



DISASTER RESPONSE IN PUERTO RICO AND U.S.V.I.

October 3, 2018



In the Bipartisan Budget Act of 2018 (Public Law 115-123), Congress appropriated **\$600 million** in supplemental funding to EDA to provide “disaster relief, long-term recovery, and restoration of infrastructure in areas that received a major disaster designation . . . in calendar year 2017.”

- Of that amount, **\$191 million** has been allocated to the Philadelphia Regional Office, primarily for response to the effects of Hurricanes Irma and Maria on Puerto Rico and the U.S. Virgin Islands.

On April 10, 2018, EDA issued its FY 2018 EDA Disaster Supplemental Notice of Funding Opportunity (NOFO).

- Applicants must propose a project located in or serving one or more communities or regions impacted by Hurricanes Harvey, Irma, or Maria, or wildfires or other Federally-declared natural disasters occurring in calendar year 2017.
- Construction projects and activities (including design and engineering) must be located within an eligible municipality or county.
- The applicant does not need to be located in the affected county; however, the applicant does need to demonstrate how the proposed project will benefit the disaster affected community or region.

EDA Disaster Recovery Funding Priorities:

- **Recovery & Resilience:** Projects that assist with economic resilience and long-term recovery from natural disasters.
- **Critical Infrastructure:** Projects that establish the fundamental building blocks of a prosperous economy, including physical and other economic infrastructure.
- **Workforce Development & Manufacturing:** Projects that support the planning and implementation of infrastructure for skills-training centers and related facilities that address the hiring needs of the business.
- **Exports & FDI:** Primarily infrastructure projects that enhance community assets to support growth in U.S. exports and increased foreign direct investment.

Examples of Eligible Disaster Activities:

- Economic recovery **strategic planning grants**.
- **Resiliency projects** to increase the ability of a community to anticipate, withstand, and bounce back from future disasters.
- **Construction** activities, including the restoration of damaged infrastructure and building new resilient infrastructure.
- Implementation of job creation and **economic diversification strategies** targeted towards affected workers and businesses.
- Enhancing access to and use of **broadband** services.
- Facilitating and **promoting market access** for goods and services created and manufactured by businesses in the impacted community/region.
- **Facilitating access to private capital** investment and providing related capacity building and technical assistance.



Disaster Nexus:

- An applicant must include a standalone narrative attachment, not to exceed one page, describing the nexus between the proposed project and disaster recovery and resiliency.
- The narrative should consider the consequences of the relevant disaster and how the intended project outcome fulfills the community's post-disaster recovery needs.
- The strength of the Disaster Nexus is a competitive factor in funding decisions.

The strength of the nexus to the disaster is drawn from the consequences of the relevant disaster and the intended project outcomes that fulfill the community's specific post-disaster needs.

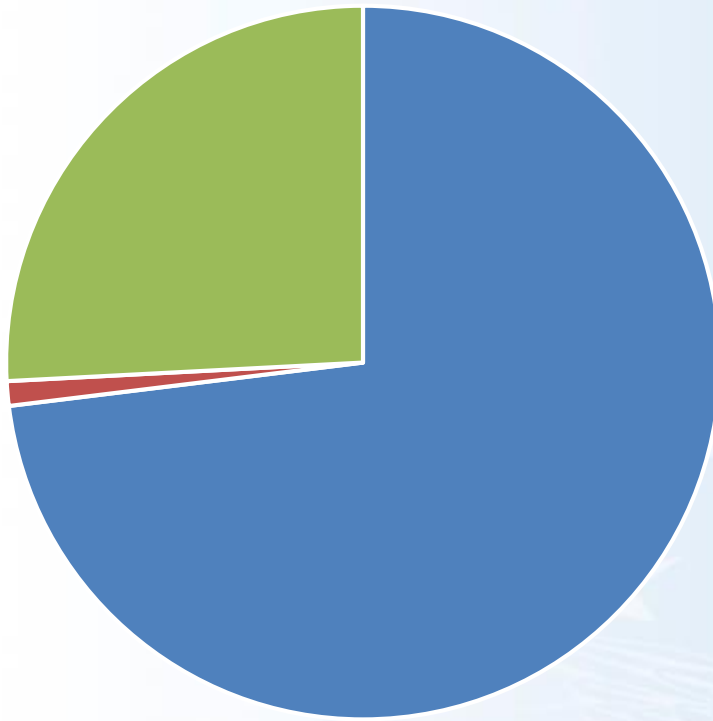
Local or Matching Share:

- Most Disaster Supplemental grants will be required to provide matching fund support, either cash or in-kind.
- Generally, EDA's maximum allowable grant rate is 50% of project costs.
- In cases of ***documented*** economic distress or other adequate justification, EDA may agree to a higher maximum up to 80%.
 - In most cases, projects in Puerto Rico and the Virgin Islands qualify for an 80% grant rate on the basis of economic distress.
- For Disaster Projects, EDA does have the authority to increase the investment rate up to a maximum of 100%.
 - Applicants must justify a request for a grant rate in excess of 80%, which will generally be approved only for highly competitive projects or in cases of extreme need.



