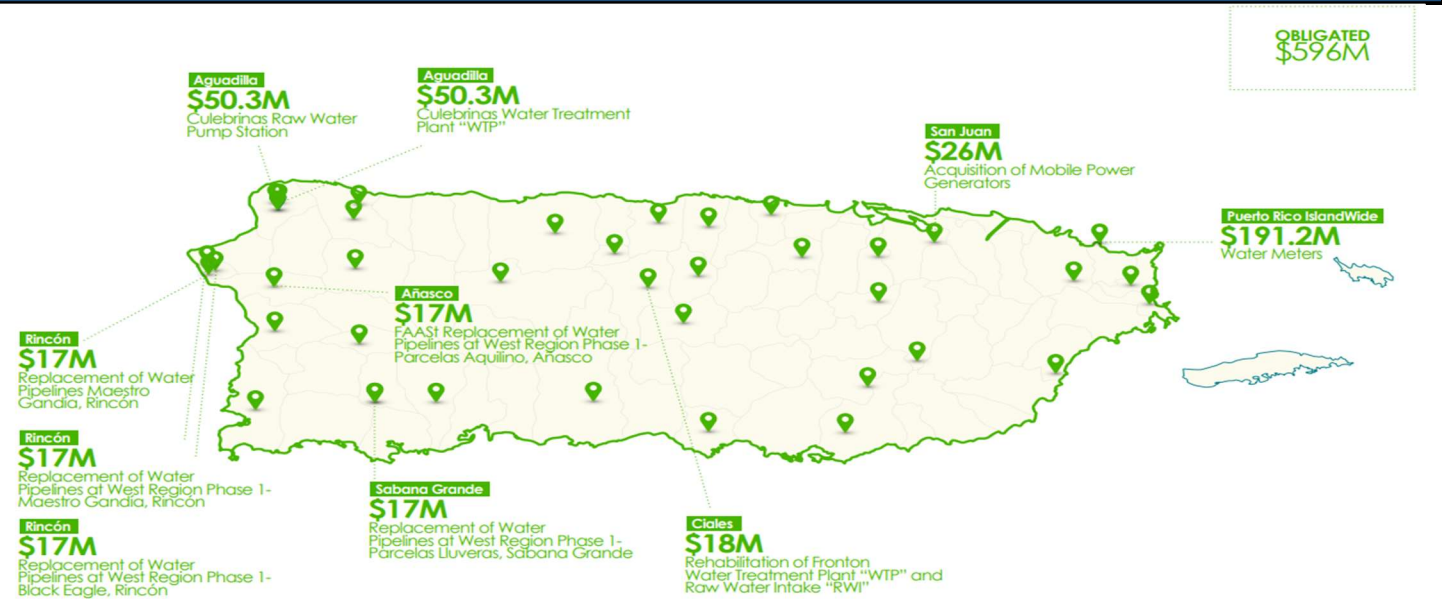
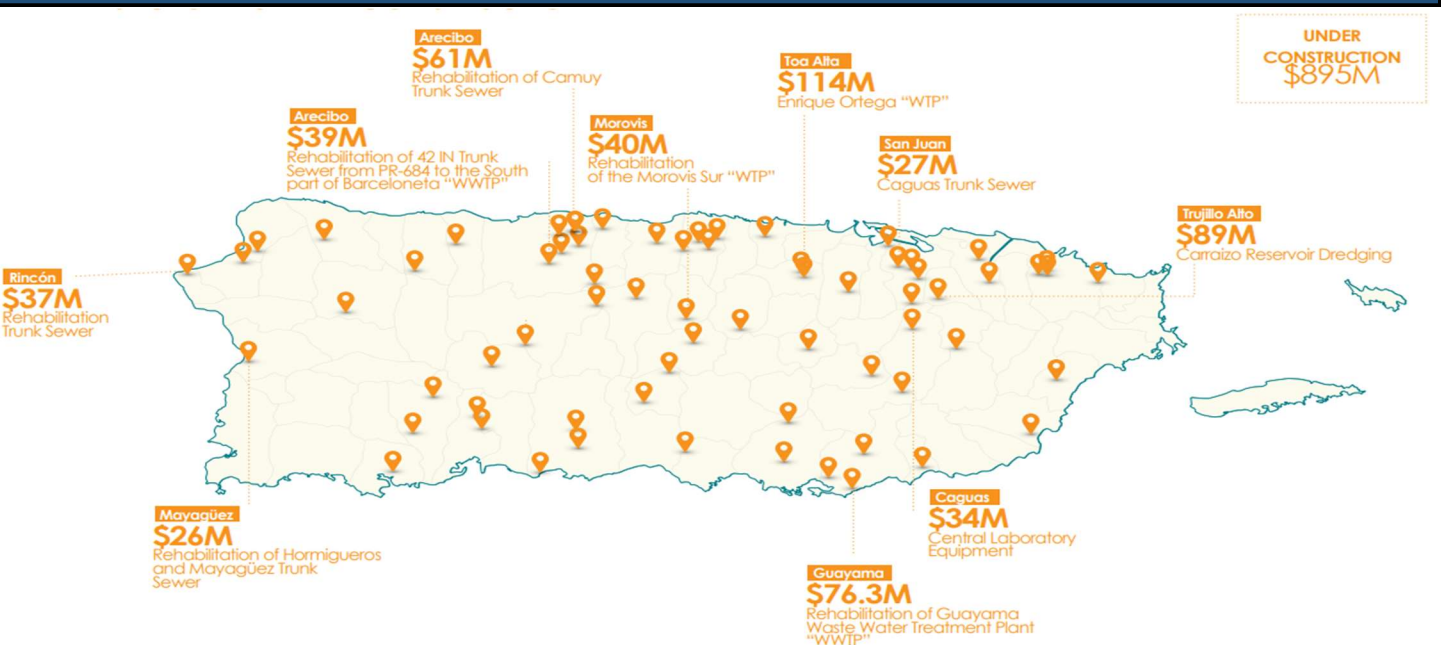


Figure 15: FAASt Water Sector - Projects Under Construction



¹⁵ Figures 14-16 illustrate data obtained as of March 2024. For detailed information on project execution status, refer to the FAASt Project Execution Status Report.

Figure 16: FAASt Water Sector – Completed Projects



As of March 31, 2024:

- PRASA has 76 projects obligated through the National Workflow Review Process, representing an amount of \$1.1 billion.
 - A Global A&E of \$265.0 million has been approved for the development of A&E designs for FAASt projects. These projects are essential for PRASA as they enable it to access funds earmarked for the planning and design phase of water facilities. Currently, there are 66 projects that are in the planning or design phase.
 - There are 10 projects in the formulation process under the FEMA National Workflow Review Process. These initial projects represent an estimated investment of \$237.7 million.
- The disbursement of funds through the RFCA program amounts to a total of \$304.8 million.

Water Sector Projects Under Formulation

- **FAASt Water Meters** | Estimated Project Cost: \$711.4 million – This project proposes to replace the existing mechanical water meter inventory with polymer ultrasonic devices. Additionally, PRASA proposed the implementation of AMI for the entire water meter infrastructure using PA funds to replace the damaged portion of the water meters, which represents approximately 60% of the water meters. The remaining vulnerable portion of the water meters, approximately 40%, and the implementation of the AMI for 100% of the water meters, will be replaced using 406 HMP funds. The previous version of this project, which was obligated for \$212.4 million, was intended to replace the damaged portion of the water meter inventory. The current version, the 406 HMP described above, is to be added.

- **Update:** For this reporting period, the version is currently undergoing a pending Large Project review and will add \$578.0 million (100% cost share) to the project.
- **Rehabilitation of Vieques Wastewater Treatment Plant ("WWTP")** | Estimated Project Cost: \$34.7 million – This project will rehabilitate the Vieques WWTP, which has the capacity to treat an average raw wastewater flow from commercial and residential areas. To address the damage to the plant, PRASA recommended a series of improvements, including the construction of new headwork structures and de-gritting units, the installation of a new wastewater receiving station, and the conversion of the Martino Pump Station into an influent pump station, along other major construction initiatives. As previously reported, this project was in Phase 4, under EHP Review.
 - **Update:** During this reporting period, this project has progressed to Phase 5 of the Applicant's signed project and is currently awaiting obligation.
- **Rehabilitation of Morovis Urbana Water Treatment Plant ("WTP")** | Estimated Project Cost: \$8.2 million – Following Hurricane Maria, water service to the Morovis region was severely affected due to flooding, including the Morovis Urbana WTP, which provides potable water to a population of 21,896 in the Municipality of Morovis. The proposed SOW for the Morovis Urbana WTP and its components is intended to restore the facility to its pre-disaster function and includes improvements consistent with the FEMA PA Alternative Procedures. PRASA intends to manage this project using the Design-Build method, which will provide the necessary flexibility to develop projects, such as this one, that are dependent on actual field conditions.

Obligated Water Sector Projects

- **Rehabilitation of Enrique Ortega ("La Plata") Water Treatment Plant** | \$114.1 million – La Plata, located in Toa Alta, is part of the water system whose main purpose is to provide potable water to the most populated areas of the Island, including parts of the Metropolitan and northern areas, like the Municipalities of Bayamón, Cataño, Toa Alta, Naranjito and San Juan, and benefitting over 114,000 families. This project is intended to restore the facility to its pre-disaster function and incorporate improvements consistent with Section 428. During this reporting period, PRASA has issued the "Notice to Proceed" to the contractors, authorizing them to begin the construction phase of this project.



- **Rehabilitation of Morovis Sur WTP** | \$39.9 million – After Hurricane María, the raw water intake to Morovis Sur WTP, which provides potable water to over 5,570 families in the sectors of Torrecillas, Franquéz, Unibón, Cuchillas, Río Grande, San Lorenzo, and downtown areas of the Municipality of Morovis, was severely damaged and some of its components were partially destroyed. As with the Morovis Urbana WTP, this project seeks to restore the WTP to its pre-disaster function and incorporate improvements consistent with Section 428. During this reporting period, PRASA has issued the "Notice to Proceed" to the contractors, authorizing them to begin the construction phase of this project.

Execution Progress on Previous Reported Projects

- **The Carraízo Dredging** | \$88.7 million – The Carraízo Basin Dredging Project remains a top priority, as it is critical to maintaining the water levels in the Lago Loíza Reservoir and ensuring adequate water supply to the Sergio Cuevas Filtration Plant. This project is a combination of dredging and discharge management downstream of the Lago Loíza Reservoir. The removal of sediment accumulated in the reservoir during Hurricane María is essential to maintain the water level at a safe condition and to ensure adequate water supply to the Sergio Cuevas Filtration Plant, the second-largest filtration plant in Puerto Rico, serving approximately half the population of the San Juan Metropolitan Area ("SJMA").
 - **Update:** This project has entered the construction phase with 20% of the work completed.



- **Guayama WWTP** | \$76.3 million – The Guayama WWTP, which receives wastewater from nearby Municipalities such as Arroyo, Patillas, Guayama, and Salinas, is a secondary wastewater treatment plant serving approximately 30,357 families. Hurricane María damaged existing equipment, such as pumps and clarifier scrapers, causing the plant to discharge below interim limits. The proposed SOW intends to restore the facility to pre-disaster function.

- **Update:** This project is currently in the construction phase with 35% of the work completed.



- **Camuy Trunk Sewer Rehabilitation** | \$60.9 million – The Camuy and Arecibo Trunk Sewer is a concrete gravity and force line sanitary sewer system located along the Municipalities of Camuy and Arecibo. These trunk sewers carry raw sewage to the Arecibo (“Islote”) Regional WWTP for treatment. The concrete sewer pipes suffered widespread damage caused by flooding, wind, flood-transported debris, wind-driven rain, wind-driven debris, falling trees, sediment accumulation, power outages, and other damage caused by the hurricane. The damaged components and equipment are necessary for the operation of the sewer system that delivers wastewater to the WWTPs. The rehabilitation of this system will benefit approximately 7,575 families in the Municipalities of Camuy and Arecibo by eliminating any potential risks to life and health, and potential contamination hazard to nearby water bodies. The pipe restoration of the Camuy and Arecibo Trunk Sewer will be carried out using the Cured-in-Place Pipe (“CIPP”) restoration method.
 - **Update:** This project is currently in the construction phase with 10% of the work completed.
- **PRASA’s Central Laboratory in Caguas** | \$33.6 million – These projects consist of the total reconstruction of the new main building of PRASA’s Central Laboratory of 47,500 square feet, and the replacement of equipment and furniture. PRASA’s Central Laboratory, is its main laboratory, providing testing for the potable water distribution system and the wastewater collection system, which are defined as "critical facilities" under the BBA. The services provided by this facility are critical to the safe delivery of the water supply and the safe treatment of wastewater to the public. Failure to provide the above testing could lead to a false sense of safety and result in contaminated water supply and wastewater being consumed by the public, which is detrimental to the life, health, and safety of the public.
 - **Update:** The construction phase of this project is 93% complete; the project related to the FAAS PRASA Central Laboratory is 100% completed, and the FAAS PRASA Central Laboratory Equipment project is 35% completed.¹⁶

¹⁶ In the Tenth Congressional Status Report, the percentage of completion reported was 97%, which represented only the construction progress of the Central Laboratory Main Building. For this report, the damage corresponding to the Central Laboratory Equipment is included.



- **Morovis Sur Water Intake** | \$2.4 million – After Hurricane María, the Morovis Sur Water Intake, which is part of the water system whose main purpose is to provide potable water to said community, was severely damaged, and some primary components were partially destroyed. Consequently, the Morovis Sur Water Intake has experienced operational difficulties, resulting in continuous interruptions in service. This project involved Demolition of the existing Coanda intake structure and the Obermeyer gate and partial dredging of the area in front of the intake.
 - **Update:** The construction phase of this project is 100% complete.
- **Los Angeles/Loíza Trunk Sewer Rehabilitation** | \$8.2 million – This sewer system collects sewage and wastewater from homes, commercial businesses, and industries and delivers it through a series of pipes to a WWTP. These concrete sewer pipes suffered widespread damage caused by flooding, wind, and debris caused by the hurricane. The pipe restoration will be carried out using the CIPP restoration method, which is used to repair of defective sewer lines and culvert pipes without disturbing surface structures or other utilities near the broken pipes and will benefit approximately 15,000 families in the Municipalities of Carolina and Loíza.
 - **Update:** The construction phase of this project is 50% complete.
- **Humacao WWTP Rehabilitation** | \$10.2 million¹⁷ – This project consists of rehabilitating the regional wastewater facility, which serves approximately 50,600 habitants in the Municipalities of Humacao, Las Piedras, and Naguabo. The project involves restoring the wastewater treatment plant, including repairing the lift station's internal structural walls, replacing the steel roof structure, replacing the sludge drying bed roof structure, and making site general improvements.
 - **Update:** Approximately 80% of the construction has already been completed.
- **FAASt Replacement of Water Pipelines at West Region Phase 1** | \$16.7 million – The water line systems in the western region of Puerto Rico suffered widespread damages caused by erosion, flooding, flood-transported debris, wind-driven rain, wind-driven debris, falling and uprooted trees, sediment accumulation, power interruption, and other damages caused by Hurricane María. To address these damages, this project intends to replace several segments of

¹⁷ The amount increased due to an amendment to the project.

water transmission lines, water distribution lines, and water meters infrastructure. The proposed improvements include the installation of a new pipe with an increased diameter to provide communities with a reliable and safe supply of water. These water lines are necessary to deliver raw water to the treatment plants and treated water to 1,822 families in the Municipalities of Añasco, Isabela, Mayagüez, Rincón, and San Sebastián.

- **Update:** This project has been obligated for approximately \$16.7 million and is currently in the procurement phase for construction.

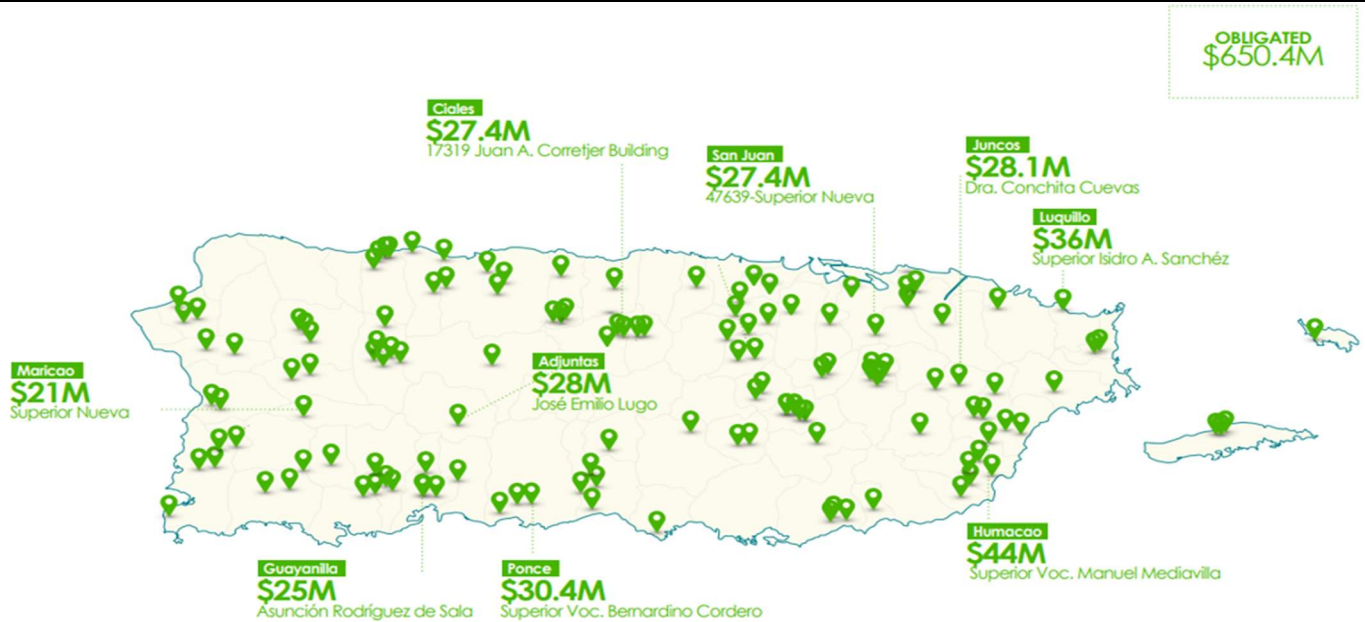
3. Puerto Rico Department of Education

The PRDE is currently engaged in recovery efforts to completely restore, strengthen, and modernize the public-school infrastructure that was severely damaged during the natural disasters that struck the island in the past five (5) years. The PRDE has expanded its reach with the assistance of external consultants and internal staff. The primary goal of this support team is to implement PRDE’s Recovery Plan, which serves as the guiding framework for the comprehensive restoration and modernization of the entire public school system. Since the plan was submitted in June 2023, it has served as the cornerstone for the development of an implementation strategy that will guide the allocation of resources provided by FEMA. Given the importance of maintaining a safe environment in public schools across the Island, PRDE is committed to using FEMA funds to renovate and revitalize school infrastructure.

At present, \$2.1 billion has been obligated to PRDE to address damages to more than 5,300 buildings, pavilions, and recreational facilities, among other sites, including 1,100 schools. The PRDE is still prioritizing the first 128 schools included in the Plan as previously approved by FEMA.

Figures 17-19 show PRDE’s obligated projects in green and projects under construction in orange.¹⁸

Figure 17: FAASt Education Sector - Obligated Projects



¹⁸ Figures 17-19 illustrate data obtained as of March 2024. For detailed information on project execution status, refer to the FAASt Project Execution Status Report.

Figure 18: FAASt Education Sector - Projects Under Construction



Figure 19: FAASt Education Sector – Completed Projects



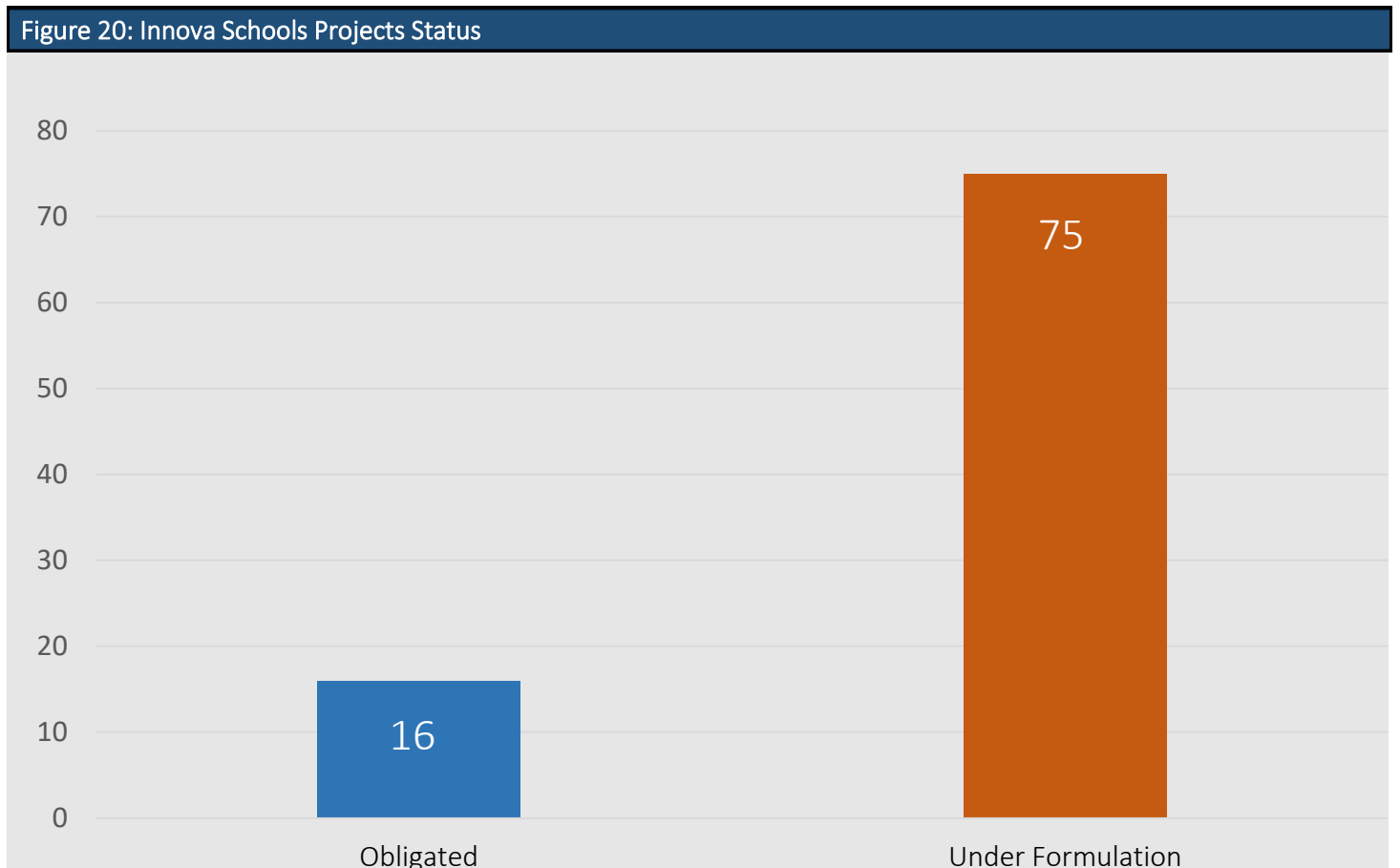
As of March 31, 2024:

- PRDE has 159 obligated projects, representing a total of \$837.2 million, of which approximately \$68.4 million is mitigation funding, and \$178.3 million corresponds to the Global A&E.
- There are 76 projects in the formulation process under the FEMA National Workflow Review Process, representing an estimated total of \$542.0 million.
- A total of \$74.5 million has been disbursed through the RFCA Program.

Education Sector Projects under Formulation

To date, some of the Innova Schools projects, formerly Alpha Schools, are under formulation. These schools will use modern design principles to improve teaching techniques, enlarge the existing classrooms, and make use of flexible furniture. Innova Schools will also have integrated media centres for academic, vocational, and technological activities, and sports facilities. Renovations to these schools will include new code-compliant structural upgrades, doors, windows, electrical distribution systems, water and sewer distribution systems, roof waterproofing systems, Americans with Disabilities Act ("ADA") accessible ramps and sidewalks, and the construction of community-accessible spaces.

Out of the 91 Innova schools, 75 are currently under formulation. [Figure 20](#) illustrates PRDE's obligated projects in blue and projects under formulation in orange.

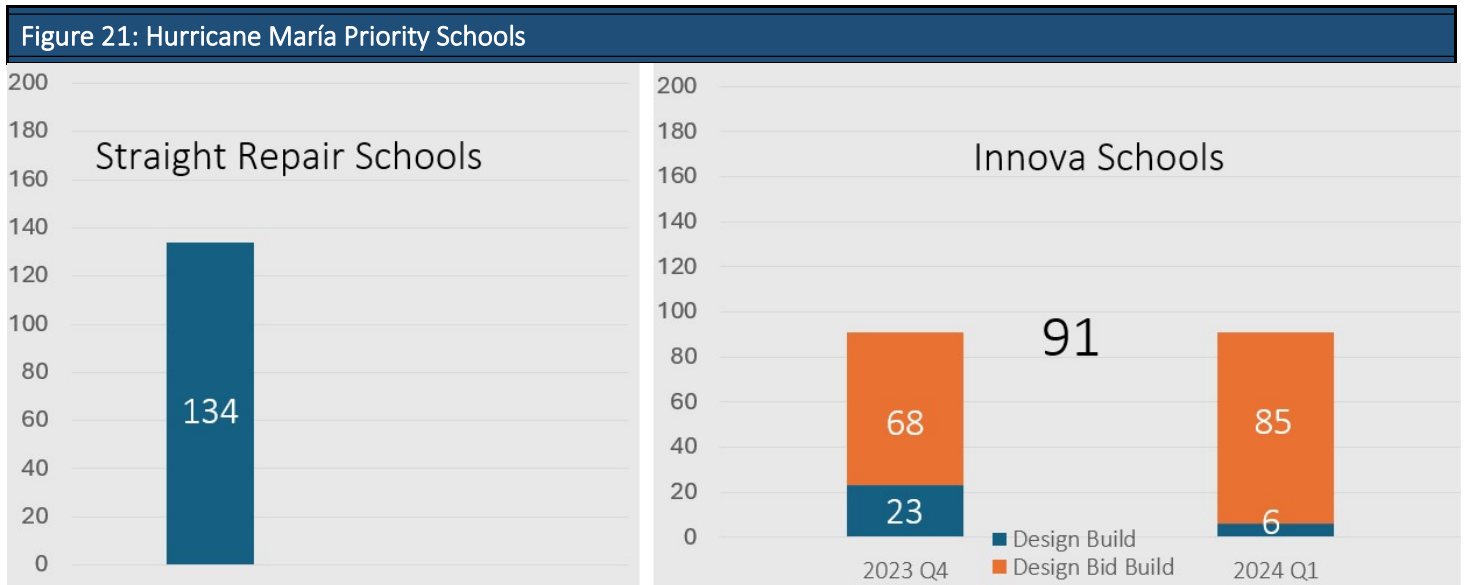


Execution Progress on Previous Reported Projects

Since PRDE’s infrastructure was directly affected by the natural disasters discussed throughout this Report, it has been imperative to consider new strategies and approaches to accelerate the recovery and reconstruction efforts. As such, PRDE has earmarked 225 schools as a high priority in its plan to advance all recovery efforts, in collaboration with government agencies and stakeholders such as the Puerto Rico Public Building Authority (“PBA”), the Office for the Improvement of Schools (“OMEP”), and the Puerto Rico Infrastructure Finance Authority (“AFI”).

Of the 225 schools, 91 are classified as Innova schools. Of these schools, 6 are using the Design-Build method, while 85 have utilized the Design-Bid-Build approach.¹⁹ Additionally, 134 schools will receive Straight Repairs, which refers to the replacement of architectural building systems that do not require major renovations or extensive design work.

Figure 21 illustrates the distribution of Priority Schools under each approach.



During the previous reporting period, PRDE faced several challenges in the procurement process due to limited bidder participation, proposals with higher cost estimates, and insufficient bonding capacity of construction companies. To address these issues, PRDE, with the support of COR3, AFI, PBA, and OMEP, prepared bid packages and issued bid publications for 57 schools as part of the Straight Repairs initiative. As a result, at the time of the Tenth Congressional Status Report, eight (8) schools were under construction, 16 were in the contract award process conducted by AFI, and four (4) were in the bidding process.

