

## Public Comments APA4

### Preface

The comments from the public, in Spanish and English, regarding the Action Plan with the substantial amendment were received; all the comments, in their totality and in the language and format that they were submitted, are available in [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) and in Appendix A of the Action Plan.

For the benefit of the reader, we have summarized in this document the comments submitted in Spanish and English. The comments cited may paraphrase the original as a result of the translation process or for brevity purposes. The personal identification information in the comments has been suppressed to protect the privacy of the person making the comment. Consult the text of the comments submitted to obtain additional information.

You can contact the Puerto Rico Department of Housing (PRDOH) to request the complete translation of some comment or the alternate ways or formats of access to the public comments and the responses by PRDOH. The requests can be done:

- By phone at 1-833-234-CDBG or 1-833-234-2324
- By e-mail at: [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)
- Online at: <http://www.cdbg-dr.pr.gov/contact/> or at <http://www.cdbgdr.pr.gov/contacto/>
- By mail at:  
Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, PR 00928-1365

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## Public Comments

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Comment ID: 2020-03-31\_WP\_I\_Normarie Mirabal (1)

**Comment:** *"The file does not let me see the amended plan."*

**PRDOH Response:** [via e-mail] Greetings,

We regret the technical problems you have had trying to access the Action Plan Substantial Amendment 4. In this e-mail you will find such document.

If you want to make a comment do not hesitate in sending us an e-mail to this same address or you can leave the comment on the page.

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Comment ID: 2020-04-04\_WP\_I\_Normarie Mirabal (1)

**Comment:** *" ATTENTION! When I press to see the draft of the action plan, the link does not open. I request you fix it to see the 4th substantial amendment of the action plan and if necessary make a comment."*

**PRDOH Response:** [via e-mail] Greetings,

We regret the technical problems you have had trying to access the Action Plan Substantial Amendment 4. In this e-mail you will find such document.

If you want to make a comment do not hesitate in sending us an e-mail to this same address or you can leave the comment on the page.

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Comment ID: 2020-04-05\_WP\_I\_Carlos Maysonet (1)

**Comment:** *"After evaluating the proposed amendment, I understand that the Municipal Recovery Planning Program (MRP) remains unaltered both in its purpose and in the amount of money allocated to the municipalities. Please inform."*

*Carlos Maysonet – Director of the Planning, Economic Development and Use of Soil Office*

*Municipality of Vega Alta*

**PRDOH Response:**

PRDOH appreciates the interest of the Municipality of Vega Alta in this Action Plan Amendment 4 (substantial amendment). In this Action Plan Amendment 4, *Municipal Recovery Planning Program (MRP)* remains unaltered as to its purpose, and as to the Budget amount allocated. We enthusiastically look forward to the

opportunity of collaborating with the municipalities in carrying out the initiatives of this Program.

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Comment ID: 2020-04-09\_E\_I\_Normarie Mirabal (1)

**Comment:** April 9, 2020

*Good afternoon!*

*After requesting the action plan with the 4th amendment, I have received it by e-mail however you must publish the complete plan so that every citizen has the opportunity to see it and can comment.*

*Upon examining the plan with the 4th substantial amendment I have noticed that you have eliminated from the homebuyer assistance program the subsidized mortgage for crucial recovery workers, which would adjudicate an assistance of up to \$35,000 dollars for an already existent mortgage. It is incredible that after all the time that has gone by and what we have waited for these recovery funds after the hurricane, you change the action plan again to eliminate an incentive for the working class of this country. An assistance that is already approved by HUD and was allocated a budget.*

*I AM NOT IN AGREEMENT, I hope that all workers that would qualify (policemen, teachers, marshals, medical emergencies, firefighters, etc...) comment. It is disappointing that you have eliminated the subsidized mortgage even more with what is occurring right now in the country that shows that the crucial recovery workers are greatly important. But you want to eliminate this aid, seriously. I hope HUD does not approve it.*

*Normarie Mirabal*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-09\_WP\_I\_Normarie Mirabal (2)



**Comment:** "WRITTEN COMMENT AGAIN, PLEASE DO NOT DELETE.

*Good afternoon!*

*After having requested the action plan with the 4th amendment, I have received it by e-mail however, you must publish the complete plan so that every citizen has the right to see it and can comment.*

*Upon examining the plan with the 4th substantial amendment I have noticed that you have eliminated from the program of direct assistance to the buyer the subsidized mortgage for crucial recovery workers, which would adjudicate an assistance of up to \$35,000 dollars for an already existent mortgage. It is incredible that after all the time that has gone by and what we have waited for these recovery funds after the hurricane, you change the action plan again to eliminate an incentive for the working class of this country. An assistance that is already approved by HUD and was assigned a budget.*

*I AM NOT IN AGREEMENT, I hope that all workers that would qualify (policemen, teachers, marshals, medical emergencies, firefighters, etc...) comment. It is disappointing that you have eliminated the subsidized mortgage even more with what is occurring right now in the country that shows that the crucial recovery workers are greatly important. But you want to eliminate this aid, seriously. I hope HUD does not approve it.*

*Normarie Mirabal"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-09\_WP\_I\_Abdiel Rodríguez (1)

**Comment:** "So much time waiting for the implementation of this program and at once you eliminate one of the most essential aids for the average worker that seeks relief from

*the high costs of life. I hope you reconsider the elimination or in the alternative to similarly remunerate the taxpayers that were hoping to live a little less tight financially. I only hope you do NOT steal that money too. VERY DISAPPOINTED IN YOU DEFINITELY YOU MAKE THE LEAST POSSIBLE EFFORT TO HELP US."*

**PRDOH Response:**

Your comment does not reference any specific program. However, PRDOH has the compromise to manage the funds of the CDBG-DR grant efficiently and with transparency, in accordance with the applicable federal and state Laws and Regulations. We are very sorry that is your perception. We urge you to remain alert for the publication of the guidelines of all the programs, which detail the application periods, documents and procedures used to determine the eligibility of the participants in each program. The program guidelines and policies are published in the site [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). Should you need additional assistance, at page <https://www.cdbg-dr.pr.gov/contact/> you will find different alternatives to contact the CDBG-DR Puerto Rico Program.

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Comment ID: 2020-04-13\_WP\_I\_Miguel Ángel Rivera (1)

**Comment:** *"According to the HUD norms, the Governor as regent of the CDBG-DR program, through PRDOH, decides the priorities of the Action Plan based on the public hearings carried out. Also, the summary of the public hearings is transcribed to the plan. However, the Action Plan can be amended in accordance with the current need at the time of the review. As an example, if at the time of drafting the original plan in August 2018 it was necessary to remodel the urban centers of the municipalities but today it is indispensable to develop multiple emergency rooms or replace a hospital in a rural zone to deal with the demand of the community and avoid the loss of life like what happened as a result of the emergency of Irma and María, for not having the resources to deal to look after them.*

*Therefore, we recognize and support the power of the State to update its Action Plan while the funds have not been spent, as long as such changes adjust to the needs that prevail today.*

*In its reconstruction reports, the Government of Puerto Rico has recognized the impact that hurricanes Irma and María had in the medical services provided by the Island's hospitals. In fact, only few hospitals kept operating uninterruptedly during the emergency.*

*Hurricanes Irma and María aggravated the already fragile structure of specialized services while the health indicators reflect a high demand of sub-specialized services in almost all of the municipalities.*

*From a demographic perspective, Puerto Rico projects an increase in the average age of the residents. Also, it is estimated that almost half of the population is dependent on Medicaid. These factors require an increase in the health services in the Island.*

*On the other hand, the model of health services in Puerto Rico rests in a medical care system that is predominantly private and subsidized through a <<Vital>> insurance plan financed by the Government through the Health Insurance Administration of Puerto Rico. This is why the Government of Puerto Rico cannot see the private hospitals as exogenous entities but as collaborators in providing the essential medical services in the Island.*

*From an economic development perspective, the Federal Health Department, has recognized the work sector of health services as one of the areas with the most significant percentage growth in comparison to the growth in payroll of the other sectors since 2000.*

*As an example, the hospital system of HIMA •San Pablo is the greatest employer in the communities that it provides services to and is one of the biggest native employers in Puerto Rico creating and maintaining over 4,875 employees plus other 15,000 indirect employees that in total are over 20,000 employees and over 5,000 suppliers in their majority local companies, placing it in a position of leadership and responsibility like few companies in Puerto Rico.*

*However, given the physical conditions of the Island, aggravated since the emergency of Irma y María, the hospital systems in Puerto Rico receive an additional pension that obligates them to reduce the costs at the expense of creating potentially devastating effects in their communities or take less aggressive measures to reduce their costs and run the risk of facing financial difficulties. With little to no financing available in Puerto Rico, the hospitals face the possibility of a general systemic collapse of the health system that Puerto Rico has.*

*Finally, based on the health indicators cited by the Government in its Action Plan, that reflect the need of sub-specialized services in the Island, the HIMA•San Pablo hospitals are considered the cornerstone of the East region of the Island offering specialized and credited medical services that are the only ones in Puerto Rico. Through the Corporación Centro Médico del Turabo, HIMA•San Pablo Hospitals offer multiple specialized services: oncological hospital, primary center of cerebrovascular accidents (STROKE), certified epilepsy center Level 4, burned people's center in Puerto Rico, Cardiovascular Institute, among other services.*

*Upon the needs revealed by hurricanes Irma and María, it is precise for the Government of Puerto Rico to strengthen, modernize and expand the hospital medical services; not only as providing health services to its residents but also as an alternative of economic development for the low and moderate income communities in Puerto Rico.*

*This is why we request the inclusion in the plan of the uses of CDBG-DR funds, under the Economic Development Investment Portfolio for Growth Program, of an amount greater than the \$800,000,000.00, to include the offering of moderate financing, grant awards, or the combination of both for the economic revitalization of the hospital sector in order to*

remodel, expand, modernize, equip facilities or refinance debts that allow the strengthening of the specialized medical services that the Island requires and that clearly detail the government reports, in addition to promoting the economic revitalization through the creation of jobs in the communities impacted by the emergency.

On the other hand, the hospitals of Puerto Rico are centers of care for the citizens and of community resilience. Given the difficulties of availability and access in rural areas and casualty zones as a result of hurricanes Irma and María, the hospitals have been forced to extend their services to the adjacent communities to take care of the citizens. For that reason, under the Critical Infrastructure Resilience Program the amount assigned in the proposal of \$400,000,000, must be increased so that hospitals can present proposals to remodel, expand, modernize, and equip facilities. This in turn will allow the economic development in the area when expanding the offer of permanent jobs that were lost as a result of the emergency."

**PRDOH Response:**

PRDOH appreciates the suggestions and the interest of the HIMA San Pablo Hospital in this Action Plan Amendment 4 (substantial amendment) the big and transformative projects that create work positions and/or ripple economic effects may be eligible to receive funds from the Economic Development Investment Portfolio for Growth Program. The Action Plan has the information that is currently available about this program. When it is available, any additional information will be included in the program guidelines, which will be published in the site [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-13\_WP\_I\_Janet Negrón (1)

**Comment:** *"Greeting [sic]! I ask for the assistance of the subsidized mortgage of the Homebuyer Assistance Program not to be eliminated, and that the program begins as soon as possible, thank you very much"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-21\_WP\_I\_Blanca Damaris Sánchez (1)

**Comment:** "Good afternoon

*I am a participant of the R3 Program, I was already in the beginning stage for the reparation of my house and the construction of the bathroom for disabled persons. As was informed by R3 personnel and the contractors, I was already in the stage of waiting for the call to give me the commencement date because I have to abandon the house while they make the repairs. Thanks"*

**PRDOH Response:**

PRDOH has created a section in its webpage in which the applicants of the *Home Repair, Reconstruction, or Relocation Program (R3)* can verify the status of the application. Please follow the following link to verify the status of your application: <https://www.cdbg-dr.pr.gov/r3/>. Also you can call 1-833-234-2324.

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Comment ID: 2020-04-22\_WP\_I\_Javier Otero (1)

**Comment:** "I have the same situation that was mentioned. I try to open the file so I can see the amendment and it does not let me access it"

**PRDOH Response:**

A copy of the Action Plan Amendment 4 was sent to you on April 23, 2020, from the e-mail [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov). PRDOH appreciates your interest in this Action Plan Amendment 4 (substantial amendment).

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Comment ID: 2020-04-13\_E\_I\_Samayra Romero (1)

**Comment:** "Greetings,

*Please send me through here the draft of the Action Plan 4. I have not been able to obtain it complete from the website.*

*Grateful,*

*Samayra Romero"*

**PRDOH Response:**

A copy of the Action Plan Amendment 4 was sent to you on April 14, 2020, from the e-mail [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov). PRDOH appreciates your interest in this 4th amendment to the Action Plan (substantial amendment).

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Comment ID: 2020-04-13\_E\_I\_Jorge Caldero (1)

**Comment:** *"I have been a public servant for 25 years in the area of Law and Order of a family unit of 4, with me 5. In the past years, the changes in the economy and cutbacks to us, the working middle class have greatly affected our economy and even our retirement has been affected. It has been uphill to support our families forcing us to get two even three jobs to subsist. This is why I am very much part of the group that asks that please, for our families do NOT eliminate the subsidized mortgage assistance project. It is of great importance and economic relief for the lower class, the working middle class and the public employees that have suffered so much with so much change and economic cutbacks. Thank you for listening.*

Jorge L Caldero

Marshal

Sent from my iPhone"

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbq-dr.pr.gov](http://www.cdbq-dr.pr.gov).

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Comment ID: 2020-04-19\_WP\_I\_Edna I. Ortiz(1)

**Comment:** *"1. HOME tables are very low especially when the couple works. Almost no one qualifies ... very difficult.*

*2. I recommend a program aimed at people who have been bankrupt and whose houses were sold at auction due to economic conditions. Private banking is too demanding on this.*

*I suggest it be a year after bankruptcy as long as the person has restored their credit and their empiricism has risen. That the home does not exceed \$ 140 thousand. Give relief to the people who are at such different times."*

**PRDOH response:**

The PRDOH appreciates your suggestions. The Action Plan Amendment 4 includes the information regarding the Homebuyer Assistance Program. Eligible applicants will be provided with financial assistance for closing costs (e.g. title insurance, mortgage insurance premium, etc.) and down payment to assist with the gap between the amount of first mortgage the household is able to obtain from a lender and the purchase price of a home. Please see pages 154-158 from this Action Plan Amendment 4. Further information regarding program eligibility criteria, program policies and deadlines will be published in the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-24\_WP\_I\_C.P. Smith (1)

**Comment:** *"The Financial Projections and Actual Expenditures by Program found under F\_Program Draw Schedule.pdf on the Action Plan Amendment 4 (Substantial Amendment) page and following the following link: [https://www.cdbg-dr.pr.gov/en/download/action-plan-amendment-4-substantial-amendment/?ind=1585684356470&filename=F\\_Program%20Draw%20Schedule.pdf&wpdmdl=9145&refresh=5ea382b5768ad1587774133](https://www.cdbg-dr.pr.gov/en/download/action-plan-amendment-4-substantial-amendment/?ind=1585684356470&filename=F_Program%20Draw%20Schedule.pdf&wpdmdl=9145&refresh=5ea382b5768ad1587774133) does not represent reality. Please upload an up-to-date plan. Thank you."*

**PRDOH response:**

The PRDOH appreciates your observation and time devoted into evaluating this Action Plan Amendment 4 (Substantial Amendment). Your observation will be taken into consideration.

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Comment ID: 2020-04-28\_WP\_I\_Coral Ortiz (1)

**Comment:** *"Good afternoon! We responsibly complied with our duties as crucial workers and deserve this assistance of the subsidized mortgage. Do not eliminate the assistance of Subsidized Mortgage Homebuyer Assistance Program and that it begins as soon as possible."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-28\_E\_I\_Coral Ortiz Centeno (1)

**Comment:**

*“Good afternoon! We responsibly complied with our duties as crucial workers and deserve this assistance of the subsidized mortgage. Do not eliminate the assistance of Subsidized Mortgage Homebuyer Assistance Program and that it begins as soon as possible.”*

*Coral Ortiz Centeno”*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-30\_WP\_I\_Josué Delerme (1)

**Comment:** *“Good afternoon. I request that you do not eliminate the subsidized mortgage assistance for the crucial workers in the Homebuyer Assistance Program.”*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-04-30\_WP\_I\_Javier Rivera (1)

**Comment:** *"Good afternoon! Do not eliminate the Subsidized Mortgage in the Homebuyer Assistance Program. It is an assistance that is of great help for the crucial workers it is not necessary to eliminate it".*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-04\_WP\_NGO\_Ayuda Legal PR\_Paula Fournier del Valle (1)

**Comment:** *"We include herein the comments of the Puerto Rico Legal Aid for the Action Plan Amendment 4.*

[summarized comment]

*"As we have alerted in the past, the Action Plan of the Government of Puerto Rico for the CDBG-DR funds and the guidelines for implementation of the programs financed by such funds, threaten the permanence of persons and communities. Program R3 limits the assistance available for persons that live in floodable areas or areas with engineering or extraordinary conditions that make the reconstruction in the place unfeasible, preventing them from being assigned funds to rebuild their homes. Those persons that are not eligible to repair their home may only receive assistance to be relocated. This implies delays, in addition to preventing the repair and reconstruction these people request. It is urgent to address this point that will prevent thousands of persons a safe home, in the face of the third anniversary of the passing of the hurricanes and months before the new hurricane season.*

*It has been suggested, for example, that instead of requesting the perfected title, to use mechanisms such as notice of lis pendens in the Property Registry to proceed with the relocation of those who want to. If these changes are not done, we question how this new ceiling of the program will be used. The criteria currently leave out half the*

population for not having formal title and the hundreds of thousands of families that live in zones susceptible to floods or landslides.

Separating the repair and reconstruction programs from the relocation program under the R3 Program, to provide the space for persons to evaluate the alternatives for their community in an informed manner.

Eliminating the prohibition of substantial repairs and reconstruction of homes in floodable lands in the way of swellings or in areas with engineering or extraordinary conditions that make the reconstruction in the place not feasible.

Eliminating the requirement of perfected title as a condition for relocation, contemplating other mechanisms that allow persons without formal titles to receive assistance. It should be a uniform mechanism of alternate evidence of title, that does not require an attorney-notary. Moreover, it must allow persons without formal title to present alternate documentation to prove they are owners of the home and obtain the assistance without being referred to the Title Clearance Program.

Establish a moratorium for the relocations to give space to participatory procedures of planning and mitigation. Recognize the process of mitigation, contrary to how the R3 Program has been designed, is a collective process. Space must be given to participatory group procedures to evaluate and propose mitigation measures that reduce the risks in their community and allows more of the residents to remain there.

The States have the obligation to avoid or reduce the forced displacements as a matter of law. This obligation includes evaluating alternatives to allow for the community not to be displaced, such as considering mitigation and adaptation of risks strategies so that the displacement is the last option. Establishing a clear non-displacement policy in those cases in which the real, reasonable and participatory mitigation is possible. The displacement cannot be the first alternative.

Extensively advertising the comment period. The pandemic, in addition to the curfew, has limited the access to the newspapers. The advertisements must go further than one publication on social media or on the webpage created by PRDOH, they must also be in radio and television. Setting up a system to recollect comments by telephone (a voicemail), preparing a digital form to recollect testimonies and hold public hearings through platforms of videoconferences, and provide information about the amendments and ways to participate through social media, radio and television. Maintain an updated registry live that allows the monitoring of citizen participation, the groups or communities that are represented."

**PRDOH Response:**

The PRDOH values your comments and all your suggestions and has taken them into consideration. It is necessary to emphasize that the *Home Repair, Reconstruction, or Relocation Program* (R3 Program) has established alternate methods in its guidelines for persons that do not have a perfected title. The PRDOH understands there are many persons without formal title documentation. To ensure that the lack of such

documentation does not affect the assistance under the R3 Program, a flexible program has been designed as to the evaluation of the title documents. In no way is it required for an applicant to submit formal title documents to be declared eligible. However, to accommodate and assist those applicants that do not have formal title documents, the Department has created the Title Clearance Program. Every applicant to the R3 Program that presents informal documents as proof of title is automatically referred to the Title Clearance Program when it is determined they are preliminarily eligible for the R3 Program.

The title clearance services are provided free of cost for the majority of the cases. The Guidelines of the Title Clearance Program are available in the page [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) both in English and in Spanish. These Guidelines describe in detail the services available for the applicants. The Title Clearance Program is necessary so the homes built by R3 are duly authorized with their permits pursuant to the Joint Regulation for the Evaluation and Issuance of Permits Related to the Development, Use of Lands and Operation of Businesses (Regulation No. 9081 of June 7, 2019).

The PRDOH has adopted policies to minimize the displacement, in accordance to the goals and objectives for the assistance activities under the HCDA Law. These policies are contained and published in the Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan " (PRDOH URA & ADP GUIDE). To obtain a copy of these guidelines please go to [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Future Programs, including those to be defrayed with the assignment of mitigation funds (CDBG-MIT), may consider additional approaches for the matter of reconstruction in risk zones. The PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participation procedures to ensure the opportunity of the communities and citizens in general to be able to evaluate and propose mitigation measures.

To increase the opportunity for citizen participation various mechanisms were provided by which the citizens were able to submit their comments and suggestions to the action plan, in addition, the period for comments was extended two times, for a total of sixty (60) days.

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Comment ID: 2020-05-04\_E\_NGO\_Ayuda Legal PR\_Paula Fournier del Valle (1)

**Comment:** *"Cordial greetings, we enclose the letter of Puerto Rico Legal Aid with its comments for the Draft of the Action Plan: Amendment 4. The comments were also published in the CDBG-DR page with the following link: <https://cdbg-dr.pr.gov/plan-de-accion-enmienda-4-31-de-marzo-de-2020/#comment-174> Please acknowledge their receipt. Sincerely, Paula I. Fournier del Valle Community Attorney"*

[summarized comment]

*“As we have alerted in the past, the Action Plan of the Government of Puerto Rico for the CDBG-DR funds and the guidelines for implementation of the programs financed by such funds, threaten the permanence of persons and communities. Program R3 limits the assistance available for persons that live in floodable areas or areas with engineering or extraordinary conditions that make the reconstruction in the place unfeasible, preventing them from being assigned funds to rebuild their homes. Those persons that are not eligible to repair their home may only receive assistance to be relocated. This implies delays, in addition to that it prevents the repair and reconstruction these people request. It is urgent to address this point that will prevent thousands of persons a safe home, in the face of the third anniversary of the passing of the hurricanes and months before the new hurricane season.*

*It has been suggested, for example, that instead of requesting the perfected title, to use mechanisms such as notice of *lis pendens* in the Property Registry to proceed with the relocation of those who want to. If these changes are not done, we question how this new ceiling of the program will be used. The criteria currently leave out half the population for not having formal title and the hundreds of thousands of families that live in zones susceptible to floods or landslides.*

*Separating the repair and reconstruction programs from the relocation program under the R3 Program, to provide the space to the persons to evaluate in an informed manner the alternatives for their community.*

*Eliminating the prohibition of substantial repairs and reconstruction of homes in floodable lands in the way of swellings or in areas with engineering or extraordinary conditions that make the reconstruction in the place not feasible.*

*Eliminating the requirement of perfected title as a condition for relocation, contemplating other mechanisms that allow persons without formal titles to receive assistance. It should be a uniform mechanism of alternate evidence of title, that does not require an attorney-notary. Moreover, it must allow persons without formal title to present alternate documentation to prove they are owners of the home and obtain the assistance without being referred to the Title Clearance Program.*

*Establish a moratorium for the relocations to give space to participatory procedures of planning and mitigation. Recognize the process of mitigation, contrary to how the R3 Program has been designed, is a collective process. Space must be given to participatory group procedures to evaluate and propose mitigation measures that reduce the risks in their community and allows more of the residents to remain there.*

*The States have the obligation to avoid or reduce the forced displacements as a matter of law. This obligation includes evaluating alternatives to allow for the community not to be displaced, such as considering mitigation and adaptation of risks strategies so that the displacement is the last option. Establishing a clear non-displacement policy in those cases in which the real, reasonable and participatory mitigation is possible. The displacement cannot be the first alternative.*

*Extensively advertising the comment period. The pandemic, in addition to the curfew, has limited the Access to the newspapers. The advertisements must go further than one publication on social media or on the webpage created by PRDOH, they must also be in radio and television. Setting up a system to recollect comments by telephone (a voicemail), preparing a digital form to recollect testimonies and hold public hearings through platforms of videoconferences, and provide information about the amendments and ways to participate through social media, radio and television. Maintain an update registry live that allows the monitoring of citizen participation, the groups or communities that are represented.”*

**PRDOH Response:**

The PRDOH values your comments and all your suggestions and has taken them into consideration. It is necessary to emphasize that the *Home Repair, Reconstruction, or Relocation Program* (R3 Program) has established alternate methods in its guidelines for persons that do not have a perfected title. The PRDOH understands there are many persons without formal title documentation. To ensure that the lack of such documentation does not affect the assistance under the R3 Program, a flexible program has been designed as to the evaluation of the title documents. In no way is it required for an applicant to submit formal title documents to be declared eligible. However, to accommodate and assist those applicants that do not have formal title documents, the Department has created the Title Clearance Program. Every applicant to the R3 Program that presents informal documents as proof of title is automatically referred to the Title Clearance Program as it is determined they are preliminarily eligible for the R3 Program.

