

Testimony of
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Office of Insular Affairs

Full Committee Oversight Hearing:
Puerto Rico's Post-Disaster Reconstruction & Power Grid Development
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Introduction

Thank you, Chairman Grijalva, for inviting Hispanic Federation to speak today about what we have learned from our five years on the ground in Puerto Rico. Over the last five years we have invested over fifty-one million dollars and funded and collaborated with more than 140 local non-profit organizations all working towards a more sustainable, resilient, and just Puerto Rico. To that end, we congratulate this Committee for using its oversight authority to ensure a just disaster recovery for the archipelago.

It has been more than five years since Hurricane Maria created unprecedented destruction and resulted in more than 3,000 deaths. Over that time, Puerto Rico has experienced an ongoing state of crisis. According to recent Census data, 43.4% of the 3.2 million people in Puerto Rico live in poverty, including 6 in 10 children. Since 2017, Puerto Rico has experienced continued energy insecurity, major earthquakes, severe austerity measures enforced by a congressionally imposed and unelected Financial Oversight Management Board (FOMB), increasing income inequality, hundreds of school closures, the global pandemic, a collapsing healthcare system, food insecurity, continued exclusion from federal safety-net programs, and devastating tropical storms and hurricanes, like Hurricane Fiona. All together these conditions have left residents traumatized and exhausted and forced hundreds of thousands to leave.

The recovery from Hurricane Maria and subsequent disasters has been tragically slow, and I say tragic because at its best it has created daily inconvenience, but at its worst it has resulted in more preventable deaths for our most vulnerable residents. This is true particularly in the context of the electric grid recovery, which has increasingly experienced rolling blackouts leaving residents without power more often and for longer time than any US state. Just weeks before Hurricane Fiona our largest hospital lost power for 24 hours followed days later by the pediatric wing of another major hospital. The system's total collapse from a mere category 1

hurricane illustrates its precarity. The challenges accessing and distributing diesel to operate generators after Hurricane Fiona makes the shortcomings of the energy resiliency strategy clear.

Energy Recovery:

The widely accepted solution to this energy problem is distributed rooftop solar energy with battery systems, however, despite all the evidence and studies¹ in support, we have yet to see significant local political will to adopt this solution. For example, the federal government has allocated more than \$12 billion in FEMA funding for the optimization of the energy grid, and the government of Puerto Rico is proposing to use only 3% of the funds for renewable energy with storage.² In addition, the Biden administration is investing significant resources into the two-year, interagency, intergovernmental PR100 study to model viable pathways for Puerto Rico to achieve its 100% renewable energy goals, however the Puerto Rico government has still not publicly committed to implementing the results of the study.

In 2019, Puerto Rico passed Act 17, known as the Puerto Rico Energy Public Policy Act, which, among other things, commits Puerto Rico to powering itself exclusively from renewable-energy sources by the year 2050. Congress must continue to use its oversight authority to ensure that all the federal funds allocated for the optimization of the energy grid are used to prioritize and deploy rooftop solar with storage and to meet Puerto Rico's local renewable energy policy goals. The federal and local government should not approve any proposals in which renewables and rooftop solar are merely incidental to the overall program. Creating a resilient, decentralized energy system in Puerto Rico is not just about reaching climate goals – it is literally a matter of life and death.

We know firsthand that rooftop solar energy with batteries can create the resiliency Puerto Rico needs because we saw the success of our community solar energy projects after Hurricane Fiona.

For example, through Solar Saves Lives, a collaboration between Hispanic Federation, The Clinton Foundation, Direct Relief, and the Interstate Renewable Energy Council, we installed

¹ See, NREL 2020 study “Puerto Rico Low-to-Moderate Income Rooftop PV and Solar Savings Potential”, December 17, 2020, demonstrating that rooftop solar can meet all of Puerto Rico's residential energy needs, <https://www.nrel.gov/docs/fy21osti/78756.pdf>