As of March 31, 2024:

- **Innova Schools:**
 - Of the 91 schools, 85 are currently under Design-Bid-Build, and six (6) are under Design-Build.

¹⁹ A “Design Bid Build” is the traditional procedure in which the design of a project is prepared prior to the bidding process. Whereas a “Design Build” is the methodology of designing and executing in phases.

▪ **Straight Repairs:**

- Of the 134 schools, nine (9) are currently under construction:
 - Urbana Nueva de Ciales School | \$2.9 million – Ciales
 - Escuela Jaime Coira | \$2.9 million – Ciales
 - José Mercado | \$1.2 million – Caguas
 - Don Luis Muñoz Marín | \$5.0 million – Ceiba
 - Aurora Méndez Charneco | \$3.02 million – Lares
 - Blanca Malaret | \$1.3 million – Sabana Grande
 - Elemental Urbana Nueva | \$1.6 million – Lajas
 - Francisco Roque Muñoz | \$1.1 million – Naranjito
- 11 have completed construction:
 - Fernando Callejo School | \$2.7 million – Manatí (12088)
 - CROEC School | \$4.2 million – Ceiba (30167)
 - Vocational School Cristina (Amada) Martínez Martínez | \$3.8 million – Villalba (58503)
 - Nicolás Sevilla School | \$1.1 million – Toa Alta (71381)
 - Juan Quirindongo Morell School | \$5.1 million – Vega Baja (75267)
 - Dr. José N. Gándara | \$3 million – Aibonito (20362)
 - Factor V | \$2.5 million – Arecibo (17780)
 - José Rojas Cortés | \$475,569 – Orocovis (14357)
 - Francisco López Cruz | \$2.3 million – Naranjito (78956)
 - SU Francisco Felicie Martínez | \$1.9 million – Vega Alta (76349)
 - José Pagán de Jesús | \$1.1 million – Vega Alta (18267)
- 18 are in the procurement process for construction.

In addition, PRDE currently has 148 obligated projects under the Earthquake Disaster (DR-4473). Of these projects, 16 schools are part of the 91 Innova Schools under the Design-Build and Design-Bid-Build approach:

- Superior Vocacional Manuel Mediavilla | \$43.7 million – Humacao
- Superior Isidro A. Sánchez | \$35.6 million – Luquillo
- Stella Márquez | \$30.4 million – Salinas
- José Emilio Lugo | \$27.5 million – Adjuntas
- Juan A. Corretjer | \$27.4 million – Ciales
- Dra. Conchita Cuevas | \$25.3 million – Gurabo
- Asunción Rodríguez de Sala | \$25.0 million – Guayanilla
- Elvira M. Colón | \$21.2 million – Santa Isabel
- Superior Nueva | \$20.8 million – Maricao
- Eugenio María De Hostos | \$20.7 million – Las Marías
- Leonardo Valentín Tirado | \$17.4 million – Florida
- SU Rafael Zamot Cruz | \$16.1 million – Hatillo
- Antonio Reyes | \$16.0 million – Camuy
- Adrián Torres Torres | \$15.2 million – Jayuya
- Escuela Elemental Nueva | \$13.4 million – Hormigueros

- Francisco Morales²⁰ | \$22.3 million – Naranjito



In addition to FEMA and State funding, PRDE receives financial support from several external sources, including the American Rescue Plan Act (“ARPA”), the Elementary and Secondary School Emergency Relief Fund (“ESSER II” & “ESSER III”), Capital Expenditure (“CAPEX”). Refer to [Table 1](#). These funds have been allocated to perform work such as painting, short columns detailing, and roof sealing, as detailed in [Table 2](#) below.

Table 1: PRDE Funding Sources			
Fund Source	Painting	Short Columns	Roof Sealing
CapEx	21 Schools	-	4 Schools
Esser II	352 Schools	164 Schools	193 Schools
ARPA	-	435 Schools	-
Esser III	103 Schools	-	88 Schools
Emergency Auctions	-	2 Schools	-
FEMA	91 Schools	-	91 Schools
State Funds & Others	66 Schools	-	1 School

²⁰ Earlier this year, the Governor of Puerto Rico, Hon. Pedro R. Pierluisi, announced the commencement of the renovation and rebuilding of 40 schools under the Innova Schools Plan. The Francisco Morales School will be the first among the schools prioritized by this program, which is a key element of the historic plan to revitalize the educational infrastructure.

Table 2: PRDE Project Execution Overview			
Phase	Painting	Short Columns	Roof Sealing
Planning	81 Schools	-	81 Schools
Procurement Bid Process	13 Schools	6 Schools	9 Schools
Contract Execution	106 Schools	121 Schools	10 Schools
Construction	173 Schools	50 Schools	73 Schools
Notice of Acceptance	387 Schools	428 Schools	194 Schools

4. Puerto Rico Public Housing Authority ("PRPHA")

The unprecedented impact of Hurricane María on Puerto Rico’s infrastructure caused damage to over 5,800 buildings, recreational areas, and other critical facilities administered by the PRPHA. Given the magnitude of these losses, \$554.0 million was obligated to the PRPHA in January 2022. Consequently, in December 2022, the PRPHA submitted a plan setting out a course of action for formulating their projects using the SSM. This strategy for the development of over 300 projects was formulated between COR3, the PRPHA, and FEMA, and has enabled the PRPHA to achieve the milestones outlined in its program.²¹

As of March 31, 2024, the PRPHA is still in the process of formulating projects and has awarded four (4) contracts for design and build. During this reporting period, 170 public housing complexes obligated funds for the renovations and repairs needed due to damages caused by Hurricane María. Of the \$236.6 million disbursed through the RFCA program, a total of \$180.0 million is allocated to the aforementioned 170 complexes. [Figure 22](#) shows the location and obligated amount of PRPHA’s projects in green.²²



²¹ The SSM used by the PRPHA for its project formulation operations requires the PRPHA to submit the proposed SOW and cost estimates prior to the use of funding for construction. Unlike the PRDE’s SOW development process, FEMA is not involved in working with the 406-Mitigation scope for these projects. However, the PRPHA will evaluate opportunities on a project-by-project basis to determine if mitigation scopes will be sent for FEMA’s consideration and approval.

²² Figure 22 illustrates data obtained as of March 2024. For detailed information on project execution status, refer to the FAAsT Project Execution Status Report.

Figure 22: FAASt Public Housing Sector – Obligated Projects



In January 2023, the PRPHA informed COR3 of its ongoing challenges with its private insurance company over a damage claim litigation process that began in September 2019. Despite having \$2.0 billion in insurance coverage, the PRPHA received only a partial payment of approximately \$9.0 million for damages caused by Hurricane María and has since faced a lack of further insurance funding. Additionally, FEMA has projected a reduction in insurance coverage of approximately \$820.0 million, further exacerbating the PRPHA's difficulties in kickstarting its projects. To address this, an arbitration process was initiated in March 2023 to negotiate an agreement with the insurance company. Cost estimates for a sample of properties submitted by both parties are currently under review and negotiations are ongoing as of March 31, 2024.

Given the importance of the insurance issue, COR3 and FEMA considered the possibility of a preliminary allocation to allow the PRPHA to begin the execution of its obligated projects pending the resolution of the arbitration process. As a result of this discussion, certain priority projects obligated under the National Delivery Model are currently in the implementation phase following FEMA's approval of a reallocation of PA funds.

As previously reported, the PRPHA has encountered significant difficulties in carrying out the procurement process for its projects. One of the main challenges has been the low level of bidder participation, with an average of only one (1) proposal received per procurement process. However, the PRPHA has approved over 200 projects requiring a similar number of bids. These projects are being managed through implementation packages that are distributed based on the availability of funds, the complexity of the work required, the location, and the needs of each project. To address these challenges, the PRPHA has taken several measures, such as gathering feedback from bidders on the procurement process, organizing program briefings, disseminating bid notices to potential participants, and prioritizing projects that are not required to undergo the design process before bidding. As of March 31, 2024, the PRPHA's adjustments to its bidding packages increased the number of bidders and contributed to the award of four (4) contracts.

As of March 31, 2024:

- The PRPHA has 170 projects obligated under FEMA's SSM Process, representing a total obligated amount of \$1.1 billion. Of these projects, 28 are mixed projects (SSM Process + FEMA National Workflow Review Process), representing an obligated amount of \$197.0 million, and 142 are solely SSM projects, representing an obligated amount of \$900.3 million.
- The Global A&E fee approved for the development of architectural and engineering design increased to \$9.0 million.
- There are 20 projects in the formulation process under the FEMA SSM Process, representing an estimated obligated amount of \$22.8 million.²³
- Of the projects currently in formulation, one (1) will be mixed, representing an estimated obligated amount of \$2.2 million, and the remaining 19 projects will be formulated using only the SSM Process, representing \$20.6 million.
- Of the \$236.6 million disbursed through the RFCA program, a total of \$180.0 million is allocated to the 170 projects listed above.

Public Housing Projects Under Formulation

- **Public Housing Complex: El Taíno** | Estimated Project Cost: \$4.5 million – The El Taíno complex, located in the Municipality of Santa Isabel, is a compound of 16 one-story residential buildings, as well as a basketball court and an administration building. The project will include the preparation and painting of the exterior, the removal and replacement of a waterproofing system, and the removal of lead material, benefiting over 35 families.
- **Public Housing Complex: Dr. José N. Gandara** | Estimated Project Cost: \$3.9 million – The Dr. José N. Gándara complex, located in the Municipality of Ponce, is a compound of 15 residential buildings varying between two and three stories high, a basketball court with a metal roof, a playground, a kiosk, and an administration building. The project includes the preparation and painting of the exterior, the removal and replacement of a waterproofing system, and the removal of lead material, benefiting over 270 families.

Execution Progress on Previously Reported Projects

- **Public Housing Complex: Jardines de Monte Hatillo 1 & 2** | \$22.9 – The two (2) projects previously reported involve renovations to the paint and waterproofing system of recreational areas, over 45 residential buildings, a community center, and an administrative building. Over 1,500 families in the Municipality of San Juan will benefit from the repairs to these facilities.
 - **Update:** During this reporting period, the Jardines de Monte Hatillo 1 & 2 projects were obligated with \$22.9 million. At present, these projects are in the bidding process.
- **Public Housing Complex: Franklin Delano Roosevelt** | \$9.2 million – This project includes the renovation of the Franklin Delano Roosevelt Housing Complex, which is comprised of, over 55 residential buildings that house over 1,500 families, recreational areas and the administrative building.
 - **Update:** During this reporting period, the Franklin Delano Roosevelt Housing Complex was obligated with \$9.2 million.

²³ The amount reported in the Tenth Congressional Status Report was incorrect.

- **Public Housing Complex: Luis Lloréns Torres** | \$97.3 million – The Luis Lloréns Torres Housing Complex currently has three (3) projects consisting of renovations to more than 99 residential buildings that house 888 apartments, administrative buildings, and recreational areas, which include the Youth Center, whose project was obligated during the previous reporting period. The renovations to the housing complex, the largest one in Puerto Rico, will impact over 2,000 families in the Municipality of San Juan.
 - **Update:** During this reporting period, the Lloréns Torres Youth Center project was versioned to remove the insurance reduction and launch the bidding process. The proposals that were submitted during the bidding process for the design-build projects are presently being reviewed.
- **Public Housing Complex: Nemesio R. Canales** | \$49.1 million – These projects consist of repairs to the housing complex buildings, the administration building and a basketball court, located in the Municipality of San Juan. Additionally, mitigation measures for this complex are estimated at about \$14.2 million and will focus on preventing wind damage and rain filtration on the rooftops. As previously reported, the procurement process for this project encountered significant challenges, primarily due to limited bidder participation.
 - **Update:** The bidding process is currently underway.
- **Public Housing Complex: Arístides Chavier** | \$22.5 million – These projects consist of renovations to 49 residential buildings and the administrative building. Furthermore, the proposed mitigation project, which will impact nearly 500 families in the Municipality of Ponce, will improve the housing complex's drainage and roof sealing systems, among other renovations. The procurement process for this project also faced significant challenges, mainly due to limited bidder participation.
 - **Update:** During this reporting period, a first bidding process was held with a sole bidder. As a result, a second bidding process will be held in April 2024.

B. Facilitating the Execution of Permanent Work Projects²⁴

As Puerto Rico has been impacted by catastrophic disasters that have left its infrastructure in ruins, the GPR's priorities have been focused on disaster recovery efforts. As such, ongoing permanent work projects are aimed to reconstructing and mitigating hazards to roads and bridges, public utilities, water control facilities, public buildings, parks, and recreational facilities, among others. Although the road to recovery is long and complex, COR3 remains steadfast in its commitment to build a better, more secure and more resilient Puerto Rico. Below are some examples of these strategic permanent work projects.

For this reporting period, the amounts reported in this section represent the obligated Federal share of 90%.

- **Ryder Memorial Hospital** | \$42.3 million – These projects entail the reconstruction of the hospital's structure and the replacement of contents damaged by Hurricane María. The content project focuses on replacing specialized medical equipment, while the building repair project includes repairs to multiple structures, window replacement, roof waterproofing, and the restoration of affected rooms and offices. The renovation of this hospital is of great

²⁴ In the Tenth Congressional Status Report, the amounts listed represented the total project cost. For this reporting period, the amounts reported represent the obligated Federal Share.

importance to the people of Humacao who rely on its services. Representatives from Ryder Memorial Hospital are actively involved in the bidding process for these projects.

- **Roberto Clemente Walker Stadium** | \$18.4 million – This project, located in the Municipality of Carolina, consists of the repair and restoration of the facilities at the Roberto Clemente Walker Stadium. This stadium, declared a Historic Monument, includes facilities for athletics, jogging and boxing. Originally built for baseball, it now hosts various sporting events such as boxing, basketball and soccer, and is home to the Puerto Rican Sports Hall of Fame Museum and Library. The repair work at the stadium includes the removal and replacement of seats, lighting, fencing and netting, scoreboard, electrical system, transformers, the baseball field clay areas, stair railings, and wooden benches. Repairing the stadium has a major economic impact on local vendors and suppliers, as well as for the Municipality, near-by restaurants and surrounding businesses. It also impacts other industries such as transport, hotels, logistics and event coordination. The construction phase of this project is 100% complete.



- **Old San Juan Pier #4** | \$8.3 million – The Old San Juan Pier #4 project consists of repairs to the main terminal entrance, roof, canopy, air conditioning (“A/C”) system, mooring dolphins, gangways and pier fenders. The design is 100% complete and a contractor has been selected for construction services, which is expected to start soon.
- **CIMA Hospital** | \$6.9 million – This project consists of the repair of damages to the Centro Isabelino de Medicina Avanzada (“CIMA”, for its Spanish acronym), which is a municipal corporation of the Municipality of Isabela. Improvements include roof waterproofing, exterior and interior paint, and repairs to air conditioners, ceiling tiles, windows, parking lots, lighting system, floor tiles, and doors, among others. The design phase of this project is 50% complete.
- **Aguas Buenas Damaged Parks and Recreational Facilities Bo. Mulas** | \$1.2 million – The Municipality of Aguas Buenas has an obligation of \$1.2 million in PA funds to revitalize three (3) sporting facilities: the AA Baseball Park Manolo Fontáñez, Baseball Park Juan Nives Cotto, and the Samuel Rodriguez Coliseum. The improvements include repairs to windows, exterior and interior painting, replacing various acoustic ceiling panels and replacing the damaged wood flooring of the basketball court. The restored facilities will not only provide safe and functional spaces for sporting activities but will also serve as vibrant hubs for community engagement. The project’s construction phase is 90% complete.

- **Cosme Beitía Sálamo Coliseum** | \$7.1 million – This project, which is a priority for the Municipality of Cataño, considers the replacement of the facility's entire steel roof, the removal, restoration, and addition of galvanized purlins to meet current codes and standards, the replacement of stadium seats, the restoration of the complete electrical system and lighting, and the replacement of hoops and electronic board. Initially, the Applicant was allocated \$4.0 million in available Federal funding, but an additional \$3.0 million was awarded following FEMA's approval of a mitigation proposal. The design phase of this project is 70% complete.
- **Parcelas Nuevas Soccer Field** | \$2.6 million – This project involves the construction of a new soccer facility in the Municipality of Gurabo, on the site of a former baseball stadium that was repurposed as a soccer stadium. The facility, submitted as an Improved Project, aims to build a more resilient structure, enhancing the community's sports infrastructure and ensuring long-term usability. The total construction cost is estimated at \$3.1 million with funding composed of a FEMA Federal share of \$2.6 million and a Non-Federal Share ("NFS") of \$290,679.78. Additionally, the municipality has secured \$1.2 million from insurance proceeds and will supplement the remaining balance from other identified municipal funds. The design phase is 100% complete and the Municipality is awaiting the building permits to issue an RFP for the construction of the project.
- **Vicente Borrás Sports Complex** | \$2.9 million – This project consists of the repair and replacement of the community sports complex. The complex includes an indoor basketball court of over 10,000 square feet and two (2) other structures built of concrete, steel, glass and masonry on approximately 4.5 acres. It also includes a baseball park, children's playground area, parking lot and outdoor basketball court. The construction phase of this project is 100% complete.
- **Villalba Sports Complex** | \$6.8 million – This project involves the complete reconstruction of several facilities, including the Reception Hall in the Sports Complex, the Youth Centre, the Municipal Gym, the Taekwondo School, the Family Park, the Sports Square, the Batting Range, and the Raúl Rodríguez Athletic Track. Meanwhile, other facilities, such as the Jose I. Marrero Basketball Court and the Manolín Díaz Basketball Court are under construction and are 85% complete, with an expected completion date of September 2024.
- **La Perla Theater** | \$4.0 million – This project, located in the Municipality of Ponce, consists of the repair and replacement of the theater's plasterwork, paint, doors, acoustics, carpets, curtains, windows, and air conditioning units. The La Perla Theater is a historic building that was inaugurated in 1864 and has hosted multiple events such as artistic performances, musicals, graduations, and stand-up comedies. The construction phase of this project is 80% complete.
- **Wilfredo Toro Coliseum** | \$3.0 million – This facility is used for sporting events, artistic performances, recreational activities, and it is the main venue for various community outreach events. This project consists of the removal of seats, the installation of handrails, sidewalk improvements and the addition of a ditch drainage system, a storm drain front wall for runoff discharge on the side of the building's main entrance, and a roof drainage extension under the proposed new sidewalks. The project also includes upgrades to the sound system, fencing and seating. The project is currently 30% complete.

- **Ramón Cabañas Baseball Stadium** | \$2.5 million – This project, located in the Municipality of Utuado, involves the reconstruction of recreational facilities that were severely damaged during Hurricane María. The stadium is a multi-purpose venue that was originally designed for baseball, but has since hosted a variety of sporting events, such as tennis, track and field, and table tennis. The project consists of the replacement of 4,000 square-foot of cyclone fencing and posts in the parking lot, 10,000 square-foot of rubberized matting on asphalt on the tennis court, 7,140 square-foot of rubber matting flooring on the Table Tennis Coliseum, and 13,860 square-foot of galvanized sheet metal roofing to the Baseball Stadium. The construction phase of this project is 90% complete.
- **Athletic Track** | \$1.2 million – This project, located in the Municipality of San Sebastián, consists of the painting of gazebos and the replacement of halogen lamps, lighting, polyethylene athletic track field lane and semicircle athletic track field area. Additionally, this project involves the replacement of unclassified soil material, galvanized fencing, galvanized ridge, aluminum gutters, galvanized panels, and gutters. The project has completed 20% of the painting work and is currently in the process of obtaining the building permit.
- **Raymond Dalmau Coliseum** | \$3.5 million – This project, located in the Municipality of Quebradillas, involves the repair of various areas of the coliseum. It includes the removal, refurbishment, and reinstallation of aluminum telescopic bleachers, stadium seating, custom cabinets, and the ceiling system, including fluorescent lighting and diffusers. Additionally, the project includes the cleaning and sanitizing of interior and exterior surfaces, including the flooring throughout the building, and priming and painting the metal roof, door frames and interior walls. The construction phase of this project is 25% complete.
- **Tortuguero Complex** | \$6.0 million—This project, located in the Municipality of Vega Baja, consists of rehabilitating a community recreational facility that houses various sports disciplines. It also aims to repair damage to the sports complex's electric system, roof, and fencing. The construction phase of this project is 28% complete.
- **Specialized School of Math and Science, School of Sports Rebekah Colberg and School of San Juan** | \$11.0 million – This project, located in the Municipality of San Juan, consists of the repair of schools specialized in Science, Math, Art and Sports. These repairs are essential to restore the school structures that were damaged by Hurricane María. At present, the School has completed the replacement of the damaged roof, the ceiling light fixtures, the notifier/fire alarm control panel and the heating, ventilation, and air conditioning ("HVAC") system located at the roof, as well as other damages to the interior and exterior of the building. Reparations to the parking lot associated with the schools and sport facilities are currently underway. The construction phase of this project is 61% complete.
- **Job Andujar Municipal Health Care Facility** | \$4.4 million – This project, located in the Municipality of Cataño, consists of the replacement of lighting fixtures, acoustic ceiling tiles and the HVAC system. The Job Andujar Municipal Health Care Facility is a primary health care facility that serves the community of Cataño and neighboring Municipalities. It also serves as an alternate Emergency Management Center in the event of a disaster. The construction phase of this project is 60% complete.

Execution Progress on Previously Reported Projects

- **Fernando L. Ribas Dominicci Airport in Isla Grande** | \$46.4 million – This airport located in Isla Grande has four (4) projects to rehabilitate its facilities, including the replacement of hangars, among other improvements currently in the design phase. The completion of these projects will result in stronger and more reliable facilities, which in turn will improve the quality of service provided to visitors. These projects will be carried out with a 90% contribution from FEMA, while the remaining 10% will be covered by the Community Development Block Grant - Disaster Recovery ("CDBG-DR") Non-Federal Match program.
 - **Update:** These four (4) projects are currently in the process of being consolidated under one (1) project, which will include repairing the facilities, the construction of a new Aircraft and Fire Fighting Unit building, and improvements to the main terminal's parking lot.

- **San Juan Diagnostic and Treatment Centers ("CDTs" for its Spanish acronym)** | \$21.0 million – The project consists of repairing damage to six (6) of the main medical diagnosis and treatment facilities in the Municipality of San Juan, including the Belaval CDT, HOARE CDT and Head Start Bahia, Puerto Nuevo CDT, Quevedo CDT, Sabana Llana CDT and San José – Dr. E. Koppisch CDT. The repairs include interior and exterior painting, acoustic ceiling replacement, waterproofing of roofs, sanitation, and the replacement of electrical distribution panels and substations due to water damage.
 - **Update:** Construction work for these facilities has been coordinated to be performed on a job-specific basis, e.g., painting, roof waterproofing, replacement of acoustic ceilings, electrical system works, etc., to facilitate construction without affecting the operation of the facilities, which are in continuous operation and cannot be interrupted. This project is currently under construction and 8% of the work has been completed.

- **Resi Campus in Río Piedras** | \$18.0 million– The Resi Campus building is one of the main housing facilities for both local and international students attending the University of Puerto Rico ("UPR") Río Piedras Campus. Built in 1961, it offers affordable prices and is located within the Campus, close to most departments and faculties. Resi Campus has been closed since Hurricane María hit the island. The project consists of a complete restoration of the structure, including the replacement of the electrical and mechanical systems, while bringing the facilities up to current regulations in terms of accessibility, exits, fire alarms, and fire protection. The project includes the replacement of doors and windows, as well as refurbishing all bedroom units and common areas of the building. The existing waterproofing system will be completely removed and replaced with a new system consisting of a combination of three (3) layers of asphalt membranes. These hazard mitigation measures will ensure a more resilient building enclosure. By the end of this reporting period, a total of \$3.8 million has been disbursed through the RFCA program for A&E and construction.

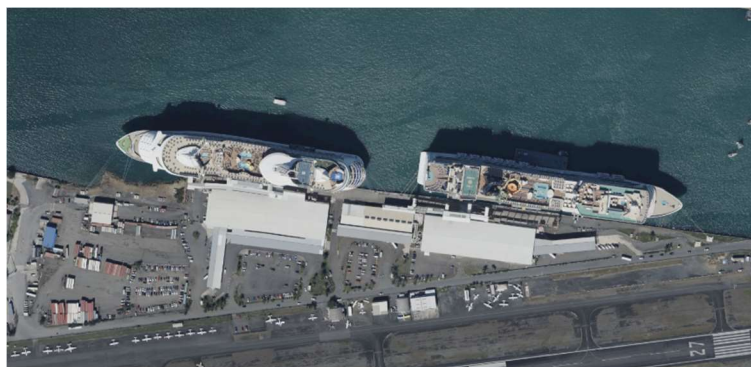


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- **Update:** Phase 1 of the project, which includes the removal of lead and asbestos, started on December 21, 2023, and ended on March 9, 2024. Phase 2, which entails the renovation works, started on March 11, 2024. The contractor is currently working on the selective/partial demolitions and construction of the mock-up apartment on the seventh floor. Construction is 5% complete.



- **Isla Grande Pan American Piers I & II** | \$12.0 million – This project is owned by the Puerto Rico Port Authority and consists of the refurbishment of the facilities that serve cruise ship passengers. This \$7.5 million project consists of two (2) main components: the exterior envelope and the mechanical/electrical equipment necessary for the maintenance of Terminals I and II. Both piers will undergo corrective actions to reinforce structural elements and other replacements/repairs with a focus on restoring them back to their pre-disaster design, function, and capacity within the existing footprint.
 - **Update:** The construction phase of this project is 30% complete.



- **Rafael Hernández Airport in Aguadilla** | \$8.7 million – The Aguadilla Airport has two (2) recovery projects involving improvements to terminals, hangars, and ancillary buildings. These projects will be executed with a 90% contribution from FEMA and the remaining 10% will be covered by the CDBG-DR "Non-Federal Match" program.
 - **Update:** An Improved Project proposal from the Subrecipient is expected by the end of Quarter 2 of 2024.
- **Sixto Escobar Gym Auditorium** | \$3.5 million – This project consists of rebuilding the Gym Auditorium located within the Sixto Escobar Stadium in the Municipality of Barceloneta, which suffered significant damage during Hurricane

María. The stadium is a multi-purpose venue that was originally designed for baseball, but has since hosted a variety of sporting events, such as boxing, basketball, and soccer. The stadium also houses the Puerto Rican Sports Hall of Fame Museum and Library, and its structure was declared a Historical Monument in 2014. The project aims to rebuild a 32,130 square-foot indoor basketball court with bleachers and rubber flooring, as well as a separate building for boxing and a weightlifting room.

- **Update:** The construction phase of this project is 50% complete.



- **Cardiovascular Centre of Puerto Rico and the Caribbean** | \$39.9 million – The Cardiovascular Centre of Puerto Rico and the Caribbean is the only facility in the Caribbean specializing in the treatment of cardiovascular conditions. Permanent repairs and mitigation measures include replacing and increasing the capacity of the emergency generator system and replacing the ventilation and air conditioning system, among other improvements. The reconstruction of this facility will improve the essential healthcare services for the people of Puerto Rico.
 - **Update:** A total of \$9.9 million has been disbursed through the RFCA Program, which has already been used for repairs to a covered walkway, five main elevators, mechanical rooms, entrance hall, emergency power systems, HVAC systems and supply blowers/ventilators. Services for the installation of roof weatherproofing, new chillers, pumps and cooling towers are currently being procured through a competitive bidding process. Lastly, the Subrecipient is also in the design stage for repairs to the exterior windows, which shall be submitted to FEMA for final approval. The design phase is 70% complete.
- **Miguel Fuentes Pinet Stadium** | \$4.7 million – This project will repair a community baseball field in the Municipality of Loíza. Improvements include repairs to the restrooms, concrete sidewalks, an aluminum fence, a safety grate, foul netting, a ceiling net, field renovations, a transmission station, a parking stall, and a covered grandstand with bleachers. Changes in the obligated amount since the previous Report are due to the Applicant's request to transfer funds under the fund sharing strategy to complete the reconstruction work.
 - **Update:** Phase 1 of the project consists of the replacement of the stadium roof, some interior and exterior repairs, and bleachers replacement, and is 80% complete. Phase 2 includes electrical work to the stadium and Phase 3 will include baseball field work; both of which are expected to begin construction work shortly.



- **Los Brillones Bridge in Barrio Barrazas** | \$3.2 million – This project consists of repairing damage to a bridge in Barrio Barrazas, situated in the mountainous area of the Municipality of Carolina, which connects thousands of families to the Municipality’s main roads. The new design will include an open bridge in accordance with the new building codes and standards.
 - **Update:** The construction phase of this project is 90% complete.