The title clearance services are provided free of cost for the majority of the cases. The Guidelines of the Title Clearance Program are available in the page [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) both in English and in Spanish. These Guidelines describe in detail the services available for the applicants. The Title Clearance Program is necessary so the homes built by R3 are duly authorized with their permits pursuant to the Joint Regulation for the Evaluation and Issuance of Permits Related to the Development, Use of Lands and Operation of Businesses (Regulation No. 9081 of June 7, 2019).

The PRDOH has adopted policies to minimize the displacement, in accordance to the goals and objectives for the assistance activities under the HCDA Law. These policies are contained and published in the Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan “ (PRDOH URA & ADP GUIDE). To obtain a copy of these guidelines please go to [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Future Programs, including those to be defrayed with the assignment of mitigation funds (CDBG-MIT), may consider additional approaches for the matter of reconstruction in risk zones. The PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participation procedures to ensure the opportunity of the communities and citizens in general to be able to evaluate and propose mitigation measures.

To increase the opportunity for citizen participation various mechanisms were provided by which the citizens were able to submit their comments and suggestions to the action plan, in addition, the period for comments was extended two times, for a total of sixty (60) days.

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Comment ID: 2020-05-06\_E\_I\_María del Carmen Dávila Rivera (1)

**Comment:** *"Please do NOT eliminate the assistance"*

**PRDOH Response:**

The PRDOH appreciates your interest in this Action Plan Amendment 4 (Substantial Amendment) of the CDBG-DR Puerto Rico Program. We regret that your comment does not provide us with enough information to provide an answer. We urge you to keep informed of this Action Plan and the portfolio of CDBG-DR programs at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)

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Comment ID: 2020-05-06\_E\_I\_Marisela Hernandez (1)

**Comment:** *"Good afternoon! Please do not eliminate the 4th amendment of the action plan regarding the subsidized mortgage of the Homebuyer Assistance Program for members of crucial recovery workers, which is up to 35 thousand dollars for an already existing mortgage. I am a marshal with 22 years of service and I urgently ask your help. I trust you can help in regards to this situation. Thank you."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-06\_E\_PS\_Integral Development Strategists LLC\_AI Rizek (1)

**Comment:** *"Attached please find our comments to the Substantial Amendment to the CDBG-DR Action Plan 4th Substantial Amendment dated March 31, 2020 and comments due by May 15, 2020. We look forward to contributing to the successful implementation of the Action Plan and its Programs. Stay Safe! AL Rizek"*

*"CDBG-DR 4th Substantial Amendment*

*to the Plan Comments 5-6-2020*

- 1) *Table of Contents pg i – Summary of changes Table very helpful.*
- 2) *Table of Contents pg xiii -The methodology; or methodologies to determine Cost Reasonableness should be defined per Program; and more specifically for the R3 Relocation Vouchers Program specific instructions should be given to the appraisers to assign value to:*
  - a. *Compliance with Puerto Rico 2018 Building Code*
  - b. *Specific R3 Voucher guidelines requirements*
  - c. *Voluntary Resiliency measures in energy and potable water in order to have a uniform and fair standard of valuations.*
- 3) *Table of Contents pg xvii – The Subrecipient Model should be allowed with the municipalities for the R3 Relocation Voucher Program to facilitate the relocation of entire communities that reside in flood zones or land slide zones in a humane way respecting the beneficiaries' social interaction, culture and history.*
- 4) *Pg 18 – The "Building Back Better" objective should be aligned with the Relocation Vouchers dated January 29, 2020 guidelines requirements for:*
  - a. *Existing Market Units Roster*
  - b. *Financial Institutions or Business Properties Roster*
  - c. *Units in a Residential Development*

*Please refer to attached Table 1 for a comparison. At a minimum the properties which will comprise the Certified Development Roster should comply with 1986 Building Code for earthquakes based on our recent experience in January 2020.*

*We have a valuable opportunity to upgrade the existing and financial institutions inventory stock.*

- 5) *Pg 22 Table 3 Unmet Needs - the \$47,736,046,063 is more than double the \$20.2 billion dollars allocated to the CDBG-DR program for hurricane María. Is there a plan to bridge the gap once empiric data is available from processing the 26,951 intake applications?*

6) Pgs 56-57 Figures 35 & 36 – Is there any way that the data on the 245,586 FEMA Aid Applications can be extrapolated to forecast the unmet demand in flood plain areas by municipality in Puerto Rico?

7) Pg 73 Table 22 Total R3 Applicant Population as of March 12, 2020 - "The R3 Program Intake was closed on January 7, 2019" (we believe there is a typo and it should read 2020) with 26,951 applications of which 46.1% of the Intake process has been completed and 24% have been approved.

We suggest that the PRDOH publish real time data in its Portal on the Intake Process results by Municipality and by Program: Repair, Reconstruction and Relocation which will be extremely valuable for the Program Managers, Construction Managers and the Existing Unit Holders, Financial Institutions and Real Estate Developers participating in the R3 Program.

We also suggest that a threshold be established in terms of number of interested Applicants in the waiting list to trigger the request of additional funding to reopen the Intake of the R3 Program as it is evident that 26,951 applications are not even close to the Unmet Demand and number of housing units in need of assistance.

8) Pgs 85-86 Updated Concerns for the Tourism Industry Recovery – We suggest this section be addressed in a holistic manner including all economic sectors as well as health and social factors on the effect of the COVID 19 on Puerto Rico and updated thru May 15, 2020 with the latest "Dash Board Data", Economic Forecasts, Economic Aid (local and Federal), Economy Reopening Plans, etc.

9) Pg 99 Method of Distribution – We notice that the PRDOH eliminated the Partnership Distribution Model; and is utilizing for the Housing R3 Program the Direct Distribution Model exclusively and the Sub-Recipient Model for other Programs; as they may apply.

We suggest that for the R3 Housing Relocation Program the Sub-Recipient Model be included to collaborate with the municipalities in relocating entire communities which reside in flood plain and land slide risk areas in order to preserve the social interaction, dignity and history of these communities; as otherwise the Direct Distribution Model will inevitably result in displacing, separating and dismantling these communities which have existed for decades due to the logistics and physical limitations of not performing the exercise in coordination with the municipalities; which after all are closest and know the needs of their residents, and the ability to relocate the entire community to only one place close to the original flood plain location; but outside of flood plain area, in the vicinity of the area if possible.

Our experience with five (5) municipalities is that they are ready, willing and able to collaborate in the R3 Relocation Program thru a Sub-Recipient Distribution Method with the Program Managers, the Certified Housing Counselors and the PRDOH.

10) Pg 102 Minimizing Displacement PRDOH "Housing Counselor will..." – How will the PRDOH be able to achieve this task? How will the PRDOH be able to insure that there



will be enough supply of safe temporary housing to the beneficiaries to whom their residential units are being Repaired and Reconstructed in the vicinity of the area where they reside; as schools, jobs, community relations usually are nearby their place of residence?

We suggest that the PRDOH evaluate Strategically acquiring clusters of residential housing developments; by Region, so that the Program Managers and Housing Counselors may assist the Construction Managers and beneficiaries in the Temporary relocation of the Program beneficiaries.

These Regional Temporary Housing Developments can be utilized throughout the duration of the CDBG-DR Funds process (which in Katrina's case in Louisiana has lasted 15 years); and at the completion of the Programs can be utilized for Permanent Relocation with the Vouchers Program, Rental Housing through LIHTC projects or Public Housing; among feasible uses.

11) Pg 106 Feasibility and Cost Reasonableness – Please refer to our comments submitted to PRDOH through its Web page on March 1, 2020 in Attachment A about the R3 Relocation Vouchers Guidelines published on January 29, 2020; and PRDOH's reply on May 4, 2020 in Attachment C.

12) Pg 109 Table 38 Comparison of Housing Program Activities to Written Proposals Submitted - A breakdown should be prepared per R3 Program Category and municipality once the PRDOH completes the initial Intake 26,951 applications processing exercise which will be extremely valuable for planning and coordinating purposes to the Program Managers, Construction Managers, Existing Residential unit holders, Financial Institutions and Real Estate Developers.

13) Pg 110 Table 39 Comparison of Economic Development Budget Activities to Written Proposals Submitted - We suggest that the Budgets for the Small Business Finance and Construction and Commercial LOI be updated to account for the Covid 19 Pandemic and that the latest figures on the commencement of the Small Business Program by the Puerto Rico Economic Development Bank ("BDE") and the preliminary data as of May 15, 2020.

14) Pg 111 Table 40 Program Budget Allocation Compared to 12 and 24 Month Plan Cost Percentage - We suggest that the figures be updated to account for delays due to the Covid 19 Pandemic, the Economic Lockdown; and the Economic Reopening Plans with data up to May 15, 2020.

15) Pg 115 "... ensure that housing is properly accounted for and built to improved standards" – We recommend that the Relocation Vouchers Guidelines Requirements dated January 29, 2020 be aligned with this objective for:

- a. Existing Market Units Roster
- b. Financial Institutions or Business Properties Roster
- c. Units in a Residential Development

Please refer to attached Table 1 for a comparison. At a minimum the properties which will comprise the Certified Development Roster should comply with 1986 Building Code for earthquakes based on our recent experience in January 2020. A valuable opportunity to upgrade the existing and financial institutions inventory is not being utilized.

We have a valuable opportunity to upgrade the existing and financial institutions inventory stock.

16) Pg 116 Municipal Recovery Planning Program – We suggest the PRDOH consider combining or incorporating the R3 Subrecipient Distribution Model with the Municipal Recovery Planning Program for the R3 Relocation Vouchers when relocating entire communities from floodplain areas to insure that the social heritage and history of these communities is preserved; thereby complying with the no displacement objective.

17) Pg 127 "...municipalities will remain active participants..." –We suggest the PRDOH allow the Sub-Recipient Distribution Model for the R3 Relocation Program. Furthermore; the municipalities are in a unique position to collaborate and assist in relocation entire communities that reside in flood plain areas with the Certified Housing Counselors, Program Managers and the PRDOH.

18) Pg 127 "... innovative construction and green building will modernize the housing stock" – Same as comment number 15 above.

19) Pg 128 "a temporary housing may be available"- Same as comment number 10 above.

20) 129 Program Amount \$3,289,530,619 – It is not enough to Repair, Reconstruct and Relocate the housing stock of hurricane María's affected beneficiaries which qualify for the R3 Program.

In the absence of empirical data from the Intake of the 26,951 applications closed in January 2020 and the actual fulfillment of the approved applications; as an example, if we assume that the distribution between the R3 Program will be 33.3% for each program and that the actual realized average cost per program will be: \$30,000 for Repairs, \$125,000 for Reconstruction and \$150,000 for Relocation; the total amount of housing units (under these assumptions) that the R3 Program would be able to Repair, Reconstruct and Relocate would be:

$$\$3,289,530,619 / (\$30,000 \times 33\%) + (125,000 \times 33\%) + (\$150,000 \times 33\%) =$$

32,369 Housing Units

What plans does the PRDOH have in place to increase the allocation of funds to the R3 Program once the initial intake process of the 26,951 applications is completed and the "Waiting List" at the Portal reaches levels that merit a revision of the Budget?

21) Pg 129 & 130 Program Accomplishments "Reconstruct Housing to a Higher Resilience Standard and Revitalize Weak and Aging Housing Stock" – Same as comment number 15 above.

22) Pg 129 Distribution Method Direct Distribution Model - We suggest that for the R3 Housing Relocation Program the Sub-Recipient Model be included to collaborate with the municipalities in relocating entire communities which reside in flood plain and land slide risk areas in order to preserve the social interaction, dignity and history of these communities; as otherwise the Direct Distribution Model will inevitably result in displacing, separating and dismantling these communities which have existed for decades due to the logistics and physical limitations of not performing the exercise in coordination with the municipalities; which after all are closest and know the needs of their residents.

Our experience with five (5) municipalities is that they are ready, willing and able to collaborate in the R3 Relocation Program thru a Sub-Recipient Distribution Method with the Program managers, the Certified Housing Counselors and the PRDOH.

23) Pg 133 Permanent Relocation Option 1 "Aggregate of purchase price and any required improvements will be capped at \$185,000 or a regional cap more appropriate to market availability that does not limit housing choice and must be market reasonable". – How will the PRDOH define Market Reasonable and provide specific and uniform instructions to appraisers when "appraising" the housing units in Development Roster?

It is of critical importance that consistent specific guidelines and instructions be given to the Appraisers by the Program Managers to the 3 alternatives:

- Existing Units
- Financial Institutions
- Real Estate Developments

For the valuation of the different in the Vouchers Development Roster considering the different requirements published by PRDOH in January 29, 2020 for each alternative.

Please refer to our comments to the R3 Relocation Voucher Guidelines submitted on March 1, 2020 in Attachment A and the PRDOH reply in Attachment C dated May 4, 2020.

24) Pg 134 "If the eligible applicant, under the guidance of a housing counselor, is unable to identify a suitable existing home to purchase with a voucher, the applicant and housing counselor will be allowed to identify available vacant lots for purchase outside the floodplain, on which a new home would be built by the program". – This option will be extremely difficult to implement due to the unavailability of empty lots suitable for construction (with infrastructure of roads, electricity, water and sanitary sewer) at the price limit of \$15,000.

25) Pg 134 "Temporary relocation assistance may be available for applicants while program sponsored construction is underway" – How will temporary relocation assistance be provided to the beneficiaries while the program sponsored construction is underway?

We suggest that the PRDOH evaluate strategically acquiring clusters of residential housing developments by Region so that the Program Managers may assist the Construction Managers in the Temporary relocation of the Program beneficiaries.

These Regional Temporary Housing Developments can be utilized throughout 15th duration of the CDBG-DR Funds process (which in Katrina's case in Louisiana has lasted 15 years); and at the completion of the Programs can be utilized for Permanent Relocation with the Vouchers Program, Rental Housing through LIHTC projects or Public Housing; among other viable uses.

26) Pg 135 "Community Energy and Water Resilience Installations Alignment: all reconstruction and rehabilitation projects, when feasible, will be eligible to participate in this program as well. Those additional costs will be reflected and accounted for via Community Energy and Water Resilience Installations Program and will not be reflected under the award caps mentioned above". –

This is an excellent idea as it will provide Construction Managers to build and reconstruct the new housing units to energy and water resiliency standards. The same incentive should be provided to, existing unit holders, financial institutions and Real Estate Developers participating in the R3 Relocation Voucher Program to be consistent; and should be clarified.

27) Pg 136 Title Clearance Program "At this time, title services will not be provided for applicant properties located in the floodplain or floodway; or an area considered high-risk due to engineering, soil or slope conditions as verified by engineering inspections. Exceptions will be made if title clearance is necessary for the applicant to receive benefits from other programs within the PRDOH CDBG-DR Housing Portfolio ..." – This is discriminatory to the families affected by hurricane María who reside in floodplain areas. Is an exception going to be made for the R3 Relocation Voucher program? This should be clarified.

28) Pg 150 Community Energy and Water Resilience Installations Program "The scale of the solar power system will depend on the size of the household, income, and the ability of the applicant to finance a portion of the system" – This statement is not consistent with comment number 24 above from page 135 of the 4th substantial Amendment to the Action Plan above. It should be clarified.

29) Pg 151 "Community-based systems may also include public microgrids" – This is an excellent idea.

30) Pg 151 "This program may also be used as an add-on to, or potentially integrated within the R3 program" – This should be clarified as per comments number 24

and 26 above in page 135 of the 4th substantial Amendment to the Action Plan above for consistency.

31) Pg 154 Homebuyer Assistance Program – Program Total \$350,000,000 Max Award \$35,000 (\$40,000 if in urban or redevelopment zone) – It may be a good idea, in view of the COVID 19 situation and the “critical” contribution and sacrifice that these first responders have provided to the Island, to revise both the total program amount of \$350,000,000 and maximum award of \$35,000 per applicant as it will only serve to assist:  
 $350,000,000 / \$35,000 = 10,000$  First Responders (approximately)

32) Pg 161 Economic Recovery Programs Construction and Commercial Revolving Loan Program - Program Total \$100,000,000 Maximum Award \$1,000,000 –

We recommend that the program Total be increased since:

$100,000,000 / \$1,000,000 = 100$  Potential Contractors (approximately)

33) Pg 162 Eligibility “Provide evidence of status as a licensed contractor or subcontractor with demonstrated track record where principals are residents of Puerto Rico” - The eligibility requirements should be expanded also to local Real Estate Developers/ Contractors in order to be consistent with Pg 161 Program Accomplishments Puerto Rico based general contractors, subcontractors and local labor secure and succeed in implementing substantial disaster recovery related contracts”; since this narrow definition would only apply to local contractors and subcontractors participating in the Repair and Reconstruction Programs of the R3 Program leaving behind the Real Estate Developers/ Contractors who participate in the Relocation Voucher Program.

The Real Estate Developers/Contractors who participate in the R3 Relocation Voucher Program generate the same jobs creation and economic impact as the Contractors and subcontractors in the Repair and Reconstruction Programs; if not more, since in the Relocation Program other professions besides construction industry labor are involved such as: lawyers, real estate brokers, real estate appraisers, etc.

34) Pg 162 Program Objective and Description “CCRL will provide capital to bridge payments on construction contracts and working capital for business recovery”- The definition should be expanded to include Pre- Development and Soft Costs for Real Estate Developers/Contractors in order to advance their R3 Relocation projects to “Shovel Readiness”.

Especially with the proposed changes in the Small Business Finance Program which eliminate (if incorporated in this 4th Substantial Amendment to the Action Plan) the CDBG-DR guaranteed and partially guaranteed loans of up to \$950,000 (over and above the maximum grant of up to \$50,000 per applicant) there is little or no aid for the local Real Estate Developers/Contractors.

35) Pg 162 Capacity Building Grants up to \$100,000 – Same as comments number 31 and 32 above!

36) Pg 162 Construction Bridge Financing and Working Capital up to \$900,000 - Same as comments number 31 and 32 above!

37) Pg 163 – The CCRL should be launched as soon as possible once the BDE has processed the Small Business Finance Program Loans submitted by applicants starting in April 2020 when the program was launched to assist small businesses with the Covid 19 economic impact in order for Contractors, Subcontractors and Developer/Contractors can submit their applications to the “BDE” for processing and be ready when the Covid 19 Lock Down is terminated sometime in the near future.

It is important to consider that once the projects are “Shovel Ready” it will take the Contractors and/or Developers six (6) months to begin “Stady State” deliveries of housing units.

38) Pg 164 Small Business Finance Program – Program Total \$225,000,000 Max Award Grant \$50,000 – Both the Program Totals and the Max Awards should be revised in lieu of the COVID 19 Pandemic and the negative effect it has had on local small businesses.

$\$225,000,000 / \$50,000 = 4,500$  Small Businesses (approximately)

39) Pg 164 – 167 Elimination of the Loans portion of up to \$950,000 – We recommend that the PRDOH give serious consideration to the keeping the Program as if was originally proposed in Action Plans numbers 1,2 and 3; and postpone the elimination of the CDBG-DR guaranteed (up to \$100,0000 and partially guaranteed (up to an additional \$850,000 with CDBG-DR 25% guarantee) in lieu of the Covid 19 impact on the Puerto Rico economy; specially small businesses, until an economic analysis can be performed on the matter.

Whereas an up to \$50,000 grant will provide a “Shot in the Arm” to a small business it will not have the same long term impact as the ability to obtain a loan of up to an additional \$950,000 for a Program Total of \$1,000,000 per applicant as in the first three (3) Action Plans.

We further suggest that the CDBG-DR Guarantee be extended to the total of up to \$950,000 to provide incentives to local Banks and Credit Unions (“Cooperativas”) to provide the loans to local small businesses.

The term of the loans should be short term (2 years or less); and as loans are repaid the funds can be recycled for new and additional loans to small businesses in need.

40) Pg 167 – We recommend that an Economic Study be commissioned by PRDOH in lieu of the Covid 19 situation before implementing these critical changes to the 4th Substantial Amendment to the Action Plan which will have a “Do or Die” impact on local small businesses, and leave this Small Business Finance Program as in the 3rd Action Plan.

41) Pg 178 Economic Development Investment Portfolio for Growth Program – Total Program \$800,000,000 Max Award \$800,000,000 – We recommend that the Max award be reduced to a more reasonable number of between \$20,000,000 to \$50,000,000 so that more than one (1) project can receive the benefits of this program.

42) Pg 179 Method of Distribution “PRDOH plans to implement this program primarily by using a Subrecipient distribution model whereby the P3 authority will identify potential projects and PRDOH will work with specific entities that are committed to meeting the overall recovery goals of this program” – We recommend that proponents be allowed to present unsolicited projects to the Public Private Partnership (“P3”).

43) Pg 180 “PRDOH/ P3 will inform partners that they have a specified period of time to submit needed project concepts to PRDOH/ P3 for review in line with program objectives”. – Same as comment number 39 above!

44) Pg 182 “To address these identified needs, PRDOH will initially allocate up to \$200 million of the Program allocations for identified pilot projects that are considered key drivers for infrastructure resilience and economic development; creating and improving health care facilities that can address the needs of Puerto Ricans before, during and after disasters and revitalizing and creating housing and economic development opportunities in and around areas of the San Juan Bay” – This statement is not consistent with the Max Award of \$800,000,000. We recommend that the PRDOH and P3 provide more details on the criteria to be considered for these “identified pilot projects” in the 4th Substantial Amendment to the Action Plan.

45) Pg 192 Method of Distribution “PRDOH plans to implement this program primarily using a Subrecipient distribution model whereby entities who have either a Puerto Rican Government and or FEMA-defined Critical Infrastructure asset will be informed that funding will be available to meet the program goals and objective” - We recommend that proponents be allowed to present unsolicited projects to the COR3/CIR.

46) Pg 193 “PRDOH will inform these entities that they have a specified period of time to submit project concepts to PRDOH that meet program objectives through an application process”. – Same as comment number 43 above.”

**PRDOH Response:**

PRDOH appreciates your interest and time dedicated into evaluating, commenting and providing recommendations to this Action Plan. PRDOH does not give instructions to appraisers to assign value. Fair Market Value is determined by the market, through the appraisal process and evaluation of comparable sales. PRDOH does not give instructions to appraisers to assign value. R3 Program requires that properties for relocation to have a structurally sound certification by a structural engineer licensed in Puerto Rico. CDBG-DR will not provide a credit or assign value for resilient features. If a property owner wishes for their property to be considered for the Relocation Program Roster, the property must comply with the standards and requirements outlined in the *R3 Relocation Properties Roster*

*Requirements Guidelines.* R3 Program's objective is to repair or reconstruct the eligible applicant's damaged home or relocate the eligible applicant's household into another home that is compliant with the Program requirements. It is important to emphasize that the applicant is not required to choose a home from the Properties Roster. This Roster is there to provide the applicant a list of already approved homes to choose from.

Municipalities will be active participants in the execution of recovery programs. Notwithstanding the R3 Program has a Direct Distribution Model, Municipal partnership is a vital part of serving impacted residents across the Island, and includes key functions such as informing program design, leading community outreach to program applicants, serving as a first line of information regarding programs, ensuring housing is conducted in accordance with local land use codes, and maintaining an active role in overall program launch. The relocation activity in the R3 Program is volitional. PRDOH has policies in place to ensure that all reasonable steps are taken to minimize displacement. Hence, no entire community relocations are planned as it is considered each applicant individually. The Direct Distribution Model in this program doesn't deviate it from its designed objective nor impedes it to address the need of some participants to relocate out of the floodplain in a home that meet HUD's Housing Quality Standards.

All CDBG-DR programs are to be tied-back to the disasters of Irma and María. COVID-19 disaster cannot be offset with this CDBG-DR funds. Unfortunately, program budget cannot be increased only by considering the COVID-19 pandemic. This CDBG-DR Grant is tied to Hurricanes Irma and Maria disasters. For more information, please follow this link:

<https://files.hudexchange.info/resources/documents/CDBG-DR-COVID-19-FAQs.pdf>

The temporary relocation is an assistance based on the HUD fair-market rent rate. The R3 Program is not considering at the moment acquiring housing developments for temporary relocation. For further information about the R3 Program, including temporary relocation, please consult the *R3 Program Guidelines*, available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-06\_WP\_I\_Raymond García(1)

**Comment:** *"It is important for all the first responders that you DO NOT ELIMINATE the assistance of subsidized mortgage of the Homebuyer Assistance Program. On the contrary, it should be immediately implemented without mulling over some funds that were already approved for this, giving real relief to our pocket for our families and hope for all that stayed rebuilding the country.*



*Do not punish us further.*

*Raymond Garcia"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-06\_E\_I\_Arlene Rivera Nazario (1)

**Comment:** *"Good afternoon. My name is Arlene Rivera Nazario, I work as a Marshal in Puerto Rico where each day I work with pride and responsibility. Even in hard times such as the emergencies that we have lived in Puerto Rico. For that reason, I ask that you do not eliminate the Subsidized Mortgage Assistance of the Homebuyer Assistance Program and for this assistance to commence as soon as possible. Thank you in advance, Arlene Rivera".*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Worker for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-07\_WP\_I\_Joanette López (1)

**Comment:** "HI: ARE YOU GOING TO PROVIDE INCENTIVE FOR THE PURCHASE OF HOMES? HOW CAN I APPLY? THANK YOU"

**PRDOH Response:**

Thank you for your interest in this Action Plan Amendment 4 (Substantial Amendment). The Homebuyer Assistance Program will provide the eligible applicants assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in the financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of the home. Please, consult pages 164-168 of this Action Plan (Substantial Amendment). The application periods, documents and procedures used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published in the website [www.cdbq-dr.pr.gov](http://www.cdbq-dr.pr.gov).