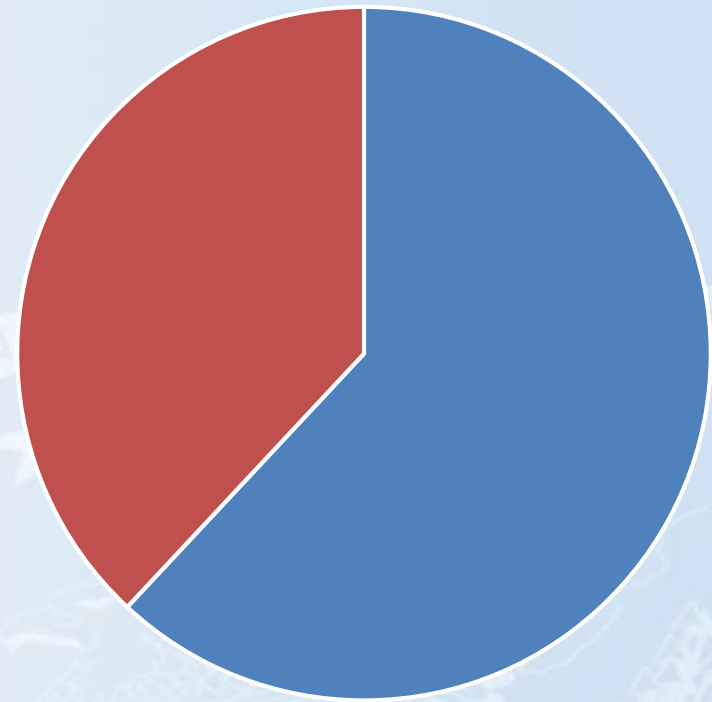
- In Fiscal Year 2018, EDA's Philadelphia Regional Office awarded over \$27 million dollars to respond to the 2017 disasters.
 - That total is roughly equal to PRO's annual allocation for EDA's Public Works program.
- PRO made a total of 12 grants to 11 separate grantees.
- The average grant amount was \$2,275,450 and the average grant rate was 82%.

Geographic Distribution



■ Puerto Rico ■ Virgin Islands ■ Mainland

Construction vs. Non-construction Projects



■ Construction ■ Non-Constr.



PUERTO RICO TRADE AND EXPORT COMPANY

EDA	\$1,624,000
APPLICANT	<u>\$ 406,000</u>
TOTAL PROJECT COST	\$2,030,000

- Establishes an entrepreneurial assistance and acceleration program that will deliver technical assistance and support through centers located in San Juan, Ponce and Mayaguez.
- Existing small and medium-sized businesses will be provided with co-working space, access to shared services, business training and technical assistance.
- This project will support business continuity, the expansion of Puerto Rico's entrepreneurial ecosystem and the recovery from the impacts of hurricanes Irma and Maria.

PUERTO RICO SCIENCE, TECHNOLOGY AND RESEARCH TRUST

EDA	\$4,442,000
APPLICANT	<u>\$1,110,500</u>
TOTAL PROJECT COST	\$5,552,500

- Supports the construction of PRSTRT's Forward Center.
- The Forward Center will house co-location space for up to 60 high-technology ventures graduating from Parallel18 Ventures' highly successful start-up incubation program.
- It will also house Bio-nuclear of Puerto Rico, providing space to conduct research and development and prototyping activity for neuro-modulator medical devices.
- This investment is expected to create 687 jobs.

FOUNDATION FOR PUERTO RICO

EDA	\$5,584,880
APPLICANT	<u>\$1,396,220</u>
TOTAL PROJECT COST	\$6,981,100

- Supports the Foundation’s “Destination Puerto Rico” visitor-based tourism project.
- Provides technical assistance to businesses and long-term recovery planning for six regions outside metropolitan San Juan.
- The project will facilitate the creation of a Destination Plan for each region to build the capacity of existing SMEs and assist with the creation of new tourism-related business
- It will also provide workshops promoting business continuity and preparedness, as well as technical assistance to improve sustainability.

UNIVERSIDAD DEL SAGRADO CORAZÓN

	<u>Construction</u>	<u>Non-Construction</u>
EDA	\$1,915,000	\$400,000
APPLICANT	<u>\$ 478,750</u>	<u>\$100,000</u>
TOTAL PROJECT COST	\$2,393,750	\$500,000

- This construction investment funds the renovation of two warehouses to provide space for 14 small companies in the creative industries.
- It is expected to create 75 new jobs, and leverage \$1,505,000 in private sector investment.
- The non-construction investment funds a technical assistance program to support entrepreneurial/business development in the creative industries to develop products and grow companies.
- The combined projects are expected to save 50 existing jobs, create 125 new jobs, and leverage over \$3,000,000 in private investment