- **ASSMCA: Mental – Drug Rehabilitation Service Administration** | \$69.2 million – The Puerto Rico Mental Health and Anti-Addiction Services Administration (“ASSMCA” for its Spanish acronym), the State Entity dedicated to the rehabilitation of mental health and drug addiction patients, has several locations throughout Puerto Rico that were damaged by Hurricane María. Repairs are needed to various clinics, hospitals, and rehabilitation centers.

- **Update:** The Subrecipient has initiated the competitive procurement process for the design phase of the ASSMCA multi-program facilities and the ASSMCA headquarters. The "Residential and Toxicology Lab", Fajardo Regional Prevention Center and CTVI Trujillo Alto projects are under construction and the SOW for these projects is approximately 50% complete.



- **Tibes Indigenous Ceremonial Center in Ponce** | \$100,000 – This project consists of repairs to the exterior area of the museum, the exhibition building, and the parking lot, among other installations. The A&E studies have been completed and the project is ready for the design phase. A new project version was authorized under Section 406 Hazard Mitigation project for an estimated amount of \$355,046.
 - **Update:** The Municipality of Ponce is preparing a 406 Mitigation proposal to be submitted to FEMA for its evaluation and approval.



- **Institute of Puerto Rican Culture for the Caguana Ceremonial Indigenous Center in Utuado** | \$1.2 million – This project will replace lighting and repair infrastructure such as the museum, auditorium, and administrative offices. Some of these repairs will focus on fixing rooftops, electrical systems, ceiling fans, two septic tanks, gutters, drainage systems, and benches, among others. The Caguana Ceremonial Indigenous Center also has a project

obligated under the Earthquake Disaster (DR-4473) that is currently in the A&E phase. Since there are projects under both disasters (DR-4473 and DR-4339), the structural repairs under DR-4473 must be completed prior to the other repairs under DR-4339.

- **Update:** 10% progress has been reported on the A&E phase. Phase 1 of this A&E includes validation of the Damage Description and Dimensions ("DDD") and initial studies.

- **Ceremonial Park Cueva del Indio in Las Piedras** | \$72,068 – This recreation facility has over \$72,068 in Federal share funds allocated for waterproofing the rooftop, wood framing the pavilions, and door repairs. For the previous reporting period, the ceremonial park had over \$80,075 in obligated funds for the preparation and painting of park building exteriors, the removal and replacement of wood doors, and the renewal of elastomeric roof treatments to ensure structural integrity and aesthetics. Additionally, the project also includes the removal and replacement of cyclone fence components, including gates for security and access control purposes. To improve the facility's amenities, new covered shelters will be installed, including one (1) gazebo and two (2) round gazebos with galvalume roofs and wood frames.
 - **Update:** The Municipality is currently preparing the bidding documents for the construction, with the aim of holding an auction by the end of June 2024.

- **Road Renovations in Mountain Municipalities** | \$804.0 million – 15 Municipalities and over 382,000 residents will benefit from the repair of a system of bridges and roads connected to Puerto Rico's Central Range. These repairs are essential to ensure the safety and quality of life of the region's residents, improve small business operations, and promote the tourism sector. One of these Municipalities is Jayuya, which has \$276.0 million in funds allocated for 123 municipal road projects. Another of the Municipalities impacted is Naranjito, which has \$36.0 million for several road projects.
 - **Update:** An estimated \$5.8 million of the \$40.0 million obligated for road projects in Naranjito has been earmarked for mitigation measures.

- **Vieques Susana Centeno ("CDT")** | \$43.4 million – The replacement of Vieques' medical care facility, which will include new pediatric and adult emergency rooms, remains a top priority for the Municipality, with an initial FEMA obligation of \$39.5 million. In previous reporting periods, FEMA approved an increase in the Federal share, bringing the total to \$43.4 million, after the Municipality reached an agreement with its insurance company regarding the damage to the facility during Hurricane María. To date, \$21.7 million has been disbursed, of which more than \$17.8 has been paid through the RFCA Program. Moreover, an Improved Project Request was presented to FEMA on September 16, 2022, which went through the FEMA National Workflow and completed the amendment process on January 12, 2023. The contract for the design and construction of the project was subsequently awarded in February 2023 and the bidding process for project inspection services was conducted and awarded in June 2023. The final design was completed in October 2023 and construction started in November 2023 with 45% progress on Phase 1 of the project, which includes the dialysis room and part of the parking lot. Construction work is expected to be completed by the end of September 2024.

- **Update:** On March 27, 2024, the Municipality, through the AFI, submitted to FEMA for review and comments a breakdown of the elements included in the final design that may be considered as mitigation. This submission is part of the Municipality's effort to request a mitigation amendment.



- **Maunabo ("CDT") Facility** | \$29.0 million – This project consists of the replacement of the Maunabo CDT, which provides primary health care services for the community of Maunabo. Approximately \$7.3 million has been disbursed through the RFCA Program. By the last reporting period, the demolition of the previous structure had been completed and the design phase for the construction of the new building had been submitted and approved by FEMA as an improved project.
 - **Update:** The Puerto Rico Department of Health ("PRDH") is currently conducting a bidding process for the construction of the new Maunabo CDT facility and is in the process of obtaining the necessary building permits.



- **Forensic Sciences Institute** | \$17.9 million – The Puerto Rico Forensic Sciences Institute ("FSI") is the Island's only forensic laboratory specializing in medical and toxicological analysis, forensic research, and criminological investigations. Its headquarters, located in San Juan, was severely damaged by Hurricane María, resulting in electrical power issues, water leaks, mold, and structural damages that have affected the facility's laboratories.

Although the initial obligation amounted to \$21.3 million, the obligation was later reduced to \$8.5 million after the FSI's private insurance company only disbursed \$300,000 for the damages caused to the facility, prompting the FSI to file a lawsuit seeking the full insurance policy amount. Following FEMA's evaluation of the Reasonable Efforts letter for the Insurance Settlement submitted by the FSI, an increase of \$11.3 million in costs was later approved.

- **Update:** On March 5, 2024, an RFCA payment of \$3.5 million was made to the FSI, allowing the restoration process to continue. An Improved Project proposal to increase main building's resiliency was submitted to COR3 for evaluation on March 14, 2024, and is currently under review. Phase 2, which includes repairs to the facility's lobby and parking space, is expected to start in April and be completed by July 2024, while Phase 3 is awaiting final approval for procurement.
- **Roosevelt Roads Electric Power Grid** | \$30.5 million – This project has \$30.5 million obligated for the reconstruction of this electrical power distribution grid. This project, located in the Municipality of Ceiba, consists of improvements to three (3) primary voltage systems, the replacement of over 530 poles, and the rehabilitation of three (3) electrical substations and ancillary infrastructure. During the first quarter of 2023, the Local Redevelopment Authority for Roosevelt Roads ("LRA") issued an RFP for the design of this project and a contract was later awarded. The Subrecipient expects to start construction during the last quarter of 2024; however, this may be affected by applicable environmental evaluations, i.e. EHP.
 - **Update:** In the fourth quarter of 2023, a Section 428 Hazard Mitigation proposal was submitted to upgrade the power grid and is currently under review by FEMA.
- **Flood Control Pump Stations** | \$76.8 million – These 13 pump stations, with an estimated cost of approximately \$76.8 million, service the southern part of the Municipalities of Juana Díaz and Salinas (Southern Flood Control Pump Stations, \$9 million in obligated funds), and heavily populated areas in the Municipalities of Cataño, Guaynabo (Water Control Facilities, \$20.4 million in obligated funds), and San Juan (Baldorioty / De Diego / Parada 18, \$47.4 million in obligated funds). The project is intended to address the damage caused by Hurricane María, improve existing infrastructure, and mitigate damage caused by other disaster events, like Hurricane Fiona.
 - **Update:** The Department of Natural and Environmental Resources ("DNER") accepted FEMA's Mitigation Proposal to include A&E funds exclusively for the mitigation line item. The purpose of these additional funds is for DNER to evaluate the feasibility of the mitigation alternatives presented by FEMA.
- **Department of Sports and Recreation: CECADER Project** | \$7.4 million – This project consists of the rehabilitation of a community recreational facility in the Municipality of Aguadilla that can accommodate approximately 12 different sports disciplines. This project includes significant and necessary improvements to the facility's rental rooms and community center, which was severely affected by Hurricane María.
 - **Update:** The design work for the rental rooms and the Gym Sports Complex has progressed significantly during this reporting period. The design phase is 65% complete for rental rooms and 75% for the Gym Sports Complex. However, studies have revealed the presence of lead and asbestos in the facility, so the Applicant is working on the bidding process to award the mitigation construction work for the abatement phase.
- **Félix Millán Baseball Park** | \$26.4 million – This project is located in the Municipality of Yabucoa. Built in 1973, the Félix Millán Baseball Park is a Double-A Superior Baseball League stadium and home to the Municipality's baseball team, the Azucareros of Yabucoa. The project consists of the demolition of the 50,788 square-foot stadium and the

construction of a new 70,360 square-foot baseball stadium facility; the new facility will have two (2) levels, with a third level for the broadcast booth and concrete bleachers for 4,200 spectators. It will also have additional features, including a restaurant/lounge for activities and large events. The Municipality has received an obligation of \$26.4 million, of which \$12.5 million has already been disbursed through the RFCA program. Construction began on the sixth anniversary of Hurricane María, September 20, 2023.

- **Update:** The construction phase is 28% complete.



- **La Guancha** | \$6.7 million – Located in the Municipality of Ponce, La Guancha is an entertainment area that includes various facilities such as kiosks, buildings, a boardwalk, an observation tower, several entertainment stages, recreational areas, and parking lots, all of which were impacted by Hurricane María and the 2020 Earthquakes. Funding for this project was allocated based on the damage caused by Hurricane María (\$7.4 million) and the corresponding A&E costs for the Earthquakes (\$127,000). However, the project was later classified as EHP Not Compliant. Investigations are, therefore, currently underway to ensure that the project complies with the EHP requirements for both disasters. The project has been divided into two (2) parts, the design phase, which is ongoing, and the construction bid process. After concluding the bidding process, the Municipality is in the process of awarding the contract for the construction phase. The Municipality submitted the repair method to FEMA, but FEMA did not accept it because the structures claimed were mostly damaged by the Earthquake disaster. Additionally, since FEMA required that the structures and the boardwalk be moved 60 feet from the sea, the Municipality was required to submit a new design.
 - **Update:** The Municipality has carried out the work to certify the substantial damage and the 50% Rule for the Earthquake disaster (DR-4473), which has been submitted to FEMA and COR3 for evaluation and recommendation. The work will be carried out as follows: the Municipality will finalize the hiring of the designer, as it has a contract for the María disaster but not for the Earthquake disaster. The designer will then prepare the design for the demolition of the structures and the concrete platform to be submitted to FEMA for approval. Then they will work with the approval of the additional studies required since, according to information provided by FEMA's EHP, the Municipality cannot rebuild in the area because it is in Zone Velocity ("VE") and must move the entire project back 60 feet. For this reason, new studies are required to carry out the Earthquake project (DR-4473). If the project is approved the 50% Rule, the Earthquake project would also

absorb the platform area of the María project. The Municipality is slated to finalize the design contract by May 2024.

- **Cuartel de Ballajá ("Ballajá Barracks")** | \$21.4 million – Built by the Spanish Army between 1854 and 1864, this building is one of the largest and most impressive military structures built by the Spanish Crown in the Americas and attracts thousands of visitors each year. Ballajá, which houses a garden that boasts 67,000 plants and a hydroponic green wall, also counts with solar roof panels that produce about 50% of the energy needed to power the building. This project has an obligation of \$21.4 million to address the damage caused to the structure by the impact of Hurricane María, including the building's interior and exterior areas, i.e. doors, windows, and shutters, among others.
 - **Update:** This project continues to face material shortages due to the unavailability of the materials required for the construction and restoration of historic buildings in Puerto Rico. Therefore, repairs have been delayed, and the new estimated completion date is mid-late 2025. An extension of the Period of Performance ("POP") to repair the remaining damages has been granted until September 20, 2024, but a further extension to 2025 will be required.



- **Department of Health Laboratory and Central Offices** | \$52.6 million – The PRDH intends to renovate a two-story facility built in the 1950s that currently houses administrative offices and laboratories essential to the study of diseases found in Puerto Rico. The project is divided into two phases: Phase 1 accounts for the design and construction of the Public Health Laboratory, and Phase 2 consists of the relocation of the Central Offices. The PRDH has initiated the RFP process for Phase 1, with a preliminary estimated cost of \$21.0 million for its design and construction, and it has already hired an architectural firm to evaluate the additions and repairs to be incorporated into the preliminary design of the new facilities. For Phase 2, the PRDH is currently evaluating sites to relocate their Central Offices. Both phases have an obligation of \$52.6 million. During the previous reporting period, the RFP process for Phase 1 of this project was completed, and the contractors issued the "Notice to Proceed" to initiate the design and construction of the Public Health Laboratory. For Phase 2, the PRDH initiated negotiations to acquire a site for the relocation of their Central Offices.
 - **Update:** The design for the new Public Health Laboratories is 5% complete and the contractors engaged for A&E services are submitting the demolition plan for the new site for FEMA review. Bidding for the demolition

process has been awarded; however, the facility will require lead and asbestos abatement. In addition, the PRDH announced the selection of the new building to relocate their main offices.

- **Santa Isabel Medical Center ("CDT")** | \$2.5 million – This project consists of the rehabilitation of the Municipality's CDT to restore it back to its pre-disaster design, capacity, and function. The facility, which is the only health care institution serving the Municipality of Santa Isabel, has an obligation of \$2.5 million, of which \$468,172 has already been disbursed. As the construction phase nears completion, enhancements to the electrical system and the installation of a generator are underway. For the previous reporting period, the project's original SOW was 95% complete.
 - **Update:** The Municipality has awarded a contract for the Design and Build project for the remaining 5% of the SOW, which is currently being signed. This will lead to an Improved Project request, which the Municipality will submit shortly.

- **Department of Transportation and Public Works Road Signs Projects** | \$28.3 million – Work is currently underway and is divided in two (2) projects: the replacement of approximately 114,500 square feet of damaged traffic signs, and the installation of road markers in state roads of the Puerto Rico Highway System, owned, operated, and maintained by the Department of Transportation and Public Works ("DTOP", for its Spanish acronym). The two (2) projects will impact the regions of San Juan, Arecibo, Aguadilla, Mayagüez, Ponce, Guayama, and Humacao.
 - **Update:** To date, 71.2% of the work has been completed. Installations are ongoing, with a total of 197,344.84 linear feet of posts and 87,616.12 square feet of signage installed.

- **Vieques Airport** | \$4.1 million – This project consists of replacing the roof assembly at the Vieques Terminal Building and Air Link Hangar and refurbishing the Aircraft Rescue and Fire Fighting Building's roof, among other critical repairs. These repairs will not only ensure passengers' safety but will also improve the Island's tourism sector. The Subrecipient has conducted a competitive procurement process, and a contract was awarded.
 - **Update:** 33.3% of the approved SOW has been completed, and the remainder is in the design phase.



- **Sociedad Española de Auxilio Mutuo y Beneficiencia** | \$47.9 million – This Private Non-Profit organization is a general hospital located in the Municipality of San Juan. Founded in 1901, it is one of the subordinate organizations under Hospital Auxilio Mutuo, one of the largest hospitals in the San Juan Metropolitan Area. This permanent work project covers several non-historical buildings, including a 9-story building, out-patient clinics, and multi-level

parking space. This project, for which FEMA originally obligated \$8.0 million, has been versioned to include an additional \$12.0 million allotment for hazard mitigation measures for wind retrofit. The Subrecipient has contracted a project management firm and initiated bids for the design and construction of the historic and non-historic sites.

- **Update:** For the historical and non-historical projects, the hospital is working on proposals to repair their roof waterproofing system damages and windows. They experienced delays due to issues with the procurement process as they did not receive any proposals and are currently working on another bid. Subrecipient has only three (3) uncompleted Small Projects, with an estimated completion date is mid-June 2024.



Tables 3-5 provide a detailed breakdown of large projects, classified by permanent work categories and project stage, for Municipalities, State Entities, and Private Non-Profits.

Table 3: Municipalities Sector - Recovery Stages by Category						
Count of Facilities - Project Stage	Permanent Work Category ²⁵					Total
	C	D	E	F	G	
Construction Completed	421	10	134	11	328	904
Construction in Progress	507	-	240	7	668	1,422
Construction in Procurement	237	-	112	3	450	802
Permitting	6	-	3	-	4	13
Design in Progress	442	4	90	-	194	730
Design for Procurement	217	4	56	1	108	386
Planning	2,144	8	580	4	1,260	3,996
Total	3,974	26	1,215	26	3,012	8,253

²⁵ Permanent work categories are as follows: (C) Roads and bridges; (D) Water control facilities; (E) Public buildings and contents; (F) Public utilities; and (G) Parks, recreational, and other facilities.

Table 4: State Entities - Recovery Stages by Category ²⁶						
Count of Facilities - Project Stage	Permanent Work Category					
	C	D	E	F	G	Total
Construction Completed	22	-	102	105	25	254
Construction in Progress	17	3	234	213	46	513
Construction in Procurement	-	-	207	69	135	411
Permitting	-	-	-	-	-	-
Design in Progress	436	6	575	40	49	1,106
Design for Procurement	78	20	448	4	150	700
Planning	10	65	2,468	6	598	3,147
Total	563	94	4,034	437	1,003	6,131

Table 5: Private Non-Profits - Recovery Stages by Category						
Count of Facilities - Project Stage	Permanent Work Category					
	C	D	E	F	G	Total
Construction Completed	-	-	161	18	2	181
Construction in Progress	-	-	210	3	1	214
Construction in Procurement	-	-	123	3	2	128
Permitting	-	-	5	2	-	7
Design in Progress	-	-	218	5	5	228
Design for Procurement	-	-	279	-	2	281
Planning	-	-	2,054	14	1	2,069
Total	-	-	3,050	45	13	3,108

C. Hazard Mitigation Grant Program

1. Overview

The Federal Government's investment in Puerto Rico's mitigation efforts through recovery projects has allowed approximately 86% of obligated projects to include funding for mitigation activities such as weatherproofing, adding storm

²⁶ Table 3 includes data related to FAASt.

shutters, and other hazard-resistant measures. This reflects the GPR and COR3's commitment to rebuilding Puerto Rico's resilience by maximizing the use of HMGP funds and providing technical mitigation assistance. Accordingly, one of COR3's primary strategic goals focuses on optimizing and innovating the HMGP processes, thereby ensuring program effectiveness and transparency on project status. At the same time, stakeholders are to be provided with a clearer picture of the progress being made towards achieving the intended outcomes. As such, COR3 and FEMA continue to work together on the review process of the HMGP Administrative Plan ("Admin Plan") submitted in July 2023, which serves as a procedural guide detailing how HMGP awards and subawards will be administered by COR3. The Admin Plan²⁷ integrates Disaster Fiona (DR-4671) and allows HMGP projects to submit RFCA in increments of 25% up to a maximum of 75% of the obligated Federal share of the approved project amount.²⁸ It also outlines a more streamlined and efficient operation by integrating the HMGP team into COR3's programmatic structure. In the interest of organizational efficiency, COR3 staff will manage all grant programs for each disaster simultaneously. This approach will result in a comprehensive understanding of relevant policies and procedures, facilitate communication and collaboration, and promote effective project management without compromising the nature of each program. Staff are currently undergoing capacity building exercises on both the PA and HMGP programs.²⁹

Since Federal funding provided by FEMA for total HMGP costs, excluding management costs, is limited to 75% of total eligible costs, applicants must provide a Non-Federal Match to cover the remaining 25% of the project cost for the NFS portion. Therefore, to address Subrecipient's lack of funding, the GPR, in coordination with the PRDOH, has implemented a Global Match Strategy to use the Community Development Block Grant - Mitigation ("CDBG-MIT") to reduce the administrative burden by allowing the match requirement to be met through fewer projects while still meeting CDBG-specific requirements through individual projects. The Global Match projects approved under this approach will be used to meet the required Non-Federal Cost Share for Puerto Rico's HMGP allocations resulting from Hurricane María and other open disasters.

The purpose of the HMGP is to ensure that critical mitigation measures are taken during the post-disaster reconstruction process to reduce the risk of loss of life, essential services, and property in future disasters.³⁰ To this end, FEMA has awarded \$3.99 billion to the GPR under Hurricane María (DR-4339), which includes \$999.0 million for the NFS portion, implemented through the Global Match Strategy with CDBG-MIT funds. As of March 31, 2024, FEMA has approved 116 projects, representing a total of \$508.6 million in obligated funds, up from the 80 projects reported in the Tenth Congressional Status Report. These projects can be categorized as follows: 24 projects are in the planning phase, amounting to \$90 million; 85 projects are in the procurement and design phase, for a total of \$392.7 million; and five (5) projects are in the procurement and construction phase, representing \$24.3 million. Additionally, there are two (2) completed projects, and 137³¹ projects are currently under FEMA's review.

²⁷ FEMA's second review of the HMGP Administrative Plan was received on March 28, 2024, and responded to by COR3 on April 4, 2024. The latest Request for Information ("RFI") was received on April 10, 2024, and answered on April 12, 2024.

²⁸ Prior to submitting any subsequent RFCAs, the Subrecipient must have reconciled 100% of the previous advance with the necessary documentation (e.g., procurement documents, invoices, proof of payment).

²⁹ Please refer to Section 4: Staff Support and Coordination with FEMA, for more information regarding the capacity building initiatives between COR3 and FEMA.

³⁰ Stafford Act, 42 U. S. C. 5170c.

³¹ As of April 2024, an additional 58 projects are under FEMA evaluation.

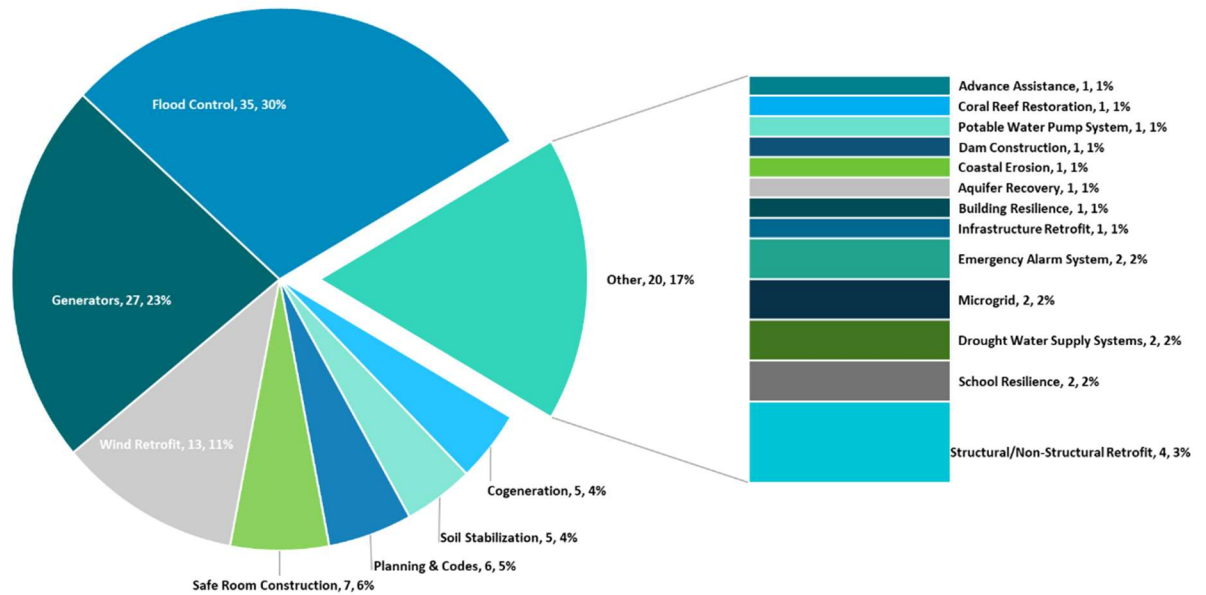
Figure 23 provides an overview of the execution of HMGP permanent work projects. These projects aim to increase the resilience of infrastructure through risk mitigation proposals, including flood control, mitigation of climate change impacts, such as coastal erosion and landslides, and the use of renewable energy, among others. Figure 24, shown below, provides a breakdown of the mitigation activities approved by FEMA for projects under Hurricane María.

Figure 23: Road to Resilience Dashboard³²



³² Figure 23 includes data related exclusively to Hurricane María, whereas the Road to Resilience Dashboard, available through COR3's Transparency Portal, includes data from multiple disasters.

Figure 24: FEMA Approved Mitigation Activities



2. HMGP Projects

One of the main priorities of the GPR is to support the development of projects with sustainable mitigation measures that will prepare Puerto Rico for future atmospheric events. For this reason, COR3 continues to ensure that HMGP projects are consistent with FEMA’s priorities in the areas of climate resilience and preparedness, environmental justice initiatives, and nature-based solutions. HMGP projects that have been submitted or approved by FEMA include the following:

HMGP Projects Under Formulation:

- **Forensic Sciences Institute: Photovoltaic Solar Panel** | \$ 7.3 million – As previously stated in this Report, the FSI is the only forensic laboratory in Puerto Rico, providing critical services to government operations and law enforcement. However, the facility does not have a reliable backup power source during a natural hazard event, which can disrupt essential services to the government and the public. The proposed mitigation project will provide a reliable backup power to ensure the continuity of facility operations during a power outage. As such, this project proposes the purchase and installation of a secondary power source for the FSI facility. This mitigation project includes a grid-connected hybrid photovoltaic system, a 1,200-kilowatt generator, a 9,000-gallon fuel tank, and a battery energy storage system.³³
 - Phase 1 Amount: \$270,000
 - Phase 2 Amount: \$6.7 million
- **DNER: Coastal Erosion Punta Candelero** | \$23.4 million – This mitigation project aims to reduce and redirect the onshore and long-shore currents that have a dual negative impact (coastal erosion and property damage) on Palmas

³³ Although this project was under FEMA evaluation during this reporting period, it was approved on April 24, 2024.

del Mar beach, an important tourist complex in the eastern area of Puerto Rico. This project consists of the installation of an artificial reef with preliminary dimensions of 914 meters long by 10 meters wide at the top, 23 meters wide at the base, and approximately 4.34 meters high the revised application package for this project is currently under review by FEMA.

HMGP Approved Projects:

- **PRDE: Mitigation Retrofits** | \$307.3 million – The purpose of this project is to assess, design, and retrofit 50 public school campuses to mitigate the risk of seismic, wind, and flood hazards. This project will impact over 20 Municipalities, minimizing schools' vulnerabilities and strengthening our educational infrastructure. Phase 1 of this project was approved by FEMA on January 23, 2024. The approved SOW for the first phase includes on-site inspections, design, A&E services, and studies.
 - Phase 1 Amount: \$50.5 million
 - Phase 2 Amount: \$256.8 million

- **Mennonite General Hospital (MGH): Co-Generation Projects** | \$31.5 million – The project proposes the purchase and installation of a Combined Heat and Power ("CHP") system to provide backup power and new well water treatment equipment, pumps, and storage tanks to increase the capacity of the backup potable water system for critical services at MGH. The proposed CHP systems will include two (2) generator sets, a heat recovery system, an absorption chiller, and a boiler heat recovery steam generator to meet the energy needs of the following MGH facilities: two (2) in Aibonito, one (1) in Guayama, and one (1) in Cayey. The successful implementation of these improvements will enable the continuation of services to patients and staff following natural disasters and power outages. All four (4) facilities had their Phase 1 approved by FEMA and are currently in the design phase.
 - Phase 1 Amount: \$3.3 million
 - Phase 2 Amount: \$28.2 million

- **Municipality of San Juan: Condado Flood Control Project** | \$1.7 million – High tides in the Atlantic Ocean have caused the Condado Lagoon to rise. When heavy rains coincide with high tides, local flooding increases, causing damage to roads and properties. This project proposes to reduce flooding by constructing and installing floodwalls, pumps, control gates, check valves, and drainage channels along roads and properties on the north side of the lagoon. The project aims to reduce the risk and impact of tidal flooding while improving storm water drainage. Phase 1 of this mitigation project was approved by FEMA on November 1, 2023, and it is currently in the procurement process for A&E services.
 - Phase 1 Amount: \$ 173,245
 - Phase 2 Amount: \$1.5 million

- **Municipality of Canóvanas: Flood Risk Reduction & Soil Stabilization Puente Moreno** | \$4.0 million – The Municipality of Canóvanas is proposing the development of a flood mitigation and soil stabilization project in the community of Puente Moreno. This project involves the design and construction of a new elevated bridge over the Canóvanas River, and the construction of a retaining wall to strengthen the eastern riverbank along the main road in the Puente Moreno community. The current crossing of the Canóvanas River is prone to flooding during heavy rainfall, resulting in road flooding and increasing the likelihood of slope failure. The proposed mitigation measures will reduce flooding and erosion and maintain the use of the main road and access to and from the community of

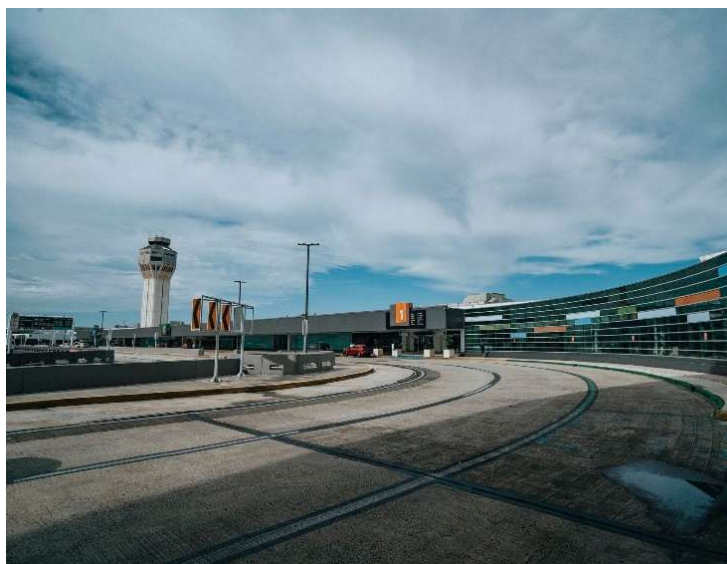
Puente Moreno during future natural disaster events. The first phase of the project was approved by FEMA on October 5, 2023, and continues in the procurement stage for A&E services after the receipt of a sole proposal.