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Comment ID: 2020-05-08\_E\_I\_Carlos Alberto Sálamo Domenech (1)

**Comment:** "To whom it may concern:

*I want to join the claim for the program of subsidized mortgage for us the members of the Crucial Recovery Workers that is within the Homebuyer Assistance Program not to be eliminated.*

*Sincerely:*

*Mr. Carlos Alberto Sálamo Domenech"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbq-dr.pr.gov](http://www.cdbq-dr.pr.gov).

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**Comment:** *"To whom it may concern:*

*After reading the Action Plan fully, we would like to know if we are on time for the milk, cattle industry, meat and milk byproducts to be considered to be recipients of equal portions of the funds destined for agriculture and/or economic development. Given that the: (i) cattle and milk industry constitutes 80% of the gross product of the Puerto Rican agriculture, (ii) the main objective of the CDBG funds is food self-sufficiency in the island, (iii) retaining existent jobs so the people can defray the investment in homes; and (iv) some way or another remedy that more than 80% of our food is imported, we humbly believe that supporting this existent industry with CDBG funds serves the purpose for which the Congress of USA approved these funds for PR.*

- 1. On August 14, 2018, 83 CFR 40314 destined \$8.2B more of CDBG funds for PR. Very little of this money has been disbursed.*
- 2. Pages 86, 91, 115, 120 and 168 of the Action Plan ("AP") expressly speak of the importance of creating economic activity for defraying an economic independence that mitigates the disbursement of further federal funds in future disasters.*
- 3. P. 120 of AP destines the item of \$1.3B for the economic development of the Island.*
- 4. P.169 of the AP expressly states that the programs of economic development are essential for the long term success of the home recovery programs because they offer necessary opportunities to guarantee that the home owners and the tenants have the economic independence necessary to care and maintain their homes. The attraction, retention and return of the companies and the work positions are fundamental for the long term recovery of the Island.*
- 5. P.190 -195 of AP destines \$800,000,000.00 as an Investment Portfolio of Economic Development. This includes, in its Section 105(a) (17) – Assistance of economic development for non-profit businesses. Also in its "Eligibility" includes: 5. For-profit businesses, as eligible under the activity applicable create and retain long-term jobs.*
- 6. The additional criteria that PRDOH can use to select partners and projects include, but are not limited to:*
  - The projects will be transformative, bigger regional projects of recovery and resilience that, when completed, will provide benefits to a wide array of Puerto Ricans in the future.*
  - The projects must comply a new recovery objective and/or create long-term economic opportunities for citizens and companies affected by the hurricane.*
  - Have experience and show the capacity to take on projects of regional and multi-jurisdictional nature.*
  - Have experience in the administration and implementation of projects that use multiple sources of federal, state and private funding and/or the entity can show they have personnel with internal abilities that can aid with the*

implementation of projects, ensuring that the selected projects for the program can be executed and be built within the term of the grant agreement, while some cost efficiencies are achieved with the use of internal experience.

7. This may include, but is not limited to the development/redevelopment of:
  - Retail sales installations, such as stores or malls; commercial installations, like hotels, distribution centers or office buildings; commercial \ manufacturing complexes, such as factories or industrial parks; and public commercial spaces, like conventions center or parking installations.
8. Also, P.196-198, an additional \$92,500,000 are destined for RE-GROW PR Urban-Rural Agriculture Program.
9. The ACHIEVEMENTS OF THE PROGRAM, are:
  - Promoting and increasing the food safety in the whole Island;
  - Managing the impact in the affected agricultural productivity;
  - Improve the quality of food production, cultural/gastronomic tourism and ecotourism; and
  - Promote social, economic and environmental resilience.
10. As part of the ELEGIBILITY requirements, we mention that before the hurricane, Puerto Rico imported 85% of its food. The losses in agricultural production after the disaster have brought significant food safety problems and deficiencies in the chain of supply both in rural and urban areas, beginning with the capacity of maintaining businesses and the chain of support that the industrial sector depends on. The eligible entities are: 3. Small and medium agricultural companies
11. OBJECTIVE AND DESCRIPTION OF THE PROGRAM is: 1) Promote and increase food safety in all the island, and 2) Improve and expand the agricultural production related to economic revitalization and the development of activities. Also, the program will work to promote the diversification of crops and increase the production of agricultural products that are consumed locally....

We respectfully understand that as the agriculture is a component of working the land and intense manufacture, the Committee that will evaluate the use of those funds must pay particular attention to the milk industry in PR. Its development will result in a high potential of reaching food independence and self-sufficiency in our island. The meat, milk and countless food options of milk byproducts that are still without elaboration in PR, and which CDBG funds could be used for are just right for the correct use of the CDBG funds.

This industry already represents 80% of the local agriculture. However, it is under siege due to the low population and importations. The confiscation of milk must be left behind. The future must consist of using that surplus in byproducts such as ice cream, UHC milk, butters, condensed milk and other dairy, all at competitive prices and of easy access. Also the days of waiting for weeks to receive food to feed an entire population must be left behind.

There are approximately \$900,000,000 in these 2 programs: Economic Development Investment Portfolio for Growth Program and RE-GROW PR Urban-Rural Agriculture.

We humbly request to take into consideration 80% of the PR agriculture, -the milk sector- and to destine 15%-20% of that amount to promote and position the cattle industry and milk manufacture so that PR has a prosperous future in accordance with the purposes of the law, federal regulation and the proper use of the CDBG funds. Self-sufficiency and retention of agricultural funds depends on those funds."

**PRDOH Response:**

The RE-GROW PR Urban-Rural Agriculture Program is a food safety initiative that can bring assistance to agricultural, cattle or aquaculture installations, at small and large scale in urban or rural areas. PRDOH values your thorough comments and will take them into consideration during the development process of the RE-GROW PR Urban-Rural Agriculture Program and the Economic Development Investment Portfolio for Growth Program. We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about the eligibility criteria of these programs as they are available.

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Comment ID: 2020-05-11\_E\_I\_Francisco Feliú(2)

**Comment:** After reading the Action Plan fully, we would like to know if we are on time for the milk, cattle industry, meat and milk byproducts to be considered to be recipients of equal portions of the funds destined for agriculture and/or economic development. Given that the: (i) cattle and milk industry constitutes 80% of the gross product of the Puerto Rican agriculture, (ii) the main objective of the CDBG funds is food self-sufficiency in the island, (iii) retaining existent jobs so the people can defray the investment in homes; and (iv) some way or another remedy that more than 80% of our food is imported, we humbly believe that supporting this existent industry with CDBG funds serves the purpose for which the Congress of USA approved these funds for PR.

1. On August 14, 2018, 83 CFR 40314 destined \$8.2B more of CDBG funds for PR. Very little of this money has been disbursed.
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4. P.169 of the AP expressly states that the programs of economic development are essential for the long term success of the home recovery programs because they offer necessary opportunities to guarantee that the home owners and the tenants have the economic independence necessary to care and maintain their homes. The attraction, retention and return of the companies and the work positions are fundamental for the long term recovery of the Island.

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6. The additional criteria that PRDOH can use to select partners and projects include, but are not limited to:
  - The projects will be transformative, bigger regional projects of recovery and resilience that, when completed, will provide benefits to a wide array of Puerto Ricans in the future.
  - The projects must comply a new recovery objective and/or create long-term economic opportunities for citizens and companies affected by the hurricane.
  - Have experience and show the capacity to take on projects of regional and multi-jurisdictional nature.
  - Have experience in the administration and implementation of projects that use multiple sources of federal, state and private funding and/or the entity can show they have personnel with internal abilities that can aid with the implementation of projects, ensuring that the selected projects for the program can be executed and be built within the term of the grant agreement, while some cost efficiencies are achieved with the use of internal experience.
7. This may include, but is not limited to the development/redevelopment of:
  - Retail sales installations, such as stores or malls; commercial installations, like hotels, distribution centers or office buildings; commercial \ manufacturing complexes, such as factories or industrial parks; and public commercial spaces, like conventions center or parking installations.
8. Also, P.196-198, an additional \$92,500,000 are destined for RE-GROW PR Urban-Rural Agriculture Program.
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  - Managing the impact in the affected agricultural productivity;
  - Improve the quality of food production, cultural/gastronomic tourism and ecotourism; and
  - Promote social, economic and environmental resilience.
10. As part of the ELEGIBILITY requirements, we mention that before the hurricane, Puerto Rico imported 85% of its food. The losses in agricultural production after the disaster have brought significant food safety problems and deficiencies in the chain of supply both in rural and urban areas, beginning with the capacity of maintaining businesses and the chain of support that the industrial sector depends on. The eligible entities are: 3. Small and medium agricultural companies
11. OBJECTIVE AND DESCRIPTION OF THE PROGRAM is: 1) Promote and increase food safety in all the island, and 2) Improve and expand the agricultural production related to economic revitalization and the development of activities. Also, the

*program will work to promote the diversification of crops and increase the production of agricultural products that are consumed locally....*

*We respectfully understand that as the agriculture is a component of working the land and intense manufacture, the Committee that will evaluate the use of those funds must pay particular attention to the milk industry in PR. Its development will result in a high potential of reaching food independence and self-sufficiency in our island. The meat, milk and countless food options of milk byproducts that are still without elaboration in PR, and which CDBG funds could be used for are just right for the correct use of the CDBG funds.*

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*We humbly request to take into consideration 80% of the PR agriculture, -the milk sector- and to destine 15%-20% of that amount to promote and position the cattle industry and milk manufacture so that PR has a prosperous future in accordance with the purposes of the law, federal regulation and the proper use of the CDBG funds. Self-sufficiency and retention of agricultural funds depends on those funds."*

*Sincerely.*

*Francisco A. Feliú Nigaglioni, Esq."*

**PRDOH Response:**

*The RE-GROW PR Urban-Rural Agriculture Program is a food safety initiative that can bring assistance to agricultural, cattle or aquaculture installations, at small and large scale in urban or rural areas. PRDOH values your thorough comments and will take them into consideration during the development process of the RE-GROW PR Urban-Rural Agriculture Program and the Economic Development Investment Portfolio for Growth Program. We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about the eligibility criteria of these programs as they are available.*

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Comment ID: 2020-05-11\_WP\_I\_Luisa Torres (1)

**Comment:** [In response to JOANETTE LOPEZ]

*"I ask for information to contact PRDOH as they never responded to my request under FEMA STEP and after it ended PRDOH has not followed up with those left forgotten. I want more guidance"*

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (Non-substantial amendment). The CDBG-DR Puerto Rico Program has created a section in its webpage in which the applicants of the *Home Repair, Reconstruction, or Relocation Program* (R3) can verify the status of the application. It is important to mention that the R3 Program is different and separate from the FEMA Sheltering and Temporary Essential Power Program (FEMA STEP). Please, follow the following link to verify the status of your application: <https://www.cdbg-dr.pr.gov/r3/>. You can also contact by telephone at: 1-833-234-2324.

If you have not applied to the *Home Repair, Reconstruction, or Relocation Program* (R3) but are interested in it, we regret to inform that the Program is currently full for available funding. However, at the following link you can enter your information to be notified in case additional funding is provided: <https://www.cdbg-dr.pr.gov/notifications>. Also, the CDBG-DR Program will notify you of other programs that can be for your benefit in the future. If you decide to present your information you will be notified if the R3 Programs reopens to receive applications. This does not constitute a waiting list or any type of priority, but all the individuals that send their information will be similarly notified of future opportunities.

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Comment ID: 2020-05-11\_WP\_I\_Alberto Álvarez (1)

**Comment:** [In response to Normarie Mirabal]

*"I am in agreement with the colleague. You should not have eliminated the subsidized mortgage. The closing of a main residence of mine is scheduled for next month. I am of the first response personnel and qualify for the program. Also, that program must be at the first stage (1.7 billion) already allocated. We are the ones that work to be able to buy a home and that money would quite help us. I hope that it is retroactive if one already bought the property and use the allocation for the payment of principal or refinance to lower the monthly payment. It is an excellent opportunity for the first response personnel. I hope it is made available immediately.*

*The Energetic Resilience program is another that should begin already and it is a complement of the previous one to prepare the homes with renewable energy"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for



the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-11\_WP\_I\_Alberto Álvarez (2)

**Comment:** [In response to Janet Negron]

*"Yes that grant must not be eliminated and must be retroactive for the persons that already bought their first residence"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-11\_WP\_I\_Alberto Álvarez (3)

**Comment:** [In response to Coral Ortiz]

*"I support what was said by the colleague."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-11\_WP\_I\_Alberto Álvarez (4)

**Comment:** [In response to Josué Delerme]

*"I second the comment"*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-11\_WP\_I\_Librada Ramos (1)

**Comment:** *"Awaiting the help and so much changes. I am registered for the recovery and protection of my home. I am waiting."*

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (Non-substantial amendment). We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about the launching of the programs and policies. If you applied for the R3 Program and want to know the status of your application, please follow the following link: <https://www.cdbg-dr.pr.gov/r3/>. You can also contact by telephone at: 1-833-234-2324.

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Comment ID: 2020-05-11\_WP\_I\_Alberto Álvarez (5)

**Comment:** [In response to RAYMOND GARCIA]

*"As you can see, most of the comments are about the Homebuyers Assistance Program. We are first responders with the need to purchase our first home or we already bought it and need its application to be in this first stage. Those who already bought need it to be retroactive to apply it to the principal or refinance to lower the monthly payment. You must not eliminate the subsidized mortgage. The first response workers must be guaranteed that benefit to be able to purchase a home for our families. Also to help the community of which we will be a part of upon buying such home."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-12\_WP\_I\_Richard Lee Cuevas (1)

**Comment:** *"We need for the actions of the plans for the development of business incubators to be better distributed in the west coast of the island. At the time we do not see the presence of the CDBG-DR programs and funds in this area. We feel completely forgotten and abandoned. I manage a non-profit entity in the West coast and it is difficult*

*for us to keep up to date with the information to submit proposals and present projects. I would like to be able to present economic development and community resilience plans, thank you."*

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (substantial amendment). The housing programs included in the Action Plan do not have geographic restrictions. The whole island of Puerto Rico is considered an eligible area for all housing programs. The CDBG-DR Puerto Rico Program values the collaborations with the non-profit entities and enthusiastically awaits to continue the work relationships with these entities during the whole recovery process. The interested parties must keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for information about the eligibility criteria of the projects as they are available. We urge you to contact the PRDOH to include your organization in the Citizen Counsel Committee. The Counsel Committee is an open space to discuss initiatives that benefit different sectors.

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Comment ID: 2020-05-13\_E\_I\_Guillermo Sosa (1)

**Comment:** *"My comments to the Action Plan:*

*The amount of effort and care invested in the preparation of this Plan is evident. We must recognize, however, how difficult it must have been to identify and quantify elements that impact the urgent needs of Puerto Rico. To that effect the following comments are offered for consideration in the analysis:*

PRDOH

*1. COVID-19. It is now conservatively projected that United States will surpass 140,000 deaths at the end of 2020. This, if the current rate of deaths is controlled and there is no second wave of cases at the end of the year, which is highly unlikely given the current emphasis in reactivating the economy. For us this implies a quick increase of travelers to the Island, particularly due to the perception that exists that we have been successful in controlling the pandemic. This increase of visitors could represent 15,000 to 18,000 deaths in the Island given that our scenario is so similar to the neighborhoods of the city of New York (overcrowding, poverty, high percentage of elderly persons). In the next three months we will know if this will really be the case.*

*2. The hurricane season begins in a month and the projection is for higher than normal activity.*

*3. Nobody has any idea of how the seismic activity that currently affects us is going to evolve.*

*4. It is necessary to re-evaluate the impact of heavy sea floods considering the increase in coast erosion that we are living.*

5. We have to re-evaluate the population dynamic in the Island in the case that the United States enters a period of continued economic regression, which is a concern of the principal economists and financiers of the Nation.

*These five factors must make use rethink for who we are rebuilding the home affected by hurricanes Irma and María and seismic activity. What is the population going to be in the areas currently affected and those that are threatened by economic recession that the American nation lives? Will there be sufficient poor old people to occupy the homes in construction or are we going to face thousands of people with assisted living needs without places to live? Where are the jobs to generate buyers for the existent inventory of unoccupied homes? What is Plan B in case that the frequency and severity of the heavy seas increases in places like Ocean Park, Isla Verde, Loiza [sic], Naguabo, Humacao y Salinas among others?*

## ECONOMY

*The Plan recognizes the opportunity that the federal contribution available represents to revitalize the economy in the Island. However, it appears not to put sufficient emphasis in three neuralgic areas:*

*1. Agriculture. With more than 40% of its farming lands unused due to the effects of years of severe drought, United States is close to becoming a net importer country of food instead of the net exporter of food that it has traditionally been. Hence, the emphasis in the development of urban gardens. Puerto Rico, importer of more than 80% of its food, runs a potential risk of scarcity of food in case of any significant adverse climatic event in the 48 continental states. The Plan does not emphasize this segment despite that it is one of the economic segments that most quickly can be reestablished and expanded. It is also one of the segments that requires the least investment capital per job generated or recovered. It should also be mentioned that to develop this segment, there are premium resources available in our associated universities and institutions abroad (this is why it does not make sense that the Mayagüez Campus inhibits from submitting proposals to CDBG-DR).*

*2. Small Businesses. 50% of the North American economy depends on small businesses that, at the same time have been the most impacted by the pandemic in course. In Puerto Rico, the economic dependence on the PYMES is even greater. If the Puerto Rico economy needs a short term impulse, why not incentivize agro industrial products? There are many examples of opportunities of development at the level of grouping of community micro-companies. For illustrative purposes, I use as an example of easy implementation the air filters and insect repellents based on natural plants. These require little capital, use existent technology and techniques in the Island and have price structures that are attractive for the markets.*

*3. Reinvention of Tourism. The biggest chains like Hilton, already begun the re-engineering of their operations to cover the needs and expectations of a clientele in the pandemic world. The expectation, however, is that it will not be until mid-2023 that the levels of occupation of 2018 are reached. But our tourism has additional components, such as*

internal tourism, the one of Cuenca del Caribe and the diaspora, that require hostelries with other cost structures. There appears to be no aggressive strategy to satisfy and grow this demand following the health lineaments of chains like Hilton.

A possible alternative could be to separate, let's say \$200 million, in a revolving fund for loans without interest up to a maximum of two million dollars for business initiatives of Agricultural industry and mini community hostelries with the potential to reach its threshold of profitability in no more than two years after the approval of the loan.

#### INFRASTRUCTURE

The Achilles heel of any effort to reindustrialize the Island is not going to be electricity or transport. It will be drinkable water (the main resource that, for example, the agricultural industry and the pharmaceutical industry require). The dredging of reservoirs has been neglected, putting even the "Supertubo" utility at risk. The essential aquifers have been contaminated and taken to full capacity and the alternatives of desalination of salubrious water have been ignored (as an example, at the Hiram Bithorn there is a salubrious water well with the capacity to supply the drinkable water needs of all of Puerto Nuevo). Desalination of salubrious water now uses technologies that bring the cost per gallon closer to the cost of processing water coming from reservoirs.

I will gladly provide clarifications that may be relevant to the work teams of the Plan.

Guillermo Sosa"

#### **PRDOH Response:**

The PRDOH appreciates and values your thorough suggestions and will take them into consideration in the development of various existing programs which objectives are similar to those of your suggestions. Among these programs are:

- Community Energy and Water Resilience Installations Program
- Construction and Commercial Revolving Loan Program
- Critical Infrastructure Resilience Program
- Economic Development Investment Portfolio for Growth Program
- RE-GROW PR Urban-Rural Agriculture Program
- Small Business Financing Program
- Small Business Incubators and Accelerators Program
- Tourism and Business Marketing Program

We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to be informed about the publication of the program guidelines and policies once they are available.

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Comment ID: 2020-05-13\_WP\_I\_Alexis Cordero (1)

**Comment:** *"I suggest that the personnel that works in essential services such as AAA that also were part of the crucial recovery workers after the hurricane and worked relentlessly to reestablish service to the communities to be included in the Homebuyer Assistance Program. We are never considered or included in bonds or benefits, even now with the pandemic that we keep working to provide such an important service that is water. It is time for us to be considered and also provide us with the help we need, and not to continue to discredit and marginalize us."*

**PRDOH Response:**

Thank you for your interest in the Homebuyer Assistance Program. The Department will take into consideration your suggestion in the design of the program guidelines. At this time, the program will give priority to the eligible families where there is one or various residents that are documented members of the Crucial Recovery Workers (CRW). However, the program is not exclusively limited to this population. Please consult pages 164-168 of this Action Plan Amendment 4 (Substantial Amendment). The application periods, documents and processes used to determine eligibility will be detailed in the program guidelines. The program guidelines and policies will be published in the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-13\_WP\_I\_Guillermo Sosa (2)

**Comment:** *"Guillermo Sosa*

*The amount of effort and care invested in the preparation of this Plan is evident. We must recognize, however, how difficult it must have been to identify and quantify elements that impact the urgent needs of Puerto Rico. To that effect the following comments are offered for consideration in the analysis:*

PRDOH

1. COVID-19. It is now conservatively projected that United States will surpass 140,000 deaths at the end of 2020. This, if the current rate of deaths is controlled and there is no second wave of cases at the end of the year, which is highly unlikely given the current emphasis in reactivating the economy. For us this implies a quick increase of travelers to the Island, particularly due to the perception that exists that we have been successful in controlling the pandemic. This increase of visitors could represent 15,000 to 18,000 deaths in the Island given that our scenario is so similar to the neighborhoods of the city of New York (overcrowding, poverty, high percentage of elderly persons). In the next three months we will know if this will really be the case.
2. The hurricane season begins in a month and the projection is for higher than normal activity.

3. Nobody has any idea of how the seismic activity that currently affects us is going to evolve.

4. It is necessary to re-evaluate the impact of heavy sea floods considering the increase in coast erosion that we are living.

5. We have to re-evaluate the population dynamic in the Island in the case that the United States enters a period of continued economic regression, which is a concern of the principal economists and financiers of the Nation.

These five factors must make us rethink for who we are rebuilding the home affected by hurricanes Irma and María and seismic activity. What is the population going to be in the areas currently affected and those that are threatened by economic recession that the American nation lives? Will there be sufficient poor old people to occupy the homes in construction or are we going to face thousands of people with assisted living needs without places to live? Where are the jobs to generate buyers for the existent inventory of unoccupied homes? What is Plan B in case that the frequency and severity of the heavy seas increases in places like Ocean Park, Isla Verde, Loiza [sic], Naguabo, Humacao y Salinas among others?

#### ECONOMY

The Plan recognizes the opportunity that the federal contribution available represents to revitalize the economy in the Island. However, it appears not to put sufficient emphasis in three neuralgic areas:

1. Agriculture. With more than 40% of its farming lands unused due to the effects of years of severe drought, United States is close to becoming a net importer country of food instead of the net exporter of food that it has traditionally been. Hence, the emphasis in the development of urban gardens. Puerto Rico, importer of more than 80% of its food, runs a potential risk of scarcity of food in case of any significant adverse climatic event in the 48 continental states. The Plan does not emphasize this segment despite that it is one of the economic segments that most quickly can be reestablished and expanded. It is also one of the segments that requires the least investment capital per job generated or recovered. It should also be mentioned that to develop this segment, there are premium resources available in our associated universities and institutions abroad (this is why it does not make sense that the Mayagüez Campus inhibits from submitting proposals to CDBG-DR).

2. Small Businesses. 50% of the North American economy depends on small businesses that, at the same time have been the most impacted by the pandemic in course. In Puerto Rico, the economic dependency on the PYMES is even greater. If the Puerto Rico economy needs a short term impulse, why not incentivize agro industrial products? There are many examples of opportunities of development at the level of grouping of community micro-companies. For illustrative purposes, I use as an example of easy implementation the air filters and insect repellents based on natural plants. These require

*little capital, use existent technology and techniques in the Island and have price structures that are attractive for the markets.*

*3. Reinvention of Tourism. The biggest chains like Hilton, already begun the re-engineering of their operations to cover the needs and expectations of a clientele in the pandemic world. The expectation, whoever, is that it will not be until mid-2023 that the levels of occupation of 2018 are reached. But our tourism has additional components, such as internal tourism, the one of Cuenca del Caribe and the diaspora, that require hostelries with other cost structures. There appears to be no aggressive strategy to satisfy and grow this demand following the health lineaments of chains like Hilton.*

*A possible alternative could be to separate, let's say \$200 million, in a revolving fund for loans without interest up to a maximum of two million dollars for business initiatives of Agricultural industry and mini community hostelries with the potential to reach its threshold of profitability in no more than two years after the approval of the loan.*

#### **INFRASTRUCTURE**

*The Achilles heel of any effort to reindustrialize the Island is not going to be electricity or transport. It will be drinkable water (the main resource that, for example, the agricultural industry and the pharmaceutical industry require). The dredging of reservoirs has been neglected, putting even the "Supertubo" utility at risk. The essential aquifers have been contaminated and taken to full capacity and the alternatives of desalination of salubrious water have been ignored (as an example, at the Hiram Bithorn there is a salubrious water well with the capacity to supply the drinkable water needs of all of Puerto Nuevo). Desalination of salubrious water now uses technologies that bring the cost per gallon closer to the cost of processing water coming from reservoirs.*

*I will gladly provide clarifications that may be relevant to the work teams of the Plan.*

*Guillermo Sosa"*

#### **PRDOH Response:**

The PRDOH appreciates and values your thorough suggestions and will take them into consideration in the development of various existing programs which objectives are similar to those of your suggestions. Among these programs are:

- Community Energy and Water Resilience Installations Program
- Construction and Commercial Revolving Loan Program
- Critical Infrastructure Resilience Program
- Economic Development Investment Portfolio for Growth Program
- RE-GROW PR Urban-Rural Agriculture Program
- Small Business Financing Program
- Small Business Incubators and Accelerators Program
- Tourism and Business Marketing Program

We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to be informed about the publication of the program guidelines and policies once they are available.