² PR Electric Power Authority, proposing the use of only \$35 million for rooftop solar, <https://energia.pr.gov/wp-content/uploads/sites/7/2022/08/Motion-to-Inform-Reallocation-of-FEMA-404-HMPG-Funds-and-Request-for-Approval-of-Generation-Projects-NEPR-MI-2021-0002-1.pdf> LUMA proposing the use of \$20.6 million for renewable energy microgrids, and \$362.5 million for renewable energy utility scale storage, <https://energia.pr.gov/wp-content/uploads/sites/7/2022/11/Motion-Submitting-Hazard-Mitigation-Grant-Program-Projects-and-Request-for-Confidentiality-and-Support-Memorandum-of-Law-NEPR-MI-2021-0002.pdf>



industrial scale rooftop solar energy and battery systems in multiple Federally Qualified Health Centers (FQHCs). After Hurricane Fiona, we contacted the four centers directly funded by Hispanic Federation and confirmed that they experienced uninterrupted power despite the blackout. At sites that relied only on generators with diesel, many FQHC's struggled to obtain the fuel needed to continue operating. This rooftop solar energy initiative protects the lives of thousands of families who depend on the healthcare services provided daily in these health centers.

Another successful example of how rooftop solar with storage provides resiliency are Hispanic Federation's solar energy projects at fisheries in Naguabo, Guayama, Guánica, and Peñuelas. Without energy, the artisanal fisherman based at these community fisheries are unable to refrigerate and sell their daily catch. At just one fishery in Naguabo, two months after Maria the fisherman and fish market reported they had lost more than \$200,000 in combined profits. After Fiona, all the rooftop systems were operating with uninterrupted power. The small rooftop solar and battery systems save each these community fisheries up to \$5,000 annually in energy costs, prevent loss of food and income, and serve as energy oasis to the surrounding communities during disasters, such as Fiona, when residents charged their cellphones and could refrigerate their critical food and medications. After Fiona, the 15 fishermen of Lajas explained to a reporter that their biggest challenge³ getting back to work was the lack of electricity at their fishery and so two weeks later Hispanic Federation installed a rooftop solar energy with battery system⁴ for them as well.

Housing Recovery:

After Hurricane Fiona, Hispanic Federation visited impacted communities and again witnessed the devastating results of the slow recovery. For example, in Santa Isabel in southern Puerto Rico, we met families whose homes had still not been repaired since Hurricane Maria and had to face Fiona's hurricane winds and 30 inches of rain without a secure roof. Another family who had been temporarily relocated by the Puerto Rico Housing Department while they awaited the repair of their damaged home through the government's CDBG-DR R3 housing program faced major flooding from Hurricane Fiona in their temporary housing and shared that their permanent home, which was still mid repair, had experienced significant damage as well.

According to the limited data published on the CDBG-Disaster Recovery funds Transparency Portal,⁵ a digital dashboard created by the PR Housing Department in response to advocacy by Hispanic Federation and many other organizations, the Housing Repair, Reconstruction and

³ [Pescadores de La Parguera denuncian que “nos tienen abandonados” - Primera Hora](#)

⁴ [Buenas noticias para los pescadores de Lajas: la villa prenderá con placas solares - Primera Hora](#)

⁵ PR Housing Department, CDBG-DR Funds Transparency Portal, <https://cdbg-dr.pr.gov/en/transparency-portal/>

Relocation Program⁶ (R3) received 27,003 applications and has 17,528 currently active. Of those, only 4,398 houses have been repaired or reconstructed.

In comparison, Hispanic Federation, with less than \$3 million in private philanthropic funding, was able to impact more than 400 homes in two and half years, from small repairs to complete ground up reconstruction. Our strategy was to partner with, and fund local community based non-profit organizations and utilize local contractors.

It is worth noting the applicants of the R3 program are particularly vulnerable households. More than 50% are of low to moderate income, 65 years or older, disabled, and/or with significant damage in their properties, including blue tarps.⁷ Also, as reported in the “Community Study of Housing in Loiza” published by Taller Salud in 2022,⁸ seven out of ten applicants under this program are women. Based on the data, most of these vulnerable households have been waiting for urgent aid for more than five years and had to survive other disasters, such as earthquakes, tropical storms, and Fiona, without a safe home. This is unacceptable.