- Phase 1 Amount: \$ 241,000
 - Phase 2 Amount: \$3.7 million
-
- **Radioville & Obrero Seawalls** | \$36.3 million – The Municipality of Arecibo is proposing to design and construct a two-section seawall along the coastline of the Radioville and Obrero Communities to mitigate the risk of flooding, which has been a recurring problem for these communities. The project includes a new 2,700-foot-long concrete seawall section along Avenida Atlántico in the Radioville Community and a 1,700-foot-long concrete seawall section along the Obrero Community as the coastline is susceptible to tsunamis, storm surges, and coastal erosion, which threatens residences, infrastructure, and public safety. Phase 1 was approved on December 29, 2023, and includes conducting archaeological and soil studies, including topographic, geotechnical, and shoreline bank geometry surveys, as well as coastline profiling.
 - Phase 1 Amount: \$2.0 million
 - Phase 2 Amount: \$34.3 million
-
- **University of Puerto Rico ("UPR") Dr. Federico Trilla Hospital** | \$30.9 million – This project aims to design and construct a new elevated Energy Centre to protect the critical infrastructure of the UPR Dr. Federico Trilla Hospital, which is located in the Municipality of Carolina, from power outages and flooding. The Energy Centre will be a concrete structure built above the 500-year flood elevation with an upgraded chilled water plant, two (2) new 1-megawatt (MW) continuous duty generators, five (5) 18,000-gallon liquid natural gas fuel tanks, and ancillary components. Phase 1 was approved on December 28, 2023, and as of the end of this reporting period, 70% of the preliminary and final project design has been completed.
 - Phase 1 Amount: \$ 2.8 million
 - Phase 2 Amount: \$28.1 million

Execution Progress of Previously Reported Projects:

- **PRPA: Luis Muñoz Marín Airport System** | \$59.7 million – The Luis Muñoz Marín International Airport is the main commercial air transportation hub in Puerto Rico. As such, having the ability to maintain or resume operations immediately following a disaster will facilitate recovery efforts and allow for the efficient movement of people and equipment to and from Puerto Rico. This project includes the acquisition and installation of seven (7) prime power reciprocating engines of two (2) MW each and one (1) diesel black start engine to provide electricity for up to seven (7) days in the event of a power outage. Phase 1 of this project consists of design and further studies, while the second phase will concentrate on the acquisition and installation of the equipment. The project's SOW was amended and approved by FEMA in June 2023 to ensure that the minimum completion percentages for t Phase 1 design specifications were met, and the next step is to engage engineering design services.
 - Phase 1 Amount: \$3.7 million
 - Phase 2 Amount: \$56.0 million
 - **Update:** The Subrecipient has requested budget amendments for the first phase of the project. The completion of the 75% design package requires technical specifications of the equipment to be used for the project, which

are included in the budget for the second phase. This budget amendment would allow the Subrecipient to purchase the equipment during the first phase, to obtain all the necessary technical specifications.



- **PBA: Seismic Retrofit of Existing Public Schools** | \$150.0 million – This project aims to improve the safety of students, teachers, staff, and public in school buildings while also minimizing seismic risks to critical infrastructure. Specifically, the project will seismically retrofit up to 55 public schools to address and mitigate both structural and non-structural seismic vulnerabilities.
 - Phase 1 Amount: \$34.6 million
 - Phase 2 Amount: \$115.5 million
 - **Update:** Three (3) A&E firms have been contracted for Phase 1 design work and 16 schools have been reviewed.

- **PREPA: Patillas Dam Seismic Retrofit** | \$558.0 million – The purpose of this project is to reduce the risk of embankment deformation caused by seismic activity that could lead to dam failure and uncontrolled reservoir release, resulting in downstream flooding. This project consists of the reconditioning of the Patillas Dam, which will restore the normal reservoir water surface elevations required to provide critical water resources for power generation, agricultural irrigation, and public water supply for 100,000 people in the Island’s southeastern region. The first phase of this project involves geological, topographic, and environmental studies, which have already been completed.
 - Phase 1 Amount: \$2.6 million (HMGP funds)
 - Phase 2 Amount: \$555.4 million (CDBG-MIT funds)
 - **Update:** Due to the design specifications required by PRDOH for projects funded with CDBG-MIT, the design is expected to be completed by September 2024. An RFCA of 12% has been approved for this project for a total disbursement of \$308,178.

- **PREPA: Simple Gas Turbines³⁴** | \$280.8 million – This project consists of the acquisition and installation of seven (7) dual-fuel mobile generators (peakers), four (4) 30 MW Black Star generators, and 11 1-MW non-voltage reference start-up generators, along with the necessary infrastructure. The purpose of this project is to improve the resiliency and efficiency of Puerto Rico's electric grid by optimizing the mitigation efforts. COR3 has proposed to move this project from Section 404 (HMGP) to Section 406 (HM PA).³⁵
 - Phase 1 Amount: \$ 12.7 million
 - Phase 2 Amount: \$ 254.8 million
 - **Update:** FEMA has approved the strategy to move the seven (7) dual-fuel mobile generators (peakers) along with their respective 1-MW start-up generators from Section 404 (HMGP) to Section 406 (HM PA)³⁶. The detailed SOW has been submitted to the Puerto Rico Energy Bureau for approval.

- **PRASA: Bauta – South Region Water Supply System Improvement** | \$257.4 million – This drought mitigation project aims to increase the reliability of water supply to the southern region of Puerto Rico. The project includes the design and construction of a tunnel from the Bauta River in the northern basin to the Toa Vaca River hydrographic basin in the south. The tunnel will divert water from the Bauta River to a tributary of the Toa Vaca River and feed into the Toa Vaca Reservoir, increasing the safe yield of the Toa Vaca Reservoir from 16 MGD³⁷ to 29.9 MGD. The project also includes the expansion of the existing Toa Vaca WTP, or the construction of a new WTP, to increase the treatment capacity from 7.5 MGD to 20.5 MGD and the installation of new transmission pipelines to bring potable water to areas currently supplied by groundwater wells. Once all the above improvements are completed, the existing water supply wells will be decommissioned, allowing 13.02 MGD of water currently withdrawn by the wells to be used for aquifer restoration. This project is 100% CDBG-MIT funded.
 - Phase 1 Amount: \$26.4 million (CDBG-MIT)
 - Phase 2 Amount: \$231 million (CDBG-MIT)
 - **Update:** An agreement between PRASA and PRDOH was signed on October 30, 2023. Consequently, the procurement process for Phase 1 has been completed, and A&E and environmental services firms have been contracted.

- **Ponce Padre Noel Storm Water Project** | \$23.6 million – This mitigation project aims to reduce the risk of flooding in the "Playita" sector of the Municipality of Ponce, thereby preventing loss of life and property during future rainfall events. The project proposes the design and construction of a new storm sewer system and pump station. Phase 1 will include design and further studies, while Phase 2 will focus on construction and implementation. This project is 100% CDBG-funded.
 - Phase 1 Amount: \$1.6 million (CDBG-MIT)
 - Phase 2 Amount: \$22.0 million (CDBG-MIT)
 - **Update:** The Municipality is currently drafting the A&E services RFP package for Phase 1.

³⁴ This project is currently in the formulation under PA Section 428.

³⁵ In the Tenth Congressional Status Report, it was reported that COR3 requested FEMA to move the seven (7) mobile dual-fuel generators (peakers) along with their respective one (1) MW start-up generators from Section 404 (HMGP) to Section 406 (HM PA).

³⁶ Section 404 of the Stafford Act aims to provide protection to undamaged parts of a facility or to prevent or reduce damages caused by future disasters. Meanwhile, Section 406 of the Stafford Act allows the application of cost-effective mitigation measures to eligible damage elements during the repair/reconstruction of eligible facilities. Section 406 mitigation funding is part of the PA award.

³⁷ Million gallons per day.

- **PRASA: Central-East Region Water Supply System Improvements: El Valenciano** | \$417.6 million – This project proposes a new 12.7 million cubic meter on-stream storage reservoir, an expansion of the Valenciano WTP and a new distribution system. This water supply system will interconnect and improve the reliability of the potable water supply to the Municipalities of Las Piedras, Humacao, Juncos, Gurabo, San Lorenzo, and Caguas. It will also provide redundancy and adequate water storage and pumping capacity to transfer water between the Valenciano Water Treatment Plant and these Municipalities, ensuring continuous operation and water supply to the central-eastern region of Puerto Rico during drought conditions.
 - Phase 1 Amount: \$18.5 million
 - Phase 2 Amount: \$399 million
 - **Update:** The Geotechnical Exploration Plan is pending review and formal approval from FEMA. At the request of the U.S. Fish and Wildlife Service ("USFWS"), a site visit was scheduled for April 9, 2024, to confirm mitigation measures to be implemented in areas occupied by the *coquí guajón*, an endangered species. The USFWS is expected to issue a report confirming that no harm will result from the proposed mitigation measures, allowing FEMA to proceed with the EA.

- **DNER: San Juan Metro Coral Reef Barrier Restoration** | \$38.6 million –This project will use both artificial coral-like hybrid cement structures and native coral to act as underwater breakwater structures with sea-level rise adaptability. In addition to providing critical habitat for native coastal aquatic species, the coral reefs off the San Juan coast act as a natural barrier against storm surges, protecting the coast from flooding and erosion. The project aims to reduce flooding and protect approximately 800 structures surrounding the communities of Escambrón, Condado, Ocean Park, and Punta Las Marías. This project is divided into two phases: Phase 1 consists of design and further studies, and Phase 2 concentrates on construction and implementation.
 - Phase 1 Amount: \$3.0 million
 - Phase 2 Amount: \$35.6 million
 - **Update:** The procurement process for the design and permitting is currently underway. A 25% RFCA has been approved for this project for a total disbursement of \$750,000.



- **PREPA: Vieques and Culebra Microgrids** | \$96.7 million – This project consists of the design of a new solar-powered microgrid system for the Municipalities of Vieques and Culebra. Phase 1 of this project, which was approved in March 2023, includes A&E design services, a geotechnical study, and an electrical load assessment, among other pre-construction activities, and Phase 2 will concentrate on construction and implementation. These microgrids

aim to increase power generation capacity, leverage renewable energy through solar panels, and improve energy resilience and efficiency.

- Phase 1 Amount: \$10.3 million
 - Phase 2 Amount: \$86.4 million
 - **Update:** FEMA has agreed to transition the project from Section 404 HMGP to Section 406³⁸ HM. The SOW is currently being developed to be submitted for FEMA PA approval.
-
- **PREPA: Early Warning System (DAMS) | \$100.0 million** – The purpose of this project is to install an Island-wide early warning system for thirty-seven dams to properly monitor the potential risk of dam failure or damage. The successful implementation of this warning system would alert vulnerable areas within an hour of an emergency via an alarm signal and notify first responders via e-mail.
 - Phase 1 Amount: \$5.6 million
 - Phase 2 Amount: \$94.5 million
 - **Update:** Phase 1 of this project, which involves design, studies, and permitting, is completed. Phase 2 has been approved and the procurement process is currently underway; the construction firm has been selected and is awaiting FOMB approval. An RFCA of 25% has been approved for Phase 2, for a total disbursement of \$23.6 million.
-
- **PRASA: La Plata WTP | \$21.3 million** – Installation of four (4) emergency generators (2,500 kilowatts each) at the Enrique Ortega WTP located at the La Plata Lake Dam. The project will provide backup power for the raw water intake pump station, sump pump, dam gate system engine, office building, exterior lighting, and security systems. These mitigation measures will prevent power outages at the WTP and ensure water supply to over 369,000 residents.
 - Phase 1 Amount: \$1.4 million (HMGP funds)
 - Phase 2 Amount: \$19.8 million (CDBG-MIT funds)
 - **Update:** Currently, the PRDOH Environmental Division is expected to submit an EA report to PRASA with both PRDOH and FEMA EHP comments and recommendations. Additionally, PRASA is in the process of obtaining the Finding of No Significant Impact ("FONSI").
-
- **Carolina Downtown Flood Mitigation | \$24.5 million** – The Municipality of Carolina is proposing a drainage improvement project to mitigate flooding in its downtown area and nearby communities. The project includes the construction of a new detention pond, a surrounding levee, a storm water pump station, and a storm sewer system connected to the existing downtown storm sewer infrastructure.
 - Phase 1 Amount: \$777,400
 - Phase 2 Amount: \$23.7 million
 - **Update:** The construction permitting process for Phase 2 was completed on January 5, 2024, and construction began on January 16, 2024. In addition, the procurement process for the purchase of equipment is 80% complete.

³⁸ Section 404 of the Stafford Act aims to provide protection to undamaged parts of a facility or to prevent or reduce damages caused by future disasters. Meanwhile, Section 406 of the Stafford Act allows the application of cost-effective mitigation measures to eligible damage elements during the repair/reconstruction of eligible facilities. Section 406 mitigation funding is part of the PA award.



- **DNER: Yagüez River** | \$24.9 million – This is a flood control project designed to reduce sediment accumulation, maintain the capacity of the Yagüez River channel, and protect municipal roads to ensure access during natural hazards. The project includes the extension of a concrete floodwall, the construction of a sediment basin, and the installation of scour protection on bridges along the right bank of the river. Phase 1 includes design and specialized studies.
 - **Phase 1 Amount:** \$2.2 million
 - **Phase 2 Amount:** \$22.7 million
 - **Update:** The procurement process for Phase 1 is currently underway. The evaluation of the proposals submitted by A&E firms was completed on January 29, 2024, and the contracting process is set to begin shortly. An RFCA of 25% has been approved for this project, for a total disbursement of \$560,448.



- **Puerto Rico Land Administration: Ocean Thermal Energy Conversion Facility** | \$299.9 million – This proposal aims to reduce Puerto Rico's dependence on fossil fuels and its impact on climate change through the construction of an Ocean Thermal Energy Conversion ("OTEC") facility. This project, which is still in the proposal phase, includes the construction of either a 10-MW closed-cycle OTEC floating facility off the coast of Yabucoa or a 2.5-MW closed-cycle OTEC land-based facility near Lucía Beach in Yabucoa.
 - **Update:** All RFIs have been successfully submitted by COR3 and the project remains under FEMA's evaluation.

3. Request for Capital Advance Pilot Program

In June 2022, COR3 implemented the RFCA program, which provided a 25% advance to Municipalities in Puerto Rico to accelerate recovery efforts related to the Hurricane María disaster. The RFCA program serves as an advance of funds to Subrecipients that lack the necessary liquidity to execute their recovery projects, thereby preventing delays in Puerto Rico's recovery. Due to the success of the pilot program, in January 2024, COR3 announced a new extension of the RFCA, allowing Municipalities, State Entities, and Private Non-Profits to apply for up to 75% of the funds awarded by FEMA for infrastructure-related recovery projects. COR3 reserves the right to approve RFCAs in increments of 25% up to a maximum of 75% of the PW or Project's obligated Federal share. However, prior to submitting any subsequent RFCAs, the Subrecipient must have reconciled 100% of the advance previously received.³⁹

As a result, over \$66.2 million has been disbursed for 22 HMGP projects, representing 22.2% of the total obligated amount (\$298.4 million) for projects with an RFCA. This is a notable improvement from the last report, which covered 11 projects with disbursements totalling \$25.5 million, or 12.3% of the then-total obligated amount of \$207.4 million. The current disbursement reflects an impressive increase, demonstrating a more than 100% growth in funds disbursed and a significant acceleration in project implementation and financial efficiency. The \$66.2 million disbursed is categorized by Applicant type as follows: approximately \$6.3 million has been disbursed to projects pertaining to Municipalities, \$57.9 million has been disbursed to projects pertaining to State Entities, and \$2.0 million has been disbursed to projects pertaining to Private Non-Profits.⁴⁰ [Figure 25](#) below illustrates an overview of RFCA funds for HMGP.

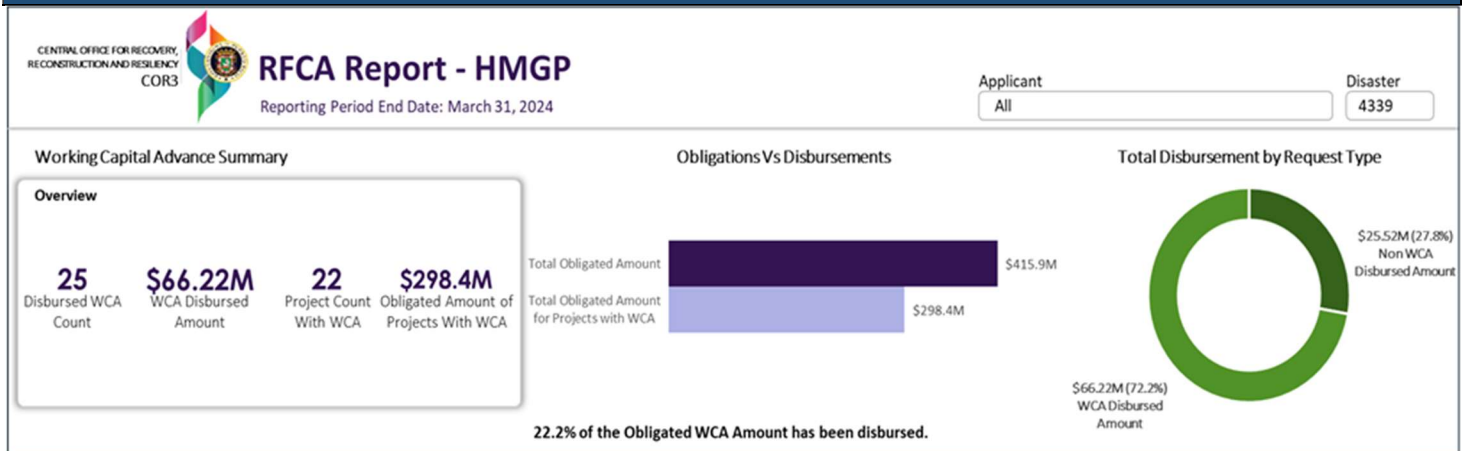


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³⁹ Refer to the Financial Support section for a complete review of the RFCA Program's latest amendments.

⁴⁰ Data obtained for María Disaster (DR-4339) as of March 31, 2024.

Figure 25: RFCA Annual Report - HMGP



The success of the RFCA program and FEMA’s support was highlighted by FEMA in its Region 2 Interim Progress Report: “Working with the Government of Puerto Rico to identify and remove recovery barriers, FEMA is actively supporting the Government’s Working Capital Advance program, which began in 2022. Though this pilot, Municipalities, Government agencies and others with FEMA-funded permanent work projects have the capital they need to execute contracts and begin construction work, While the program originally prioritized municipal and certain energy grid projects, the initiative was expanded to include all permanent work projects and, since April 2023. Projects that are designed to specifically address future hazards.”

Likewise, the RFCA program was also praised by the White House: “To further accelerate recovery projects across Puerto Rico, FEMA worked with the Central Office of Recovery, Reconstruction, and Resiliency (COR3) in 2022 to raise the share of project costs covered under the Working Capital Advance program from 25 to 50 percent, giving Puerto Rico’s Municipalities, Government Agencies and Non-Profits more liquidity to initiate construction contracts.”-The White House Fact Sheet: Biden-Harris Administration Steadfast in Support of Puerto Rico’s Renewal.

4. Staff Support and Coordination with FEMA

As the unprecedented amount of funding available to Puerto Rico to rebuild roads, public buildings, and other essential infrastructure, FEMA, COR3, and subject matter experts continue to collaborate to lessen the effects of other future disasters. As such, FEMA and COR3 staff continue to provide technical assistance to Subrecipients to address existing challenges and ensure efficient project execution with a shared vision to restore critical services systems and build capacity in a manner both fiscally sound resilient against the impacts of future disasters. This is being achieved through individual project monitoring, on-site visits, RFI assistance, and ongoing meetings. These collaborative efforts ensure programmatic progress, effective project management, and maximization of funding.

To demonstrate this commitment to continuous improvement, COR3 has implemented a series of initiatives and key events, including an HMGP Sprint Summit coordinated between COR3 and FEMA’s Joint Recovery Office on April 2, 2024, which focused on program priorities and project implementation processes and improvements. Additionally, a Benefit-Cost Analysis training was scheduled for April 4-5, followed by an HMGP Overview and Project Implementation training on May 14-15. The Puerto Rico Island Wide Benefit-Cost Analysis evaluates the cost-effectiveness of hazard mitigation measures for

the electric grid and helps advance climate resilience by allowing the evaluation of multiple projects simultaneously. This process increases efficiency and streamlines recovery efforts by avoiding duplication of benefits and programs, allowing maximization of hazard mitigation funding, increasing transparency and simplifying the Island's infrastructure.

These initiatives and activities reinforce COR3 staff expertise and enhance their ability to provide technical assistance to Subrecipients. Future capacity-building initiatives, including hands-on workshops with Subrecipients, are also underway, further strengthening support and ensure successful project outcomes.

5. Local and State Hazard Mitigation Plans

As mitigation efforts are closely coordinated with local and State stakeholders, Municipalities in Puerto Rico are required to develop Local Hazard Mitigation Plans ("Local HMP"), as offset forth by the Federal Disaster Mitigation Act of 2000, known as the Stafford Act. As such, local HMPs are intended to identify hazards that affect the municipal area and identify mitigation measures to reduce the loss of life and property. To this end, all of Puerto Rico's 78 Municipalities have adopted their HMPs, which have been approved by FEMA. At present, five (5) HMPs for Hurricane María are being updated to extend their approval period for five (5) years and an additional 25 must be updated soon.

D. Federal Policy Petitions

During this reporting period, the GPR has requested critical assistance from FEMA to support the ongoing disaster recovery efforts. These requests, if approved, would greatly benefit and expedite the recovery efforts. The following are some of the most significant requests that FEMA has approved or is currently evaluating:

- **Request for the Stabilization of the Puerto Rico Electric System Status:** Following Hurricane Fiona in September 2022, the GPR requested assistance from FEMA to stabilize its electrical power grid. FEMA granted the request and initiated Direct Federal Assistance ("DFA"), deploying various agencies, and establishing the Puerto Rico Power System Stabilization Task Force to coordinate efforts. Through the Task Force, FEMA has provided over \$335 million for the acquisition of temporary generation units, 17 of which were installed in Palo Seco and San Juan sites, adding 350 MW to the grid. The ability to keep the temporary generation units in operation supports grid stability while the repair, maintenance and reconstruction of electrical infrastructure is underway. However, FEMA announced that the DFA would expire on March 15, 2024, prompting the GPR to request an extension. Despite FEMA's refusal to extend the mission, it agreed to facilitate Puerto Rico's acquisition of the grid stabilization equipment by deeming it eligible for Hurricane María relief funding and authorizing the GPR to pursue sole-source procurement for the equipment. On February 2, 2024, FEMA issued a notice identifying funding sources for the equipment acquisition, indicating approval under Section 428 of the Stafford Act.

Accordingly, various analyses were conducted to determine the value of the equipment, and on February 29, 2024, FEMA obligated PA funds for the acquisition of 17 generators. Consequently, on March 15, 2024, PREPA successfully completed the acquisition of 14 temporary generators owned by New Fortress Energy, a critical step in ensuring the stability and resiliency of the Island's power grid. In addition, the GPR has identified four (4) options to acquire

three (3) generators to maintain the 350 MW of generation and reserve capacity to support the electric power system.

- **Cost Estimate Adjustment to FEMA's Accelerated Award Strategy and Section 428 Projects:** In 2023, ongoing inflation and supply chain issues, along with workforce shortages, threatened Puerto Rico's reconstruction timeline, as the FAASt and Section 428 projects fixed-cost agreements were at risk of funding shortfalls. Consequently, COR3 worked with Subrecipients to gather data, analyze bids, and compare them to the allocated project funds to support the need for FEMA and Congress to allow more flexibility in FAASt and Section 428 projects, and to update cost estimates considering the current economic conditions. On March 6, 2023, COR3, on behalf of PRASA and the Puerto Rico Mayor's Federation, submitted a request to FEMA for an adjustment to the cost estimate contemplated in FEMA's FAASt, Section 428 Projects, and the project timeline. On December 13, 2023, FEMA denied the request.
- **Extension for Liquidation Period:** On October 12, 2023, FEMA granted a 60-day time extension of the liquidation period for DR-3384 (the emergency disaster declaration for Hurricane Irma), DR-4336 (Hurricane Irma), and DR-4017 (Hurricane Irene) PWs. Subsequently, on December 22, 2023, COR3 requested that the liquidation period for these events be extended for an additional 180 days to allow FEMA sufficient time to adjudicate these appeals and for the respective Subrecipients to adjust their processes for each event. COR3 is still awaiting FEMA's response to this request.
- **Post-Fixed Cost Estimate Obligation- Hazard Mitigation Approach Change Request:** On June 21, 2023, the GPR requested FEMA to allow multiple changes to the 406- Hazard Mitigation SOW proposals for Section 428 projects. On November 16, 2023, FEMA approved a temporary policy waiver of the Hazard Mitigation Proposals ("HMP") one-time change limitation to allow for Applicants to make multiple changes to their Public Assistance HMP SOW through November 15, 2024. After November 15, 2024, the one-time change limitation will be reinstated, meaning that after the project is obligated, the SOW for the HMP can only be changed once, or added if the HMP was not included when the fixed cost offer was accepted.
- **Management of Closeout Process for Section 428 Projects with Cost Underruns:** On July 31, 2023, COR3 sent a letter to FEMA requesting clear instructions and guidance on how to manage the closeout process for Section 428 PWs to avoid any misinterpretation and potential loss of funds by Subrecipients. Specifically, COR3 asked for further clarification on the documentation required to submit a closeout package for completed Section 428 PWs that have cost underruns, whether due to excess funding or fund sharing. At present, COR3 is still awaiting FEMA's response to this request.
- **Time extension for Hurricane María Permanent Work Projects POPs:** Following Hurricane Fiona in September 2022, the GPR requested an extension for all Hurricane María permanent work projects. Two (2) days later, FEMA granted a six-month extension, extending the POP to March 20, 2023, though it will also review individual time extension requests for each Applicant. Nonetheless, COR3 worked diligently to process time extension requests for Subrecipients whose POPs were originally set to end on September 20, 2023. As a result, FEMA granted an extension to September 20, 2024.
- **Request for Extension of Recipient's Deadline to Submit Closeout Packages:** On December 11, 2023, a request was submitted to FEMA for an extension of the deadline to submit closeout packages related to Category A and B PWs

from Hurricane María, which was set to expire on December 31, 2023. FEMA granted the extension until June 30, 2024.