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Comment ID: 2020-05-13\_WP\_I\_Eugenio Cordero (1)

**Comment:** *"It is greatly important that the grant of subsidized mortgage continues in effect for the crucial recovery workers, of the homebuyers assistance program. DO NOT ELIMINATE IT, we deserve the assistance. As a result of hurricane María we have had many economic losses and is still complicated by the current situation. I hope it can begin as soon as possible."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-13\_E\_I\_Eugenio Cordero (2)

**Comment:** *"It is greatly important for the grant of subsidized mortgage to continue in effect for the crucial recovery workers of the Homebuyer Assistance Program. DO NOT ELIMINATE IT, we deserve the assistance. As a result of hurricane María we have had many economic losses and even complicated by the current situation. I hope it can begin as soon as possible."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-14\_WP\_I\_Normarie Mirabal(1)

**Comment:** [In response to Alberto Alvarez]

*"Thank you for your comment, without a doubt we hope that you do not eliminate the grant of subsidized mortgage for members of the crucial recovery workers, it the fairest*

and what we need. It is a program that is already approved and with a budget of \$350,000,000 million.

Yes, colleague, the mortgage assistance establishes it is to reduce the principal of the loan and/or refinancing interest costs (for already existing mortgages)."

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-14\_E\_PS\_Center for the Habitat's Reconstruction  
\_Marina Moscoso Arabia (1)

**Comment:** "We submit for your consideration the comments (with attachments) of the Center for the Habitat's Reconstruction regarding the fourth substantial amendment to the Action Plan for CDBG-DR funds. For any doubt or concern you can contact us by e-mail or calling 787-396-6606. We appreciate that you acknowledge receipt.

Sincerely,

Marina Moscoso Arabia

Co-director

VIA E-MAIL

May 11, 2020

Luis C. Fernández Trinchet

Secretary

PRDOH

PO Box 21365

San Juan, PR 00928-1365

infoCDBG@vivienda.pr.gov

Re: Comments to the draft of the CDBG-DR Action Plan Substantial Amendment 4

Dear Mr. Fernández Trinchet:

*Cordial greetings. As a non-profit organization dedicated to promoting alternatives for the adequate management of the abandoned properties in Puerto Rico, we submit our comments to the Action Plan Substantial Agreement 4, for the use of CDBG-DR funds. In keeping with public policy and the objective of achieving a comprehensive long-term recovery, our recommendations seek to address the problem caused by tens of thousands of damaged properties, that as of today, threaten the safety and health for being in the condition of public nuisances as well as the need to develop the enormous existent inventory of abandoned properties in order to provide our communities and municipalities opportunities for the development of affordable housing projects, public space, urban revitalization, mitigation and economic stimulus, among others.*

*This is even more pressing at times that the continuous seismic activity and the fight to control the propagation of Covid-19 are adding challenges in the housing area and the recovery of the country. If you have any concern do not hesitate to contact us calling 787-396-6606 or writing to a [info@crhpr.org](mailto:info@crhpr.org). We remain at your service reiterating our availability.*

*Cordially,  
Marina Moscoso  
Co-director*

#### COMMENTS AND RECOMMENDATIONS

##### *Municipal Recovery Planning Program*

*In accordance with the data of the US-Census (ACS, 2018) 22% of the housing units in Puerto Rico are vacant. With figures that exceed 40% in various municipalities of the island. The majority of the municipalities do not have the necessary information and the human resources to incorporate a recovery strategy of these properties as integral part of its recovery plan.*

*Recommendation – Integrate in the guides of the program the taking of detailed georeferenced inventories of properties in disuse and/or in ruins. Particularly, the municipalities must take those inventories in urban centers (in accordance with the City Revitalization Program), communities settled in floodable zones or prone to landslides and areas identified as special interest. This effort must be supplemented with the training of personnel and the adoption of procedures and mechanisms to be able to acquire and dispose of these properties as alternative for the municipalities to be better prepared for a future implementation stage of their recovery plans.*

##### *Whole Community Resilience Program*

*The communities are the ones that ultimately, more directly suffer the multiple negative consequences associated with the presence of vacant properties. On the contrary, these properties must and can be transformed into assets to satisfy the needs of the community, achieve its recovery and increase its resilience capacity.*

*Recommendation – Integrate the strategy of taking inventories of properties in disuse, abandoned and/or in ruins as fundamental part in the elaboration of community resilience plans. Articulate this strategy with the Community Resilience Centers program.*

#### *Home Repair, Reconstruction, or Relocation Program*

*There is a great number of families with different vulnerability levels residing in communities located in floodable areas in which it is considered not viable to carry out mitigation works. However, soft mitigation such as the repair and reconstruction of abandoned properties located in safe areas is an opportunity to offer housing alternatives to those families that want to relocate within their same community or in a community close by. This is a great opportunity to achieve, on the one hand, relocation procedures that are fairer, inclusive, cost-effective and environmentally sustainable and, on the other hand, clarify title and tax debt situations that cause that many properties remain vacant when they could be available to offer as affordable housing alternatives (even in the regular housing market) for individuals and families of low and moderate income. Finally, the implementation of the R3 program, lacking integral plans of community resilience that integrate detailed inventories of vacant properties, among other fundamental information, is highly worrisome, as it also significantly reduces the relocation options that could be available as part of the program.*

*Recommendation – The implementation of the R3 program, far from being done in an isolated manner, must be articulated with the municipal and community planning with the intention of offering the affected families alternatives of relocation in their own communities and municipalities. Therefore, the importance of taking updated inventories of vacant properties is reiterated as an integral part in the elaboration of municipal and community plans.*

*On the other hand, following the implementation of the R3 program, many properties will be “ruled out” from repair or rebuilding with a high probability of them remaining affected and abandoned indefinitely; even, as public nuisances. However, despite the increase in the funds allocated to the R3 program, it does not contemplate any measure for the adequate disposal of these properties. Neither does any other program included in the Action Plan.*

*Recommendation – Integrate an abatement component of properties in disuse, abandoned and/or in ruins to the Action Plan as a fundamental plan of the long-term recovery process. It is crucial for this effort to be coordinated with the municipalities given their legal faculty to clarify property titles and tax debts through processes of public nuisance declaration. While it is true that the component of management and disposal of properties in disuse, abandoned and/or in ruins can be worked through the R3 program, among other programs, we have previously recommended to consider integrating it as an independent plan within the Action Plan due to its importance. (See Attachment with recommendations adopting the format of the Plan)*

#### *RE-GROW PR Urban-Rural Agriculture Program*

While it is correct that the program addresses the need to give a productive use to sites in disuse or deteriorated structures in urban centers, the generation of construction materials debris that will have to be deposited in the already saturated landfills of the country will have to be minimized and other environmental impacts mitigated.

Recommendation – Integrate the strategy of taking inventories of properties in disuse, abandoned and/or in ruins in an articulate way with the municipal planning program. In addition, a design perspective focused in adaptive reuse of structures or existent ruins must be incorporated to minimize the demolition activity.

Other programs

Prioritize the recovery and reutilization of vacant properties and define special interest zone (as can be traditional urban centers) to direct long-term redevelopment processes towards those areas that already have basic infrastructure must be transverse to the general recovery effort. Which is why we are recommending to incorporate these premises to the language of the aforementioned programs and to other programs of the Action Plan, like the Social Interest Housing Program or the CDBG-DR Gap Program of Low Income Housing Tax Credits (LIHTC), among others.”

**PRDOH Response:**

The PRDOH appreciates and values your thorough suggestions and will take them into consideration. We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to be informed about the publication of the program guidelines and policies once they are available.

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Comment ID: 2020-05-14\_E\_I\_Normarie Mirabal (1)

**Comment:** “Good afternoon! See attached letter. Thank you very much!

May 6, 2020

Hon. Wanda Vazquez Garced  
Governor of Puerto Rico  
Vía E-Mail: [gobemadora@fortaleza.pr.gov](mailto:gobemadora@fortaleza.pr.gov)

Luis Carlos Fernández Trinchet  
Secretary  
Department of Housing  
Vía E-Mail: [info@vivienda.pr.gov](mailto:info@vivienda.pr.gov)

Re: Matter: Funds CBDG-DR 2017 Puerto Rico

Cordial Greetings!

On March 30, 2020, the action plan amendment 4 has been published at PRDOH's website and it is open to public comments until May 15, 2020.

One of the changes proposed in the 4<sup>th</sup> substantial amendment is: the elimination of the assistance for subsidized mortgage for members of the crucial recovery workers (public order officers, teachers, emergency services personnel, health professionals etc...) which would adjudicate an assistance of up to \$35,000 dollars per family for the subsidy of an already existent mortgage. This assistance is within the Homebuyer Assistance Program at pages 164 to 168 of the action plan.

After waiting years for the federal government to allocate billion dollar funds for recovery of Hurricane María and waiting for the signing of the agreement, now without just cause you want to eliminate this assistance already approved by HUD> It is disappointing that this is happening as it is an assistance that still is extremely necessary for the working class in Puerto Rico and even more in these difficult times we are going through the Covid-19 pandemic which corroborate the need to assist the members of the crucial workers.

Respectfully I am convinced that this Subsidized Mortgage must remain in the Action Plan and it must begin in the program as soon as possible within the circumstances of the country, it is the most equitable for each worker that would so qualify. I hope you take notice of this matter and help us.

Sincerely,

Normarie Mirabal Rivas"

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)

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Comment ID: 2020-05-15\_WP\_PS\_Department of Development of Agriculture and Livestock Indulac\_Julio César Meléndez Morales (1)

**Comment:** "COMMENTS TO ACTION PLAN FOR THE USE OF CDBG FUNDS

To whom it may concern:

The production of raw milk in Puerto Rico is the main agricultural activity in Puerto Rico and satisfies practically 100 % of the consumption needs of fluid dairy product in the Island. Also, the Puerto Rican milk industry has a multiplying effect that affects other farming sectors, in manufacture, distribution of foods and retail sales; strengthening the Puerto Rican economy and providing food safety to the island. The activities of livestock operations in Puerto Rico generate over \$500 million (MM) in sales when considering the aforementioned multiplying effect, creating some 16,000 direct and indirect jobs.

The passing of Hurricanes Irma and María on September 6 and 20, 2017, respectively, left great losses in agricultural operations in the Island. Therefore, it is fundamental to channel the funds of the Community Development Block Grant (CDBG), approved on August 14, 2018 through 83 CFR 40314, ascending to \$8.2B, in the most efficient way possible and where their investment can be measured better.

On the other hand, looking for a vertical integration of the milk production sector in September 2015, a group of cattle farmers, members of the Puerto Rico Milk Producers Credit Union (COOPPLE), obtained a permit from the Corporation for the Supervision and Insurance of Credit Unions in Puerto Rico (COOSSEC) to operate as a Credit Union in the Island. A year later, COOPPLE acquired the shares of the Milk Industry of Puerto Rico, Inc. (Indulac), with it becoming a subsidiary of the credit union. The manufacturing plant is located in 198 Chardón Avenue in Hato Rey and has a controlled temperature warehouse for finished product in the Media Luna Neighborhood of Toa Baja, Puerto Rico.

Presently, COOPPLE is composed of more than 60 % of the Cattle Farmers that possess a license issued by the Office for the Regulation of the Milk Industry (ORIL, for its Spanish acronym), affiliated to the Department of Agriculture. These partners are members of the Milk Sector of the Farmers Association of Puerto Rico (the Sector), composed by 235 cattle farmers with license issued by ORIL to produce raw Grade A milk in 255 cattle farms throughout the whole Island. In turn, COOPPLE is open to every cattle farmer of the Sector that wants to belong to the credit union.

COOPPLE, through its subsidiary Indulac, is the main manufacturer of UHT milk and cheeses, is also the only one that manufactures butter and evaporated milk in the Island. COOPPLE in addition to offering services to its cattle farmer partners, offers services to the producers of the Sector and to other components of the industry such as manufacturers and distributors of dairy products.

The passing of the hurricanes and the approval of the CDBG funds provide an opportunity to rethink certain operations in Indulac / COOPPLE to manage the raw milk of its cattle farmer partners more efficiently. Also, to offer greater services to the components of the milk industry in the Island, in addition to developing new products that satisfy the needs of the consumer and the markets in growth as are the production of cheeses and yogurt.

This is why since May 2018, the managerial personnel of COOPPLE / Indulac has participated in meetings with personnel of the PRDOH and Economic Development and

Commerce (DDEC) and the Puerto Rico Industrial Development Company (PRIDCO), to examine the possibility of COOPPLE / Indulac participating in the use of the CDBG funds.

Therefore, we respectfully request to evaluate separating an item of the CDBG funds, under the economic development and manufacture segment to grant to COOPPLE that would be invested in its manufacturing plant Indulac. The granting of those funds would be to acquire modern and efficient equipment for the elaboration of dairy product, make the Puerto Rican milk industry more resilient and offer greater food safety to the Island's consumers.

To obtain more information and details, regarding this proposal, or should you have any question about it feel free to contact:

Francisco Oramas Irizarry  
Indulac Executive President

Julio César Meléndez Morales  
COOPPLE Acting Executive Director  
Director of Indulac Agriculture and Livestock Development Program

Francisco A. Feliú Nigaglioni, Esq.  
Indulac Consultant"

#### **PRDOH Response:**

The PRDOH appreciates your suggestion and will take this information in consideration during the development of the programs described in the Action Plan Amendment 4 (substantial amendment). We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) where the guidelines of all programs are published and where you may also see the program guidelines and policies of the programs such as RE-GROW PR Urban-Rural Agriculture Program and the Economic Development Investment Portfolio for Growth Program, when they are available.

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Comment ID: 2020-05-15\_E\_PS\_Indulac \_Julio César Meléndez Morales (2)

#### **Comment:** "COMMENTS TO THE ACTION PLAN FOR THE USE OF CDBG FUNDS

To whom it may concern:

The production of raw milk in Puerto Rico is the main agricultural activity in Puerto Rico and satisfies practically 100 % of the consumption needs of fluid dairy product in the Island. Also, the Puerto Rican milk industry has a multiplying effect that affects other farming sectors, in manufacture, distribution of foods and retail sales; strengthening the Puerto Rican economy and providing food safety to the island. The activities of livestock operations in Puerto Rico generate over \$500 million (MM) in sales when considering the aforementioned multiplying effect, creating some 16,000 direct and indirect jobs.



The passing of Hurricanes Irma and María on September 6 and 20, 2017, respectively, left great losses in agricultural operations in the Island. Therefore, it is fundamental to channel the funds of the Community Development Block Grant (CDBG), approved on August 14, 2018 through 83 CFR 40314, ascending to \$8.2B, in the most efficient way possible and where their investment can be measured better.

On the other hand, looking for a vertical integration of the milk production sector in September 2015, a group of cattle farmers, members of the Puerto Rico Milk Producers Credit Union (COOPPLE), obtained a permit from the Corporation for the Supervision and Insurance of Credit Unions in Puerto Rico (COOSSEC) to operate as a Credit Union in the Island. A year later, COOPPLE acquired the shares of the Milk Industry of Puerto Rico, Inc. (Indulac), with it becoming a subsidiary of the credit union. The manufacturing plant is located in 198 Chardón Avenue in Hato Rey and has a controlled temperature warehouse for finished product in the Media Luna Neighborhood of Toa Baja, Puerto Rico.

Presently, COOPPLE is composed of more than 60 % of the Cattle Farmers that possess a license issued by the Office for the Regulation of the Milk Industry (ORIL, for its Spanish acronym), affiliated to the Department of Agriculture. These partners are members of the Milk Sector of the Farmers Association of Puerto Rico (the Sector), composed by 235 cattle farmers with license issued by ORIL to produce raw Grade A milk in 255 cattle farms throughout the whole Island. In turn, COOPPLE is open to every cattle farmer of the Sector that wants to belong to the credit union.

COOPPLE, through its subsidiary Indulac, is the main manufacturer of UHT milk and cheeses, is also the only one that manufactures butter and evaporated milk in the Island. COOPPLE in addition to offering services to its cattle farmer partners, offers services to the producers of the Sector and to other components of the industry such as manufacturers and distributors of dairy products.

The passing of the hurricanes and the approval of the CDBG funds provide an opportunity to rethink certain operations in Indulac / COOPPLE to manage the raw milk of its cattle farmer partners more efficiently. Also, to offer greater services to the components of the milk industry in the Island, in addition to developing new products that satisfy the needs of the consumer and the markets in growth as are the production of cheeses and yogurt.

This is why since May 2018, the managerial personnel of COOPPLE / Indulac has participated in meetings with personnel of the PRDOH and Economic Development and Commerce (DDEC) and the Puerto Rico Industrial Development Company (PRIDCO), to examine the possibility of COOPPLE / Indulac participating of the use of the CDBG funds.

Therefore, we respectfully request to evaluate separating an item of the CDBG funds, under the economic development and manufacture segment to grant to COOPPLE that would be invested in its manufacturing plant Indulac. The granting of those funds would be to acquire modern and efficient equipment for the elaboration of dairy product,

*make the Puerto Rican milk industry more resilient and offer greater food safety to the Island's consumers.*

*To obtain more information and details, regarding this proposal, or should you have any doubt about it feel free to contact:*

*Francisco Oramas Irizarry  
Indulac Executive President*

*Julio César Meléndez Morales  
COOPPLE Acting Executive Director  
Director of Indulac Agriculture and Livestock Development Program*

*Francisco A. Feliú Nigaglioni, Esq.  
Indulac Consultant"*

**PRDOH Response:**

The PRDOH appreciates your suggestion and will take this information into consideration during the development of the programs described in the Action Plan Amendment 4 (substantial amendment). We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) where the guidelines of all programs are published and where you may also see the program guidelines and policies of the programs such as RE-GROW PR Urban-Rural Agriculture Program and the Economic Development Investment Portfolio for Growth Program, when they are available.

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*Comment ID: 2020-05-15\_WP\_GE\_Municipality of Catano\_Ivette Colón Meléndez (1)*

**Comment:** *"Greetings.*

*Attached are the comments of the Municipality of Cataño.*

*Cordially,*

*Plan. Ivette Colón Meléndez  
Director  
Planning Office"*

*May 14, 2020*

*Hon. Luis C. Fernández Trinchet  
Secretary  
Department of Housing*

Government of Puerto Rico  
San Juan, Puerto Rico

COMMENTS TO THE ACTION PLAN FOR THE DISASTER RECOVERY OF THE AUTONOMOUS MUNICIPALITY OF CATAÑO (FOURTH AMENDMENT)

Mr. Secretary of the PRDOH:

We have reviewed the Action Plan Amendment Four for the use of CDBG-DR funds in response to Hurricanes Irma y María (2017) (Draft for comments). The following are our observations:

- In the Program Requirements in the Non-Eligible Activities the subsection indicates "iv. Rehabilitation/reconstruction of a house in that: b. The property was located in a floodable area when the disaster occurred; and c. the owner of the property did not have flood insurance for the property affected ".

We are worried about this aspect given that our reality is that the lower income communities that would qualify for the CDBG-DR funds are located in floodable zones. Many of these houses are informal which aggravates the situation: To that effect, we ask ourselves the following: What alternatives will be provided to these communities that have this situation in a municipality where practically most of its territory is under some classification of floodable zone?

- Allocation of Funds: The Autonomous Municipality of Cataño requires that the investment in infrastructure becomes a reality. The pluvial, sanitary, system; electric system and road require funds for their renovation and reconstruction. As well as the rehabilitation of the Urban Center and connection to the sanitary system of communities that currently do not have this service. With this we can go by the plans that our administration has, so that the economy can operate in all its areas.

Therefore, considering that we are practically in mid-2020, each time it is urgent and necessary for the allocation of funds to be a reality. We are entering a new hurricane season period and the homes of many of our low income residents are still affected by the consequences of hurricanes Irma y María.

- The document indicates that the PRDOH forms part of the Housing for Puerto Rico Work Group, composed by leaders that collaborate and counsel in three critical areas: solutions for informal and deficient housing, prevention and mitigation of mortgage foreclosures, and impact in floodable areas. As indicated, these subcommittees meet periodically to debate in depth about the environmental conditions of the land in Puerto Rico, the resilience driving forces, the political solutions and the achievement of practical solutions for the recovery of Puerto Rico. The work achieved by the committees will be incorporated to the economic plan that the COR3 is developing and that at the same time will be incorporated to the Plan.

*To that effect, it will be of great benefit for the municipalities for you to share a preliminary report of findings that this committee has produced at this time.*

*It is our interest for these funds to be invested as soon as possible in our communities. Our most vulnerable residents need it immediately, at the present time, so we hope that this plan achieves the objectives of a safer society, protect the people and the property, reconstruct families, strengthen the communities, generate long term investment in the social capital and stimulate economic development.*

*Should you have any doubt or need additional information regarding our comments herein, you can directly contact the Plan. Ivette Colón Meléndez, Planning Director of the Municipality at (787) 237-3560 or via e-mail: [icolon@catano.pr.gov](mailto:icolon@catano.pr.gov).*

*With my cordial greetings,*

*Félix D. Delgado Montalvo*

*Mayor"*

**PRDOH Response:**

The PRDOH recognizes that disaster recovery requires a multifaceted method that includes incorporating resilience measures to the most projects financed by the CDBG-DR grant as possible. The municipalities are eligible to apply for the City Revitalization Program, described in the Action Plan, which offers financing for several recovery activities directed towards the revitalization of the urban centers and of the key community passageways. More specific information about the program is found in the program guidelines published in the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The PRDOH values the participation of all municipalities and community groups, and enthusiastically awaits to continue collaborating with the municipalities during the effectiveness of the grant.

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Comment ID: 2020-05-15\_WP\_GE\_ Electric Power Authority \_Nayda D. Simonetti (1)

**Comment** *"See attached document with the comments by AEE*

*May 15, 2020*

*Comments to the Action Plan for the Disaster Recovery for the Use of CDBG-DR funds in response to Hurricanes Irma and María (2017)*

*The Puerto Rico Electric Power Authority recognizes that planning is essential for the preparation and protection upon environmental and natural events and that (the planning) must be incorporated in all development and disaster recovery plans but that also, in daily and normal processes of all components of society. We recognize that the participation of all sectors is a fundamental element to achieve good planning and a*

community and social development that can adequately and successfully respond to any emergency situation.

The Authority, as governmental agency and essential component of the electric infrastructure of Puerto Rico, actively participates in the recovery process of atmospheric and emergency events that affect the Island. For this reason, the Authority wants to make several comments to the "Action Plan for Disaster Recovery, for the Use of CDBG-DR Funds in Response to Hurricanes Irma y María 2017", Action Plan Amendment Four, Comment Period ends on May 15, 2020. These comments are directed towards the Planning Programs section, page 122, Spanish version.

#### Properties Database

- To allow the participation, in addition to the government and the universities, of private sector components, for profit or non-profit, in the studies, inventories, gathering, analysis, definition and use of data, but for the government to be the custodian of the data of properties and use of land, as well as any other information that may be considered sensitive, guaranteeing the availability, good use, updating, but also safety of the data and the citizens.
- That the identification of the properties, with their respective owners or tenants, and the use of land is of great importance and great usefulness in the agencies procedures. One updated database of the properties and use of land would help us in procedures like defining the easements of access, line design procedures, location of new clients, restoration of service, offering of new services, among others.

#### GIS Database

The Authority has a Geographic Information System (SIG, for its Spanish acronym) with information of the electric infrastructure and the geographic location of most of the clients, however, a SIG system with the updated data of the different components of information, including, but not limited to, the properties, uses of lands, floodable zones, protected zones, elevations, aerial photos, critical charges (clients and/or facilities), fauna, flora, utilities, among others, would facilitate not only the response and recovery process upon emergency situations but also the daily processes of the agencies, governmental entities, private companies and the communities themselves.

- Physical addresses – establish methodology and integrated rules but with the participation of the community and the government to:
  - Solely name all the state and municipal roads and all the municipal paths.
  - Assign an identification to all the structures, residential, commercial, industrial and governmental, in such a way that with other components of the address any physical address can be successfully located in Puerto Rico, especially solving the addresses problem in the rural zone.
  - Associate the points of service of the utilities such as electric power and water to the information of the properties.

- o *Define limits and create an official layer of sectors-although for many governmental operations, the definition of the sector is not important, for the Authority it is useful, for example, to report sectors without service. The limits of the neighborhood are a very big definition while at the level of the street or road it may be very small, generating extensive reports and of little usefulness.*
- *Critical charges – During the recovery processes after an atmospheric or emergency event, the Authority reestablishes service as is defined, in its emergency plans. As part of the restoration process, these plans include levels of priority of the critical charges. Among the critical charges are: Emergency Management Offices, hospitals, police stations and firefighters, mayors’ offices, shelters, governmental offices, water pumps, AAA facilities, National Guard facilities, ports and airports, communications infrastructure, citizens with survival equipment, ice plants, malls, among others. Currently there is no uniform definition of this information, and even information of the same kind comes in different formats and data structure, which complicates its use. We suggest the creation of layers of information of critical charges in the SIG of the government, so that it is available and uniform during the restoration process after an emergency.*

*Nayda D. Simonetti Rodríguez  
Department of Information of Distribution Systems  
Superintendent”*

**PRDOH Response:**

The PRDOH appreciates the comments by the Electric Power Authority and will consider these suggestions during the additional development of the program guidelines of Planning Initiatives of Agencies. Thank you for your suggestions regarding the Geographical Information System (SIG).

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Comment ID: 2020-05-15\_WP\_I\_Luis E. Ramos Sanabria (1)

**Comment:** *“Greetings:*

*I am a participant of the R3 program and I have been waiting to be called to see when you will evaluate my house and when it will be appraised I have been waiting for some time and I have not even received a call.”*

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (Non-substantial amendment). The CDBG-DR Puerto Rico Program has created a section in its webpage in which the applicants of the *Home Repair, Reconstruction, or Relocation Program (R3)* can verify the status of the application. It is important to mention that the R3 Program is different and separate from the FEMA Sheltering and Temporary Essential Power Program. Please, follow the following link to verify

the status of your application: <https://www.cdbg-dr.pr.gov/r3/>. You can also contact by telephone at: 1-833-234-2324.

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Comment ID: 2020-05-18\_WP\_I\_Odalis Muler Perero (1)

**Comment:** *"section [sic] 8 for two persons and two dogs"*

**PRDOH Response:**

The PRDOH appreciates your interest in this Action Plan Amendment 4 (Substantial Amendment) of the CDBG-DR Puerto Rico Program. We regret that your comment does not provide us with enough information to provide an answer. We urge you to maintain informed of this Action Plan and the portfolio of CDBG-DR programs at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)

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Comment ID: 2020-05-18\_WP\_I\_Odalis Muler Perero (2)

**Comment:** *"for section 8 I need a house I am disable [sic] please help me"*

**PRDOH Response:**

In the portfolio of CDBG-DR Puerto Rico programs there is the Social Interest Housing Program. The objective of the Program is to provide financing to non-profit organizations that are committed with providing Social Interest Housing and that work with vulnerable populations to ensure accessibility of housing to persons with a wide array of socio-economical, physical, emotional and other disabilities. The Program seeks to expand the existent homes to increase the number of vulnerable persons assisted and/or put the existent homes in appropriate, safe and sanitary conditions, in accordance to all the applicable construction codes, the health and safety norms in the zones affected by disasters. If you want more information about the Program, and to apply, please access the following link: <https://cdbg-dr.pr.gov/programa-de-vivienda-de-interes-social/>.

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Comment ID: 2020-05-18\_WP\_I\_Odalis Muler Perero (3)

**Comment:** *"I do not have a home I need section 8 please help me for us two persons and my two dogs I am disabled please help me"*

**PRDOH Response:**

In the portfolio of CDBG-DR Puerto Rico programs there is the Social Interest Housing Program. The objective of the Program is to provide financing to non-profit organizations that are committed with providing Social Interest Housing and that work with vulnerable populations to ensure accessibility of housing to persons with a wide array of socio-economical, physical, emotional and other disabilities. The

Program seeks to expand the existent homes to increase the number of vulnerable persons assisted and/or put the existent homes in appropriate, safe and sanitary conditions, in accordance to all the applicable construction codes, the health and safety norms in the zones affected by disasters. If you want more information about the Program, and to apply, please access the following link: <https://cdbg-dr.pr.gov/programa-de-vivienda-de-interes-social/>.

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Comment ID: 2020-05-18\_WP\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)

**Comment:** *"Please find a comment letter submitted by Arch Real Estate Holdings*

*Thank you for considering our comments*

*Signed, Paul Saint-Pierre, CFO and Omar Caraballo, Chief Executive Officer"*

[summarized comment]

*"Arch Real Estate Holdings, a private enterprise established to invest in and manage Puerto Rico housing assets, has a core mission to elevate the attention of the world's private sector investment community and to attract long-term capital to invest in Puerto Rico's housing market.*

*We note that the OZ Program is lightly acknowledged in the CDBG-DR Action Plan Amendment 4. This material oversight and understated treatment can be improved in CDBG-DR Action Plan Amendment 4. The point here is that there is already high awareness in the US investment community that a very significant percentage of Puerto Rico is potentially eligible for investment under the OZ Program. As we have witnessed in other parts of America, state and local economic development programs require a coordinated embrace of the OZ Program to realize its vast potential in Puerto Rico.*

*The OZ Program deserves more than just a few mentions in the CDBG-DR Action Plan Amendment 4. The CDBG-DR Action Plan Amendment 4 should prominently promote the OZ Program, including the allocation of significant CDBG-DR funding amounts to enter into the OZ Program Public-Private Partnerships to aggressively address housing conditions and supply-demand issues on a massive and efficient scale. We believe that the CDBG-DR Action Plan Amendment 4 should comprehensively and explicitly exhibit a high preference priority to deploy public sector funds into OZ Program Public-Private Partnerships. The deployment of CDBG-DR funds within OZ Program Public-Private Partnerships will expedite the economic process in Puerto Rico with long-term sustainable positive results.*

*Puerto Rico is competing for OZ investment capital with all other low-income communities across the United States. The wide-spread low-income situation throughout Puerto Rico was recognized by the US Congress in that Puerto Rico, more than any other State, deserved a Super Opportunity Zone to utilize the OZ Program on a massive scale.*



The Puerto Rico public sector, with appropriated federal funds (e.g. CDBG-DR), can immediately leverage on the OZ Program Public-Private Partnerships to trigger the flow of private capital to tackle its housing and economic challenges. The OZ Program is essentially unconstrained in design and application in comparison to the Low-Income Housing Tax Credit program.

We are very enthusiastic to see the inclusion of this Economic Development Investment Portfolio for Growth Program in the CDBG-DR Action Plan Amendment 4. This section favors the Public-Private Partnership business model we discussed above, and it seems to encourage the submission of creative and feasible “project concepts” from qualified sponsors to tackle largescale and complex housing, commercial and economic development initiatives.

We believe this named section of the CDBG-DR Action Plan Amendment 4 is underfunded at \$800 million. The intention of this named section appears to encourage the submission of “project concepts” that are expected to be a mix of a) large-scale regional infrastructure projects and b) mixed-use economic development projects that provide housing and business opportunities. A larger allocation of CDBG-DR funds is warranted to ensure the diversity and feasibility of large-scale project proposals. This named section should explicitly favor the utilization of the OZ Program to maximize the formation of long-term equity capital that is imported into Puerto Rico and that stays in Puerto Rico. An OZ Program Public-Private Partnership focused on the large-scale expansion of workforce rental housing through the acquisition and rehabilitation of vacant single-family properties will yield more immediate and tangible impacts, coupled with higher measurable benefits relative to cost. This named section elaborates on an extended process to nominate project sponsors, submit project concepts, and then to conduct an extensive public review process. We recommend that the PRDOH consider the potential for fast-tracking those project concepts that are structured around the OZ Program.

We have surrounded our company with OZ Program experts and we are available to share their creative concepts of creating OZ Program Public-Private Partnerships for deployment in Puerto Rico.

Paul Saint-Pierre  
Chief Financial Officer”

**PRDOH Response:**

PRDOH appreciates your interest in this CDBG-DR Action Plan Amendment 4 (Substantial Amendment) and thanks you for your comments and suggestions. PRDOH will take this input into consideration during further development of the programs or during development of new programs if additional funding becomes available.

**Comment:** *"Please accept this comment letter*

*Please acknowledge receipt of the comment letter*

*Please advise if I should mail to document by mail*

*Or please call me direct to discuss procedures.*

*Thank you, Paul Saint-Pierre"*

**[summarized comment]**

*"Arch Real Estate Holdings, a private enterprise established to invest in and manage Puerto Rico housing assets, has a core mission to elevate the attention of the world's private sector investment community and to attract long-term capital to invest in Puerto Rico's housing market.*

*We note that the OZ Program is lightly acknowledged in the CDBG-DR Action Plan Amendment 4. This material oversight and understated treatment can be improved in CDBG-DR Action Plan Amendment 4. The point here is that there is already high awareness in the US investment community that a very significant percentage of Puerto Rico is potentially eligible for investment under the OZ Program. As we have witnessed in other parts of America, state and local economic development programs require a coordinated embrace of the OZ Program to realize its vast potential in Puerto Rico.*

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*Puerto Rico is competing for OZ investment capital with all other low-income communities across the United States. The wide-spread low-income situation throughout Puerto Rico was recognized by the US Congress in that Puerto Rico, more than any other State, deserved a Super Opportunity Zone to utilize the OZ Program on a massive scale. The Puerto Rico public sector, with appropriated federal funds (e.g. CDBG-DR), can immediately leverage on the OZ Program Public-Private Partnerships to trigger the flow of private capital to tackle its housing and economic challenges. The OZ Program is essentially unconstrained in design and application in comparison to the Low-Income Housing Tax Credit program.*

*We are very enthusiastic to see the inclusion of this Economic Development Investment Portfolio for Growth Program in the CDBG-DR Action Plan Amendment 4. This section favors the Public-Private Partnership business model we discussed above, and it seems to*

*encourage the submission of creative and feasible “project concepts” from qualified sponsors to tackle largescale and complex housing, commercial and economic development initiatives.*

*We believe this named section of the CDBG-DR Action Plan Amendment 4 is underfunded at \$800 million. The intention of this named section appears to encourage the submission of “project concepts” that are expected to be a mix of a) large-scale regional infrastructure projects and b) mixed-use economic development projects that provide housing and business opportunities. A larger allocation of CDBG-DR funds is warranted to ensure the diversity and feasibility of large-scale project proposals. This named section should explicitly favor the utilization of the OZ Program to maximize the formation of long-term equity capital that is imported into Puerto Rico and that stays in Puerto Rico. An OZ Program Public-Private Partnership focused on the large-scale expansion of workforce rental housing through the acquisition and rehabilitation of vacant single-family properties will yield more immediate and tangible impacts, coupled with higher measurable benefits relative to cost. This named section elaborates on an extended process to nominate project sponsors, submit project concepts, and then to conduct an extensive public review process. We recommend that the PRDOH consider the potential for fast-tracking those project concepts that are structured around the OZ Program.*

*We have surrounded our company with OZ Program experts and we are available to share their creative concepts of creating OZ Program Public-Private Partnerships for deployment in Puerto Rico.*

*Paul Saint-Pierre  
Chief Financial Officer”*

**PRDOH Response:**

PRDOH appreciates your interest in this CDBG-DR Action Plan Amendment 4 (Substantial Amendment) and thanks you for your comments and suggestions. PRDOH will take this input into consideration during further development of the programs or during development of new programs if additional funding becomes available.

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Comment ID: 2020-05-19\_WP\_I\_Alberto Álvarez (1)

**Comment:** *“In response to Eugenio Cordero.*

*That is right. It was already in the plan and should not be eliminated. This will allow the purchase of homes and the first home of first responders personnel to move the economy”*

**PRDOH Response:**

The PRDOH appreciates each one of your comments and will take them into consideration. The application periods, documents and procedures used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-22\_WP\_I\_Odalis Muler Perero (1)

**Comment:** *"I do not have a home I need a home two persons Odalis and Miguel Rivera for Caguas"*

**PRDOH Response:**

In the portfolio of CDBG-DR Puerto Rico programs there is the Social Interest Housing Program. The objective of the Program is to provide financing to non-profit organizations that are committed with providing Social Interest Housing and that work with vulnerable populations to ensure accessibility of housing to persons with a wide array of socio-economical, physical, emotional and other disabilities. The Program seeks to expand the existent homes to increase the number of vulnerable persons assisted and/or put the existent homes in appropriate, safe and sanitary conditions, in accordance to all the applicable construction codes, the health and safety norms in the zones affected by disasters. If you want more information about the Program, and to apply, please access the following link: <https://cdbg-dr.pr.gov/programa-de-vivienda-de-interes-social/>.

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Comment ID: 2020-05-25\_WP\_NGO\_University of Utah\_Ivis Garcia (1)

**Comment:** *"I hereby submit two letters for the Action Plan Substantial Amendment to the Disaster Recovery Action Plan of PR (DRAP), DR-4336.*

*Letters of Planners for Puerto Rico:*

<https://drive.google.com/open?id=1IEVY8QACdceVhI3aypcRa4jVKgR-RMAM>

*Letter by specialist in the planning area for natural disasters:*

<https://drive.google.com/open?id=1DFAHsJooTj2tNJca4gTtnC-vtngl-QKy>

*Greetings and thank you very much!*

*Re: Comments for the Substantial Amendment to the Disaster Recovery Action Plan of PR (DRAP), DR-4336*

*Dear Secretary Fernández-Trinchet,*

*Planners for Puerto Rico is a web of practicing allied academic planners in the United States and Puerto Rico. We have followed closely the recovery process in Puerto Rico after the hurricanes of 2017 Irma and María. Because the DRAP is a map with the route*

towards recovery, it will have an impact in the island for the upcoming generations. Given this, we are pleased the Substantive Amendment proposes some very positive changes in the plan such as increasing the necessary funds for the Home Repair, Reconstruction, or Relocation Program (R3).

However, we are concerned that, even after the substantial changes, the DRAP still does not allow the expenditure of federal funds in the reconstruction of houses located in floodable zones, the reconstruction must include the elevation over the floodable zone, as well as other forms of risk mitigation. We do not have knowledge of any previous case in the USA where the CDBG-DR funds or FEMA HMGP have forbidden their use for the reconstruction and mitigation in flood prone areas. For example, none of the recovery programs of FEMA or FEMA or CDBG has forbidden the reconstruction in flood areas after the recent storms in Texas, hurricane Katrina in Louisiana or hurricane Sandy in New York and New Jersey. In all the preceding cases that we have seen as planners that deal with disasters in the United States, the elevation is always a mitigation option. In fact, the elevation over the base flood is one of the most fundamental ways to mitigate the risk of flood, and the National Insurance Program against Floods (NFIP), explicitly promotes it. The grants of risk mitigation of FEMA frequently pay elevations. And the elevation is not the only way to mitigate the flood threat for the communities in the alluvial plains. Other options include the protection against damp and dry floods, artificial wetlands, dunes, retention of rainwater, dams and other ways to detour. We are bewildered as to why the standard approaches for the flood risk mitigation used extensively in all the continental USA will not be an option for the use of federal funds in Puerto Rico.

Due to this policy, the only option for the Puerto Rican homes that want federal recovery assistance will be the relocation. The acquisition and relocation is certainly a valuable way to mitigate the risk of flood but normally it is an optional option, adequate for the proprietors that prefer to move instead of rebuilding and elevating. For example, the program "Road Home" of \$ 10 thousand million dollars of Louisiana after hurricane Katrina offered the proprietors the option to reconstruct (with mitigation) or to relocate. The majority chose to reconstruct, although many proprietors in areas more prone to floods wisely chose to relocate.

We understand that relocation frequently is a very effective way to reduce the future economic costs of the floods. But the involuntary displacement of homes from their communities, social media and economic opportunities also creates a variety of social and economic costs. A growing body of investigation about the relocation after the disaster documents the negative effects of relocation especially when the residents have not been active participants in the decision to move. The most successful relocation programs after disasters both in the USA and internationally are voluntary and result from participatory community planning.

In a more fundamental level, an important body of recent investigations after the disaster shows that the social capital is frequently as important as the physical characteristics to reduce the economic, social and life costs of natural disasters. The communities are more successful in surviving disasters if they can work together to prepare, respond and rebuild.

*This is sometimes a factor that is more important than its physical surroundings in its capacity to resist and recover from a disaster.*

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*The best way to improve resilience of the communities after disasters is to conduct community planning, as is described in FEMA publication, "Process of planning of long term community recovery". Such process implies recollecting and analyzing information and giving the communities the opportunity of collectively considering the alternate ways of rebuilding in the most resilient way. Relocation can be a part of the solution, but other aspects are also important. The communities, for example, may decide in favor of the relocation, but only if it is done through a collective participatory process of moving together. The current policy only allows the individuals to decide by themselves, in an individual manner. It is not possible for the communities to choose to plan a future together. And in many cases, the communities can discover that they can improve their recovery capacity in a more profitable way if they remain where they are and apply a variety of adaptation strategies.*

*For example, the frame of adaptation and resilience, LA SAFE of the State of Louisiana is designed to support a variety of community options inasmuch as they face the continuous threat of coastal erosion and loss of lands. As a result, the Disaster Recovery Action Plan of PR provides considerable funds for such planning, through the Municipal Recovery Planning Program (MRP) and the Whole Community Resilience Program (WCRP). If the R3 Program were modified to allow a wider array of actions of flood mitigations, it would allow these community planning programs to reach their full potential to entirely improve the resilience to floods of the Puerto Rican municipalities. The Action Plan would be more profitable in the reconstruction of communities if it applied those planning programs to intelligently use the funds of the R3 Program, as well as many of the other community recovery programs in the Action Plan.*

*An additional concern of ours with the R3 Program is with the process of proving that one is the owner of the property. We are concerned that the lack of evidence of ownership will affect the participation of the homes that need repairs. As PRDOH knows well, approximately half of the homes and commercial buildings in Puerto Rico have been built without construction permits or without compliance of the building codes of the use of soil. Also, around 20 percent of the homes in Puerto Rico do not have titles or deeds. The excessive dependence of PRDOH in the information in the Property Registry so the*

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Finally, this review of the Action Plan still says very little about reusing and rehabilitating the vacant housing units in the island, aside from mentioning the 97,000 vacant units in the municipalities of San Juan, Bayamón, Carolina, Ponce and Mayagüez. We, along with many other organizations, are concerned that this is a lost opportunity to rehabilitate properties that can otherwise be a nuisance for their communities, and would be a profitable way to apply federal funds for the creation of housing opportunities in safe places. We urge PRDOH to develop the Action Plan even further to more actively use the R3 program to rehabilitate these properties for future use.

We appreciate your arduous work in the development of these policies to effectively reconstruct Puerto Rico and we appreciate the opportunity to comment on these amendments to the plan.

Sincerely,

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**PRDOH Response:**

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The Title Clearance Program is necessary so the homes built by R3 are duly authorized with their permits pursuant to the Joint Regulation for the Evaluation and Issuance of Permits Related to the Development, Use of Lands and Operation of Businesses (Regulation No. 9081 of June 7, 2019)."

**Comment:** *"Re: Comments for the Action Plan of PR Amendment 4 (Substantial Amendment) to Disaster Recovery Action Plan of PR*

*Dear Secretary Fernández-Trinchet,*

*We are a group of professionals and academics from the USA that specialize in comprehending and improving the recovery of the communities after the disasters in this country. Together we have many decades of experience in seeing how the homes and communities recover after floods, hurricanes and earthquakes in a variety of environments in all the United States.*

*We write this letter to state our firm support to the letters of Planners for Puerto Rico. In particular, we highlight the following points:*

- We have no knowledge of any other case in which the federal funds have strictly forbidden their use for mitigated reconstruction in alluvial plains.*
- Although the relocation is an effective way to reduce future economic losses of floods, it can also have a significant cost for the affected communities.*
- The relocation must be voluntary to be successful.*
- Improving the resistance of the community to floods can be achieved in many ways. The best way to determine the combination of actions that is most appropriate and profitable for a community is through a participatory planning that involves all interested parties of the community.*

- *The Action Plan provides considerable funds for the community planning. This, in place of rigid rules that force the relocation would be the most appropriate vehicle to improve the resistance to floods by Puerto Rican communities.*

*Thank you very much for considering our comments.*

*Donovan Finn, Ph.D.  
Assistant Professor  
School of Marine and Atmospheric Sciences  
Stony Brook University, New York*

*Andrew Rumbach, Ph.D.  
Associate Professor  
Urban and Regional Planning  
University of Colorado Denver*

*James C. Schwab, FAICP  
Jim Schwab Consulting LLC, Principal  
Adjunct Assistant Professor, University of Iowa School of Urban and Regional Planning  
Chair, AP A Hazard Mitigation and Disaster Recovery Planning Division*

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Texas A&M University*

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Sendai, Japan*

*Laurie Johnson, Ph.D., FAICP  
Laurie Johnson Consulting! Research  
San Rafael, California*

*Ann-Margaret Esnard, Ph.D.  
Distinguished University Professor of Public Management and Policy  
Georgia State University*

Sara Hamideh, PhD  
Assistant Professor  
School of Marine and Atmospheric Sciences  
Stony Brook University, New York

Yu Xiao, Ph.D.  
Associate Professor  
Urban Studies and Planning  
Portland State University"

**PRDOH Response:**

PRDOH appreciates the interest of this group of professional planners in this Action Plan Amendment 4 (substantial amendment) of the CDBG-DR Puerto Rico program. PRDOH will take into consideration your comments and suggestions that are applicable to those provided by Planners for Puerto Rico. In addition to the response provided to the comments submitted by Planners, we want to add that the Relocation process under the R3 Programs is voluntary. Currently, the applicants eligible for Relocation in the R3 Program can voluntarily select an existent property or a land for the construction of a new house in safe areas. Meanwhile, the mitigation projects of the different communities continue their planning process. On the other hand, the Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan " (PRDOH URA & ADP GUIDE) has been published. To obtain a copy of these guidelines, please go to the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-25\_E\_NGO\_University of Utah\_Ivis García (1)

**Comment:** *"I hereby submit two letters of comments for the Substantial Amendment to the Disaster Recovery Action Plan of PR (DRAP), DR-4336.*

*One of the letters is of Planners for Puerto Rico and the other are specialists in the planning area for natural disasters.*

*Please let me know if you received this message before the deadline (I believe it is May 31). I only want to make sure they will be taken into consideration. Also I will submit them in the comments page using a link. It was not that clear to me how they should be submitted.*

*Greetings and thank you,*

*Ivis García Zambrana, Ph.D., AICP  
Assistant Professor at the Department of City & Metropolitan Planning  
The University of Utah"*

*"Re: Comments to the Substantial Amendment to the Disaster Recovery Action Plan of PR (DRAP), DR-4336*

*Dear Secretary Fernández-Trinchet,*

*Planners for Puerto Rico is a web of practicing allied academic planners in the United States and Puerto Rico. We have followed closely the recovery process in Puerto Rico after the hurricanes of 2017 Irma and María. Because the DRAP is a map with the route towards recovery, it will have an impact in the island for the upcoming generations. Given this, we are pleased the Substantive Amendment proposes some very positive changes in the plan such as increasing the necessary funds for the Home Repair, Reconstruction, or Relocation Program (R3).*

*However, we are concerned that, even after the substantial changes, the DRAP still does not allow the expenditure of federal funds in the reconstruction of houses located in floodable zones, the reconstruction must include the elevation over the floodable zone, as well as other forms of risk mitigation. We do not have knowledge of any previous case in the USA where the CDBG-DR funds or FEMA HMGP have forbidden their use for the reconstruction and mitigation in flood prone areas. For example, none of the recovery programs of FEMA or FEMA or CDBG has forbidden the reconstruction in flood areas after the recent storms in Texas, hurricane Katrina in Louisiana or hurricane Sandy in New York and New Jersey. In all the preceding cases that we have seen as planners that deal with disasters in the United States, the elevation is always a mitigation option. In fact, the elevation over the base flood is one of the most fundamental ways to mitigate the risk of flood, and the National Insurance Program against Floods (NFIP), explicitly promotes it. The grants of risk mitigation of FEMA frequently pay elevations. And the elevation is not the only way to mitigate the flood threat for the communities in the alluvial plains. Other options include the protection against damp and dry floods, artificial wetlands, dunes, retention of rainwater, dams and other ways to detour. We are bewildered as to why the standard approaches for the flood risk mitigation used extensively in all the continental USA will not be an option for the use of federal funds in Puerto Rico.*

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not been active participants in the decision to move. The most successful relocation programs after disasters both in the USA and internationally are voluntary and result from participatory community planning.

In a more fundamental level, an important body of recent investigations after the disaster shows that the social capital is frequently as important as the physical characteristics to reduce the economic, social and life costs of natural disasters. The communities are more successful in surviving disasters if they can work together to prepare, respond and rebuild. This is sometimes a factor that is more important than its physical surroundings in its capacity to resist and recover from a disaster.

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We appreciate your arduous work in the development of these policies to effectively reconstruct Puerto Rico and we appreciate the opportunity to comment on these amendments to the plan.

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The Title Clearance Program is necessary so the homes built by R3 are duly authorized with their permits pursuant to the Joint Regulation for the Evaluation and Issuance of Permits Related to the Development, Use of Lands and Operation of Businesses (Regulation No. 9081 of June 7, 2019)."

**Comment:** *"Re: Comments to Action Plan Amendment 4 (Substantial Amendment) to the Disaster Recovery Action Plan of PR*

*Dear Secretary Fernández-Trinchet,*

*We are a group of professionals and academics from the USA that specialize in comprehending and improving the recovery of the communities after the disasters in this country. Together we have many decades of experience in seeing how the homes and communities recover after floods, hurricanes and earthquakes in a variety of environments in all the United States.*

*We write this letter to state our firm support to the letters of Planners for Puerto Rico. In particular, we highlight the following points:*

- We have no knowledge of any other case in which the federal funds are forbidden to be used for mitigated reconstruction in alluvial plains.*
- Although the relocation is an effective way to reduce future economic losses of floods, it can also have a significant cost for the affected communities.*

- *The relocation must be voluntary to be successful.*
- *Improving the resistance of the community to floods can be achieved in many ways. The best way to determine the combination of actions that is most appropriate and profitable for a community is through a participatory planning that involves all interested parties of the community.*
- *The Action Plan provides considerable funds for the community planning. This, in place of rigid rules that force the relocation would be the most appropriate vehicle to improve the resistance to floods by Puerto Rican communities.*

*Thank you very much for considering our comments.*

*Donovan Finn, Ph.D.  
Assistant Professor  
School of Marine and Atmospheric Sciences  
Stony Brook University, New York*

*Andrew Rumbach, Ph.D.  
Associate Professor  
Urban and Regional Planning  
University of Colorado Denver*

*James C. Schwab, FAICP  
Jim Schwab Consulting LLC, Principal  
Adjunct Assistant Professor, University of Iowa School of Urban and Regional Planning  
Chair, AP A Hazard Mitigation and Disaster Recovery Planning Division*

*Shannon Van Zandt, Ph.D., AICP  
Associate Professor  
Department of Landscape Architecture and Urban Planning  
Texas A&M University*

*Marla Nelson, PhD, AICP  
Professor  
Master of Urban and Regional Planning Program  
Department of Planning and Urban Studies  
University of New Orleans*

*Kanako Iuchi, Ph.D.  
Associate Professor  
International Research Institute of Disaster Science  
Tohoku University  
Sendai, Japan*

*Laurie Johnson, Ph.D., FAICP*

Laurie Johnson Consulting! Research  
San Rafael, California

Ann-Margaret Esnard, Ph.D.  
Distinguished University Professor of Public Management and Policy  
Georgia State University

Sara Hamideh, PhD  
Assistant Professor  
School of Marine and Atmospheric Sciences  
Stony Brook University, New York

Yu Xiao, Ph.D.  
Associate Professor  
Urban Studies and Planning  
Portland State University"

**PRDOH Response:**

PRDOH appreciates the interest of this group of professional planners in this Action Plan Amendment 4 (substantial amendment) of the CDBG-DR Puerto Rico program. The Department will take into consideration your comments and suggestions that are applicable to those provided by Planners for Puerto Rico. In addition to the response provided to the comments submitted by Planners, we want to add that the Relocation process under the R3 Programs is voluntary. Currently, the applicants eligible for Relocation in the R3 Program can voluntarily select an existent property or land for the construction of a new house in safe areas. Meanwhile, the mitigation projects of the different communities continue their planning process. On the other hand, the Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan " (PRDOH URA & ADP GUIDE) has been published. To obtain a copy of these guidelines, please go to the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-27\_E\_GE\_Municipality of Guayanilla\_Janice Rullán-Borrero (1)

**Comment:** "Greetings.

*Attached are the comments to the Action Plan. Thank you very much.*

Janice Rullán-Borrero JD  
Federal Programs Director  
Municipality of Guayanilla"

*Comment to Disaster Recovery Action Plan Amendment 4*



*The Municipality of Guayanilla, respectfully submits the recommendations we believe are applicable to our Municipality, but that at the same time would be for the benefit and applicable to municipalities with similar characteristics.*

- *The population data must be updated using the last estimates of the survey of the community of 2018 of the Census Office.*
- *Clarification is requested of whether the urban center of Guayanilla is located in a flood zone, can use these funds for “rehabilitation/reconstruction of homes located in the way of rise of bodies of water” because the latter is identified as “Non-eligible activities” at page 108 of the document.*
- *We are concerned by the Whole Community Resilience Program with an allocation of \$55 million to the Foundation for Puerto Rico but that you do not know its results. The municipalities have the capacity to carry out our long term resilience if we are provided the resources.*
- *The Agencies Planning Initiatives Program must indicate that all the information gathered must be accessible to the municipalities, without limitations and bureaucratic requests, for their planning and process and not remain in the PRDOH and Planning Board.*
- *We are concerned that the funds of the Tourism and Business Marketing Program are allocated to the Puerto Rico Destination Marketing Association, Inc. (DMO), this entity has not been capable of developing diversified strategies for tourists to go outside the hotel zones of the metropolitan area of San Juan, Fajardo and Dorado. The Plan must recognize diverse and municipal destinations and even more when after Covid-19 local tourism will be of great hope for municipalities such as Guayanilla. Municipal allocations must be allowed or guaranteeing local and regional tourism companies.*

*Thank you very much and on behalf of the Municipal Administration of Guayanilla and myself we thank you for the opportunity to submit the comments,*

*Respectfully,  
Nelson Torres Roldán  
Mayor”*

**PRDOH Response:**

PRDOH appreciates and will take into consideration your recommendations. Future programs, including those defrayed with the mitigation funds allocation (CDBG-MIT), will be able to consider additional approaches for the matter of reconstruction in risk zones. PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participatory procedures to ensure the opportunity of the communities, non-governmental entities, municipalities and citizens in general to be able to evaluate and propose mitigation measures.

Through direct participation of the governmental agencies, such as PRITS (Puerto Rico Innovation and Technology Service) and the Puerto Rico Planning Board, and

the universities and the private sector, the *Program of Planning Initiatives of the Agency will be carried out* to build the combination of data for the property in the entire Island to ensure that the use of the land is correctly allowed, planned, inspected, insured and visible for the municipalities. The initiative will set the grounds to optimize the agencies and the municipalities of Puerto Rico from a perspective of planning, use of land and taxes, and will ensure that the emergency response meets the best public safety standards and interagency efficiency. To achieve this, the availability of the information between municipalities and agencies is essential.

PRDOH values the participation of all the municipalities and community groups, and enthusiastically awaits to continue collaborating with the municipalities during the effectiveness of the grant.

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Comment ID: 2020-05-27\_WP\_GE\_Municipality of Guayanilla\_Nelson Torres Yordán (1)

**Comment:** *“The Municipality of Guayanilla, respectfully submits the recommendations we believe are applicable to our Municipality, but that at the same time would be for the benefit and applicable to municipalities with similar characteristics.*

- *The population data must be updated using the last estimates of the survey of the community of 2018 of the Census Office.*
- *Clarification is requested of whether the urban center of Guayanilla is located in a flood zone, can use these funds for “rehabilitation/reconstruction of homes located in the way swellings” because the latter is identified as “Non-eligible activities” at page 108 of the document.*
- *We are concerned by the Whole Community Resilience Program with an allocation of \$55 million to the Foundation for Puerto Rico but that you do not know its results. The municipalities have the capacity to carry out our long term resilience if we are provided the resources.*
- *The Agencies Planning Initiatives Program must indicate that all the information gathered must be accessible to the municipalities, without limitations and bureaucratic requests, for their planning and process and not remain in the PRDOH and Planning Board.*
- *We are concerned that the funds of the Tourism and Business Marketing Program are allocated to the Puerto Rico Destination Marketing Association, Inc. (DMO), this entity has not been capable of developing diversified strategies for tourists to go outside the hotel zones of the metropolitan area of San Juan, Fajardo and Dorado. The Plan must recognize diverse and municipal destinations and even more when after Covid-19 local tourism will be of great hope for municipalities such as Guayanilla. Municipal allocations must be allowed or guaranteeing local and regional tourism companies.*

*Thank you very much and on behalf of the Municipal Administration of Guayanilla and myself we thank you for the opportunity to submit the comments,*

*Respectfully,  
Nelson Torres Roldán  
Mayor"*

**PRDOH Response:**

PRDOH appreciates and will take into consideration your recommendations. Future programs, including those defrayed with the mitigation funds allocation (CDBG-MIT), will be able to consider additional approaches for the matter of reconstruction in risk zones. PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participatory procedures to ensure the opportunity of the communities, non-governmental entities, municipalities and citizens in general to be able to evaluate and propose mitigation measures.

Through direct participation of the governmental agencies, such as PRITS (Puerto Rico Innovation and Technology Service) and the Puerto Rico Planning Board, and the universities and the private sector, the *Program of Planning Initiatives of the Agency will be carried out* to build the combination of data for the property in the entire Island to ensure that the use of the land is correctly allowed, planned, inspected, insured and visible for the municipalities. The initiative will set the grounds to optimize the agencies and the municipalities of Puerto Rico from a perspective of planning, use of land and taxes, and will ensure that the emergency response meets the best public safety standards and interagency efficiency. To achieve this, the availability of the information between municipalities and agencies is essential.

PRDOH values the participation of all the municipalities and community groups, and enthusiastically awaits to continue collaborating with the municipalities during the effectiveness of the grant.

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Comment ID: 2020-05-28\_E\_NGO\_Ayuda Legal Puerto Rico\_Paula Fournier del Valle(1)

**Comment:** *"Cordial greetings,*

*We attach our amended and endorsed comments to the Draft of the Action Plan Amendment 4.*

*Please acknowledge receipt of these.*

*Sincerely,*

*Paula I. Fournier del Valle*

Community Attorney  
Puerto Rico Legal Assistance”

[Summarized comment. Certain important aspects of this comment have been omitted from this summary because they were previously included in the summary of the original comment of which this comment is an amendment. See: [Comment ID: 2020-05-04 WP NGO Ayuda Legal PR Paula Fournier del Valle \(1\)](#). Also, the complete comments can be found in Appendix A to this Action Plan Amendment 4 (substantial amendment).]

*“We want to call attention to the fact that preventing reconstructions in spaces considered of risk-without considering mitigation measures, for example-will affect disproportionately poor people as well as black communities who for reasons of historical, social and economic oppressions settled in coastal zones. Likewise, the criterion of formal titles as a condition for relocation would leave low income families that cannot formalize the title over their properties, deprived.*

*Required action: Amplify eligibility criteria of the Home Repair, Reconstruction, or Relocation Program (R3 Program) and take the following measures: -Separate the repair and reconstruction programs from the relocation program under the R3 Program so as to provide the space to the persons of evaluating in an informed manner the alternatives for their community. -Eliminating the prohibition of substantial repairs and reconstruction of homes in “food plains, in the way of swellings or in areas with extraordinary engineering or conditions that make the reconstruction in the place not feasible”, eliminating the disproportionate impact that would affect the impoverished communities. -It should be noted that the reconstruction prohibited in the Action Plan is of persons that require assistance to repair their homes, but not of constructions of hotels or even developers.*

*Action required: Include a clear policy of how to safeguard the right of non-discrimination in terms of race and recognize that racism is a form of oppression that afflicts many impoverished communities in which the majority of the population is visibly black. -The current policies of the Action Plan discriminate against that population by making them more susceptible to displacements. It is indispensable to change those policies and adopt one that not make these communities even more vulnerable.*

*Action required: Establish cumulative strategies to guarantee the most extensive participation. Include in the strategies of communication, traditional community ways where there is no media or there is no access to the technology they require, such as the “tumbacocos”.*

**PRDOH Response:**

PRDOH values your comments and all your suggestions and has taken them into consideration. Future programs, including those to be defrayed with the allocation of mitigation funds (CDBG-MIT), will be able to consider additional approaches for the matter of reconstruction in risk zones. The PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the procedures of citizen participation to ensure the opportunity of

the communities, non-governmental entities, municipalities and the citizens in general to be able to evaluate and propose mitigation measures. It should be noted that hotels or development projects are not eligible beneficiaries within the R3 Program. There is also no program in the CDBG-DR Puerto Rico portfolio that is analogous to the R3 Program for hotels or developers.

The PRDOH has adopted policies to minimize displacement, in accordance to the goals and objectives for the assistance activities under the Federal Law known as the "Housing and Community Development Act of 1974" (HCDA). These policies are contained and published in the "Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan" (PRDOH URA & ADP GUIDE). To obtain a copy of these guidelines, please go to the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Section 109 of the HCDA establishes that no person in the United States will be excluded from participating or will be denied privileges or be discriminated by any program or activity that received federal assistance by reason of race, color, nationality, religion or gender. Likewise, these forms of discrimination are prohibited by local laws and regulations. PRDOH takes the anti-discrimination laws, regulations and policies seriously and is committed to their compliance. For more information, see the *Cross-Cutting Guidelines Applicable to All CDBG-DR Programs*. These guidelines can be found at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

To increase the opportunity of citizen participation various mechanisms were provided by which the citizens were able to submit their comments and suggestions to the action plan and also the comment period was extended twice, for a total of sixty (60) days.

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Comment ID: 2020-05-28\_WP\_I\_Carmen Cosme (1)

**Comment:** *"Every family that is benefitted with these funds must take an orientation with PRDOH so they can work with their budget at times of natural disasters, know their rights when leasing, prevention of mortgage foreclosure, how to keep their home how to make a rehabilitation of their home so that it increases in value, when to refinance, compromise and responsibility that is acquired when accessing any type of funds, credit, savings, search and obtaining a job to avoid losing their home for lack of income among other services that the orientation agencies of PRDOH offer for the benefit of the families. The family must know there are resources that can support them in a critical housing situation making us always a helping hand through the standards of the regulation agencies.*

*Other information of great importance is the title search of the property deed, type of loan, FEMA insurance, private insurance, its importance, documentation that must be retained or kept in case of emergency where and how. All that is necessary for a good financial condition and more. How to save energy living in another community*

*environment how do I adapt to the payment of maintenance and complying with the rules of Horizontal Property.*

*They are not taking me out of my home this place is not safe for my family and I need quality of life because although I was born, raised, married in X place, the most practical way and that the family understands what the risks are.*

*We are a very important alternative for the family, everyone, again I repeat, must go through the orientation process and receive the financial coaching this supports the family to get out of poverty with more resilient communities."*

**PRDOH Response:**

The PRDOH appreciates your recommendation. The Housing Counseling Program will promote resilience through the education to the public and the citizen defense exercised by the Housing Counseling Agencies approved by HUD (HCA) which will explain the available options so that applicants receive housing counseling services and/or along with other forms of assistance for housing. These services can include an array of approved matters, which include, among others, individual counseling, and formal training. This Program is available for everyone that wants to participate in all the Municipalities. For more information on this program and to apply, you can go to the webpage <https://cdbg-dr.pr.gov/asesoria-de-vivienda/>.

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Comment ID: 2020-05-28\_WP\_I\_Jorge Ramírez (1)

**Comment:** [In response to Francisco Feliu]

Excellent!!

**PRDOH Response:**

Thank you for your interest in this Action Plan Amendment 4 (substantial amendment).

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Comment ID: 2020-05-28\_E\_PS\_Metropistas \_Laura Femenías Jové (1)

**Comment:** *"Good afternoon,*

*Attached please find Metropistas' comments to the Fourth Substantial Amendment to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María (the "Letter").*

*A copy of the Letter was also sent by mail to the PO Box address provided in the CDBG-DR official website.*

*Please confirm the receipt of this email.*

Regards,

Laura"

**[Summarized comment]**

" We hereby make reference to the letter sent to the Puerto Rico Department of Housing ("PRDOH") on October 18, 2018 commenting the First Substantial Amendment to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and Maria (the "Action Plan) attached hereto as Exhibit I, and respectfully request that certain modifications are considered by PRDOH for the "Critical Infrastructure Resilience Program" (the "Program") included in the Fourth Substantial Amendment to the Action Plan (the "Fourth Amendment"). Particularly, because as stated in the Executive Summary of the Fourth Amendment: "[...] Puerto Rico cannot simply rebuild damaged homes or repave damage roads. Every program implemented, every dollar spent, must rebuild families and communities, and must also generate a long-term investment in social capital, fortify the economy, and set the stage for stability and continuity in government modernization and efficiency for decades to come.

We have noticed that the Program objective and description in the Fourth Amendment has been modified and the examples included in the previous versions of the Action Plan for the critical infrastructure assets, "e.g. roads, bridges, drainage systems, channels, etc."<sup>4</sup> have been eliminated. Furthermore, the Program eligible activities have been completely modified from the First Substantial Amendment to the Fourth Amendment excluding all references to roads and bridges. The Program eligible activities in the First Substantial Amendment to the Action Plan were: (i) roads, bridges, drainage; (ii) smaller scale utility security; (iii) broadband/communications capabilities; (iv) channelization of waterways; (v) dikes, and (vi) repair of public facilities.

At the present lime, in the Fourth Amendment, the Program eligible activities are: (i) acquisition of real property; (ii) public facilities and improvements; (iii) clearance, rehabilitation, reconstruction, and construction of buildings; (iv) disposition of real property; (v) payment of non-federal share; (vi) activities carried out through nonprofit development organizations; (vii) assistance to eligible entities for to neighborhood revitalization, community economic development and energy conservation; (viii) energy use strategies related to development goals (resiliency); (ix) economic development assistance to for-profit business; and (x) assistance to institutions of higher education.

Even though the Fourth Amendment now includes as eligible applicants "administrative agenc[ies] or [a] department of the Government of Puerto Rico" and "for-profit business (with critical infrastructure asset), and; additional eligibility criteria", it is not clear whether the roads and bridges are included as critical infrastructure assets for purposes of the Program. Therefore, we hereby respectfully request such clarification.

The Recovery Plan clearly demonstrates the need to improve Puerto Rico's public highways. Therefore, we respectfully request that the Puerto Rico's public highways, including the PR-05 and PR-22, are defined as critical infrastructure assets by FEMA and/or

the Government of Puerto Rico to be eligible under the Program. As to PR-05 and PR-22 (the "Critical Transportation Facilities") note that they are public highways owned by PRHTA that have been concessioned to Autopistas Metropolitanas de Puerto Rico, LLC ("Metropistas") through a public private partnership agreement (the "Concession Agreement"). As such, Metropistas has operated and managed the Critical Transportation Facilities since June 27, 2011.

Metropistas is committed to investment approximately \$626 million<sup>12</sup> in the PR-05 and PR-22 through the term of the Concession Agreement. These two assets are and will continue to be owned by the Government of Puerto Rico. Therefore, when the Concession Agreement is concluded, PRHTA will be able to operate and maintain improved public assets for which Metropistas will have invested over \$700 million.

Hurricane María impacted the critical infrastructure in Puerto Rico, including its toll roads. The following relevant infrastructure and systems suffered damages: building and facilities located at Toll Road Plazas, signage plates and posts, lighting system, fencing, the Dynamic Toll Lanes, drainages, cut slopes, landscaping, and guardrails. Metropistas estimates that the costs for restoring the Critical Transportation Facilities to at least the same condition in which they were before the occurrence of Hurricane María was approximately \$18.3 million.

If Puerto Rico's public highways are defined as critical infrastructure assets, the CDBG-DR funds received under the Program can be used to improve those assets, including the Critical Transportation Facilities, by conducting the following type of projects that are not part of Metropistas' capital improvement obligations specified in the Concession Agreement: (1) Construction of one access ramp and one exit ramp at Km 38 in order to substantially improve vehicle mobility in a very dense urban area in Vega Baja as well as reducing the response time of emergency services in the event of natural disasters. (2) Channelization of Buchanan's Plaza south creek and Maguayo creek and improvements at Arecibo retention pond to minimize the potential of flooding during heavy rains or hurricanes. (3) Concrete ditches on roadway median to minimize road flooding potential and erosion of roadway median during heavy rainfall or hurricanes. (4) Replacement of most of 40-ft lighting poles at PR-22 and PR-5 and the concrete lighting poles at all toll plazas parking areas with high mast lighting poles to ensure the stability of the lighting system, since the high mast lighting poles are more resistant to high winds. (5) Installation of lighting poles at exit 71, bridge at Km 73.5 and at road segment at Km 52 to increase safety during nighttime by means of visibility improvement. (6) Instrumentation of PR-22 and PR-5 bridges in order to perform accurate bridge diagnostics and to obtain more reliable data on bridges structural performance. This will result in better decision-making regarding measures to ensure bridge integrity during and after a natural disaster, which in turn will help to prevent life casualties and improve the overall traffic safety. (7) Implementation of a pile cap protection system at locations near water bodies to reduce scour potential during heavy rains or hurricanes. (8) Fiber optic infrastructure to enable the toll road with fiber optics infrastructure in order to avoid communication failures during emergencies. (9) Anchorage system at two critical cut slopes located in Km 6 and



30 to reduce or eliminate the potential of rocks entering to the road. (10) Improvement of slopes drainage to provide an efficient management of runoff water minimizing the risk of erosion.

Moreover, by defining the public highways as critical infrastructure assets in the Action Plan, the Government can pursue the different projects included in the Recovery Plan.

We respectfully request that PRDOH modifies the Program under the Fourth Amendment to the Action Plan to include the public highways as a critical infrastructure assets. Doing so would secure funds from the CDBG-DR Critical Infrastructure Resilience Program to improve the public highways owned by the Government of Puerto Rico and the Critical Transportation Facilities managed by Metropistas, which aligns with the Government's objectives and strategies identified in the Recovery Plan. We look forward to hearing from you."

**PRDOH response:**

Thank you for your suggestions. PRDOH is committed to leading a multifaceted recovery effort that incorporates mitigation and resilience measures to the greatest extent possible. Infrastructure programs outlined in the Action Plan, including Critical Infrastructure Resilience Program, aim to provide assistance in developing resilient infrastructure. PRDOH plans to implement this program primarily using a Subrecipient distribution model whereby entities who have either a Puerto Rican Government and or FEMA-defined Critical Infrastructure asset will be informed that funding will be available to meet the program goals and objectives. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about project eligibility and program guidelines, as those becomes available.

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Comment ID: 2020-05-29\_WP\_I\_Jorge Ramírez (1)

**Comment:** "To whom it may concern:

After reviewing the Action Plan I would like it if you could destine or direct funds of the \$92,500,000 (pages 165-168) RE-GROW PR Urban-Rural Agriculture Program for added value plants. As part of the results of the emergency caused by COVID-19 the agricultural companies that marketed its fresh products lost them for lack of available markets. If these crops had been transformed (manufacture) they could have been frozen for a subsequent sale and the farmers would not have lost their crops. These plants in addition to serving for production of inventory add value to the agricultural products which go towards the needs of the consumer and give them the opportunity of directly competing against the importation in order to reduce it, create jobs and increase our gross income."

**PRDOH Response:**

The PRDOH appreciates your interest in the Action Plan Amendment 4 (substantial amendment) and will take into consideration your suggestion. The *RE-GROW PR Urban-Rural Agriculture Program* has two main objectives: 1) Promote and increase food safety in the whole island, and 2) Improve and expand the agricultural production related to the economic revitalization and development of activities. This program will detail the parameters of application and participation, as well as the maximum awards. In the long run, the Program will seek to create more economic development opportunities through the exportation of agricultural, cattle industry and aquaculture products. We invite you to check the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) where the guidelines and the eligibility criteria will be published.

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Comment ID: 2020-05-29\_E\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)

**Comment:** *"Good Afternoon*

*Please accept this comment letter before the May 30 Deadline*

*We have also posted this comment letter online with a link to a shared Dropbox folder.*

*Please acknowledge that you received this file.*

*Please advise if you require any further information before the May 30 deadline to process our 2 comment letters.*

*Paul Saint-Pierre  
Chief Financial Officer  
Arch Real Estate Holdings*

*May 29, 2020*

*RE: PUBLIC COMMENTS FOR PUERTO RICO DISASTER RECOVERY ACTION PLAN  
AMENDMENT 4*

*We appreciate the opportunity to provide professional input in connection with the creation, launch, and implementation of public sector programs that address the humanitarian and infrastructure needs of Puerto Rico following the aftermath of hurricanes Irma and Maria. Arch Real Estate Holdings is a private enterprise established in 2019 to invest in and manage Puerto Rico housing assets, with a core mission to elevate the attention of the world's private sector investment community to invest in Puerto Rico's housing market.*

*Our comments presented below specifically pertain to the Puerto Rico Disaster Recovery Plan, Amendment 4 ("CDBG-DR Action Plan Amendment 4"). This our second comment letter for the CDBG-DR Action Plan Amendment 4.*

*COMMENTS-RECOMMENDATIONS*

## VACANT HOUSING ASSETS

*This CDBG-DR Action Plan Amendment 4 (and Amendment 3) lacks a comprehensive approach to addressing the vacant housing stock, other than citing the 92,629 vacant units in the municipalities of San Juan, Bayamón, Carolina, Ponce, and Mayagüez.<sup>1</sup> Within the CDBG-DR Action Plan Amendment 4, the vacant housing stock merely represents one option for the relocation of families under the R3 Program,<sup>2</sup> undertaking a very slow process, one household at a time, to revitalize these significant vacant assets.*

*We, along with many other organizations, are concerned this is a missed opportunity to rehabilitate vacant properties that otherwise are an eyesore to their communities. It would be more time efficient and cost-effective to apply federal disaster funds, within Private-Public Partnerships, toward the reintroduction of the idle housing stock in safe locations and to leverage on the resources already consumed associated with vacant housing units. We urge modification of the CDBG-DR Action Plan Amendment 4 to be more pro-active and accelerate the rehabilitation of significant numbers of vacant housing units with a robust allocation of CDBG-DR funds in partnership with private sector sponsors. Time is of the essence to rescue these idle housing assets.*

## ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM

*We are very enthusiastic to see the inclusion of this named section in the CDBG-DR Action Plan Amendment 4. This section emphasizes the Public-Private Partnership business model ("P 3"), and it seems to encourage the submission of creative and feasible "project concepts" from qualified sponsors to tackle large-scale and complex housing, commercial and economic development initiatives.*

*We note that much of the language in CDBG-DR Action Plan Amendment 4 regarding ELIGIBILITY and METHOD OF DISTRIBUTION on pages 179-180 was first introduced in CDBG-DR Action Plan Amendment 3. In both documents, there is the mention of the term "P3 Authority" but no further clarification or context related to this term.*

*We also note the following statement on page 179:*

*"PRDOH plans to implement this program primarily by using a Subrecipient distribution model whereby the P3 authority will identify potential projects and PRDOH will work with specific entities that are committed to meeting the overall recovery goals of this program. Entities selected to participate in the program must agree to prioritize developing recovery and revitalization projects that ensure that the program's National Objective targets are met with a focus on identifying projects that meet the program LMI spending targets and have projects located in opportunity zones."*

*Here again, this statement was first introduced in CDBG-DR Action Plan Amendment 3, but we have been unable to discern the first step or the pathway to be considered for selection under the P3 program. Because this P3 program element was already included in CDBG-DR Action Plan Amendment 3, we believe CDBG-DR Action Plan Amendment 4 should be accountable and immediately include an abundance of P3 program details*

and specificity, including but not limited to, P3 program access, the clear allocation of responsibilities among Puerto Rico agencies, P3 primary contact agency, P3 application process, and P3 program rollout and implementation timing deadlines. The time to mobilize this important P3 program is now in 2020, since the P3 program initiative was already created with the approval of CDBG-DR Action Plan Amendment 3 in February 2020. Time is of the essence to mobilize the power of combining public and private sector capital and to jumpstart the PS program to deliver tangible and measurable results.

#### ABOUT ARCH REAL ESTATE HOLDINGS

Arch Real Estate Holdings Corp. is a private investment and services company focused on creating and executing effective solutions for the Puerto Rican community. Solutions are embedded into effective business models, generating significant investment interest throughout the private capital markets by including ESG factors and tax benefits that appeal to accredited Investors. Arch's mission is to distinguish its investment services platform through brand recognition that represents the highest residential quality and rental experience for a wide range of income groups, a long-term reliable revenue model to deliver consistent risk-adjusted returns for long-term Investors, and to reduce environmental impacts and resource dependencies. For more information, please Visit <https://archrealestateholdings.com>.

Thank you for accepting our comment letter. We are available to elaborate further on any of the observations, comments, and recommendations presented in this comment letter.

Sincerely,

Paul Saint-Pierre  
Chief Financial Officer  
Arch Real Estate Holdings"

#### PRDOH Response:

Thank you for your comment. PRDOH has considered your input in the Action Plan. Programs will seek out opportunities for blight reduction and to capitalize on vacancy occurrences. However, it is important to recognize that all vacancy opportunities must be evaluated for code issues, sufficiency of construction materials, location in hazard areas, etc. Thus, many vacant units are substandard, and not all units listed as vacant are not suitable for being occupied.

P3 is the Puerto Rico Public-Private Partnerships Authority. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about program eligibility and program guidelines, as those becomes available. PRDOH appreciates your interest in this Action Plan Amendment 4 (Substantial Amendment).

Comment ID: 2020-05-29\_WP\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)

**Comment:** *"Please find a second comment letter submitted by Arch Real Estate Holdings*

*Thank you for considering our comments.*

*[https://www.dropbox.com/s/qicvxdn7m7yly1y/PRDOH%20Action%20Plan%204.Arch%20Comments.No2.pdf?dl=0Paul Saint-Pierre](https://www.dropbox.com/s/qicvxdn7m7yly1y/PRDOH%20Action%20Plan%204.Arch%20Comments.No2.pdf?dl=0Paul%20Saint-Pierre)*

*May 29, 2020*

**RE: PUBLIC COMMENTS FOR PUERTO RICO DISASTER RECOVERY ACTION PLAN AMENDMENT 4**

*We appreciate the opportunity to provide professional input in connection with the creation, launch, and implementation of public sector programs that address the humanitarian and infrastructure needs of Puerto Rico following the aftermath of hurricanes Irma and Maria. Arch Real Estate Holdings is a private enterprise established in 2019 to invest in and manage Puerto Rico housing assets, with a core mission to elevate the attention of the world's private sector investment community to invest in Puerto Rico's housing market.*

*Our comments presented below specifically pertain to the Puerto Rico Disaster Recovery Plan, Amendment 4 ("CDBG-DR Action Plan Amendment 4"). This our second comment letter for the CDBG-DR Action Plan Amendment 4.*

#### COMMENTS-RECOMMENDATIONS

##### **VACANT HOUSING ASSETS**

*This CDBG-DR Action Plan Amendment 4 (and Amendment 3) lacks a comprehensive approach to addressing the vacant housing stock, other than citing the 92,629 vacant units in the municipalities of San Juan, Bayamón, Carolina, Ponce, and Mayagüez. <sup>1</sup>Within the CDBG-DR Action Plan Amendment 4, the vacant housing stock merely represents one option for the relocation of families under the R3 Program, <sup>2</sup>undertaking a very slow process, one household at a time, to revitalize these significant vacant assets.*

*We, along with many other organizations, are concerned this is a missed opportunity to rehabilitate vacant properties that otherwise are an eyesore to their communities. It would be more time efficient and cost-effective to apply federal disaster funds, within Private-Public Partnerships, toward the reintroduction of the idle housing stock in safe locations and to leverage on the resources already consumed associated with vacant housing units. We urge modification of the CDBG-DR Action Plan Amendment 4 to be more pro-active and accelerate the rehabilitation of significant numbers of vacant housing units with a robust allocation of CDBG-DR funds in partnership with private sector sponsors. Time is of the essence to rescue these idle housing assets.*

##### **ECONOMIC DEVELOPMENT INVESTMENT PORTFOLIO FOR GROWTH PROGRAM**

We are very enthusiastic to see the inclusion of this named section in the CDBG-DR Action Plan Amendment 4. This section emphasizes the Public-Private Partnership business model ("P 3"), and it seems to encourage the submission of creative and feasible "project concepts" from qualified sponsors to tackle large-scale and complex housing, commercial and economic development initiatives.

We note that much of the language in CDBG-DR Action Plan Amendment 4 regarding ELIGIBILITY and METHOD OF DISTRIBUTION on pages 179-180 was first introduced in CDBG-DR Action Plan Amendment 3. In both documents, there is the mention of the term "P3 Authority" but no further clarification or context related to this term.

We also note the following statement on page 179:

*"PRDOH plans to implement this program primarily by using a Subrecipient distribution model whereby the P3 authority will identify potential projects and PRDOH will work with specific entities that are committed to meeting the overall recovery goals of this program. Entities selected to participate in the program must agree to prioritize developing recovery and revitalization projects that ensure that the program's National Objective targets are met with a focus on identifying projects that meet the program LMI spending targets and have projects located in opportunity zones."*

Here again, this statement was first introduced in CDBG-DR Action Plan Amendment 3, but we have been unable to discern the first step or the pathway to be considered for selection under the P3 program. Because this P3 program element was already included in CDBG-DR Action Plan Amendment 3, we believe CDBG-DR Action Plan Amendment 4 should be accountable and immediately include an abundance of P3 program details and specificity, including but not limited to, P3 program access, the clear allocation of responsibilities among Puerto Rico agencies, P3 primary contact agency, P3 application process, and P3 program rollout and implementation timing deadlines. The time to mobilize this important P3 program is now in 2020, since the P3 program initiative was already created with the approval of CDBG-DR Action Plan Amendment 3 in February 2020. Time is of the essence to mobilize the power of combining public and private sector capital and to jumpstart the PS program to deliver tangible and measurable results.

#### ABOUT ARCH REAL ESTATE HOLDINGS

Arch Real Estate Holdings Corp. is a private investment and services company focused on creating and executing effective solutions for the Puerto Rican community. Solutions are embedded into effective business models, generating significant investment interest throughout the private capital markets by including ESG factors and tax benefits that appeal to accredited Investors. Arch's mission is to distinguish its investment services platform through brand recognition that represents the highest residential quality and rental experience for a wide range of income groups, a long-term reliable revenue model to deliver consistent risk-adjusted returns for long-term Investors, and to reduce environmental impacts and resource dependencies. For more information, please Visit <https://archrealestateholdings.com>.

Thank you for accepting our comment letter. We are available to elaborate further on any of the observations, comments, and recommendations presented in this comment letter.

Sincerely,

Paul Saint-Pierre  
Chief Financial Officer  
Arch Real Estate Holdings"

**PRDOH response:**

Thank you for your comment. PRDOH has considered your input in the Action Plan. Programs will seek out opportunities for blight reduction and to capitalize on vacancy occurrences. However, it is important to recognize that all vacancy opportunities must be evaluated for code issues, sufficiency of construction materials, location in hazard areas, etc. Thus, many vacant units are substandard, and not all units listed as vacant are not suitable for being occupied.

P3 is the Puerto Rico Public-Private Partnerships Authority. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about program eligibility and program guidelines, as those becomes available. PRDOH appreciates your interest in this Action Plan Amendment 4 (Substantial Amendment).

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Comment ID: 2020-05-29\_WP\_PS\_PMI Puerto Rico\_Miguel Hernandez (1)

**Comment:** *"We appreciate the opportunity to provide professional input in connection with the creation, launch, and implementation of public sector programs that address the humanitarian and infrastructure needs of Puerto Rico after hurricanes Irma and Maria and continuing earthquake activity. We recognize the substantial challenges faced by the Puerto Rico Department of Housing ("PRDOH") due to the extent of the destruction and damages to the housing infrastructure.*

*PMI Puerto Rico is a full-service real estate asset management company that provides professional property management and real estate brokerage services. We provide both residential and commercial property owners with the highest quality property management services.*

*As leaders in the real estate and Property Management sector we understand the need for housing that the island is currently facing but we are also aware of the opportunity zone tax incentives in place created with the intention to help develop poor communities like most of Puerto Rico. We strongly believe that if the CDBG-DR Program is combined with opportunity zone tax incentives, these funds could make a bigger impact by attracting more private investment into Puerto Rico. Innovative opportunity zone programs should be implemented in order to effectively deploy PRDOH funds and thus making this an initial attraction point for private investment in the near future.*

Miguel Hernández  
PMI Puerto Rico"

**PRDOH response:**

PRDOH appreciates your interest in this CDBG-DR Action Plan Amendment 4 (Substantial Amendment) and thanks you for your comments and suggestions. PRDOH will take this input into consideration during further development of the programs or during development of new programs if additional funding becomes available.

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Comment ID: 2020-05-29\_WP\_I\_Enoe Carrasquillo (1)

**Comment:** *"I believe that you must analyze the comments of each person very well, to be able to determine what is most convenient for everybody according to each situation!"*

**PRDOH Response:**

The PRDOH appreciates your comment. All comments received during the public period comment are taken into consideration and responded to in this document. We urge you to keep checking the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to obtain more information about the CDBG-DR Puerto Rico programs.

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Comment ID: 2020-05-29\_WP\_I\_Audrey Rivera López (1)

**Comment:** *"Incredible that after so much time that has gone by since the beginning of the program and such a substantial allocation of funds you have cut back the subsidized mortgage funds. I hope to God that the inclemency of the weather is on our side and we can begin the program in all its facets before another hurricane gets to us. God help you..."*

**PRDOH Response:**

PRDOH appreciates your comments and will take them into consideration. This Action Plan Amendment 4 (Substantial Amendment) maintains the assistance for the Crucial Recovery Workers for the purchase of their first home within the Homebuyer Assistance Program. This program will prioritize eligible families where one or several residents are documented members of the Crucial Recovery Workers. The eligible applicants will receive assistance with the closing costs (ex. title insurance, mortgage insurance premium, among others), the down payment and/or with the gap in financing to assist with the difference between the amount of the first mortgage that the buyer can obtain from a lender and the purchase



price of a home. The application periods, documents and processes used to determine the eligibility will be detailed in the program guidelines. The program guidelines and policies will be published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-29\_E\_NGO\_Taller Salud\_Jennifer De Jesús (1)

**Comment:** *"We hereby present the Comments of Taller Salud to the Action Plan substantial CDBGDR Amendment 4.*

*Our comments are attached.*

*To: Luis Carlos Fernández Trinchet  
Secretary PRDOH  
PO Box 21365  
San Juan, PR 00928-1365  
infoCDBG@vivienda.pr.gov*

*Matter: Comments to CDBG-DR Action Plan Amendment 4*

*Receive a cordial greeting, I hope you and your families are well.*

*In this document, we contribute comments to the Action Plan Amendment Four (4) on the part of our organization Taller Salud, and also from the community leaders that we work with daily.*

*Taller Salud is a feminist organization of the community founded in 1979 with headquarters in Loíza since 1989. It is dedicated to improving women's access to health, reducing violence in community environments and promoting economic development through education and activism. Our vision is to forge an inclusive society, with active communities free of violence that advocate for their right to integral health and that promotes their solidary development. We believe that health is a non-negotiable human right.*

*Since the passing of hurricanes Irma and María in the year 2017, we have been facing a constant emergency context in Puerto Rico. The emergency of corruption in the summer of 2019, then a series of earthquakes from December to today, and the current emergency we face due to the COVID-19 pandemic have been added. Since then the CDBG-DR funds have been in our conversation as part of a space of possibility for recovery of the communities. Recovery that, as of today, has not been carried out in a fair way and has not had the participation procedures that the moment deserves and that we are entitled to.*

*Still in Loíza there are unmet needs. We experience new dimensions of vulnerability that each emergency we face exposes us to. In this space we make, like in all, a call towards a truly participatory process that prioritizes the communities that were the most affected by the country's emergencies. Our compromise must be the access to information, participation, transparency and equity.*

*In the past years after Hurricanes Irma and María we have sought to establish a clear policy of protection against displacement. We observe that this is still not established in this Fourth (4<sup>th</sup>) substantial amendment.*

*Comments:*

#### *Citizen Participation*

*We have been in quarantine in Puerto Rico since the month of March, this in response to the COVID-19 pandemic that we are experiencing worldwide. The current reality keeps the majority of the persons addressing their needs and making the necessary adjustments to be able to keep afloat among so many health, food, safety risks among others. The access to information about the current participation period surrounding the CDBG-DR funds has been very limited.*

*Comments of leaders: "The majority of the people can't even participate because there is not so much access to information that this is happening. It is not fair. They tell the people to stay home. But then they make the decisions for us behind closed doors. But you can't protest because we are in a pandemic. They are organizing it so the money does not go where it has to go. They do not talk about this in the news. This creates "friendships" and simulations of participatory procedures, in which the persons that are really going through the situation do not participate. There are many persons in our communities that know a lot (about Recovery solutions)."*

*(resident of La 23)*

*Action required:*

*1. We request that you extend the participation spaces in all the phases of the recovery process. We request that other mechanism are evaluated in the social distancing reality that guarantee that all persons can participate in this process. The information must be published in the communication media (radio, television and written press) with more frequency.*

*2. "Count with the Municipalities and other institutions, but more importantly with the communities. Give more participation to the community, with which they reside."*

*(resident of La 23)*

*Whole Community Resilience Program. According to the Action Plan we believe that in this Program future stressors, diversity and economic feasibility will be evaluated for community resilience projects such as: risk mitigation solutions, historic preservation, equity and vulnerability, among others. These funds are eligible for Governmental Organizations, non-profit and Municipalities that are in the communities in which the projects are proposed but do not establish concrete mechanisms of participation so they are carried out concentrated on the needs of the residents, not only those perceived by those who do not reside there. We worry that this new amendment eliminates the reference to a new phase that corresponds to the implementation of those plans.*

*Action required:*

1. Concrete mechanisms of Participatory Planning must be established which include tools of common education, support to organization procedures and for the communities to have a protagonist role in defining the citizen participatory procedures in this Program. This must allow for those who reside in the communities where the projects are proposed to be at the center of the actions.

2. In this plan, the requirements and criteria that will be used to identify the eligibility to access mitigation funds must be specified in a way that the resulting projects of this program can be effectively implemented.

#### *Amendments to R3 Program*

According to the information we have, currently there are 26,951 applicants in total. Of these applicants, 46.1% complied with the admission process, but only 24% of the applicants have been approved. The R3 Program has around 26,000 applicants, of which 46.1% has also been referred to the Title Clearance Program. 24% of the cases have received responses and has been approved some amount of assistance.

We would like to know the reason why the remaining 76% of people that have applied to the program have been denied. By inference we can think that the eligibility criteria leave too many persons out of the possibilities of recovery.

What are the reasons for the rejection of the applications that have not been eligible? That 76% can also include persons which application has not received a response. The latter seems like a matter to address as to the agility of the procedures and the amount of responses that the R3 Program has been able to provide in a term that is fair for the reality of the people.

On the other hand, this Program keeps adopting measures that make the possibilities for residents of Loíza inaccessible, like the reconstruction prohibition in Flood Zones. In the case of Loíza, almost the majority of the land is declared a flood zones according to the maps validated by FEMA. This would imply that the only option for the majority of the people would be relocation in the R3 Program. In the case of Loíza, where the majority of the Municipality is a flood zone, what would be the alternative for the communities?

In the social environment, the community networks have been vital upon the recent emergency events. The social network and the relationships that the residents have with each other and with their own spaces are essential when we talk about the wellbeing, access to resources, mutual support and human rights. We initially questioned the formality of that map, recognizing that there are flood zones that represent a risk for the life of the people and also the properties. In addition, we consider that, before referring a person or family to relocate, it is possible to consider mitigation measures that address the situation in the short and long term, in addition to protecting the social network of the communities that face this situation.

In addition to this, we know that once the families are relocated, their previous life is demolished and there is prohibition to build there again. Given what was happened in the past, that with the passing of years, the development of those lands is allowed, but is not allowed to be a space from and for the communities. Clearly this seems like a risk of relocation, particularly if we consider that the majority of the persons in Loíza would be

offered the relocation option by reason of flood zone without mitigation options. If there is an option that avoids displacement, we should urgently consider it.

Comments from leaders:

"This map says that Loiza is 100% floodable. When did they come to verify? In Loiza there are floodable zones. If they use the mitigation money, many things can be solved. There have been many areas that have been affected by floods, but not all of them. A sewage or pumping system may be alternatives for mid and long term. I am very concerned about the matter of the flood zones." (resident of La 23)

"Question the map used to qualify Flood Zones. We do not qualify because we are in a flood zone. That was put in place by the local government. In the USA it's two feet from the land upwards and you can build. But here it is not allowed. The only option from the beginning has practically been to relocate. They do not tell you what they are going to do after where your house was. Due to experience and history in Puerto Rico, usually when those displacements occur, [the lands] are approved for other people. (resident of La 23)

Action required:

1. Expand the eligibility requirements.
2. Implement a relocation moratorium until all the mitigation projects have been completed.
3. Divide the Relocation Program as a separate program, evaluate the mitigation measures possible and all alternatives before relocation. Then, look for mitigation strategies that do exist for our communities and then consider the relocation through another Program. The relocation must be the last option to consider in zones that are able to be mitigated. For example, to address the matter of the floods in Loiza, before offering relocation to the families, it would be prudent to install a storm sewage or pumping systems to mitigate the floods. That way we collectively address the problem, protect the life of those that reside in the communities and conserve the social network that has been cultivated generation after generation.
4. Agility in procedures of response to applications and possibility to respond to people in a fair term.
5. We promote that you search, offer and implement protection strategies for spaces once the families are relocated and the houses demolished. The purpose is to protect the community spaces and the autonomy in their use by those that reside in them. We believe that is what is fair. Specifically, that would represent an anti-displacement policy that can be established.
6. Puerto Rico continues to be the only jurisdiction in the United States that reconstruction in a flood zone is not allowed. This claim was not addressed at the last round of participation and it is important to bring it up again. It is unacceptable that all possible measures are not taken into consideration before mitigation or proposing displacement.

Zero Displacement Policy

Action required:

1. The relocation must be contemplated only in cases of imminent threat to life and after mitigation procedures. If carried out, it must be made in protection of human rights, with psycho-social accompaniment and with real citizen participation in the making of decisions.
2. Include as part of the regulations that families will not be relocated in zones that are capable of being mitigated.

Comments from leaders: "We know that in Puerto Rico they do not have property title. But even if they have it, they can use the property title against you. I do not know what is worse, to have the title or not have it." (resident of La 23)

*Let's keep the will to reconstruct Puerto Rico, in a fair and equal manner*

Jennifer De Jesús  
Management of Program  
Taller Salud

Tania Rosario Méndez  
Executive Director Taller Salud, Inc.

María Villegas  
Community Outreach

Grace Blanco  
Organizer

Comment sent by resident of the Community La 23:

"The CDBG funds were allocated by the government of the United States for Puerto Rico for the persons that had lost their homes by a natural disaster to be able to access those funds to construct their homes. Regrettably, in Puerto Rico, through PRDOH they have established requirements that are impossible to meet. The majority of the residents of Puerto Rico do not qualify because they live in areas that the Planning Board conveniently classified as flood zones, so that practically no one can qualify. Also, the Board has knowledge that the lands that are occupied by many passed from grandfathers to fathers and there are no deeds of those lands. It is known that if that assistance is requested and it is denied, the Government stays with those funds. Regarding the infrastructure, the money is allocated to whomever is convenient for them. Too much time has gone by since Hurricane María and the citizens that totally or partially lost [their homes] still have not received the assistance. There are still many people with tents, people living with family members in inhuman conditions, but the government does not care. The most vulnerable still suffer for the lack of sensibility of the government of Puerto Rico in giving them the assistance they need so much."

Comment sent by resident of Villa Colobó:

"The citizens are being resilient but we need fair and equal treatment and we are not getting it. We need to be given more citizen participation, because only we know our needs within the communities. The amendments and laws are being made to benefit the

*rich sector and the less fortunate or disadvantaged are being displaced. Our community needs those funds and resources to help the infrastructure. We want more power given to each community sector (leaders). For things not to be done behind closed doors and behind the less fortunate or the people. If the CDBG-DR funds were allocated for the residents to be able to mitigate or minimize damages for atmospheric disasters among others, why are they not doing it. Regrettably they do not do it because there is so much bureaucracy and friendships in the government. Instead of helping the citizens, they put so many obstacles that it is difficult to stand up."*

**PRDOH Response:**

The PRDOH will consider your recommendations. To increase the opportunity of citizen participations, various mechanisms were provided by which the citizens were able to submit their comments and suggestions to the action plan, in addition the comment period was extended twice, for a total of sixty (60) days. The regulations that govern the use of those CDBG-DR funds require that this Action Plan substantially amended is submitted within a period of time that coincided with the pandemic. The Department believes in a robust community and the participation of all its representatives at all levels, and in providing the opportunity to receive comments from the public during this process. Each program within the CDBG-DR portfolio will evolve with time to respond to the individual community needs and of the island in general, during the life cycle of the recovery.

The applicants-subrecipients selected under the *Whole Community Resilience Program* will work directly with the communities to identify the concerns and needs of the community and develop community resilience plans directed towards increasing resilience and mitigating the risks. Through this process, the communities will be asked to evaluate the future stressors, environmental integrity, diversity and economic feasibility, risk mitigation opportunities, equity and vulnerability and redevelopment or improvement of infrastructure, as well as other matters that are considered important. The Action Plan contains information that is currently available about this program. We urge you to check for the publication of the program guidelines. The Program guidelines and policies are published at the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). When they are available they will provide additional information about the program, including eligibility periods and criteria.

The PRDOH has adopted policies to minimize the displacement, in accordance to the goals and objectives for the assistance activities under HCDA Law. These policies are contained and published in the "Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan" (PRDOH URA & ADP GUIDE). To obtain a copy of these guidelines, please go to webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Relocation process under the R3 Program is voluntary. Currently, applicants that are eligible for Relocation in the R3 Program can voluntarily select an existent property or land for the construction of a new house in safe areas. Meanwhile, the mitigation projects of the different communities continue their planning process.

Future programs, including those to be defrayed with the allocation of mitigation funds (CDBG-MIT), may consider additional approaches for the matter of reconstruction in risk zones. The PRDOH recognizes that the planning of mitigation activities is a collective risk. The Action Plan for CDBG-MIT funds will be part of the citizen participation processes to ensure the opportunity of the communities and citizens in general to be able to evaluate and propose mitigation measures. The Department, as part of the development of the Mitigation Plan, will implement communication mechanisms, where the residents, non-profit organizations, governmental entities, private entities, among others, present mitigation measures that can be incorporated as part of the Plan that will be presented to the Housing and Urban Development Department of the USA (HUD).

As is emphasized in the Guidelines of the R3 Program, the properties affected by the hurricanes, that as part of the relocation, are acquired by PRDOH will be demolished after the applicant moves to the replacement house and the title of the affected property will be transferred to PRDOH. This property will remain affected by the imposition of restrictive conditions. This is to ensure that the empty lands located in dangerous zones cannot be developed again with the funds of the CDBG-DR Programs and then are considered for purchase activities through other initiatives. It is the intention of PRDOH to maintain these acquired properties as empty lands and refer them to the Resilience Planning Program of the whole community for greater consideration of the long term used as is described in the Action Plan. Inasmuch as it is allowed by HUD and where the final use of the property is known and consistent with the Action Plan approved by HUD, the agency may transfer the title or sell the properties acquired under the R3 Program to eligible entities, as long as that legal exercise reflects the restrictive conditions imposed on the property.

PRDOH has the compromise to manage the funds of the CDBG-DR grant in the way that the assistance reaches the communities that need it the most, in addition to doing it in an efficient and honest way, in accordance with the applicable federal and state Laws and Regulations.

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Comment ID: 2020-05-29\_E\_NGO\_Aguas Urbanas Caño Martin\_Peña\_Ingrid Vila Biaggi (1)

**Comment:** *"We remit the comments about the referenced subject.*

*We appreciate the opportunity that is provided and we remain available to answer questions.*

*May 29, 2020*

*Mr. Luis Carlos Fernández Trinchet  
Secretary*

Puerto Rico Department of Housing  
PO Box 21365  
San Juan, PR 00928-1365 [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)

COMMENTS ABOUT COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY PROGRAM  
ACTION PLAN FOURTH AMENDMENT

Dear secretary Fernández Trinchet:

I respond to the request for comments issued by the PRDOH about the Community Development Block Grant Disaster Recovery Action Plan Amendment Four related to the funds assigned to Puerto Rico under the Community Development Block Grant Recovery Program for use of CDBG-DR Funds. According to the original notification issued by the federal government in the Federal Register, Vol. 83, No. 28 of February 9 ,2018, the purpose of this allocation is to assist in the long-term recovery of the natural disasters occurred in 2017. In the case of Puerto Rico this refers to hurricanes Irma and María of September 2017.

I present these comments as Ambassador of the Federal Program of Urban Waters for the Caño Martín Peña. Since the first draft of the Action Plan that was presented in March 2018, there have been a number of dramatic events in Puerto Rico that require reconsiderations in depth to premises and proposals. Both the seismic events of January 2020 and the COVID-19 pandemic have affected the Puerto Rican reality in a dramatic way aggravating social, economic, educational and health aspects, among others. Therefore, it is important to contextualize the use of the recovery funds from that new reality.

Also it is necessary for the Action Plan to incorporate the public policy adjustments and determinations that have emerged in the last year. For example, the Fiscal Plan of the central government of 2018 should not continue to be used (pages ix and x of the document). As recently as this past May 3, the government of Puerto Rico presented to the Financial Oversight Board a reviewed plan with new economic perspectives adjusted to the reality we face. It is necessary to update the premises of the Action Plan to ensure solutions that adjust to the current and future context.

Another example of public policy is found when studying the Joint Resolution of the Senate 403 of October 24, 2019 (hereinafter, R.C. of S. 403). It orders the PRDOH to "facilitate the use of such funds [CDBG-DR] for the reconstruction and recovery of the communities neighboring Caño Martín Peña in the Municipality of San Juan; and for other related purposes ", including:

- "1. Allowing the construction, rehabilitation and/or reconstruction of houses currently located in areas referred to as flood zones around Caño Martín Peña;
2. In the case of the District of Special Planning, any purchase of land by the Government of Puerto Rico through these funds should be considered for assignment to the Trust of the Land of the Caño Martín Peña, in compliance and according to the



provisions of Law 489-2004, as amended, known as the "Law for the Comprehensive Development of the Special Planning District of Caño de Martín Peña";

3. Establish viable alternatives upon the adverse effects that the flood insurance requirements would have over the eight (8) communities that surround the Caño Martín Peña".(R c. of S. 403)

We recommend to eliminate the prohibition for reconstruction or substantial repair in flood or landslide zones and to adopt a clear policy that prevents displacements and that collects the findings of the Senate Resolution.

We concur that the programs such as CDBG-DR must prioritize improving the quality of life of our most vulnerable communities and satisfy urgent needs avoiding displacements. Because of this we emphasize that in places where it is possible to mitigate risks like in Caño Martín Peña the funds be used to help minimize risks in the community itself investing in projects and initiatives that increase resilience and reduce vulnerability. This is precisely the objective of the Comprehensive Development and Land Use Plan del Caño Martín Peña: a comprehensive plan, product of an extensive citizen participation process, that outlines the projects necessary. The project of the dredging of the Caño Martín Peña, that would alleviate the consequences associated to the frequent floods experienced by the residents of the zone, is ready to begin construction of its first phase if the funds for it are assigned. For the project of the Caño the government of Puerto Rico has invested over \$100 million in housing and infrastructure work and the Enlace Corporation has rehoused over 600 families of a total of 1,400. The dredging project also requires the construction of infrastructure, housing redevelopment projects that increase resilience, address urgent needs such as lack of sanitary service and improve the quality of life of the residents of the communities. We then request for the Comprehensive Development and Land Use Plan for the Caño Martín Peña, and the associated infrastructure and housing project, to be entirely included in the state CDBG-DR Action Plan. This way, the postulates of the R.C. of S. 403 are met and the displacement of residents of the Caño Martín Peña is avoided in compliance with Act 489-2004.

We understand that the implementation of infrastructure projects that mitigate risk and improve quality of life accompanied by the reconstruction of homes with greater resilience standards provide a solid base over which to transform our communities. Adjusting the Action Plan of the R.C. of the S. 403 is only an example that shows the need to make a more substantial review to the plan that takes into consideration the changes in public policy and the reality of the country in the last year.

At the same time, we emphasize that every effort directed to communities must be based in an extensive and effective participation strategy that recognizes the diversity of access to information of the different sectors of our society. This is why we recommend that the Action Plan expands the effort to capture and incorporate the opinions and recommendations of the citizens and the communities to ensure plans and strategies that address their needs and priorities.

The COVID-19 pandemic has highlighted the great technological gap that exists in our country and shows the lag of many of our communities (especially those of low-income and that are the priority of the Action Plan) as to internet access.

We recognize that having a webpage and publish its content is an important part of the participation process, as it provides an integrated place to organize resources, communicate pertinent information and participate in the process at a time/place that is self-convenient. However, if we are to create an Action Plan that benefits the communities that have the least access to this type of tools, alternate ways of participation must be ensured. These can include e-mails, telephone calls, text messages, advertisements and participatory sessions through the radio, among others.

We also recommend doubling the efforts for transparency in the procedures. It is not clear from the information in the web if the documentation that is generated as part of this process is accessible in its totality to the citizens, because at times it states that there is information that must be requested to access it. We believe that all the information pertinent to the process must be available without needing to be requested. This plan is nurtured by a robust conversation with our communities around the Island and Island Municipalities and for that the access to the contributions of the rest of the citizen is critical.

Full access to public information must be accompanied by a community education program. It is necessary that our communities have knowledge of the planning process and a vocabulary in common to effectively communicate and provide relevant and substantial input. The first step to contributing to the improvement of our communities is the empowerment of the participation procedures.

We appreciate the opportunity provided to present these comments.

We remain at your service to respond to questions or offer additional information.

Cordially,

Ingrid Vila Biaggi  
Ambassador of Urban Waters  
Caño Martín Peña"

**PRDOH Response:**

The PRDOH appreciates your comment and will take your suggestions into consideration. PRDOH has adopted policies to minimize the displacement, in accordance to the goals and objectives for the assistance activities under HCDA Act. These policies are contained and published in the "Puerto Rico Department of Housing Uniform Relocation Assistance Guide and Residential Anti-displacement and Relocation Plan" (PRDOH URA & ADP GUIDE). To obtain a copy of these guidelines, please go to webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Relocation Program under the R3 Program is voluntary. Currently, the applicants that are eligible for Relocation in the R3 Program can voluntarily select an existing property

or land for the construction of a new house in safe areas. Meanwhile, the mitigation projects of the different communities continue their planning process.

PRDOH is considering viable alternatives to address what is provided in Joint Resolution 118-2019. The regulation that regulates the use of the CDBG-DR funds does not allow their use as an independent activity. These mitigation activities will be considered in the development of the action plan for the mitigation funds (CDBG-MIT) which allocation of \$8.25 billion dollars was published by HUD on January 27, 2020. These funds will make the development of projects that assist the reduction of the impact of atmospheric phenomena, should they impact the vulnerable communities again. It is the interest of PRDOH for the federal funds allocated for the recovery of the Island to reach those communities that need it the most while complying with the laws and regulations that regulate the use of those funds. Future programs, including those to be defrayed with the allocation of CDBG-MIT funds, may consider additional approaches for the subject of reconstruction in zones of risk.

The PRDOH recognizes that the planning of mitigation activities is a collective effort. The Action Plan for CDBG-MIT funds will be part of citizen participation processes to ensure the opportunity of the communities and citizens in general to be able to evaluate and propose mitigation measures. The Department, as part of the development of the Mitigation Plan, will implement mechanisms of communication where the residents, non-profit organizations, governmental entities, private entities among others, present mitigation measures that can be incorporated as part of the Plan that must be presented to the Housing and Urban Development of the USA (HUD).

The public comment period represents the time in which all comments to the Action Plan Amendment 4 (substantial amendment) that are later considered are incorporated to the Action Plan that is submitted to HUD for evaluation and are shared with all the public. To increase the opportunity for citizen participation various mechanisms were provided by which the citizens could submit their comments and suggestions to the action plan, such as e-mail, webpage, regular mail and switchboard, in addition, the comment period was extended twice, for a total of sixty (60) days.

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Comment ID: 2020-05-29\_E\_GE\_Proyecto Enlace Caño Martin\_Peña\_Mario Nuñez Mercado (1)

**Comment:** *"Greetings Mr. Secretary, I hope you and your team are enjoying perfect health. Via this e-mail, the Corporation of the ENLACE Project of Caño Martín Peña and the Land Trust jointly submit their comments to the draft of the Action Plan 4<sup>th</sup> Amendment for the CDBG-DR funds in response to Hurricanes Irma and María (Substantial Amendment) published by the PRDOH for public comment on March 31, 2020.*

**[Summarized Comment]**

May 29, 2020

VIA EMAIL: [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)

The Honorable Luis Carlos Fernández Trinchet  
Secretary  
Department of Housing  
Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, PR 00928-1365

COMMENTS TO THE PUERTO RICO DISASTER RECOVERY ACTION PLAN SUBSTANTIAL  
FOURTH AMENDMENT DRAFT

Honorable Secretary:

The Corporación del Proyecto ENLACE del Caño Martín Peña (ENLACE) and the Fideicomiso de la Tierra del Caño Martín Peña (Fideicomiso) resent our comments concurrently to the Puerto Rico Disaster Recovery Action Plan Substantial Amendment 4 (Action Plan). The Community Development Block Grant — Disaster Recovery Program (CDBG-DR) funds present a unique opportunity to impact Puerto Rico's development in the years to come, in a meaningful way. Our comments are based on more than fifteen (15) years of experience, as organizations that were designed as instruments to implement innovative solutions to issues of sustainability, risk management, affordability, land tenure, and strong community organizing in the context of eight low-income communities, many of which originated as informal settlements. We strongly believe that the internationally renowned ENLACE Cano Martín Peña Project (ENLACE Project) has the credibility, trajectory, and policy / institutional framework to demonstrate that a just, equitable, and participatory recovery for Puerto Rico is possible. The ENLACE Project is also key to transform the San Juan Metropolitan Area, generating wealth, jobs, and new economic development opportunities by recovering its bodies of water while reducing flood risks in the Caño Martín Peña Special Planning District (District), the Luis Muñoz Marín International Airport and communities surrounding the San José Lagoon.

The comments in this letter are subscribed within the framework of the public policy established by the Government of Puerto Rico in the Joint Resolution No. 118 of November 19, 2019 (RC 118-2019, by its Spanish acronym). The actions mandated by RC 118-2019 to the DV include the following:

1. Allow the construction, rehabilitation and/or reconstruction of homes currently located in flood zone areas around the CMP.
2. In the case of the District, any acquisition of land made by the Government of Puerto Rico through these funds must take into consideration its transfer to the Fideicomiso, in accordance to Puerto Rico Law No. 489 of September 24, 2004, as amended, known as the Comprehensive Development of the Caño Martín Peña Special Planning District Act (PR Law 489-2004).
3. Establish viable alternatives to the adverse effects that flood insurance requirements would have on the eight (8) communities surrounding the CMP.

### About the ENLACE Project

The ENLACE Project, whose main contents are included in the District Plan, is extremely relevant and important for the development of Puerto Rico. It is crucial not only for reducing for thousands of families their vulnerability to recurrent flooding filled with wastewater, and their exposition to diseases related to the environmental degradation of the CMP, but It also provides the possibility of transforming the City. It is an innovative environmental justice and social transformation initiative that pursues a livable, inclusive and resilient city through the ecosystem restoration of an estuarine channel in the heart of San Juan, Puerto Rico, affordable and safe housing, adequate infrastructure, and quality public spaces. Partial estimates indicate that each 100 year recurrence flooding incident causes an approximately \$700 million in losses for the country, while on the other hand, the ENLACE Project would inject \$587 million into the economy, and provide further tourism and real estate benefits. Restoring the CMP would reconnect the lagoons and channels of the San Juan Bay Estuary, recreation and tourism opportunities, revaluation of urban land, and economic development.

As a result of Hurricanes Irma and Maria, approximately 70% of the communities were flooded with wastewater, in some areas for up to four days; approximately 1,200 homes lost their roofs, either partially or totally; and over 75 homes were destroyed in their entirety, thus exacerbating public health and safety hazards. Through the sense of empowerment and solidarity that has always characterized these communities, the ENLACE Project propelled an effective grassroots disaster relief and recovery. Just one month after the hurricane, with the support of over 620 volunteers, the following relief and recovery activities, among others, were conducted: distribution of over 800 tarps; removal of approximately 2,565 cy of vegetative material blocking access; assistance to over 682 families applying for the Federal Emergency Management Agency Individual Assistance Program; and distribution goods, food, water, mosquito repellents, mosquito nets, among other donations which resulted in an immediate benefit for the communities.

According to the 2010 U.S. Census, there are approximately 26,000 residents. US Census 2010 data (USCB 2010), U.S. American Community Survey 2010-2015 (ACS 2015) and ENLACE's own studies provide a striking profile of the poverty prevalent in these communities and their pervasive socio-economic needs. The District's population density is almost three times the rate for the Municipality of San Juan and 25 times that of Puerto Rico (USCB) and the median household income for families living in the CMP's District is \$10,836. (ACS 5 Year Estimates). Investment of CDBG-DR funds in the ENLACE Project will provide an opportunity for a just and equitable disaster recovery, without community displacement and gentrification and ensuring a democratic community participation.

#### COMMENTS, QUESTIONS, AND SUGGESTIONS:

##### Main Comments

Overall, the amended Action Plan is still not compatible with the public policies set forth in the District Plan nor the recent policies adopted by the Government of Puerto Rico through RC 118-2019, critical to reduce flood and storm risks in the San Juan Metropolitan Area. To address this, we recommend incorporating the actions described in the

comments submitted by ENLACE and the Fideicomiso on October 21, 2018, in addition to the following recommendations:

1. The Home Repair, Reconstruction, or Relocation Program (R3) Program should allow for the reconstruction, rehabilitation of substantially damaged and/or construction of homes within the floodplain in compliance with RC 118-2019.

According to the Federal Emergency Management Agency (FEMA)'s April 2018 flood maps, approximately 89% of the District is classified as a floodplain. As a result, the restrictions on construction, reconstruction, and rehabilitation of substantially damaged homes within a floodplain imposed by the PRDOH will promote displacement, contrary to the objectives of CDBG-DR and PR Law 489-2004. In addition, such restrictions are contrary to the U.S. Department of Housing and Urban Development (HUD)'s directives and the PRDOH's certification stating that the Action Plan should "minimize displacement of persons or entities [...]". The Housing Program Guidelines developed by other grantees to implement their CDBG-DR Disaster Recovery Action Plans do not contain the same heightened restriction that is contained in the Action Plan. In addition, unlike the PRDOH, the grantee agencies in Texas, Florida, and the U.S. Virgin Islands state that mitigation measures, such as the reconstruction and elevation of eligible homes in the floodplain, may receive funding.

The Texas General Land Office (GLO) is the official grantee of CDBG-DR funds for the State of Texas. The GLO administers the Homeowners Assistance Program (HAP) and permits eligible applicants to repair, rehabilitate, and reconstruct homes, including measures to "elevat[e] the homes above the flood level" to improve resiliency. This suggests that the certification contained in the State of Texas Action Plan is compatible with repair, rehabilitation, and reconstruction measures including funding to elevate homes in compliance with HUD regulations. The Florida Department of Economic Opportunity (DEO) is the official grantee of CDBG-DR funds for the State of Florida. The DEO's Single Family and Mobile/Manufactured Housing Guidelines offer financial aid to elevate homes "to comply with the elevation requirements governed" by HUD standards (at two feet above the 100-year floodplain level).<sup>16</sup> The guidelines state that homes within the floodplain with a "substantial damage determination" may be "reconstructed and elevated." FEMA defines "substantial damage" as "damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damage condition would equal or exceed 50 percent of the market value of the structure before the damage occurred. Thus, the DEO's program guidelines suggest that the certification contained in the Florida Action Plan is compatible with reconstruction and mitigation measures, including funding to reconstruct and elevate homes within the floodplain.

The Housing Finance Authority (HFA) is the official grantee of CDBG-DR funds to the U.S. Virgin Islands. The HFA's Disaster Recovery Action Plan, approved on March 1, 2019, aims to support residents "directly affected by the storms by rehabilitating or replacing housing units, including mitigation enhancements." According to the U.S. Virgin Islands Action Plan "all structures, as defined at 44 CFR 59.1, designed principally for residential use and located in the 1 percent annual (or 100-year) floodplain that receive federal assistance

for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two to three feet above the 1 percent annual base floodplain elevation as determined by best available data.”

It is also important to highlight that the flooding conditions in the District are mainly the result of the environmental degradation of the CMP and the lack of adequate pluvial and sanitary infrastructure. These projects are already contained in the District Plan and ENLACE is carrying out the necessary hydrology and hydraulic studies to show how the implementation of these projects will help to significantly reduce the flood footprint within the District. For example, on May 4, 2020, the Hydrologic-Hydraulics Analysis for the CMP-ERP (H-H Study) commissioned by ENLACE as part of the CMP-ERP's PED activities, reviewed and approved by the USACE, concludes that the CMP-ERP will reduce the flooding footprint in the areas surrounding the CMP and Laguna San Jose within the 100-yr Flood Zone. In some of the areas monitored as part of the H-H Study the difference in Water Surface Level (WSE) between existing conditions and proposed conditions (i.e. CMP-ERP) is -0.23, -.026 and -.029 meters (negative numbers indicate a decrease in water level when compared to existing conditions). In addition, the dredging and channelization of the CMP will improve the flow of water at the mouth of the Juan Mendez creek that converges with the CMP which could benefit other communities such as San José in San Juan. Overall, the H-H Study concludes that the CMP-ERP will reduce and/or mitigate flood risks associated to 2 to 100-yr events in the communities surrounding the CMP and San José Lagoon, and the Luis Muñoz Marín International Airport. In addition, ENLACE is projecting to conduct a comprehensive water infrastructure master plan for the northern and southern region of the CMP which will provide additional data and analysis about how the critical storm-water and sanitary infrastructure projects Will help prevent or reduce flooding within the District.

In view of the aforementioned, current flooding conditions within the District can be significantly reduced once the CMP-ERP and associated infrastructure projects are implemented, reducing flood damage to homes located in the District. Allowing the investment of CDBG-DR funds in the District for construction, reconstruction and/or rehabilitation of homes is critical to support the CMP-ERP and the additional mitigation measures contained in the District Plan.

Comments to the new Action Plan amendments

#### Program Requirements

1. *Housing Impacts.* The amended Action Plan reports that, to date, 24% of the applications received under the R3 Program have been deemed eligible for assistance and that housing construction will begin in 2020 (P.73). ENLACE and the Fideicomiso hereby requests the following information pertinent to the District:
  - a. The number of applications originating from residents of the District;
  - b. which of the applications originating from the District, if any, have been approved and which have been denied by the PRDOH; and
  - c. the number of housing units, if any, planned to be built within the District.

2. *PRDOH CDBG-DR Management Distribution Models.* The amended Action Plan still states that "[f]or-profits may only be included as sub recipients when assisting with economic development and micro-enterprise activities, unless otherwise waived by HUD." (P.99). The PRDOH should describe in the Action Plan the mechanisms through which sub-recipients can request from the agency any applicable waivers under federal laws and HUD regulations.

3. *Program Income.* The Action Plan establishes that "Puerto Rico anticipates it may generate program income as part of the activities allowed under this allocation. Should any funds be generated, recovery of funds including program income, refunds, and rebates will be used before drawing down additional CDBG- DR funds." However, it does not specify in which areas such income is foreseen, it does not contain projections of income, nor of redistribution thereof, if it would be destined to the same program that generates the income or could be redistributed to another different program to reach more people when these programs have a budget with more limitations.

4. *Performance Schedule.* The Action Plan establishes that "Projections for expenditures and outcomes will be submitted to HUD with the Action Plan and will be amended as needed throughout the life of the grant." (P. 104) The PRDOH should include in the Action Plan the projections of income projected redistribution plan for each program, including milestones, deadlines, application process, eligibility, and evaluation criteria for applications. This information should be available for public comments.

#### *Planning Programs*

5. *Overall.* The Action Plan does not contain information on the applicability of the planning programs to the Special Planning Districts (SPD) adopted by the Puerto Rico Planning Board (PRPB). SPD are critical to address situations in geographic areas or communities with certain characteristics that distinguish them from others. The PRPB determined to designate the District in order to fulfill and safeguard the environmental, socioeconomic, institutional, mobility, transportation, and tourism development objectives particular to the communities surrounding the CMP, identified as a result of an extensive participatory design and consultation processes. The PRDOH must clearly state what mechanisms will be established to ensure that the implementation of the programs contained in the Action Plan does not contravene the public policies and projects established for SPD and/or ensure that the Action Plan programs are implemented by, or in close coordination with, the entities in charge of implementing their respective development plans, including ENLACE.

6. *Whole Community Approach.* There is a prevailing inconsistency between the Whole Community approach and the rest of the programs included in the Action Plan. The PRODH must detail the measures that will be taken to ensure effective and real community participation in the decision-making process regarding the Whole Community Resilience Planning Program, with special consideration to community participation in relocations and structure demolition processes, prioritizing community cohesion and on-site mitigation when feasible. The PRDOH must also define the criteria to choose the communities that will participate in this program.

#### *Housing Programs*

7. *Overview.* In the general description of the programs, it is established that "[n]o funding has been committed to public housing at this time as FEMA assistance is still in



development and the true unmet need is being assessed. Public Housing may be addressed with HUD's second allocation of CDBG-DR funding." (P. 127) It has been almost three years since Hurricanes Irma and Maria passed through Puerto Rico and despite the assistance provided by FEMA to date there are hundreds or thousands of families, particularly tenants, who still do not have safe, decent, sanitary and permanent housing or that are in transitional housing. It is critical that PRDOH include funding for Public Housing independent of FEMA's assistance process so that these families have additional housing options.

8. Duplication of Benefit (DOB). The Action Plan states that "Puerto Rico will implement policies and procedures to ensure no individual receives duplication of benefit for the same purpose and / or effect to recover from the hurricanes." It also that "Federal law prohibits any person, business concern, or other entity from receiving Federal Funds for any part of such loss as to which he has received financial assistance under any other program, from private insurance, charitable assistance, or any other source." (P. 131). The Action Plan should describe:

a. How the PRDOH will provide assistance to families that received disaster assistance aid from other federal agencies (e.g. FEMA) but that were not sufficient to cover the total damage caused by the hurricanes. Families whose damages were not fully covered by disaster assistance received by other federal agencies and/or who did not have private or federally funded insurance at the time of the disaster are extremely vulnerable families. In addition, the PRDOH must stipulate and request the pertinent flexibilities to compensate the time elapsed between the hurricane period and the operational functionality of the programs as well as, the situations established above.

b. Whether FEMA Individual Assistance (FEMA IA) Funds or assistance received as part of the STEP Program ("Tu Hogar Renace") are considered when ensuring an individual does not receive duplication of benefit in general, an in particular, in the context of the Homeowner Repair, Reconstruction, or Relocation Program and of each of the other housing programs proposed in the Action Plan.

c. Shall FEMA IA, STEP or both benefits have to be considered, please describe how this will affect the ability of moderate, low income, and very low income families, as well as that of other disadvantaged populations, to benefit from each of the housing programs, and the measures that will be taken to fill the gaps.

9. Displacement of Low Income and other Disadvantaged Communities. In the Action Plan, PRDOH states that Puerto Rico must use funds not simply to rebuild homes, but to "rebuild families and communities . . . generate a long-term investment in social capital, fortify the economy, and set the stage for stability and continuity in government modernization and efficiency for decades to come." (P.v) The Action Plan also contains an affirmation of PRDOH's anti-displacement goals: "All CDBG-DR funded activities will be designed to or minimize the occurrence of displacement. Puerto Rico will minimize displacement of persons or entities and assist persons or entities displaced as a result of implementing a project with CDBG-DR funds." (P. 127) However, the PRDOH imposes additional restrictions beyond the HUD-mandated restrictions. The Action Plan specifies that homes in the floodplain are not "eligible for reconstruction in place." It goes on to prohibit the use of funds for "rehabilitation" on projects which qualify as "substantial improvements" and indicates that such homes will receive funds for "relocation assistance" out of the floodplain. Under these heightened restrictions, only households that are not "substantially damaged" are eligible for rehabilitation and no homes in the 100-year

floodplain would be eligible for reconstruction in place. Other CDBG-DR grantees have all implemented programs that permit funding for repair, rehabilitation, reconstruction, and mitigation efforts within the floodplain for eligible households. The restrictions included in the Action Plan may lead to the displacement of low income and other disadvantaged communities, we recommend the following actions:

a. Disaster management literature has demonstrated, and the Action Plan recognizes, that community cohesion, social relations, the state of institutions are critical indicators when analyzing vulnerability and the ability of a community to respond after a disaster. The SOVI methodology does not take these into consideration. These factors should be included in the vulnerability analysis.

b. The PRDOH must detail how the policies and programs proposed in the Action Plan strengthen social cohesion rather than weakening such critical aspects for disaster response. In particular, discuss how the requirement to repair and rebuild outside of high-risk areas where mitigation alternatives such as elevated structures and infrastructure improvements are feasible, affects community cohesion and promotes displacement.

10. