

HUD Roundtable
August 25th 2021
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Purpose: To discuss updates on the local foundation's engagements and assessments of the recovery thus far, as well as to identify current challenges and future opportunities

- I want to thank you all for the opportunity of sharing the work and experiences of the Puerto Rico Community Foundation in the recovery process. For the sake of time, I will only focus on results and equitable recovery examples.

I. Important/successful nonprofit recovery operations that should be lifted up

a. Three sets of initiatives: 1) Housing; 2) economic activity; 3) Solar Communities

• Four Housing Projects

- b. Loíza Housing Project: Is an innovative public-philanthropic partnership between the Municipality of Loíza, Puerto Rico Community Foundation, Ricky Martin Foundation, and CHDO INDESIVI, organized to address a critical housing needs after hurricanes Irma and in September 2017. The project rebuilt 30 damaged houses and equipped them with solar energy systems. The project, completed in June 2019, employed 40 community residents in the construction process. The project received the *2019 HUD's Secretary Award for Public-Philanthropic Partnerships*.
- c. In 2018 The PRCF launched its Housing Rehabilitation Strategy with CHDOs partners. This strategy was a rapid response comprehensive approach based on equity to facilitate access to decent, safe, sanitary and resistant housing for low-income families. Four (4) CHDOs participated in this strategy: Corporación Desarrollo Económico de Ceiba, PathStone Corporation, Ponce NHS ; and One Stop Career Center in 16 municipalities. In total, 88 houses were rehabilitated, including 8 housing units for the elderly and 11 are under development. The PRCF invested \$1,350,000.
- d. The third project under the housing initiative is the Youth in Construction Program. Supported by the PRCF, Pathstone rehabilitated 6 additional houses in Loíza. The organization trained 17 youngsters in construction and help them obtained their High School Certificates: including six (6) women. Ten participants were trained by OSHA; and seven (7) completed their construction certification.

• The second set of initiatives are related to economic activities

- e. The “Loíza Glocal Bootcamp” reached 15 entrepreneurs. A total of 12 concluded the Project; 10 finished the program with a business CANVAS and action plan; 9 of them were women. A total of 8 micro enterprises settled in Loíza, Canóvanas and Río Grande and all received a professional marketing kit. 30 jobs were created or sustained. Some of the small-businesses exported their products and generated over \$100,000 in profits.
- f. The second economic project is the Women's Seamstress Project. In 2019 with direct support provided by the nonprofit Connecting Paths, 19 women from Loíza participated in this project. In 2021, during this year this shop will evolve into a sewing social enterprise of “Costura Creativa” in order to create a solid base of sustainable economic support for low-income families in Loíza.

- **The third set of initiatives are Solar Communities: The Foundation supported two solar communities**

- g. Toro Negro solar Community, located in the municipality of Ciales in the central mountain range of Puerto Rico, serves 28 families. The first Solar Community in Puerto Rico owned and managed by its residents put in practice the Access, Management, and Owning approach later formalized by the Foundation.
 - Grant \$294,025.52
- h. The second solar community is “Pirucho Coop” in Caguas. Established in October 2019, the Coop developed the first phase of a solar community project in the San Salvador community. It is the first Energy Cooperative certified by the PR Energy Bureau to sell energy to its residents The coop projects to install solar systems in 500 of the 700 houses in their community (March 2021).

- Donation of \$ 125,000.00

II. Current and emerging Investment priorities of private funders: have things changed in the past two years?

The Community Investment Fund (CIF) is a mission-driven fund and has been an innovative instrument of access to financial capital for non-profit organizations. The CIF is as of today the only loan fund providing accessible financing to community based organizations and social enterprises. It provides low-interest loan, with extremely flexible repayment terms, offering counseling and support throughout the entire term of the loan.

Nonprofit organizations acknowledge the the Fund as a practical, flexible, and vital tool to continue their services.

As of today, the loans granted have made possible the creation and retention of 176+ jobs, through financing to 13 community organizations, for a total of **\$2.1MM** in financing (2 of them have received a 2nd loan).

The CIF becomes more relevant these days when the Government allocated CDBG- DR funds to Nonprofit organizations. The biggest hurdle that we're facing is that these grants operate on a reimbursement basis. The NPO's, will need access nontraditional loans fund to deliver these services. otherwise, they will not be financially stable to carry on with the projects assumed with CDBG-DR funds.

III. Status/examples of collaboration or co-funding relationships with government agencies

Four examples: 1) CDBG-DR Small business incubation: 2) CDBG-DR Workforce Development Training; 3) Economic Development Administration partnership for renewable energy microgrids in Culebra; 4) FEMA's Hazard Mitigation Project

- a. **CDBG-DR-Small Business Incubation** awarded with \$1,960,000 in five years to develop and enhance the capacity of Socioeconomic Business incubators and create a social enterprises Network. Using a holistic model and social perspective, the PRCF will support 4 community incubators through technical assistance, training, grants for operational capital, and other tools. The Community incubators will apply these resources to foster the development of sustainable programs for local entrepreneurs in their communities.

- b. **CDBG-DR** awarded \$1,289,927 for **Workforce Development** for five years. The program will provide training services that support the development of a workforce from a social and resilient point of view to achieve reconstruction; and to develop the skills to move Puerto Rico into the economy of the future. The Program will promote economic development and job creation. The WFT program will offer 300 certifications in Post-Disaster Economic Recovery to unemployed, low- to moderate-income (LMI) participants from 10 municipalities.

- c. **The third example of co-funding is the EDA in Culebra**

This co-funding initiative seeks to set-up the infrastructure for Renewable Energy for the Resiliency and Economic Development of Businesses, Non-Governmental Organizations and

Critical Installations in the Island Municipality of Culebra, Puerto. The main objective is to increment resilience through renewable energy microgrids, continuity of community works and economic activity before, during and after a distressful event in the island of Culebra, Puerto Rico.

- Funding
 - Economic Development Administration, Department of Commerce US: \$4,128,000.00
 - Fundación Comunitaria de Puerto Rico: \$1,032,000.00

The fourth and last example of collaboration with government agencies is Hazard Mitigation Project:

The mitigation project aims at providing energy backup systems in rural communities that manage their own aqueducts (NON-PRASA). The project will provide energy alternatives to minimize disruptions of the water service and to reduce the risks associated with lack of access to safe potable water during power outages and emergencies. This project is carried out under the Federal Emergency Management Agency (FEMA) hazard mitigation program and its being implemented through the Central office of Recovery, Reconstruction, and Resilience (COR3).

IV. Gaps/challenges that must be addressed in order to advance progress

The nonprofit organizations, especially those that received a grant award from CDBG-DR, are in need of funding to implement the approved projects. CDBG-DR program will pay upon presentation of a request of reimbursement. Thus, many of the organizations will operate for approximately 6 months using their own funding or a line of credit before requesting any reimbursement. It's implied also, that the organizations must have a robust management to ascertain programmatic as well as administrative compliance in order to request and received the reimbursements. For many of these organizations this is the first time managing federal funds – this increase the performance risk. We propose more hand on hand support to these organizations (i.e. from the agencies, from a support center, from consultants). In other instances the networks proved to be successful in joining forces, expertise, experience and resources. The question is: Who will pay for the support during the term of these grant awards? FCPR can be instrumental in facilitating the support and services – because we have experience in both purposes: managing federal grants as well as creating networks that add value to the community. We are available and willing to share the experience and knowledge in strengthening the internal

procedures of the organizations as well as building the required network that strengthen the nonprofit sector.