- **FEMA's Insurance Commissioner Certification ("ICC") Interpretation:** On November 7, 2023, COR3 sent a letter to FEMA regarding the Obtain and Maintain ("O&M") insurance requirement for PA applicants. This requirement mandates that applicants must obtain and maintain insurance coverage in an amount equal to the eligible amount for the specified hazard for a permanent facility receiving Federal assistance with eligible costs more than \$5,000. Moreover, FEMA allows applicants to apply for an ICC to address the difficulty of obtaining the required amount of insurance coverage. In this case, the State Insurance Commissioner evaluates the Applicant's insurance coverage and determines whether it is reasonably available to protect the insurable facility from future losses. However, FEMA's interpretation does not imply a reduction in the required Federal O&M amounts to the level previously certified by the State Insurance Commissioner. Therefore, COR3 has requested that FEMA deduct from eligible project costs only the amount certified by the State Insurance Commissioner as reasonable and readily available. COR3 is still awaiting FEMA's response to this request.
- **PREPA's Island-Wide Benefit-Cost Analysis ("IWBCA") Water Assets:** COR3 has requested that FEMA revise the IWBCA assessment performed for PREPA on April 5, 2024. The requested revision is to increase the funding for PREPA's water assets. According to FEMA's memorandum issued in January 2023, the IWBCA did not consider the costs necessary to restore PREPA's water assets that were damaged because of the disaster. However, these assets qualified under Section 20601 of the BBA, which allows FEMA to aid restore disaster-damaged critical facilities or systems to an industry standard, regardless of pre-disaster conditions.
- **PREPA's Substations Elevation:** On April 5, 2024, COR3 submitted a letter to FEMA requesting funding to cover the costs associated with elevating substations and transmission centers. The letter emphasized that FEMA's methodology for PREPA FAASt did not account for elevation needs in flooded areas. As a result, the costs associated with elevated substations and transmission centers, including engineering services, disconnection and reconnection of utilities, foundation construction, and physical elevation, were excluded.

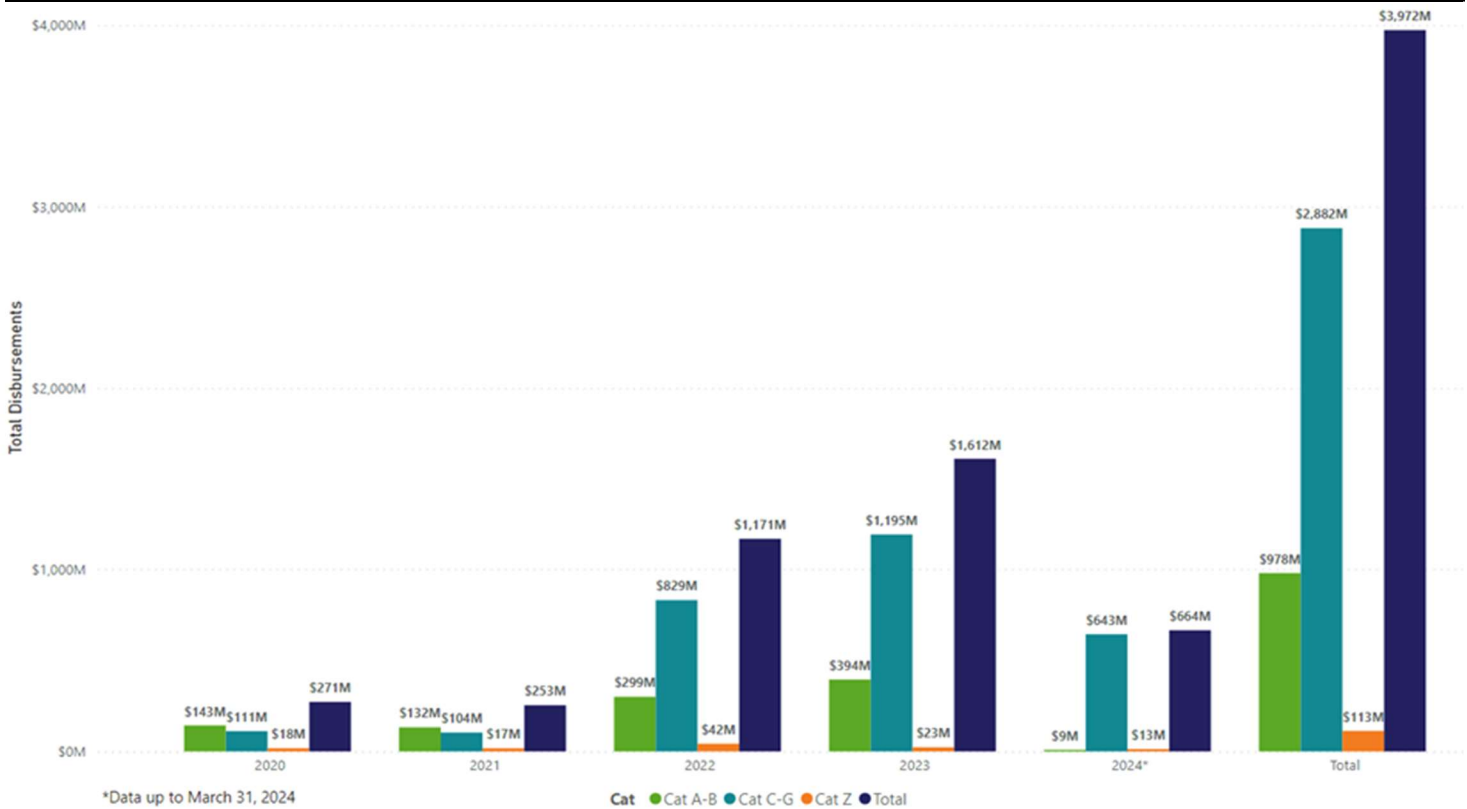
E. Financial Support

During this reporting period, COR3 has made notable progress in disbursing PA funds for obligated projects, such as emergency work, permanent work, and management costs. [Figure 26](#) provides a detailed breakdown of the disbursements made from 2020 through March 31, 2024, categorized by project.



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Figure 26: Disbursements by Category for Calendar Years 2020 - 2024 (DR-4339)



In the aftermath of Hurricane María, the recovery efforts focused were primarily on stabilizing the situation to ensure the safety of those affected and prevent the loss of life and property. This led to a concentrated effort to obligate and complete emergency work projects. Today, COR3 is proud to report that a total of 664 emergency projects have been officially closed, an increase of 188 projects from the last reporting period. In addition, COR3 is working to ensure prompt closeout validation of the remaining 705 FEMA projects.

Simultaneously, for the past six (6) years, the GPR has also been committed on executing permanent work projects to comprehensively advance Puerto Rico’s recovery efforts. The projects include the reconstruction of roads, bridges, water control facilities, buildings, equipment, utilities, parks, and recreation. In 2020, the GPR disbursed \$111.0 million, followed by \$104 million in 2021, \$829.0 million in 2022, \$1.2 billion in 2023, and \$643.0 million to date in 2024, for permanent work projects. These disbursements have provided Subrecipients with the financial resources necessary to initiate their projects. This aligns with COR3 and GPR's main goal to expedite the disbursement of funds and facilitate project execution.

In pursuance of such goal, the GPR and COR3 are working to build on the progress already made in managing Federal recovery funds by exploring innovative and efficient ways to simplify the disbursement process. To that end, the GPR and COR3 have extended the RFCA program to permanent work projects with less than 25% or 50% completion of the work outlined in the FEMA Form 90-91, and to PWs/Approved Projects that have any Requests for Reimbursement (“RFRs”) and Requests for Advance (“RFAs”) for less than 25% or 50% respectively of the obligated Federal share. COR3 has also added subsequent RFCAs in 25% increments up to 75% of the obligated Federal share of the PW/Approved Project amount.⁴¹

⁴¹ Disaster Recovery Federal Funds Management Guide, Chapter 7 - Payment and Cash Management (Version 4.0).

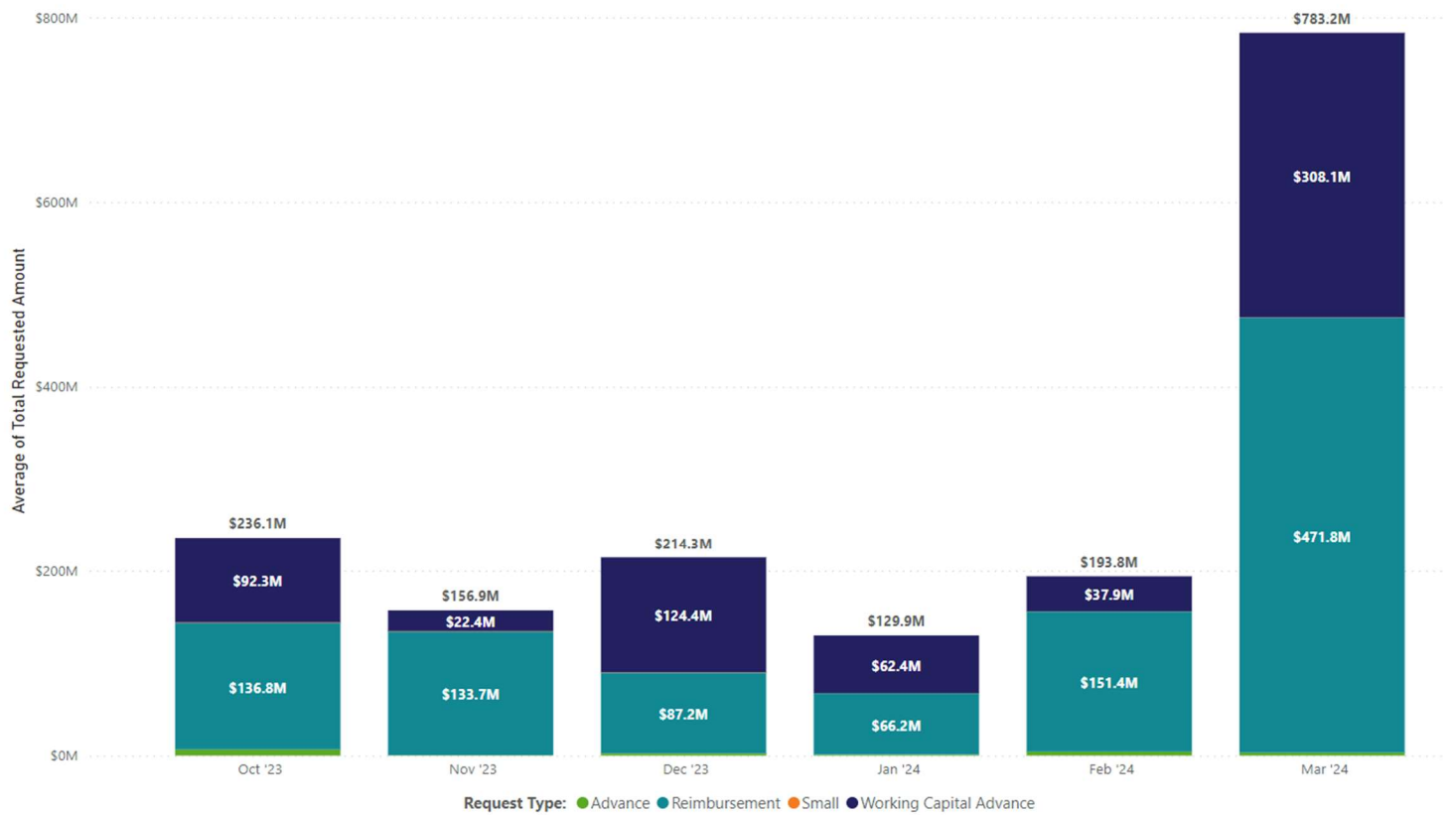
These initiatives have eased the financial burden on Subrecipients and allow the projects to be completed without delays or unnecessary interruptions, which in turn helps keep costs in check.

The issuance of new procedures to facilitate Subrecipients' access to funds to complete their projects has been accompanied by the revision of COR3's policies to ensure compliance in the disbursement of such funds. For example, COR3 has:

- Added a maximum period of 90 days for Subrecipients to submit an RFR or a status report after receipt of a RFCA payment.
- Added a maximum of 180 days for Subrecipient to submit an RFR after the receipt of an RFCA to substantiate 100% of the advance and validate allowable costs.

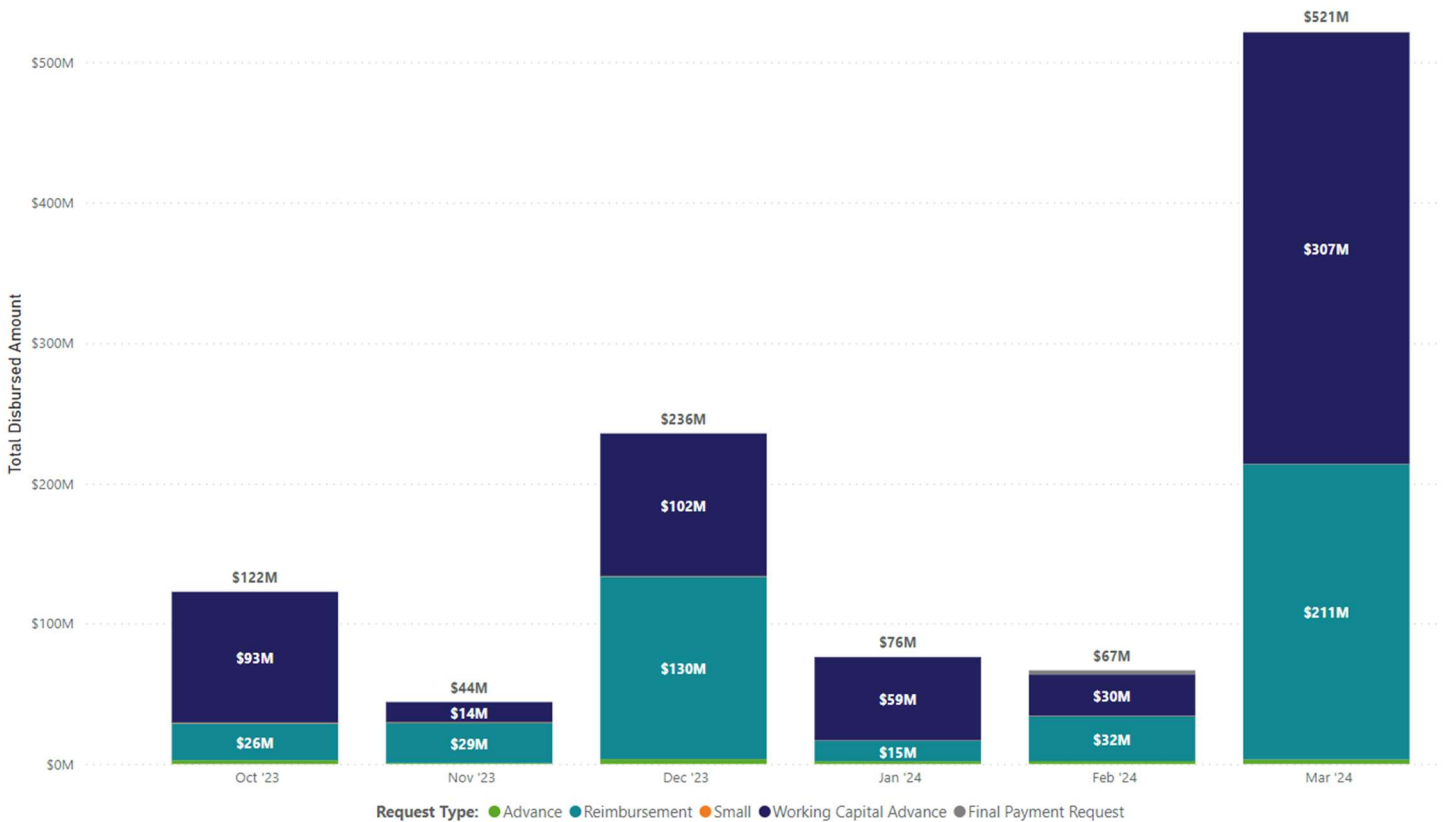
Figures 27 and 28 below show the monthly funds requested by Subrecipients and the actual funds disbursed during this reporting period, represented in dollar amounts.

Figure 27: Total Requested Amounts by Month 2023-2024⁴²



⁴² These categories include PA only. For Hazard Mitigation, refer to *Section C Hazard Mitigation Grant Program* of this Report.

Figure 28: Average Total Disbursed by Month (2023-2024)



1. Special Reports

COR3, as a Pass-Through Entity and Recipient of FEMA's PA and HM programs, has submitted and issued several reports in accordance with the appropriate reporting requirements. These reports are intended to highlight COR3's efforts in various programs and initiatives and to provide valuable financial information related to its grant programs. The reports described herein are currently being revised and are expected to be completed by mid-year.

I. Second Request for Working Capital Advance Pilot Program Performance and Compliance Monitoring Report

The RFCA program was implemented on June 15, 2022, to provide Subrecipients with alternative means of funding their projects before resorting to traditional payment requests, i.e. RFRs and RFAs. Subrecipients with limited access to adequate funding to initiate projects can benefit from the RFCA program and address their immediate cash flow needs, promoting the recovery efforts by helping Subrecipients remain solvent and sustain their operations. On August 25, 2023, COR3 submitted the First Request for Working Capital Advance Pilot Program Performance and Compliance Monitoring Report to provide updated information on the status of the RFCA program and highlight the efforts undertaken to implement and incentivize Subrecipient compliance with programmatic requirements. The next report is expected to be issued in July 2024.

II. Cost Share Report

FEMA grant programs such as PA, HMGP, and Individual Assistance ("IA") require a NFS amount that many Subrecipients cannot afford. As such, the GPR and COR3 remain committed to finding solutions that will ease the financial burden and assist Subrecipients in achieving their reconstruction goals. To that end, the Cost Share Report complies the efforts carried out by COR3 and provides an overview of current NFS programs that provide available funding. The most recent Cost Share Report was submitted to the Puerto Rico Office of Management and Budget ("PROMB") on December 15, 2023⁴³ and the next one is expected to be issued in the second half of 2024.

III. Recoupment Report

The Recoupment Report compiles updated information on the amounts owed by various Subrecipients due to overpayments of FEMA disaster funds disbursed through COR3 during the management of past and present disasters, and the status of COR3's recoupment efforts to recover these amounts in accordance with Title 2 of the Code of Federal Regulations and regulatory requirements. The previous Recoupment Report was submitted to PROMB in September 2023. However, during this reporting period, COR3 has made additional revisions to its recoupment policies and the Second Recoupment Report is expected to be issued in June 2024.

IV. United States Government Accountability Office ("GAO") Report to Congressional Requesters

In February 2024, the GAO issued a report entitled Puerto Rico Disasters: Progress Made, but the Recovery Continues to Face Challenges, after being asked to review Federal recovery efforts in Puerto Rico. This report addresses the status of permanent recovery work in Puerto Rico under FEMA's PA program, the extent to which FEMA and the GPR have addressed challenges to starting and completing permanent recovery work, and the results of FEMA efforts to monitor Puerto Rico's use of grant funds. To address these objectives, the GAO analyzed data from FEMA's integrated information systems, reviewed FEMA policies and guidance related to PA work, and interviewed officials from FEMA Headquarters and Region 2, as well as Puerto Rico officials from COR3, among others, in the period from November 2021 and February 2024. Although the GAO's report addressed some of the challenges both the GPR and its Subrecipients continuously face in their recovery efforts, it also highlighted the significant progress made in the last three (3) years.

As included in the report, Puerto Rico's Subrecipients had completed about 9% of permanent work project line items as of June 30, 2023, representing the completion of at least 2,064 line items of permanent recovery work and at least, 21,539 line items in the various stages of execution. However, as previously reported by the GAO in their report issued in May 2021, titled Puerto Rico Recovery: FEMA Made Progress in Approving Projects, But Should Identify and Assess Risks to the Recovery, because of the lack of initial funding, many projects had been approved and obligated, but the work had not been started, and as of January 15, 2021, Puerto Rico had expended less than \$158 million (or less than 1 percent) of the \$17.5 billion obligated to reimburse Subrecipients for permanent work projects. Therefore, although 9% may seem an insignificant number compared to the magnitude of the projects that remain to be completed, this figure reflects a substantial improvement in project execution and that the efforts and initiatives being implemented are yielding results.

Likewise, the GAO stated that as of June 30, 2023, FEMA had awarded about \$23.4 billion in PA funding to 9,304 permanent work projects related to the recovery efforts from Hurricanes Irma and María and the earthquakes, reflecting the progress

⁴³ In the Tenth Congressional Status Report, it was incorrectly reported that the Cost Share Report was submitted to PROMB on September 22, 2023. It was submitted on December 15, 2023.

that FEMA and the GPR had made since the GAO's previous report, when FEMA had awarded approximately \$17.5 billion to 4,810 projects as of January 15, 2021. This represents an increase of \$5.9 billion and 4,494 projects in little more than two (2) years.

Furthermore, the GAO highlighted that FEMA oversight efforts have shown significant improvements in the GPR's grants management. FEMA has monitored Puerto Rico's use of PA grant funds through two (2) oversight activities, improper payment reviews and grants management reviews. Both these efforts have shown, that as of 2017, the GPR's ability to manage FEMA grant funds continues to improve. FEMA's improper payment reviews have found that potential improper payments of PA funds decreased significantly from 15% of reviewed expenditures (nearly \$254 million) in Fiscal Year 2018 to 0.13% (less than \$358,000) in Fiscal Year 2020, below the statutory definition of significant improper payments. FEMA officials attributed this reduction to the COR3's progress in managing grant funds expended by Subrecipients and to overall improvements in the office's management structure.

Similarly, FEMA's grants management compliance reviews from Fiscal Years 2019 through 2023 indicate that COR3 has developed a grants management structure that addresses Federal requirements and has improved its capacity to manage FEMA grant funds.

2. Facilitating the Non-Federal Cost Share Match

I. Community Development Block Grant - Disaster Recovery ("CDBG-DR") and Community Development Block Grant - Mitigation ("CDBG-MIT") Cost Share Matching⁴⁴

On January 10, 2024, COR3 informed PRDOH that it would no longer pursue the Global Flexible Match approach for FEMA's PA Non-Federal Cost-Share requirement. Shortly thereafter, on January 17, 2024, COR3 informed FEMA Region II of its decision. The reason for this decision is that despite FEMA's approval for COR3 and PRDOH to implement the Global Flexible Match approach for projects under the FFAST and eligible Section 428 PWs, the initiative did not achieve the anticipated benefits and faced unexpected challenges, such as PRDOH's ineligibility for the RFCA Pilot Program. According to the Implementation Guidance for Use of Community Development Block Grant Disaster Recovery Funds as Non-Federal Cost Share for the PA Program (2020) and the CDBG-DR requirements, funds were to be disbursed exclusively through reimbursement. As a result, Subrecipients would not be eligible for the RFCA Pilot Program, which could potentially delay the execution of their projects. Therefore, COR3 decided to focus on a project-specific cost-share model that has proven successful in the past.

Nonetheless, to address Subrecipient's lack of funding, the GPR and HUD have agreed to use CDBG-MIT funds under the Global Match Strategy to meet the match requirement. This approach reduces the opportunity to meet the match requirement through fewer projects, while still meeting CDBG-specific requirements under individual projects. Under this initiative, projects may receive up to 75% of eligible costs, with the remaining 25% coming from non-Federal sources such as cash, donations, CDBG funds, Small Business Administration ("SBA") loans, or Increased Cost of Compliance coverage funds. For Hurricane María, CDBG-MIT funds are eligible as matching funds for HMGP, reducing the financial burden on Applicants and funding the total required state cost-share through the selection of specific projects.

⁴⁴ Refer to [Appendix D](#) for a detailed update from PRDOH on the CDBG funds and programs.

As the Global Match Strategy aims to increase Puerto Rico's resilience to disasters by funding projects that implement hazard mitigation measures, the resiliency projects that are considered to meet the Global Match Strategy are the ones that have a broad mitigation scope and a significant budget submitted by autonomous agencies or Municipalities. These considerations will help minimize the uncertain challenges that the Subrecipient may face during project development.

In the Tenth Congressional Status Report, it was reported that PRDOH had \$868.5 million earmarked for the Non-Federal Match Program, \$1.0 billion for the HMGP Match Set Aside Program, and \$500.0 million for energy projects under the Energy Grid Rehabilitation and Reconstruction Cost Share Program ("ER1") As of today, these allocations remain unchanged.

II. State Cost Share Program

To facilitate obligated permanent work projects for State Entities that will later be reimbursed by CDBG-DR for the Hurricane María disaster, state funds have been allocated by the GPR through the PROMB to provide access to NFS. As of this reporting period, 12 State Entities have received advances under this program. See [Table 6](#) below for details in these State Entities.

Subrecipient	Total PWs	10% Cost Share Value Certified by COR3	Total PWs Value
Department of Justice	4	\$840,531.26	\$8,405,312.76
Department of Correction	4	\$544,335.88	\$5,443,358.94
Department of Transportation and Public Works	63	\$13,711,737.01	\$137,117,370.09
National Guard	8	\$1,416,280.45	\$14,162,804.64
Office of the Governor	10	\$1,618,893.95	\$16,188,939.82
Department of Health	34	\$15,294,545.26 ⁴⁵	\$152,945,452.60
Department of Environmental and Natural Resources	114	\$9,432,618.66	\$94,326,726.43
Department of Education	136	\$61,617,473.03 ⁴⁶	\$246,469,893.46
ASSMCA	11	\$1,289,485.46	\$12,894,854.60
Department of Housing	4	\$164,682.52	\$1,646,825.21
Department of Sports and Recreation	24	\$8,897,323.04	\$88,973,230.53
Department of Agriculture	29	\$2,037,845.18	\$20,378,451.80
Total	441	\$116,865,751.70	\$798,953,220.88

⁴⁵ Increase in the 10% cost share value certified by COR3 since the last Congressional Report is due to an increase in the project obligated costs.

⁴⁶ The PRDE cost share amount represents 25%.

3. Parametric Insurance

To be eligible for FEMA PA funding, Subrecipients must meet FEMA's O&M insurance requirement, which means that Subrecipients must obtain insurance coverage at least equal to the eligible amount for the hazard specified for a permanent facility that receives Federal assistance. The O&M requirement is designed to protect against future losses and applies to permanent work funding for buildings, contents, equipment, and vehicles. If a Subrecipient fails to comply with this requirement, FEMA has the right to deny or de-obligate assistance for the current disaster and deny future assistance for that facility.

While the GPR recognized the importance of complying with the insurance requirements of Section 311 of the Stafford Act, traditional property insurance was not sufficient to meet FEMA's O&M requirements or to maintain coverage levels, which now exceed \$3.7 billion. In these cases, FEMA has a process whereby the Insurance Commissioner in each state can review the Applicant's insurance coverage to determine whether they purchased what was reasonably and readily available. If the Commissioner determines that the insurance coverage is reasonable, an ICC is issued. Though the State Insurance Commissioner cannot waive Federal insurance requirements, it may certify the types and extent of insurance reasonable to protect against future loss to an insurable facility.⁴⁷ If an ICC is issued, FEMA will not require greater types and amounts of insurance than are certified as reasonably available, adequate, or necessary by the appropriate State Insurance Commissioner.

The GPR seeks to ensure compliance with FEMA's O&M requirement by exploring all available options, even though the ICC process is always available when Subrecipients can't meet the O&M requirement. As such, the GPR considered Parametric Insurance to complement traditional indemnity insurance and increase resilience against potential disasters. Parametric Insurance offers a unique approach by providing payouts based on predefined parameters such as wind speed, rainfall, or earthquake intensity, rather than actual losses incurred. By leveraging Parametric Insurance, the GPR can reinforce its risk management strategy and bridge any gaps in coverage that traditional indemnity insurance might not fully address. Furthermore, Parametric Insurance can streamline the claims process, enabling rapid payouts without the need for extensive loss assessments. This expedited response is particularly beneficial for disaster recovery efforts, allowing the GPR to swiftly initiate repairs and restoration activities to mitigate the impact on affected communities.

FEMA approved the GPR's proposed Hybrid Indemnity and Parametric Insurance Plan, which supplements the existing insurance budgeted premiums and allows Puerto Rico's State Entities to address insurance challenges while improving protection from future disasters.⁴⁸ This program also provides for an annual issuance for wind and earthquake risks on a multi-year basis that accumulates coverage over time. This ensures the rapid availability of financial resources for recovery and uninterrupted operations in the face of unforeseen events.