In addition, geographically vulnerable populations, such as Punta Santiago in the municipality of Humacao, have been left behind. As of today, zero (0) homes, none, have been completed there through R3.⁹ In the municipality of Loíza, of 190 active applications only 24 houses have been repaired or reconstructed.¹⁰ In Culebra, only one house has been completed.¹¹ As you see, the recovery is too slow, and new emergencies and disasters, such as Fiona, too fast.

Even though we acknowledge the important creation of the data transparency portal, we are currently working with both HUD and the PR Housing Department to advocate for significant improvements in the type of data and the way and format that information is published to ensure real and effective transparency.

For example, the portal still does not provide the updated number of families living under blue tarps by municipality. In May 2021, during a PR legislative investigation (R. del S. 76), the PR Housing Department reported that 18,000 homes were still under blue tarps, and that only 34

⁶ CDBG-DR **R3 Program** Transparency Portal, as November 15, 2022, <https://cdbg-dr.pr.gov/en/transparency-portal/transparency-reports/housing-reports/r3-dashboard/>
⁷ Id.

⁸ Taller Salud, Estudio Comunitario de Vivienda en Loíza (2022), https://issuu.com/tallersalud/docs/web_estudio_vivienda_02_final

⁹ CDBG-DR **R3 Program** Transparency Portal, as November 15, 2022, <https://cdbg-dr.pr.gov/en/transparency-portal/transparency-reports/housing-reports/r3-dashboard/>

¹⁰ Id.

¹¹ Id.

had been repaired or reconstructed at that time. On page 347 of the CDBG-MIT Action Plan First Substantial Amendment, the PR Housing Department expressed that “as of May 2022, approximately 3,646 homes impacted by Hurricanes Irma and María still have a blue tarp as partial or whole roof”.¹² The real time data on how many blue tarps remain by municipality is critical for the emergency preparation and recovery efforts of many stakeholders, such as mayors and local nonprofit organizations, and must be published.

Agriculture Recovery:

Puerto Rico’s shrinking agriculture sector has resulted in a dangerously high dependence on imported food. In good times, Puerto Rico imports more than 85 percent of our food. After Hurricane Maria, some estimated this reached 95 percent. From 1998 to 2018, the amount of land used for agriculture has reduced by 43 percent and the number of independent farms decreased by more than 58 percent. Our farming sector is made up primarily of small-scale farms with most farmers over the age of 60 and generating less than \$10,000 a year in sales. The average small-scale farm is just 57 acres (not all acres in production). By contrast, the average small-scale farm in the states is more than 450 acres.

Our agriculture sector has been particularly vulnerable to the effects of climate change. Hurricane Maria devastated local agriculture production and both tropical storms and Hurricane Fiona have had similar impacts. For example, the coffee sector, which is a main driver of the economy of the central mountain municipalities, lost 80 percent of the coffee trees after Hurricane Maria. After Hurricane Fiona, we lost almost the entire plantain production, another important crop for local production.

In response, the PR Department of Housing CDBG-DR Action Plan allocated \$92.5 million to the Re-Grow PR Urban-Rural Agriculture Program (ReGrow), which launched in August 2020 to provide awards of \$25,000 and up to agrobusiness including farmers.¹³ The program was plagued with problems from the start due to its extensive and rigid eligibility requirements and a program design that did not respond to the realities of local agriculture and disadvantaged small-scale farmers. In addition, the original program design excluded the fishing industry. Since its launch, the program guidelines have been amended five times and the program administration has changed hands 3 times.

¹² CDBG-MIT Action Plan, First Substantial Amendment, October 17, 2022, [https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-amendment-1-substantial-effective-on-october-17-2022/?ind=1666809692813&filename=1666809692wpm_ADM_POLI_CDBG-MIT%20APA1%20\(Substantial\)_EN.pdf&wpmmdl=30002&refresh=6373c842f05651668532290](https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-amendment-1-substantial-effective-on-october-17-2022/?ind=1666809692813&filename=1666809692wpm_ADM_POLI_CDBG-MIT%20APA1%20(Substantial)_EN.pdf&wpmmdl=30002&refresh=6373c842f05651668532290)

¹³ CDBG-DR Re-Grow PR Urban-Rural Agriculture Program Transparency Portal, as of November 15, 2022, <https://cdbg-dr.pr.gov/en/transparency-portal/transparency-reports/economy-reports/re-grow-dashboard/>

Although most of Puerto Rico's more than 8,000 farmers and fishers were affected by Hurricane Maria, more than two years after its launch, ReGrow only has 2,701 active applications and has only made 377 disbursements to applicants.¹⁴ This means that less than 14% of the applicants have received any aid five years after Hurricane Maria.

In May 2021, a little less than a year after ReGrow's launch, Hispanic Federation conducted a brief telephone survey of 140 small-scale coffee farmers participating in our coffee initiative. Of these, 114 (81%) reported not having applied to the program. Of those 114, 83 (73%) specified that they had not applied because they had not heard of the program. Others reported not having applied for lack of documents or other reasons. This highlights the need to make the application process more flexible to achieve fair access to these aids and ensure that the funds reach small-scale farmers and fishermen.

Strengthening Puerto Rico's agriculture sector is both possible and urgent to attend to our food and economic security. After Hurricane Maria, Hispanic Federation led a multisector coffee revitalization effort that provided direct support to more than 2,200 small-scale farmers. The collaborative effort successfully produced and distributed more than two million coffee seedlings and provided training and technical assistance to bolster agronomic and climate smart practices. Our program was successful in part due to its multi sector approach, which included coffee farmers in all phases from design to implementation. The federal and Puerto Rico government can and should do the same.

Democratization of the Recovery:

Congress and the President must ensure all federal funds are effectively used by requiring radical transparency and civil society participation in all the phases of decision-making processes. Democratization of the recovery is the best way to minimize inefficiency, corruption, fraud, and waste.

That is why, since 2018, in collaboration with other local organizations, Hispanic Federation has advocated to HUD and the PR Housing Department for the creation of the Citizen Advisory Committee. Our hope for this committee is that it would be embedded in the PR Housing Department to work on recovery, provide valuable oversight and input in all stages of the recovery from planning, to program design and implementation. In addition, they would advise on appropriate public participation for each phase. Although the PR Housing Department committed to the creation of the committee in 2021, as of today, the committee is still not operational. Just this week, they finally announced the official members of the committee, which we hope means the committee will be active soon. In the meantime, and for the last five

¹⁴ Id.

years, recovery decisions are being made without effective public input and oversight. In addition, they have arbitrarily reversed a decision and decided to only utilize the Committee for CDBG-Mitigation funding and excluded CDBG-Disaster Recovery funding.

Had there been effective public participation throughout the recovery process, we believe we could have avoided the serious public confusion and delays in implementation of programs such as R3, which had more than 10 guide revisions, and ReGrow, which had 5 revisions of the guides.

In addition to the CDBG transparency portals previously mentioned, we continue to struggle to access the necessary FEMA damage assessment data that would allow us to make proper data-driven decisions. Most funding allocation notices indicate the need to identify the “most affected and distressed communities and populations” to serve as the base of all program-design within CDBG-DR and CDBG-MIT Action Plans and ensure we are addressing unmet needs. However, in the case of Puerto Rico, all of Puerto Rico was identified as “most affected and distressed”. However, not all communities were affected in the same way and funding should be prioritized to the most vulnerable, marginalized, and impacted communities.

The FEMA inspections process through the Individual Assistance Program is single-handedly the best data to promote informed, efficient, and responsible decisions – since it is the data used to calculate unmet need. This information is needed by all stakeholders including nonprofits, communities, municipalities and others not only for the design of programs, but also for its accountability processes, as well to direct and assign additional efforts in the recovery. FEMA has blocked access to this data because they have claimed their data gathering methodology does not allow them to share the data without also sharing personally identifiable information. In five years, they have not solved this data collection and access issue to ensure the data needed to promote the responsible use of federal funding and guarantee the link between funding, most affected communities and unmet needs. With each new disaster, this data problem repeats itself.

Another way to boost recovery is by eliminating bureaucracies that have created barriers to rebuilding and slowed community participation and access to funds. For example, the federal government should waive reimbursement and matching funds requirements to promote equitable access to funding and facilitate participation of local, community-based non-profit organizations and municipalities who are doing the critical work on the ground with the most affected communities but do not have the financial capacity to comply with such requirements. Waivers have been provided selectively after disasters in other US jurisdictions, and most recently a temporary waiver was provided to Puerto Rico by the Biden administration for FEMA public assistance funding. All federal disaster recovery funding intended for low-income and

historically marginalized communities should automatically have waivers. Policies and legislation should demonstrate an understanding of the realities of the island.

Congress should also help Puerto Rico return to democratic self-governance by eliminating the Financial Oversight and Management Board (FOMB) and ensuring the debt restructuring does not compromise basic needs and essential services.¹⁵ President Biden must keep his campaign promises and hold the undemocratic Financial Oversight and Management Board (FOMB) accountable by reviewing the FOMB's austerity measures and auditing the debt to ensure no illegal or unconstitutional debt is paid. Hispanic Federation supports the "Territorial Relief Under Sustainable Transitions for Puerto Rico Act" (TRUST for PR Act: H.R.7409) with amendments to ensure accountability for the FOMB. This would phase out the FOMB and put Puerto Rico in charge of its own economic future.

Additional Recommendations:

These are only some examples on how unfairly delayed the recovery process is happening. One of our main asks as part of our Take Action for Puerto Rico advocacy campaign¹⁶ has been for Congress to exercise its oversight authority, as you are doing today, to ensure the money that you allocated is going to achieve its intended goals.

A sustainable and just recovery must focus on long-term solutions. Puerto Ricans and local nonprofits have shown their ability to come together and fill the gaps in the failure of the federal and local government's response. The key to their success is to listen, integrate, and work with the impacted communities.

The Biden administration took important steps early on to aid Puerto Rico's recovery. For example, under President Biden, HUD reached an agreement with the government of Puerto Rico to eliminate unique federal restrictions imposed on \$8.2 billion dollars in CDBG-DR funds, but more is needed.

In order to ensure a holistic, effective deployment and alignment of federal programs and resources, Hispanic Federation supports the call from Chairman Grijalva, Senators Schumer and Gillibrand and Congressmembers Velazquez, Espaillat, Meng, and many others, for the Biden

¹⁵ Id.

¹⁶ Hispanic Federation, **Take Action for Puerto Rico, Policy Asks - 5 Years Later How the Federal Government and Congress Can and Must Help Puerto Rico**, <https://static1.squarespace.com/static/614a7847232e3561abc4ad33/t/63252dfe683d3e6af95ce40a/1663380990211/POLICY+ASK-2022-REV-02.pdf>

Administration to establish a Recovery Task Force for Puerto Rico. The task force must have transparent processes for interagency collaboration, and mechanisms for civil society oversight.

In a broader and holistic perspective of the recovery, Congress should pass legislation that brings Puerto Rico permanently and equitably into all federal safety-net programs, including Medicaid, Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), among others not only to end second class treatment of the 3 million people living in Puerto Rico, but also to alleviate high rates of poverty.¹⁷ Congress should also permanently exempt Puerto Rico from the Jones Act, which among other effects, increases the cost of food by as much as 151 percent.

Conclusion:

Recovery efforts must meet the needs of the present and future generations. Puerto Rico is on the front lines of climate change and the probability of severe weather events and other natural phenomena is only growing. Whether or not they become disastrous is up to how we as society prepare and respond. Part of that is ensuring a sustainable and just recovery today, which is only possible if it is community-driven by and for the people of Puerto Rico, especially those most vulnerable and marginalized. Congress and the federal government must have the political will to fulfill, with no further delay or excuses, its responsibilities with the people of Puerto Rico. Thank you for your time and service today. I am honored to take any questions.

¹⁷ Hispanic Federation, **Take Action for Puerto Rico, Policy Asks** - 5 Years Later How the Federal Government and Congress Can and Must Help Puerto Rico, <https://static1.squarespace.com/static/614a7847232e3561abc4ad33/t/63252dfe683d3e6af95ce40a/1663380990211/POLICY+ASK-2022-REV-02.pdf>