As part of the GPR's Certified Fiscal Plans for 2022 and 2023, an annual investment of approximately \$32.0 million was included to cover the State's portion of the annual cost of Parametric Insurance required to comply with FEMA's O&M

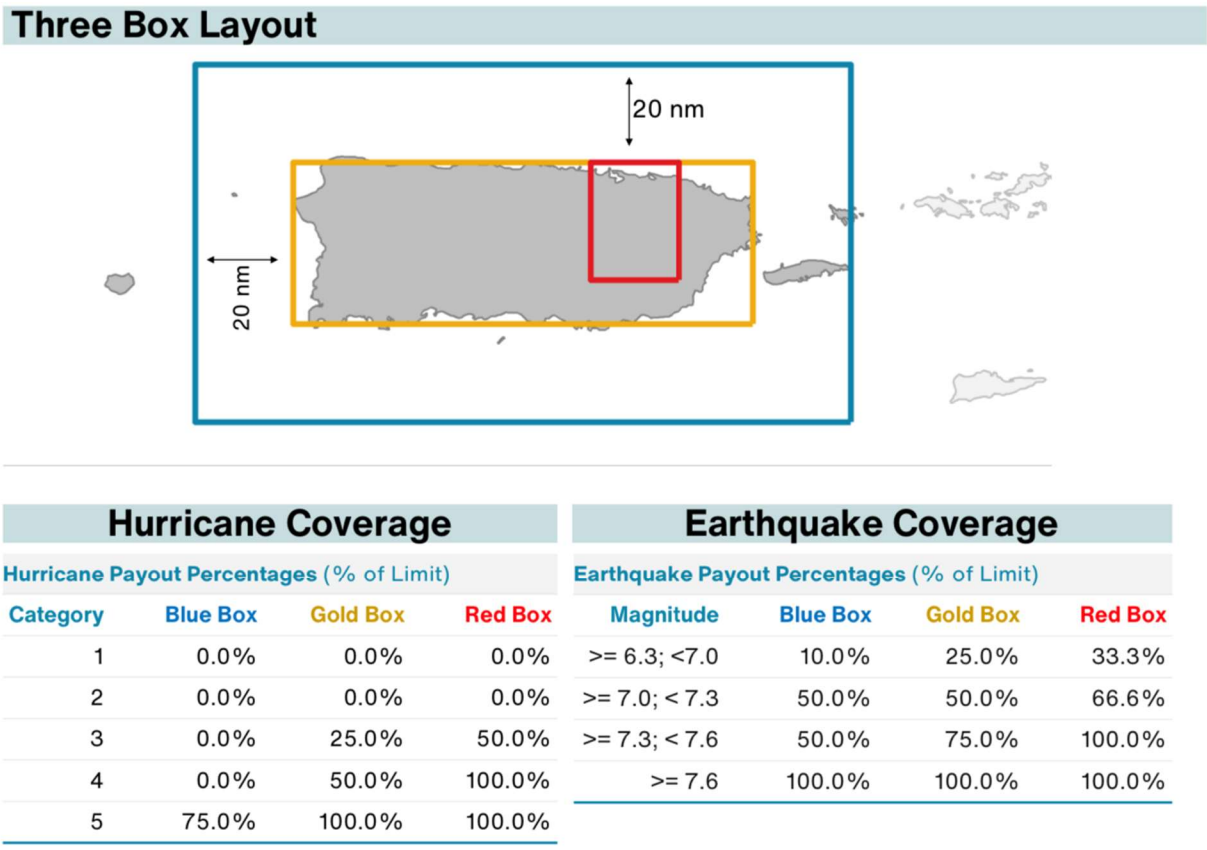
⁴⁷ 44 C.F.R. § 206.252(d) and 206.253(c).

⁴⁸ State Entities included can be found on the Financial Oversight & Management Board for Puerto Rico, 2022 Fiscal Plan for Puerto Rico: Restoring Growth and Prosperity (<https://oversightboard.pr.gov/fiscal-plans/>).

insurance requirement. With the available funding, the GPR purchased a Parametric Insurance policy effective June 1, 2023, through May 31, 2024.

Figure 29 below demonstrates the coverage of the acquired Parametric Insurance Policy.

Figure 29: Parametric Insurance Policy Coverage⁴⁹



In addition, a Collaborative Agreement is underway between the Office of the Commissioner of Insurance of Puerto Rico (“OICPR”) and COR3 to highlight the importance of insurance requirements in the reconstruction process. This agreement facilitates the implementation of FEMA’s O&M program and extends assistance to Subrecipients under FEMA’s PA Program to meet required insurance coverage standards. Under this collaborative framework, FEMA PA Subrecipients, who, despite diligent efforts and exhaustive use of resources, are unable to feasibly secure or maintain the required level of insurance coverage as required by FEMA, will have the opportunity to apply for an ICC. The current O&M requirement for all Subrecipients is \$16.2 billion, which represents 11,155 projects valued at \$36.2 billion. 130 State Entities, 65 Municipalities and 12 Private Non-Profits have requested ICC evaluation during fiscal year 2023-2024 and, to date, 45 ICCs have been granted to State Entities and 49 Municipalities are ready to be issued an ICC.

⁴⁹ The colors illustrate the percentage coverage limit in the event of a disaster within the context of Parametric Insurance.

A preliminary Standard Operating Procedure ("SOP") has been drafted to establish an implementation plan in the event of a disaster that results in a payout under the Parametric plan. The Parametric Insurance pays out based on hurricane and/or earthquake event thresholds using established parameters, as it is independent of other policies and coverages that may exist. Nonetheless, the Parametric Working Committee continues its efforts to maximize the Plan's capacity.

In addition, on July 7, 2023, COR3 submitted a formal request to the Office of the Commissioner of Insurance ("OCI") to obtain the ICC for the GPR's State Entities included in the Hybrid Indemnity and Parametric Insurance Plan. COR3 worked together with the OCI to provide detailed O&M insurance of all agencies under the Parametric Insurance. COR3 also worked with OCI to organize a meeting in September 2023 at the Puerto Rico Treasury Department with the State Entities' insurance brokers, explaining how to apply for the ICC through the OCI's website and the minimum information to be provided. After that meeting, the OCI held additional meetings with local insurance brokers to obtain current insurance policies for State Entities included in the Parametric Insurance Plan. Out of the 125 entities in the Fiscal Plan, 60 have an O&M requirement and, at present, 45 State Entities have received an ICC for Hurricane María.

F. Capacity Building Initiatives and Stakeholder Engagements

1. Capacity Building Initiatives

To fulfill COR3's responsibility to provide technical support and specialized assistance to Subrecipients, COR3 has developed and implemented several strategic efforts, such as trainings, forums, and public conferences, to discuss and understand the complexities and challenges faced by Subrecipients throughout the Federal grant lifecycle. Below are some of the most notable initiatives that have taken place during the current reporting period:

- ***Build Puerto Rico Llega a Ti*** – COR3 implemented the *Build Puerto Rico Llega a Ti* initiative to educate and assist all Subrecipients on key issues for developing recovery projects efficiently and in compliance with applicable regulations. This effort consisted of a series of seminars throughout the Island to benefit Subrecipients who had not participated in previous events. The series of workshops was designed to provide technical assistance to Subrecipients on following topics such as how to submit an RFR, the RFCA application requirements, administrative costs, Quarterly Progress Report ("QPR") Compliance, Section 428 projects, and legal aspects of the procurement process, among other topics. This effort included a series of comprehensive workshops to provide an overview of the responsibilities and expertise of COR3 divisions such as Legal Affairs, Compliance, Grant Management, Project Development, Closeout, and the Project Management Office ("PMO"). During this reporting period, sessions were held in Mayagüez, Ponce, and San Juan.
- **Build Puerto Rico: Working Capital Advance Reconciliation and 428 Alternate Projects** – On December 12, 2023, COR3 held the RFCA Reconciliation and Alternate Project Management event. During this event, COR3 informed Subrecipients of the reconciliation process they must follow after receiving funds through the RFCA, and that once this process is completed, they can request a second or third 25% RFCA to continue with the new stages required for reconstruction projects. A workshop was also held on the effective management of Alternative Projects under FEMA's PA program. The workshop also addressed frequently asked questions and discussed common mistakes in the RFCA pilot program reconciliation.

- **FEMA Summit** – In October 2023, COR3 partnered with FEMA to host a two-day summit at FEMA’s Joint Recovery Office (“JRO”) offices in Guaynabo, Puerto Rico. The summit focused on the Energy Integrated Resilience Plan and highlighted the importance of alignment between key stakeholders such as PREPA, Genera and LUMA for unified resilience efforts. Challenges and risks related to Hurricane María, HMGP projects and the Vieques and Culebra microgrid projects were also discussed. In addition, the dialogue included improvements to the oversight protocols for FAASt Subrecipients, with COR3 and FEMA working together to implement more stringent controls related to the 90-day plan. Subsequently, COR3 has been actively involved in related initiatives, including follow-up meetings with Subrecipients to review plan implementation. It also plans to review the next phases with input from FEMA to support Puerto Rico’s recovery and resilience efforts through further collaboration.
- **Infrastructure Forum** – On November 30, 2023, COR3 partnered with the Chamber of Commerce to discuss the progress of recovery efforts to rebuild Puerto Rico's infrastructure, with a special focus on energy and water systems, and their alignment with FEMA's recovery and mitigation funding. The event, which was open to the public, gathered speakers from COR3, the Puerto Rico Energy Bureau, LUMA Energy Puerto Rico, Genera PR, the U.S. Environmental Protection Agency (“EPA”), PRASA, the DNER, and the Office of Innovation, Information, Data, and Technology.
- **Request for Reimbursement Training** – COR3’s Grants Division has instituted a specialized task force designated exclusively to ensure Subrecipients’ compliance with RFR requirements. To that end, a series of monthly virtual training sessions provides Subrecipients with further guidance on the RFR process and the applicable regulatory framework to ensure they are fully equipped to meet PA and HMGP disbursement requirements. During this reporting period, approximately 200 participants benefited from the training.
- **Pan-American Marine Energy Conference (“PAMEC”)** – On January 2024, COR3 participated in the PAMEC 2024 held in Barranquilla, Colombia, to discuss Puerto Rico’s potential to develop and deploy marine energy technologies such as offshore wind, waves, and ocean thermal, to promote sustainable economic development, climate adaptation and resilience, and mitigation of future hazards such as hurricanes. The event promoted the exchange of information between public and private sectors representatives, including researchers, developers, and leaders who are driving marine energy-based technologies, mainly in North America, the Caribbean region, and South America. COR3 highlighted that Puerto Rico is considered an ideal location for OTEC development and is attracting significant global interest due to the project's potential to be the largest of its kind. This initiative aims to increase climate change resilience and reduce hurricane-related risks. Collaboration with marine energy experts is critical to keeping Puerto Rico at the forefront of renewable energy innovation and supporting sustainable economic growth.
- **P3 Government Conference** – On February 27, 2024, COR3 collaborated with P3 in the panel "Discussion on Puerto Rico's Progress: Fiscal Issues, P3 and the Economy and Federal Support" held in Miami, Florida. During the event, both entities discussed the challenges and positive outcomes of their efforts to rebuild and transform Puerto Rico’s critical infrastructure.
- **Building Energy Resilience Workshop** – On March 18, 2024, COR3 participated in the National Emergency Management Association (“NEMA”) Mid-Year Forum in Washington, DC. The event was a valuable opportunity to

highlight and discuss Puerto Rico's efforts to build a robust and sustainable energy infrastructure with officials from various states and territories focused on reconstruction initiatives. During the workshop, COR3 presented details on projects such as the installation of battery storage systems and smart meters, a new centralized energy management system, and innovative hydroelectric and ocean thermal energy projects. Among the participants were LUMA Energy, the Tennessee Department of Environment and Conservation Energy Program, and the Pennsylvania Office of Emergency Management and Mitigation, Insurance, and Community Resilience.

- **Puerto Rico: Resilience and Reconstruction** – On March 28, 2024, in collaboration with the Puerto Rico Federal Affairs Administration and the Puerto Rico Department of Labor and Human Resources ("PRDOL"), COR3 participated in a conference in Orlando, Florida. The purpose of the event was to strengthen the availability of resources for the expeditious development of construction projects and to discuss the details of the progress and opportunities on the road to recovery in the pursuit of long-term partnerships for the benefit of Puerto Rico. Accordingly, COR3 presented a report on the progress of Puerto Rico's recovery efforts and highlighted opportunities for local entities to participate in key projects and become part of the Island's reconstruction.
- **National Hurricane Conference 2024** – On March 29, 2024, COR3 participated in two (2) forums at the National Hurricane Conference held in Orlando, Florida. The event highlighted the progress of Puerto Rico's long-term recovery and hazard mitigation projects, as well as how the island is navigating and implementing recent FEMA policies related to the PA Program.

2. Intergovernmental Efforts

COR3 continues to work with several State and Federal government entities to advance the ongoing reconstruction process. These efforts are designed to effectively address the challenges faced by Subrecipients and ensure that they receive the support they need throughout the grant's lifecycle.

- **Puerto Rico Economic Dialogue:** On December 2022, a collaborative initiative led by the United States Department of Commerce ("USDOC") was established between the GPR and various Federal agencies to increase economic growth on the Island. This collaborative effort aims to build a diversified economy; and improve governance and data collection and analysis. Accordingly, the approach has resulted in several data-driven projects that aim to positively impact Puerto Rico's economic landscape. As a result, a thorough evaluation process has been established to determine the feasibility of integrating two (2) essential data components into the existing COR3 Transparency Portal, covering Community Resiliency Data ("CRE") and social vulnerability indicators. The goal is to create a platform that provides a visualization of the distribution of recovery and ARPA funding across the Island.

COR3 is also currently engaged in discussions regarding a potential collaboration on "The Opportunity Project", which is a sprint-based technology and data accelerator designed with the primary objective of fostering cross-sector collaboration among various stakeholders, including State Entities and communities.

In addition, COR3 continues to assist the Federal Census Bureau in identifying key factors endemic to Puerto Rico to customize Community Resiliency Data maps. This interagency collaboration is still ongoing and focuses on data sharing.

- **United States Department of Energy ("DOE"):** A collaborative Memorandum of Understanding ("MOU") has been established between FEMA, COR3 and the DOE to actively promote resilient recovery. Consequently, a joint effort between the DOE, the Department of Homeland Security ("DHS"), FEMA, and the GPR has been established to allocate over \$15 million to conduct the PR100 Energy Analysis ("PR100"). PR100 is a two-year study launched on February 2, 2022, to identify and analyze possible pathways to strengthen Puerto Rico's grid resiliency and reach 100% renewable energy by 2050. The study provides a comprehensive analysis of stakeholder-driven pathways to Puerto Rico's clean energy future, as required by Act 17-2019's 100% Renewable Energy goals for 2050, while allowing for community involvement and participation. On March 28, 2024, the DOE and FEMA released the full PR100's Report.⁵⁰

The results of the study demonstrate that a transition to renewables is possible through significant upgrades to the existing system. The three pathways in the study illustrate a future energy system that is resilient for Puerto Rico's most remote communities, aligns with the GPR's vision for land use interests and enables distributed and local ownership of energy generation. As FEMA Administrator Deanne Criswell stated in FEMA Region 2 Interim Progress Report, "Over the last two years, we've been working with our partners at the Department of Energy and across the Biden-Harris Administration, alongside the Puerto Rico Government to prioritize the PR100 study and make it a reality. Through our partnership, we will provide Puerto Rico communities, including those who are disproportionately affected by disasters, a generational opportunity to become more resilient."

Another initiative that the DOE and COR3 have been involved in is the Energy Resilience Fund through which COR3 seeks to support residential solar photovoltaic ("PV") and battery storage installations to offer consumer protection and education resources. In July 2023, the DOE through its Grid-Deployment Office released the Funding Opportunity Announcement. Accordingly, COR3 has been engaged in an ongoing effort with Subrecipients to submit proposals. At present, one (1) proposal has been submitted and one (1) is awaiting DOE approval. Through this program, COR3 aims to incentivize the installation of approximately 30,000 to 40,000 residential solar and battery systems.

- **Puerto Rico Office of Management and Budget:** On March 4, 2024, COR3, in collaboration with the PROMB, implemented the *Puerto Rico Building Resilient Infrastructure and Communities ("BRIC") Readiness Program* initiative. This collaboration is designed to help Subrecipients prepare stronger BRIC applications. The BRIC program enables high-impact investments to reduce or eliminate risk and damage from future natural hazards, increase resilience, and promote a culture of preparedness through capacity building and technical assistance efforts.
- **Puerto Rico Department of Labor and Human Resources:** The GPR, through the PRDOL, has undertaken of the following several initiatives to strengthen the workforce in the construction sector:

⁵⁰ For more information on PR100, refer to Appendix A.

- **Expanding Workforce Participation:** The PRDOL has launched its new employment portal, PERFIL. This website allows both employers and workers to register, apply for jobs, find training opportunities, post job openings, and use AI-powered features to match candidates and employers with suitable positions. In addition, the PRDOL has allocated over \$25 million in salary incentives from the Fund for the Promotion of Employment Opportunities to help employers, particularly those in the construction sector, recruit and retain talent.
- **Construction Workforce Survey:** COR3, in partnership with the PRDOL, conducted a survey aimed to obtain critical data from the construction sector. This data will be used to continue formulating and executing strategies and public policies to address workforce challenges and increase labor participation in support of reconstruction efforts. Currently, the agencies are developing an action plan based on the information gathered to address the critical areas identified in the survey.
- **Strategic Partnership:** The PRDOL and COR3 convened meetings with PRDE to explore ways to integrate technical education students into the construction workforce. Consequently, PRDE unveiled its strategic plan for improving technical education, specifically in the construction sector. Additionally, they provided a list of schools offering technical programs, which will serve as a basis for developing initiatives aimed at strengthening the construction workforce. Furthermore, the PRDOL and COR3 held meetings with various associations representing employers in the construction sector to discuss various initiatives, including recruitment, retraining strategies, and apprenticeship opportunities.
- **Recruitment Efforts and Occupational Safety and Health Administration Training:** In the coming months, COR3 will sign an extension of a Collaborative Agreement with the PRDOL to promote labor recruitment and provide training for employers and workers in the construction sector through the Occupational Safety and Health Administration of Puerto Rico ("OSHA"). Under the terms of the agreement, COR3 is obligated to provide the PRDOL with pertinent information regarding reconstruction projects funded by FEMA's PA and HMGP. The primary objective is to promote employment opportunities within the construction industry and to develop skills while ensuring compliance with occupational safety standards. A series of training courses, seminars, job fairs, and other coordinated events will be organized to achieve these goals.
- **Foreign Workers:** The PRDOL has been working with COR3 and the Puerto Rico Department of State on outreach initiatives related to the H2-B Temporary Non-Agricultural Workers Visa Program for the construction sector. The PRDOL has also been exploring other alternatives that may facilitate the relocation of foreign individuals to Puerto Rico to work on construction projects.
- **Pilot Program for Labor Project Agreements:** To help attract potential workers to the construction industry and to ensure that the reconstruction process is ongoing, the GPR issued Executive Order Number OE-2022-014, which increased the minimum wage applicable to construction workers working on Federally funded reconstruction projects of the Executive Branch of the GPR (\$15 per hour for journeymen and \$11 per hour for apprentices). Additionally, OE-2022-014 created a pilot program requiring a Project Labor Agreement for a group of reconstruction projects. The PRDOL is tasked with the general regulation and enforcement of the provisions of OE-2022-014, while there is also an executive committee composed of the PRDOL, COR3, and the PROMB to evaluate the results of the Pilot Program. The Pilot Program is scheduled to start later this year.

- **Office of the Inspector General ("PROIG"):** COR3 and the PROIG have an ongoing Collaborative Agreement to monitor the effective and efficient use of public, State, or Federal funds, ensure compliance with applicable rules and regulations, and combat any fraud, waste, abuse, corruption, and inefficiency in the administration of programs and operations by these entities. This agreement is effective through June 30, 2029.
- **Office of the Comptroller of Puerto Rico ("OCPR"):** On July 10, 2023, COR3 and OCPR signed a Collaborative Agreement to continue working with the entities responsible of ensuring compliance with laws and regulations in the procurement process. This agreement allows for the exchange of information between both State Entities and guarantees that funds from FEMA-assisted programs are being correctly and legally administered in accordance with programmatic requirements. Such a partnership aids in the proactive prevention and thorough investigation of potential cases of fraud, waste, abuse, corruption, and inefficiency in the administration of programs and operations of State Estate Entities. This agreement is effective through June 30, 2024.
- **Puerto Rico Science, Technology and Research Trust and the Caribbean Center for Rising Seas:** Collaborations with these entities focus on advancing HMGP projects by centralizing conversations on advancing mitigation and climate adaptation efforts, especially in coastal regions and other flood-prone areas.
- **RAND Study:** On February 7, 2024, COR3 signed a Data Sharing Agreement with the PRDOH to provide access to PA Program and HMGP data to the RAND Corporation ("RAND"), a research organization that develops solutions to public policy challenges. The agreement is intended to provide immediate analytical support to ensure that Puerto Rico has the necessary information, analysis, studies, access to experts, disaster resilience plans and policy recommendations to support its recovery/progress and resilience to future storms. RAND will analyze recovery funding data for overlaps and gaps in recovery funding for key infrastructure needs for recovery, as well as an analysis of available geospatial data and analysis and data visualization of key metrics. RAND will also provide a series of studies, data analysis, and plans that will assess recovery progress since Hurricanes Irma and María, examine ways to address recovery barriers and make recommendations on how to accelerate recovery in key areas. Currently, COR3 and RAND are conducting regular meetings to ensure data collection and analysis.
- **Climate Change Committee:** COR3 has initiated a partnership with the Climate Change Committee focused on data sharing. As a result, the Committee has compiled a comprehensive coastal erosion database, which they plan to share with COR3 and relevant agencies to inform strategic decisions in Puerto Rico's reconstruction efforts. COR3's goals include increasing public awareness on the impact of climate change, prioritizing the use of the coastal erosion database for informed decision-making in rebuilding coastal infrastructure, and fostering research collaborations to address climate-related challenges in Puerto Rico's reconstruction. This involves supporting interdisciplinary research projects and technology development to enhance long-term resilience and sustainability.
- **Puerto Rico General Services Administration:** COR3 and the Puerto Rico General Services Administration ("ASG", for its Spanish acronym) are partnering to facilitate the exchange of critical data, focusing on organizing an event showcasing the intricacies of the bidding process, with a special emphasis on engaging FEMA. The partnership intends to enhance transparency and understanding among stakeholders through a collaborative event, streamline accessibility and promote greater accountability in the procurement process by integrating ASG's RFPs into the

Transparency Portal, and establish a sustainable framework for ongoing communication and collaboration to achieve long-term mutual benefit and impactful results.

3. Transparency

During this reporting period, improvements to COR3's system of record, DRS, and revisions to internal policies and procedures were implemented to further improve transparency in the management of FEMA recovery funds. The most significant enhancement to DRS was the Subaward Agreement Automation project, initiated on August 30, 2023, which required all Subaward Agreements, amendments, and modifications to be submitted and processed through the DRS system. This automation requires that RFRs cannot be submitted by Subrecipients or funds disbursed by COR3 without a signed Subaward Agreement. Furthermore, this system automatically manages holds or stop payments and allows for efficient disbursement of funds once agreements are signed, ensuring compliance with regulatory requirements, and maintains a master tracker that monitors the status of all Subaward Agreements. In January 2024, training and technical assistance was provided to Subrecipients to help them navigate the electronic submission process, with a deadline of February 12, 2024, to transition exclusively to the DRS platform. This enhancement has significantly improved efficiency and transparency in subaward processing and management.

Moreover, to strengthen and improve COR3's internal controls and enhance the service provided to Subrecipients, COR3 has been diligently developing additional SOPs to further standardize internal procedures and improve communication between all COR3 divisions. During this reporting period, six (6) SOPs were approved, and implemented related to Bank Reconciliations, RFIs, the Subaward Agreement Signing Process, Recoupment of Improper Payments, RFCA Compliance Protocol and an SOP Development Procedure. Furthermore, two (2) guidelines on Improved and Alternate Projects and Personally Identifiable Information, were developed, approved, and issued to Subrecipients. The first one is a guide developed for Subrecipients as a more accessible way to explain the applicable processes for requesting Improved and Alternate Projects under the FEMA's PA Program. The second is to provide step-by-step guidance and establish the requirements to safeguard all Personally Identifiable Information and any other information FEMA, COR3 and/or Subrecipient designates as sensitive, consistent with applicable Federal, state, local and/or tribal laws regarding privacy and confidentiality responsibility.

In addition, COR3 has undergone a rigorous review and update of its Disaster Recovery Federal Funds Management Guides, which are currently awaiting final approval. It is important to note that Chapter 7—Payment and Cash Management ("Chapter 7") has been extensively revised and approved to clearly outline policies, procedures, and responsibilities related to the disbursement of funds to Subrecipients. Moreover, Version 4.0 of Chapter 7 now details the thoroughly updated RFCA program, including the requirements for subsequent requests for working capital advance requests in 25% increments up to 75% of the obligated Federal share of the PW/Approved Project.

As part of COR3's commitment to ensuring the highest level of transparency in the management of Federal grant programs, COR3 has also implemented an online method for reporting instances of fraud, waste, and abuse of recovery funds. This tool allows Subrecipients, contractors, entities, or citizens who have information about or suspect any possible instance of fraud, waste, abuse, or noncompliance to submit a complaint. The Compliance Division is charged with monitoring, handling, and reviewing all complaints received through this reporting method to determine whether further investigation

or referral to a more appropriate entity is necessary. To enhance the expertise of the staff managing these complaints and to strengthen internal processes, in March 2024, the Compliance Division participated in a Suspension and Debarment training conducted by the Department of Homeland Security. During this reporting period, a total of 14 complaints were received. Out of the 14 complaints, two (2) have been referred to the corresponding law enforcement agencies and preventive measures have been implemented for five (5) Subrecipients.

During this reporting period, efficiencies implemented to COR3's site visit program also had a positive impact on Subrecipient monitoring activities. The monitoring visit oversight process is primarily focused on aiding COR3 Subrecipients that have earned a high-risk rating on COR3's Annual Risk Assessment. The reason for the monitoring visit is not to conduct an audit, but to conduct an oversight review of the grant program, its related processes and procedures, and the quality of documentation maintained to support program activities. This process also ensures that COR3 fulfills its responsibility to assess the Subrecipient's internal controls for the administration of Federal FEMA grants and helps Subrecipients prepare for and respond to future audits or reviews by other regulatory agencies.

The site visit process consists of 3 phases, beginning with the planning and preparation phase, the second phase of internal control evaluation, and finally the reporting phase. The planning and preparation phase is designed to gain a better understanding of the Subrecipient by gathering and evaluating documentation and meeting with various COR3 divisions that have information about the Subrecipient. The internal controls assessment phase begins with the issuance of a Site Visit Announcement Letter, which requires the Subrecipient to complete a questionnaire regarding the Subrecipient's internal controls and to provide supporting documentation to validate those controls. Following this announcement, our staff reviews the documentation requested from the Subrecipients, analyzes the information provided through the responses to the questionnaire, and performs an analysis of the above through testing and evaluation of the documentation. Finally, the reporting phase consists of the results of the analysis of the internal controls evaluation phase, where a report is prepared with observations and recommendations for the Subrecipient. Once the report is submitted, the Subrecipient must prepare a corrective action plan that includes the entity's plan to implement the recommendations for each observation, including target dates for completion of implementation and names of responsible parties.

To ensure a more efficient monitoring visit process and to cover a greater number of Subrecipients, COR3 modified its policies and procedures in 2023 to streamline the interview process and to conduct quarterly rounds of visits, thereby impacting and providing technical assistance to a greater number of entities. These changes, which included the sending of a questionnaire for Subrecipients to complete with information on their internal controls, have resulted in a broader scope of monitoring processes and better information gathering, allowing us to improve the quality of technical assistance provided to our Subrecipient. To this end, in 2022, prior to these changes, 23 monitoring visits were carried out. In 2023, this number almost tripled and a total of 65 visits were made to Subrecipients. As of this reporting period, a total of 115 visits have been conducted or are in progress, which is a significant increase, almost doubling from 2023 to 2024 and quintupling the number of visits in terms of the increase from 2022 to 2024. In total, from January 1, 2022 to the present, COR3's Compliance Division has conducted a total of 203 monitoring visits, divided into 87 Non-Profit Organizations, 74 Municipalities and 42 State Entities.

I. VAYGo

The GPR and COR3 have continued collaborating with FEMA in response to its grant payment validation process, known as Validate as You Go ("VAYGo"). Through VAYGo, FEMA selects a sample of disbursements made during a given fiscal year ("FY") and assesses that 100% of the supporting documentation required to validate each disbursement is available and in compliance with applicable laws. This FEMA process responds to the Payment Integrity Information Act of 2019 and ensures that COR3 has an additional avenue to conduct further Subrecipient monitoring.

Since the implementation of the VAYGo program, COR3 has worked with FEMA on three (3) full VAYGo testing cycles, corresponding to FY 2018, FY 2019, and FY 2020, and one (1) Short Sprint, corresponding to Quarters 1 & 2 of FY 2021.

The status of each of these testing cycles is as follows:

- **FY2018 VAYGo:** The Remediation Phase concluded on March 3, 2023; however, on January 5, 2024, COR3 received 26 individual RFIs for transactions with remaining questioned costs. On January 10, 2024, an additional RFI was received. Consequently, on March 22, 2024, two (2) RFIs were added. Currently, COR3's Compliance Division VAYGo Team is working closely with COR3's Closeout Division to address each of these remaining questioned costs as all projects are either in the Closeout queue, or their evaluations have been completed and therefore have been submitted to FEMA Closeout.
- **FY2019 VAYGo:** COR3 is awaiting the results of FEMA's ongoing efforts to resolve PREPA's questioned costs. During this reporting period, FEMA reported that these efforts have been completed. However, a list of the remaining questioned costs upon completion of the PREPA review has not yet been provided by FEMA. Nonetheless, once received, FEMA and COR3 will develop a plan to address these costs.
- **FY2020 VAYGo:** COR3 submitted a response to FEMA for the FY2020 VAYGo testing cycle in October 2023.
- **FY2021 VAYGo:** COR3 submitted a response to FEMA for the FY2021 (Q1-Q2) Short Sprint outside the time period covered by this Report. Currently, COR3 is awaiting FEMA's final determination. For both review processes, the outstanding questioned costs disclosed in FEMA's last received updates totaled less than 1%, demonstrating that COR3 has adequate internal controls to ensure that Federal funds are disbursed in accordance with applicable standards and regulations, as previously reported.

On August 9, 2023, the pause in the VAYGo effort imposed by FEMA in April 2022 was officially lifted. Upon receipt of this notification, COR3 was advised that the next testing cycle, which was originally scheduled for January 2023, would be received shortly. On November 3, 2023, COR3 received a listing from FEMA detailing the sample for the new testing cycle. COR3 had anticipated that it would include transactions corresponding only to FY2021 Quarters 3 & 4, as previously discussed with FEMA. However, the size of the sample was greatly impacted by the FEMA pause on VAYGo mentioned above, which led to the sample including two and a half Fiscal Years, an unprecedented sample period range.

On November 13, 2023, a Kick-Off Meeting was held between COR3 and FEMA VAYGo points of contact ("POCs") to discuss the current sample. It originally included 43 transactions related to FY 2021 Q3 & Q4, FY 2022, and FY 2023. On November

20, an additional five (5) transactions were added. On December 12, 2024, one (1) transaction was removed. Ultimately, the FY2021-2022-2023 ("FY21-22-23") sample is composed of 47 transactions totaling \$820.4 million.

The Initial Phase for FY21-22-23 concluded on January 30, 2024. During this stage, COR3 coordinated mass downloads of the available documentation on DRS, for each disbursement included in the sample. The documents were then provided to FEMA via the Grants Portal for validation. Currently, the sample is in its RFI Phase, during which FEMA conducts its review process and submits RFIs to COR3 as needed. These may pertain to either documentation or clarification requests. COR3 is proactively addressing each RFI as received.

While VAYGo testing progresses, COR3 continues to develop reference materials, including a VAYGo SOP, which will be published later this year. Complementary internal policies and procedures are being drafted to further enhance the VAYGo process. COR3 remains committed to steadfastly strengthening VAYGo efforts to continue to achieve positive and commendable results.

II. Closeout

During this reporting period, significant progress was made in closing Emergency Projects (Categories A and B) associated with Hurricane María (DR-4339). Accordingly, a total of 686 projects have been officially closed, while 698 have been submitted to FEMA for closeout, pending validation. This brings the total number of closeout packages completed by COR3 to 1,384. Currently, there are 213 pending closeout projects under evaluation by COR3.

COR3 has successfully submitted approximately 88% of the projects mandated under the Emergency categories to FEMA. At present, COR3 has until June 30, 2024, to fulfill its obligations. To ensure compliance and timely completion within this deadline, COR3 has implemented strategic monitoring and prioritized exemplary customer service. Furthermore, notable advancements have been made in closing Hurricane María's Permanent Work Projects (Categories C-G). During this reporting period, COR3 successfully closed 66 projects and submitted 88 projects to FEMA. Additionally, COR3's Closeout Division is actively engaged in conducting closeout inspections and finalizing packages for the 213 projects still under evaluation.

At the same time, the Closeout Division is actively developing tools that use artificial intelligence to improve efficiency in the closeout process. Specifically, it is working on a Chatbot that is being programmed with Federal and State regulations, along with FEMA's PA Program requirements, to ensure consistent interpretations throughout the process. In addition, COR3 is also in the process of developing a tool to expedite the review of the documentation necessary for completing closeout packages. Furthermore, during this period, COR3 has achieved other significant milestones involving the closeout of various projects associated with disasters such as Earthquakes (DR-4473), COVID (DR-4493), and Hurricane Fiona (DR-4671). Below is a summary of the progress in these areas:

- For Earthquakes (DR-4473) Emergency Projects (Categories A and B):
 - Six (6) projects have been submitted to FEMA for closeout, pending FEMA's validation.
 - Five (5) projects have been closed.
 - 29 projects are currently under COR3 closeout evaluation.
 - 69 projects are awaiting the initiation of the closeout process.

- For Earthquakes (DR-4473) Permanent Work Projects and Administrative Costs (Categories C-G, and Z):
 - One (1) project has been closed.
 - Two (2) projects have been submitted to FEMA for closeout, pending FEMA's validation.
 - 13 projects are currently under COR3 closeout evaluation.
 - 667 projects are awaiting the initiation of the closeout process.

- For COVID (DR-4493) Emergency Projects (Categories A and B):
 - 35 projects have been submitted for closeout.
 - 45 projects have been closed.
 - 18 projects are currently under COR3 closeout evaluation.
 - 32 projects are awaiting the initiation of the closeout process.

- For COVID (DR-4493) Administrative Cost (Category Z):
 - Three (3) projects have been submitted for closeout.
 - Three (3) projects are currently under COR3 closeout evaluation.
 - 44 projects are awaiting the initiation of the closeout process.

- For Hurricane Fiona (DR-4671) Emergency Projects (Categories A and B):
 - 32 projects have been submitted for closeout.
 - 51 projects are currently under COR3 closeout evaluation.
 - 400 projects are awaiting the initiation of the closeout process.

- For Hurricane Fiona (DR-4671) Permanent Work Projects and Administrative Costs (Categories C-G, and Z):
 - One (1) project has been closed.
 - Four (4) projects have been submitted for closeout.
 - Seven (7) projects are currently under COR3 closeout evaluation.
 - 1,365 projects are awaiting the initiation of the closeout process.

These accomplishments demonstrate the GPR and COR3's commitment to transparency in managing Federal funds and ensuring compliance with all applicable requirements. COR3's primary goal for this and future periods is to ensure the effective closeout of projects within the Emergency Categories related to events DR-4339, DR-4473, DR-4493, and DR-4671. At the same time, COR3 will focus on streamlining the management of event-level Applicant closeouts by prioritizing those who are prepared to complete this process efficiently and successfully.

III. Transparency Portal

COR3 is committed to ensuring the utmost transparency during the recovery process. To uphold this commitment, we frequently update the Transparency Portal with new features and improved content to provide easy access to relevant data. Below is an overview of COR3's latest enhancements:

- **BRIC Content Page:** A new content page dedicated to the BRIC program has been created to inform the public about COR3's support and the deadlines for applying for BRIC funding.
- New features:
 - **Subrecipient Disbursement Dashboard:** A new digital tool is now available to the public to view the information on fund disbursements to Subrecipients. The data is presented using various graphs and charts, making it easier to visualize across different data categories.
 - **Municipalities Recovery Progress:** Each Municipality now has its own dedicated page highlighting the recovery progress and project execution. This page also includes projects located within the Municipality for other Subrecipients.⁵¹
 - **Export to PDF/PNG Dashboards:** The ability to export dashboard visualizations of project execution has been habilitated. Users can now capture data snapshots while maintaining the resolution that cannot be achieved with a regular screenshot.
 - **Archive Content Management System ("CMS") Pages:** Additional functionality in the CMS allows pages to be archived, enabling their reuse in the future.
- Additional Enhancements:
 - **Media Gallery Improvements:** The Media Gallery page has been updated to include search functionality with a location filter, making it easier for users to find media related to their interests.
 - **Subrecipient Procurement Status Updates:** The procurement status in the Transparency Portal has been simplified to provide users with accurate updates on RFPs.
 - **HMGP Data Alignment:** Visualization of HMGP data in the Finance Table View of the portal has been improved to ensure consistency and alignment with the PA program spreadsheet view.
 - **Other Recovery Funds Homepage Chart:** The portal's homepage now features a separate chart highlighting other recovery funds for Puerto Rico that are not administered by COR3, providing users with additional information on the Island's recovery efforts.

Overall, these improvements have made the portal more user-friendly and informative, enhancing user experience, data transparency, and information accessibility.

V. Conclusion

As discussed throughout this Report, significant progress has been made in the successful execution of permanent work projects, once again demonstrating the GPR's unwavering dedication and commitment to advancing reconstruction efforts and rebuilding our Island. Despite the many challenges that Puerto Rico continues to face, such as labour market shortages, inflation, material shortages, and financial obstacles, COR3 and the GPR have successfully accelerated the pace both in project execution and disbursements, as underlined by both FEMA and the GAO in their respective reports, cited herein.

⁵¹ Access to these dedicated pages is available through the homepage map: [Puerto Rico Disaster Recovery Transparency Portal - COR3 \(pr.gov\)](#)

"Puerto Rico's recovery is as unique as it is inspiring... Working closely with the Government of Puerto Rico, recovery progress can be seen in communities across the Island and in every sector that affects the quality of life of residents⁵²."

Furthermore, the GPR remains committed to developing sustainable infrastructure capable of withstanding future events, as evidenced by the continuation of project formulation under HMGP, and develop and implement innovative solutions to further expedite the reconstruction effort. To these ends, COR3 continues to empower Subrecipients by providing capacity building on programmatic and regulatory requirements, enabling them to ensure the highest level of transparency and compliance in the management of grant funds.

During this reporting period, COR3 continued several initiatives to enhance Subrecipients' capacity to effectively manage their recovery projects. Among these initiatives were the *Build Puerto Rico Llega a Ti* forums, which were designed to educate and support all Subrecipients across Puerto Rico on critical elements for efficient and compliant reconstruction project development. Additionally, COR3 held the RFCA Reconciliation and Alternate Project Management Event to provide guidance to Subrecipients on the reconciliation process required after receiving initial RFCA funds and how to effectively manage Alternate Projects within FEMA's PA program.

In addition, COR3 continued to strengthen intergovernmental efforts to advance the ongoing recovery and rebuilding process. These efforts have facilitated addressing the challenges Subrecipients face in successfully rebuilding their battered infrastructure. COR3 has also taken an active role in several forums held outside of Puerto Rico, which have provided a forum for discussing challenges, progress, results, and opportunities for the Island's recovery.

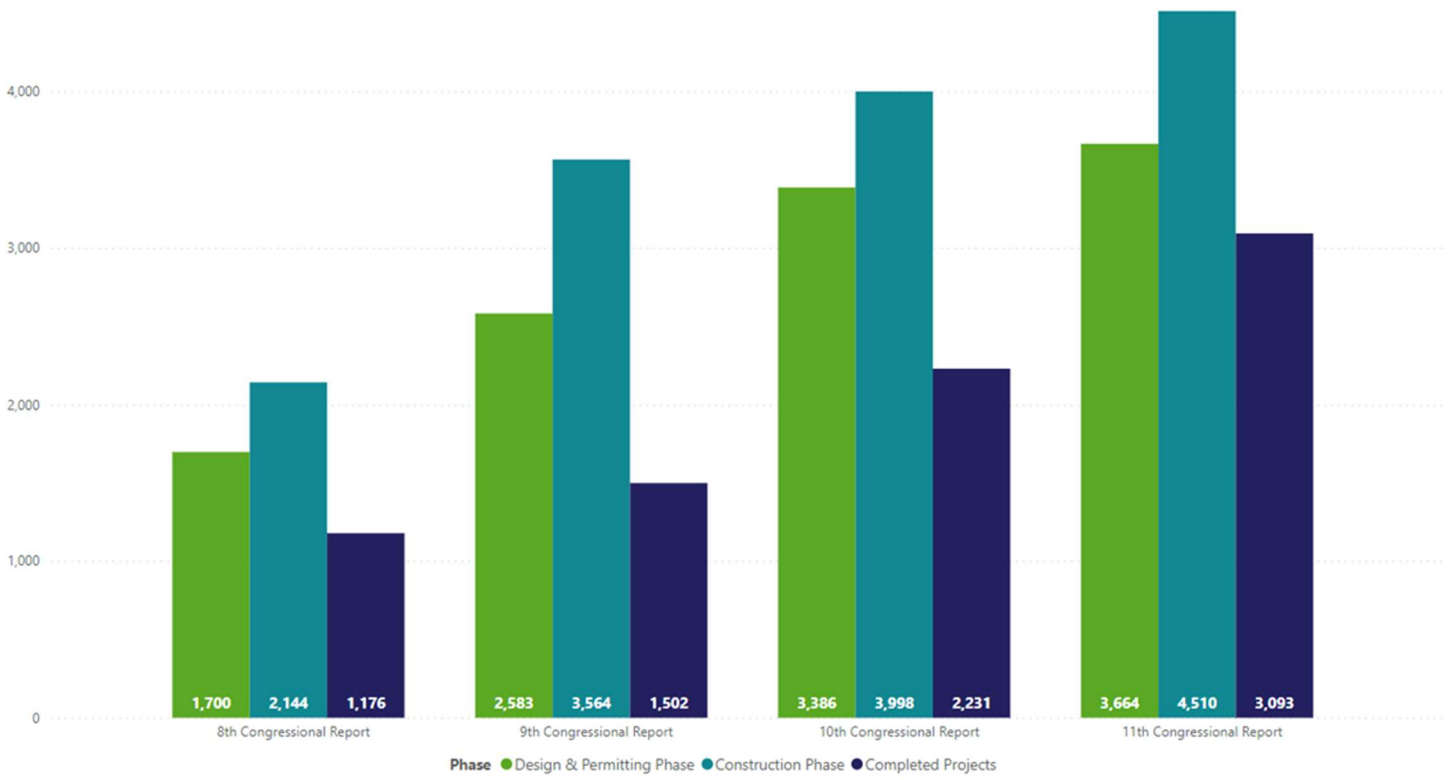
At the same time, the GPR and COR3 continued to work alongside Subrecipients to advance the execution of permanent work. This ongoing collaboration has resulted in a steady increase in the amount of permanent work projects that have entered the different execution stages. [Figure 30](#) illustrates the number of projects in each phase of execution from previous and current Congressional Reports, including design, permitting, construction, and completed phases. As shown below, projects in A&E, as well as permitting phases, have increased from 1,700 (8th Congressional Report) to 2,583 (9th Congressional Report), to 3,386 (10th Congressional Report), and further to 3,664 (11th Congressional Report). Similarly, the number of projects in the construction phase increased from 2,144 in the 8th Congressional Report, 3,564 in the 9th, 3,998 in the 10th, and 4,510 in the 11th. Finally, the number of completed projects has also increased steadily, with 1,176 in the 8th Congressional Report, 1,502 in the 9th, 2,231 in the 10th, and 3,093 in the 11th. These results demonstrate COR3's steadfast commitment in achieving sustainable infrastructure development and strengthening multidimensional community resilience.



CONTINUE TO NEXT PAGE

⁵² FEMA Administrator Deanne Criswell on *FEMA Region 2 Interim Progress Report, Puerto Rico: From Recovery to Resilience*.

Figure 30: Road to Recovery Project Execution



The results shown throughout this Report demonstrate COR3’s steadfast commitment to achieving sustainable infrastructure development and strengthening multidimensional community resilience. As stated by Administrator Criswell, “Transformation takes time, and this recovery overview provides tangible examples of where we are now and what we can expect as we continue along the road to recovery. The images in this Report serve as a testament to the hard work taking place on the ground. They are also visual examples of the perseverance and dedication of our workforce on the Island...” Although the road to recovery is a long one, we have hit our stride and are on pace to having a new and more resilient Puerto Rico.

Appendixes

Appendix A: Other Federal Agencies Updates

U.S. Department of Energy

The DOE is supporting resilient recovery efforts from Hurricanes Irma and María in Puerto Rico through an interagency agreement with the FEMA. DOE's expertise complements planning, operational activities, and capacity building for both local public entities and Federal agencies to enhance the impact of FEMA and HUD investments in the Commonwealth. The list below outlines progress and new initiatives in the areas of (1) technical assistance and capacity building efforts and (2) interagency coordination.

1. Technical Assistance and Capacity Building

- a. **Puerto Rico 100% Renewable Energy Study ("PR100")**: The study defined pathways for Puerto Rico to achieve its renewable energy goals (100% by 2050), ensure energy system resilience to extreme weather events, and improve energy equity. This multi-phased, integrated analysis includes eleven distinct tasks across six national laboratories. DOE, in coordination with the National Renewable Energy Laboratory ("NREL"), held the PR100 Final Results Public Event with Secretary Granholm and Governor Pierluisi in February 2024. Over 800+ stakeholders participated online and approximately 150 stakeholders attended the meeting in person. The public event was preceded by a meeting with the Advisory Group and Steering Committee members to discuss the overall process, high-level recommendations and next steps. The PR100 Executive Summary was published in February 2024 and launched at the PR100 Final Results Public meeting along with the www.pr100.gov website. The PR100 Final Report was published and launched in March 2024 and is available in both Spanish and English.
- b. **Technical Assistance to the Puerto Rico Department of Housing**: DOE is providing technical assistance to PRDOH in the implementation of the Electrical Systems Enhancements Action Plan, which consists of \$1.9 billion in CDBG-DR funding. DOE's technical assistance focused on the Electrical Power Reliability and Resilience Program ("ER2") guidance to ensure that the program addresses unmet recovery needs in vulnerable areas, and that program design is informed by best practices. NREL and the Sandia National Laboratory ("SNL") had previously finalized priority investment maps for the ER2 competitive solicitation along with a review scorecard. The application period closed in January and DOE is awaiting a "completeness review" from PRDOH before providing technical review assistance. Additionally, the SNL team has reviewed initial proposals from eligible entities for the ER2 Strategic Project initiative. The SNL team will continue to review proposals as they come in and provide technical recommendations to PRDOH on investments that are consistent with the program and HUD goals.
- c. **Supporting Transmission and Distribution Recovery Investment Decisions in Puerto Rico**: This project evaluates candidate grid investments in transmission, distribution, and microgrids, with an integrated analysis tailored to the problem of grid resilience planning in Puerto Rico. This task will include a feasibility study using the SmartGridz AC Optimal Power Flow to demonstrate its potential under varying system conditions. DOE continues to coordinate the results of the MIT SmartGridz's software capabilities with Pacific Northwest National Laboratory ("PNNL") tools in an analytical resilience framework to support assessment and mitigation of the power system under extreme hurricane-related outages.

2. Interagency Coordination

- a. **The Energy Technical Coordination Team ("TCT")**: This team was established by FEMA and DOE in February 2020 as a formal mechanism for coordination among the many local and Federal entities involved in electricity grid recovery to facilitate decision-making and ensure the best use of expertise, solutions, and funding in the implementation of energy recovery activities. The Energy TCT continues to meet quarterly, with more regular topic-specific working group meetings.
 - i. **Brownfields Development Working Group**: The DOE has asked NREL to assess which brownfield sites can best support the addition of solar capacity to the power grid to provide power quality and resiliency benefits while also being economically feasible. NREL is providing technical assistance to enable the development of renewable energy systems on pre-impacted land.⁵³
 - ii. **Vieques and Culebra Working Group**: Two (2) virtual meetings were held with stakeholders to discuss the Culebra and Vieques microgrid. The Culebra and Vieques Microgrid Information sessions were held on December 19, 2023. DOE, SNL and Luma prepared follow-up responses to stakeholder questions and met bi-weekly to begin planning for the next in-person stakeholder meeting(s) on both Islands.
- b. **Puerto Rico Grid Recovery and Modernization Team**: DOE continues to provide situational awareness and subject matter expertise to its Federal partners through participation in various interagency meetings. DOE has met on three (3) occasions with other Federal agencies, including FEMA and HUD, to discuss progress in advancing recovery projects and renewable energy procurement. DOE has been working with Federal partners to ensure continuity and to monitor meetings that are due upon completion.
- c. **Puerto Rico Green Energy Trust ("PRGET")**: DOE and NREL are assisting the PRGET's new Executive Director to provide background information on the technical assistance provided to the PRGET and reviewing deliverables. Additionally, DOE staff met with the PRGET Executive Director and Board members in Puerto Rico in December 2023 and January 2024 to assist with the Trust's strategy for developing solar and energy efficiency loan products and to answer questions about loan loss reserve documentation requirements.

⁵³ An updated study will be published by May 2024.

Appendix B: Concurrent Disasters Update

While this Report focuses on the GPR's recovery efforts from Hurricane María, it is important to note that COR3 also manages the recovery and reconstruction initiatives from other disasters and emergency declarations that required the use of FEMA's assistance programs. As a result, COR3 is working with State Entities, Municipalities, and Private Non-Profit institutions in submitting FEMA reimbursement requests for emergency protective measures taken. Below are the latest updates on the Fiona (DR-4671), Earthquake (DR-4473) and COVID-19 (DR-4493) disasters.

Puerto Rico DR-4671 | Hurricane Fiona Summary Status

Hurricane Fiona made landfall in Puerto Rico on September 21, 2022, as a Category One Hurricane, causing severe damage across the Island. On September 21, 2022, President Joseph R. Biden approved a Major Disaster Declaration (DR-4671), which was subsequently amended to include funding for permanent work projects (Categories C-G) under the PA program for most Municipalities. Over the past 18 months, the GPR has been collaborating with FEMA to accelerate the pace of the the recovery process following Hurricane Fiona. Since the disaster declaration, more than \$1.2 billion has been awarded in disaster assistance to help survivors, communities, and public infrastructure affected by Hurricane Fiona.

As of December 20, 2023, FEMA's IA Program has provided more than \$648.0 million to assist nearly 740,000 households in Puerto Rico. To help underserved communities in the recovery efforts of Hurricane Fiona, FEMA has launched Enhanced Applicant Services, an equity-based outreach program. This survivor-centric approach led to the approval of nearly \$16.0 million in disaster grants to individuals and family households who might otherwise have been deemed ineligible.⁵⁴

The recovery process from Hurricane Fiona in Puerto Rico continues at a solid pace, with more than \$563.0 million in FEMA PA Program funding for Emergency and Permanent Projects for damaged infrastructure on the Island. As of December 2023, FEMA has approved 174 obligations, including nine (9) Large Projects totaling nearly \$20.0 million for recovery work such as debris removal, and repair of roads and bridges affected by this disaster.⁵⁵

FEMA's Hazard Mitigation Assistance ("HMA") programs provide funding for eligible mitigation activities that protect life and property from future disaster losses to build more resilient communities. The GPR manages the Hazard Mitigation 406 grant under funding provided for in the Stafford Act, through the PA program, where mitigation measures are deemed cost-effective, eligible, and technically feasible. Along with the GPR, FEMA evaluates and identifies opportunities to address and reduce potential future damages through FEMA's PA HMA. To date, FEMA has approved nearly \$74.0 million for eligible mitigation projects due to Hurricane Fiona to reduce disaster risks from future events in several communities in Puerto Rico.⁵⁶

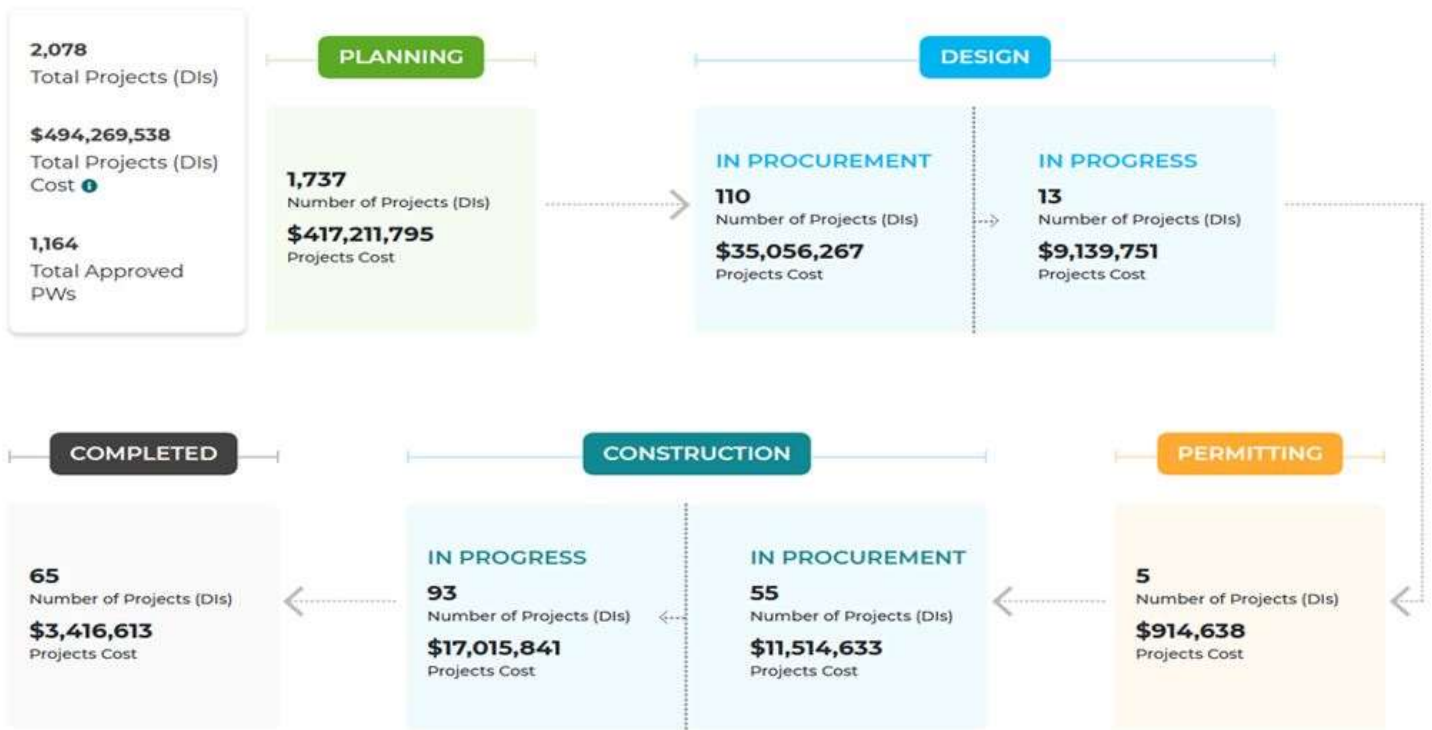
⁵⁴ FEMA Press Release, 2023 Hurricane Fiona Recovery Overview (December 20, 2023).

⁵⁵ FEMA Press Release, Hurricane Fiona Recovery Process on a Firm Pace (January 31, 2024).

⁵⁶ *Ibid.*

Figure 31: DR-4671 Execution Stage Overview

Execution Stage Overview



Federal Policy Petitions

- **Request to Implement the Disaster Case Management Program:** On October 24, 2022, the GPR sent a letter to FEMA requesting the implementation of the Disaster Case Management (“DCM”) program for the Hurricane Fiona disaster. The DCM program is an innovative temporary process in which a disaster case manager works with affected individuals to develop and implement a personalized recovery plan. This collaborative approach provides the affected individual with a single point of contact to facilitate access to a wide range of available resources. The purpose of the DCM program is to return individuals to a level of independence and recovery comparable to their pre-disaster situation. The DCM program was approved for Hurricane Fiona’s recovery process and is currently being implemented until September 21, 2024. The first quarterly report was submitted on July 26, 2023 and the most recent quarterly report was submitted in March 2024, addressing the priority level assigned to each case based on the severity or complexity of its needs and recoverability. The report also indicates the case closure status of each region across the Island.
- **Applicability of Cost Estimating Format to Projects Below the \$1 million Threshold:** In August 2022, FEMA increased the large-project threshold for the PA program to \$1 million, which has the effect of eliminating the requirement to apply the Cost Estimating Format (“CEF”)⁵⁷ to projects between \$138,900 and the revised large-project

⁵⁷ The CEF is a tool that helps Subrecipients to accurately estimate project costs and consider all relevant factors, including potential hidden costs, at the beginning of the application process.

threshold. On September 18, 2023, the GPR sent a letter to FEMA expressing concern about the increase in the large-project threshold to \$1.0 million. This increase had the effect of eliminating the requirement to apply the CEF to projects between \$139,800 and the revised large-project threshold. The GPR requested the establishment of guidance for the FEMA Atlantic Consolidated Resource Center ("CRC") to apply the CEF, in accordance with the FEMA Policy FP-104-23-001, to all projects exceeding \$139,800 to improve cost accuracy, efficiently allocate resources, and minimize financial risks that may affect the completion of the project SOW. On March 15, 2024, FEMA partially approved the request by applying the CEF uniformly to projects with an estimate equal to or greater than \$250,000. Appropriately, the applicability of the CEF to projects with an estimated cost of less than \$250,000 may be evaluated at FEMA's discretion in specific cases that involve unique complexities and uncertainties.

- **HMGP Application Period Time Extension Request:** On September 20, 2023, the GPR requested an extension of the HMGP application deadline for the Hurricane Fiona Disaster, which was set to expire on September 21, 2023. After reviewing the request, on October 20, 2023, FEMA determined to approve the extension for an additional 90 days, until December 19, 2023.

Puerto Rico DR-4473 | Earthquakes Summary Status

In December 2019, Puerto Rico experienced a prolonged period of seismic activity, with a series of earthquakes lasting more than six (6) months. Following two significant earthquakes with magnitudes of 6.4 and 5.9, respectively, a Major Disaster Declaration (DR-4473) was approved on January 16, 2020. These seismic events resulted in the displacement of over 10,000 people at certain intervals, damaged more than 2,000 homes, severely disrupted the electric power infrastructure, and resulted in the closure of numerous educational institutions.

As of March 31, 2024, a total of 79 projects have been completed for DR-4473, totaling \$14.1 million. [Figure 31](#) provides a detailed breakdown of the execution stage by phases. Among the most significant projects is the FEMA allocation of the reconstruction of important sports complexes in Ponce, for which FEMA has allocated \$2.3 million for repairs to the Juan "Pachín" Vicens' Auditorium due to Hurricane María and an additional \$981,238 for Earthquake-related damages.⁵⁸

To date, there are 791 obligated projects under DR-4473, of which 606 correspond to permanent work, 109 are Emergency Category Projects, and 76 are Administrative Costs projects. Additionally, a total of \$436.9 million has been disbursed. [Figure 32](#) provides a detailed breakdown of the obligated and disbursed amounts by category.⁵⁹

⁵⁸ COR3 Press Release, The Reconstruction of important sports complexes in Ponce has commenced (February 12, 2024).

⁵⁹ In the Tenth Congressional Status Report, the amount listed represented the total project cost. For this reporting period, the amount represents the obligated Federal Share.

Figure 32: DR-4473 Execution Stage Overview

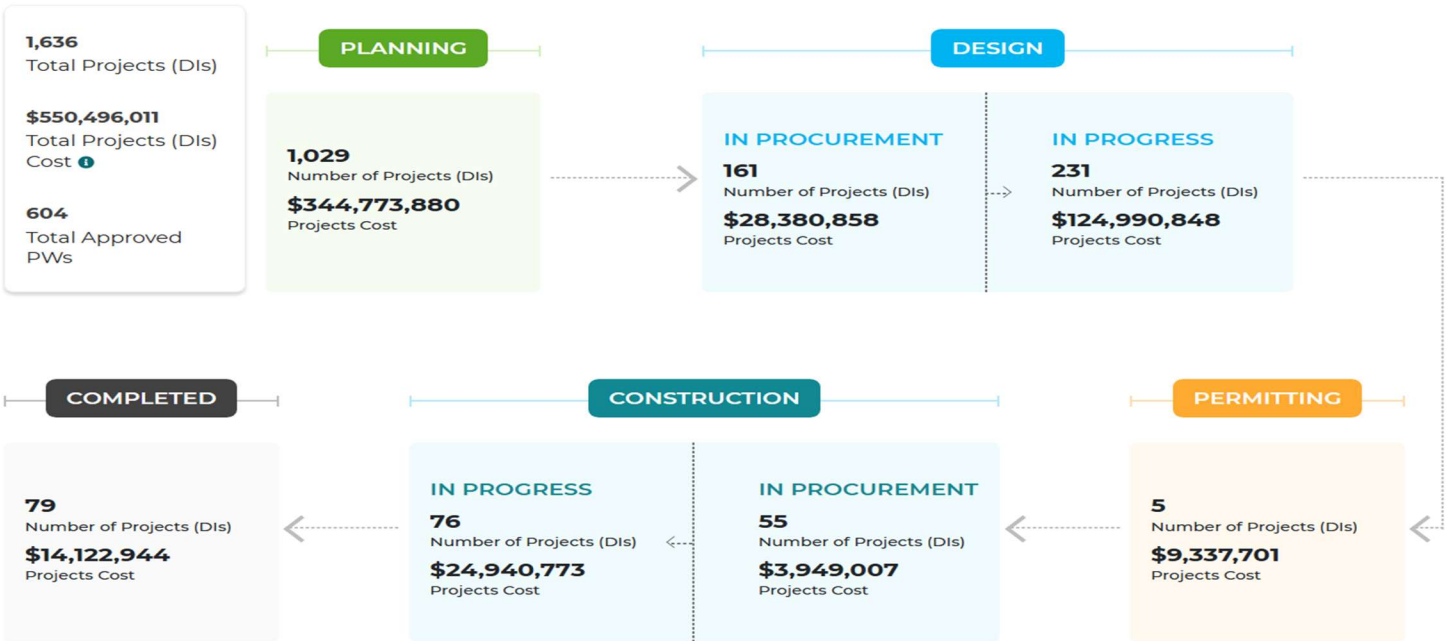
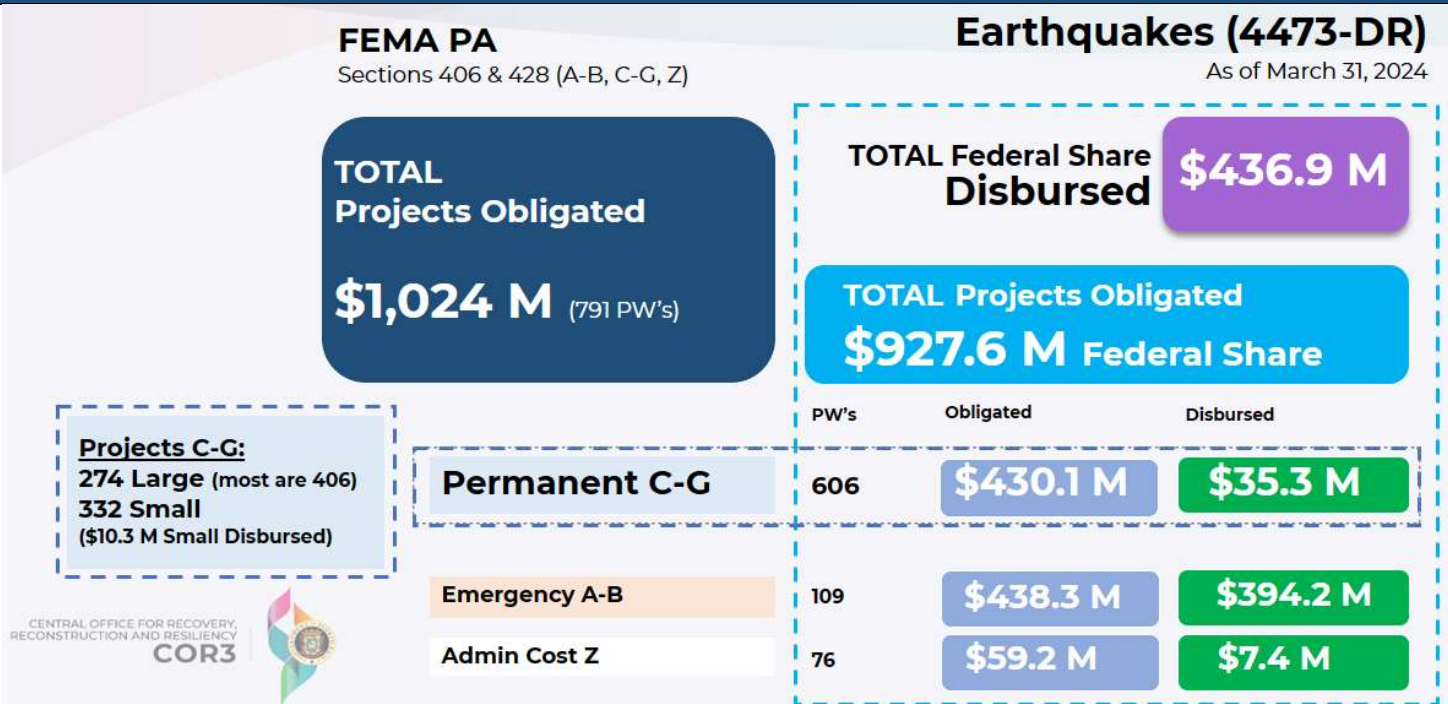


Figure 33: DR-4473 Overview⁶⁰



⁶⁰ Small projects and Small Disbursed projects have been decreasing because later these projects are converting into large projects. The reason this happens is because the design part (A&E) is obligated first and is below the \$123,100 threshold, so they are obligated as small projects. Later then, the project goes back into FEMA's process (National Work Flow), and its amount is increased based on the new scope resulting from the A&E, surpassing the threshold thus converting the project into a large one.

Puerto Rico DR-4493 | Covid-19 Summary Status

As of March 2024, 73% of the projects under DR-4493 have been obligated, while 76% of the funds have been disbursed.⁹ Figure 33 provides an overview of the project formulation process. As shown in the figure below, 129 Emergency Category projects are distributed as follows: 21 Municipalities projects, 45 State Entity projects, and 59 Private Non-Profit projects.

Figure 34: DR-4493 Project Formulation Overview (Including Cat Z)



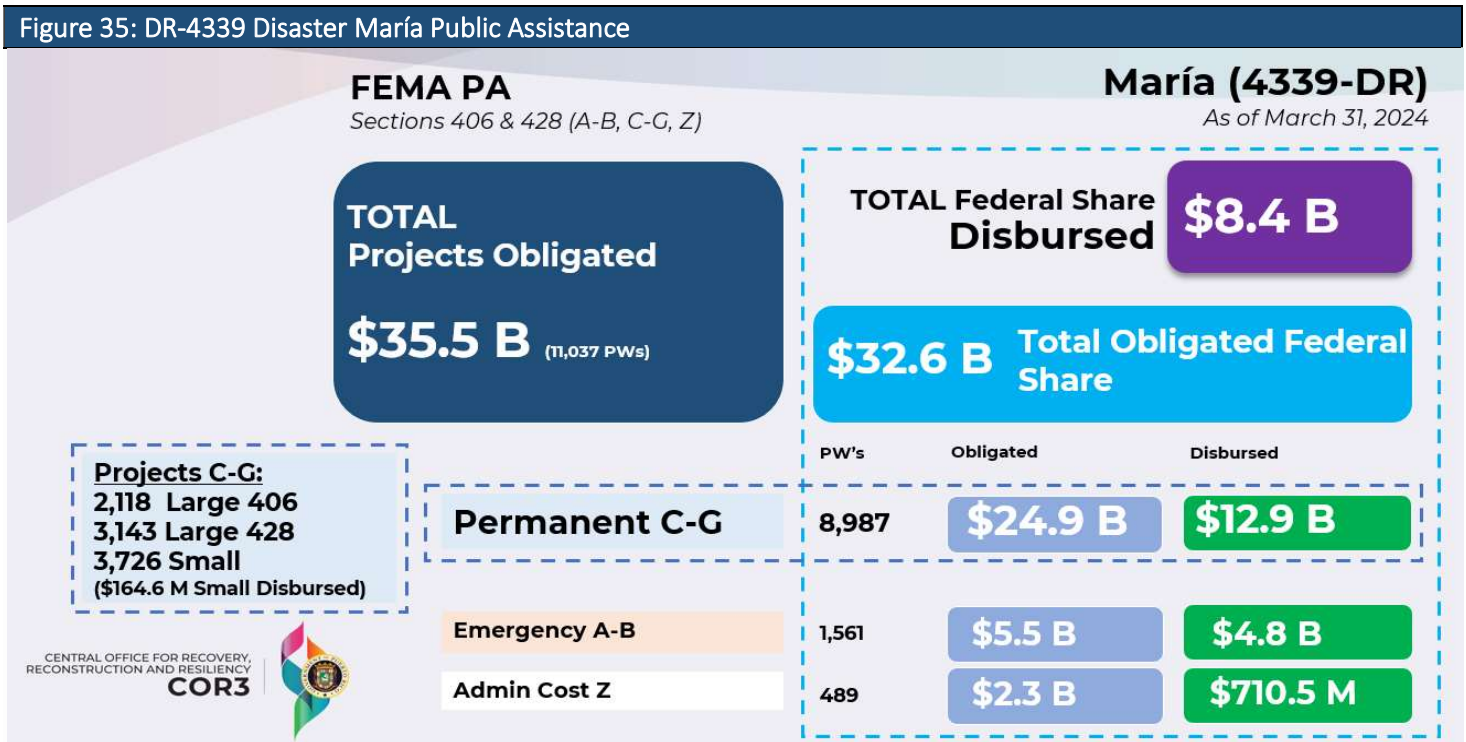
Category	Project Count	Federal Obligation	Amount Disbursed
Emergency Work – CAT B	129	\$ 174,084,058.25	\$ 137,876,133.88
Administrative Cost – CAT Z	46	\$ 7,510,669.70	\$ 1,520,085.86
Total Obligations – CAT B & Z	175	\$ 181,594,727.95	\$ 139,396,219.74
Central Recovery and Reconstruction Office – COR3 CAT Z	1	\$ 4,675,212.54	\$ 2,438,561.98
Total Obligated Amount	176	\$ 186,269,940.49	\$ 141,834,781.72

Appendix C: Public Assistance Hurricane María Data Overview

Recovery Overview

As a result of the damage caused by Hurricane María, State Entities, Municipalities, and Private Non-Profit institutions applied for recovery funding through the FEMA PA Program. The obligated Federal share amount for projects is \$32.6 billion,⁶¹ of which \$8.4 billion has been disbursed (Figure 34). With most of the emergency work completed and in the closeout process (Category A– Debris Removal and Category B– Emergency Protective Measures), Puerto Rico’s disaster response continues to prioritize the execution of Permanent Work projects. To date, \$5.5 billion of Emergency Work has been obligated and \$4.8 billion has already been disbursed. As of March 31, 2024, 8,987 Permanent Work projects have been obligated in the amount of \$24.9 billion, with \$12.9 billion disbursed, as shown in Figure 34.

Table 7 provides a comprehensive breakdown of allocations, total obligations, and disbursements for the PA, HMGP, and IA programs since 2017.¹³



⁶¹ In the Tenth Congressional Status Report, the amount listed represented the total project cost. For this reporting period, the amount represents the obligated Federal Share.

Central Government Agencies and Public Corporations

State Entities have received significant awards through the FAASt initiative. As such, COR3 continues to provide technical assistance during the project formulation and post-obligation phases to facilitate the execution of these and other projects. This effort focuses on procurement and project management support to ensure successful project completion. [Table 8](#) illustrates the allocation of significant FEMA obligations for Permanent Work projects.⁶²

Fund	Allocated	Obligated	Disbursed
Public Assistance	\$32,612,369,839	\$32,612,369,839	\$8,385,662,482
Individual Assistance	\$2,499,330,880	\$2,499,330,880	\$2,530,021,149
Hazard Mitigation Grant Program	\$2,932,408,924	\$508,909,565	\$91,743,514

Agency	Obligated Federal Share
University of Puerto Rico	\$1.0 B
Department of Transportation and Public Works	\$342.6 M
Department of Health	\$131.1 M
Puerto Rico Industrial Development Company	\$242.9 M
Department of Sports and Recreation	\$89.01 M
Public Building Authority	\$80.9 M
Local Redevelopment Authority for Roosevelt Roads	\$88.7 M
Public Housing Administration	\$1.3 B
Department of Environmental and Natural Resources	\$151.9 M

⁶² In the Tenth Congressional Status Report, the amount listed represented the total project cost. For this reporting period, the amount represents the obligated Federal Share.

Appendix D: Puerto Rico Department of Housing Community Development Block Grants Updates

Community Development Block Grants - Disaster Recovery (CDBG-DR)

Following the devastation caused by Hurricanes Irma and María, PRDOH, as the designated CDBG-DR Grantee, has been fully committed to the Island's recovery. Through the establishment of 21 programs designed to provide grant opportunities to citizens, small businesses, Municipalities, State Entities, and Private Non-Profit Organizations, PRDOH has successfully disbursed CDBG-DR funds, making a significant impact on the local housing, infrastructure, economic, and planning sectors. CDBG-DR Programs such as the Home Repair, Reconstruction or Relocation ("R3") Program continue to assist families in need of home repair or reconstruction, as well as providing relocation assistance to eligible homeowners located in hazard areas. Currently, the R3 Program has a total of 203 homes in preconstruction, 628 homes under construction, and completed 6,352 home repair and reconstruction projects. The R3 Program has also provided a total of 3,236 vouchers to families in need of relocation. A total of 9,588 participants have been assisted through the R3 Program, providing them with a safe and secure home. Another housing program helping Puerto Ricans is the Homebuyer Assistance Program, which grants up to a maximum of \$55,000 to help homebuyers with the purchase of a new or existing property. This program has served a total of 9,596 participants, increasing the number of families purchasing safe and affordable homes, contributing to the long-term sustainability and viability of the communities across the Island.

In the economic sector, the Small Business Financing ("SBF") program has impacted micro enterprises and small businesses by providing recovery grants of up to \$150,000 for working capital and equipment. The SBF Program has provided a total of 4,432 grants to help small businesses restart operations and invest in growth opportunities. Furthermore, the Re-grow PR Urban-Rural Agriculture ("Re-Grow") program assists small and medium sized agricultural businesses by providing grants of between \$25,000 and \$150,000 to address the impacts on the agricultural sector. A total of 1,483 grants have been awarded to agricultural businesses to continue to support and expand island-wide food security, as well as to improve and expand agricultural production related to economic revitalization.

On October 9, 2023, PRDOH published the 13th Amendment to the CDBG-DR Action Plan (Non-substantial), which made a reallocation of funds from the R3 Program to the Social Interest Housing ("SIH") Program, CDBG-DR Gap to Low Income Housing Tax Credits ("LIHTC") Program, HBA Program, and Community Energy and Water Resilience Installations ("CEWRI") Program. This additional funding provided each program with the necessary resources to continue to deliver housing and energy projects to the Island's neediest communities and to assist eligible applicants and/or housing and energy projects.

On March 5, 2024, HUD approved the 14th Amendment to CDBG-DR Action Plan (Substantial), which introduced a new program, as well as additional changes to other recovery programs such as R3 Program, Title Clearance ("TC") Program, and Workforce Training ("WFT") Program. The new Vacant Properties Recovery ("VPR") Program under the Planning sector is intended to implement planning and code enforcement activities that will address the issue of vacant and abandoned properties to convert them into resilience opportunities for Puerto Rico's communities. The program will offer capacity building and support to Municipalities to reach a resolution in terms of code enforcement. A total of \$3.0 million were assigned to the program. This substantial amendment also included an increase to the R3 Program's maximum award for relocation from \$185,000 to \$200,000 to cover the increasing costs of the current housing market in Puerto Rico. The maximum award for reconstruction under the R3 Program was also increased from \$185,000 to \$215,000 to be able to finance the increasing construction costs. The eligibility criteria under the TC Program were modified to help individuals

with properties located in a floodplain or floodway or high-risk area, which will help applicants to receive other state or Federal disaster recovery assistance. Furthermore, the maximum award under the Workforce Training ("WFT") Program was also increased to continue funding workforce training programs provided by eligible entities with the capacity and expertise in areas of need for skilled resource recruitment such as the construction sector, and other sectors with the purpose furthering developing Puerto Rico's labor force.

Continued collaboration efforts between COR3 and PRDOH have resulted in executing a MOU signed on September 8, 2023. This MOU formalizes the relationship between the two agencies and includes administrative costs for activities associated with the successful implementation of the Non-Federal Match Program. This program has accomplished Subrecipient Agreements with all 78 Municipalities, 44 State Entities, and 30 Private Non-Profit organizations. Additionally, the Program has received the Authorization to Use Grants Funds ("AUGF") from HUD for a total of 2,710 PWs with a total of \$638.9 million in state share.

PRDOH has led ongoing conversations with HUD to discuss Puerto Rico Faith Based Organization Waiver request of 24 C.F.R. 5.109(e) and (j) to facilitate Puerto Rico's use of a portion of CDBG-DR grant funds to reimburse recovery costs of faith-based organizations' facilities that provide essential services and support to communities in the wake of disaster. On April 2, 2024, PRDOH received HUD's waiver approval allowing the use CDBG-DR funds to satisfy the Non-Federal cost share for FEMA PA-funded reconstruction and rehabilitation of houses of worship. Coordination efforts between COR3 and PRDOH have resulted in FEMA's approval of Part F- Flexible Match Implementation SOP on March 20, 2023.

Community Development Block Grants - Mitigation (CDBG-MIT)

On January 27, 2020, Puerto Rico received the largest CDBG-MIT allocation of all HUD's grantees. This grant has been allocated through the Federal Register Notice 85 FR 4676, issued specifically to perform mitigation activities for the benefit of the people of Puerto Rico. In May 2021, PRDOH and HUD signed the Grant Agreement that secures Puerto Rico's access to the \$8.3 billion in mitigation funds. Through the CDBG-MIT Action Plan, PRDOH established nine (9) programs, three (3) subprograms, and three (3) set-asides to address housing, infrastructure, and planning mitigation needs that will reduce disaster risks and future losses.

On April 11, 2024, PRDOH received the approval of the Third Amendment to the CDBG-MIT Action Plan (Substantial). This substantial amendment was mainly proposed for the removal of the Targeted Community Representative ("TCR") requirement under the Multi-Sector Community Mitigation ("MSC") Program to allow PRDOH to collaborate directly with the targeted communities' community-based organizations and stakeholders. The Social Interest Housing Mitigation ("SIHM") Program also added a \$15.0 million set-aside for the reconstruction or rehabilitation of publicly owned facilities and buildings to use as multi-family unit buildings to serve socially vulnerable populations. The set-aside's eligible entities will be Municipalities with the capacity and experience to work with socially vulnerable populations. Lastly, the PV and water storage systems maximum award under the Single-Family Housing Mitigation ("SFM") Program was increased to allow the program to cover the increased costs of purchasing and installing these systems for eligible households.

On January 31, 2024, the Home Energy Resilience Improvements Program ("CEWRI-HERI subprogram"), also known publicly as the New Energy Program launched its second and last round of tickets for low-to-moderate income households in Puerto Rico. The CEWRI-HERI subprogram provides funding for the installation of PVS and BSS with load capacities to satisfy LMI

household needs. In the second round of the CEWRI-HERI subprogram, PRDOH issued a total of 6,194 tickets, from which a total of 3,744 potential applicants have already submitted their applications for the program to begin the intake review process. Eligible applicants from the second round will have until May 31, 2024, to submit their complete application documents. On March 26, 2024, the Infrastructure Mitigation Program ("INFRA-MIT") 23 projects through their competitive process representing a total of \$776.3 million in CDBG-MIT funds. The INFRA-MIT Program provides an opportunity to implement strategic, transformative, and high-impact projects which will strengthen the Island's resilience to future disasters. This resilience strengthening will be achieved by reducing risks attributable to natural disasters, addressing repetitive property loss, and improving critical infrastructure. On October 30, 2023, the Infrastructure Hazard Mitigation Grant Program Set Aside ("HMGP-MIT") Global Match executed Subrecipient Agreements ("SRAs") for the two HUD-approved Covered Projects from the PREPA Patillas Dam Seismic Retrofit Project for a total of \$555,365,000.00 and amended the PRASA SRA to include the Bauta South Region Water Supply System Project of \$257.4 million for a total SRA budget of \$301.5 million. In addition, on October 16, 2023, the Program executed the SRA amendment with the PRDH for the Lajas & Río Grande CDTs Emergency Generators Project to increase the project budget from \$1.4 million to \$1.8 million. Lastly, on November 29, 2023, the Program executed the SRA with the Municipality of Ponce for the Padre Noel Storm Water Project for a total of \$23.6 million.

Community Development Block Grants - Earthquakes and Tropical Storm Isaiás (CDBG-DR)

On January 6, 2021, HUD published the Federal Register Notice Vol. 86, No. 3 (January 6, 2021), 86 FR 569, which allocated a total of a total of \$36.4 million in funds for the recovery of the 2019-2020 Earthquakes. One year after this publication, HUD published the Federal Register Notice Vol. 87, No. 23 (February 3, 2022), 87 FR 6364, which allocated a total of \$184.6 million in CDBG-DR funds to Puerto Rico for major disaster declarations DR-4773-PR (2019-2020 Earthquakes Sequence) and DR-4560-PR (Tropical Storm Isaiás). As part of the requirements established in 87 FR 6364, PRDOH amended the Action Plan to specify how PRDOH will distribute this new allocation of \$184.6 million in CDBG-DR funds granted by HUD to assist low- and moderate-income residences affected by the 2019-2020 Earthquakes and Tropical Storm Isaiás. On April 10, 2023, PRDOH received from HUD the approval of the First Amendment to the CDBG-DR Action Plan in Response to the 2019-2020 Earthquakes and 2020 Tropical Storm Isaiás (Substantial). This substantial amendment modified the unmet needs assessment to include Tropical Storm Isaiás as per 87 FR 6364, as well as the expansion of the most impacted and distressed ("MID") area. This amendment also incorporated modifications to the Home Seismic Rehabilitation and Reconstruction Program, which was renamed to the R3 Program. These changes included the addition of the Southern Consortium for Management and Administration of Federal Earthquake Damage Funds from January 2020 ("ConSur", for its Spanish acronym) as a program Subrecipient and the inclusion of relocation as an eligibility activity, among other programmatic changes.

Community Development Block Grants - Electrical System Enhancements (CDBG-DR Energy)

On June 22, 2021, PRDOH was granted an allocation of \$1.9 billion of CDBG-DR funds for the enhancement or improvement of the electrical power systems in Puerto Rico. On the Federal Register Notice 86 FR 32681, the Energy Technical Coordination Team ("TCT"), a group composed of Federal agencies, was established by HUD to provide guidance to PRDOH with the development and implementation of the Action Plan. Some of the Federal members of this group include the US DOE, FEMA, the EPA, the Government Accountability Office ("GAO"), and others. On January 30, 2024, the CDBG-DR ER2 Program closed the competitive projects application period for eligible entities to submit projects that enhance electric

system reliability and resilience through the development and interconnection of decentralized, renewable energy generation and/or cogeneration Microgrids, Distributed Generation, and BESS, among other eligible projects. The ER2 Program is intended to aid public and private strategic projects that create electrical system reliability and resilience. The program will serve the needs of communities by funding projects that are not currently anticipated to be funded from other Federal or local sources. On October 26, 2023, Energy Grid Rehabilitation and Reconstruction Cost Share ("ER1") Program was launched with the publication of the Program Guidelines. The ER1 Program aims to relieve the financial burden related to the recovery efforts of Puerto Rico's electrical grid and long-term infrastructure resilience needs. Through the matching of funding provided by other Federal agencies, critical infrastructure needs will be addressed, making the Island more adaptable to changing conditions and able to withstand and recover rapidly from disruptions caused by future disasters. On March 1, 2024, PRDOH executed the PREPA Subrecipient Agreement assigning a total of \$500.0 million CDBG-DR funds to attend FEMA PA projects already approved under the PREPA FAAsT PW, which is expected to be the primary source of ER1 projects. On March 18, 2024, the ER1 Program sent COR3 the compliance requirements for projects to be selected for ER1 using the traditional match methodology. Furthermore, on April 11, 2024, PRDOH received HUD's approval for the Second Amendment to the CDBG-DR Action Plan for Electrical Systems Enhancements (Substantial). This substantial amendment was executed to remove the requirement which mandates that reallocations between functional groupings of more than 25% necessitate a substantial amendment process. Instead, any reallocations between components greater than 10% would trigger a non-substantial amendment. With greater flexibility between the functional groupings and removal of the substantial amendment requirement, PRDOH will be better positioned to evaluate, award, and implement these projects in a timely manner.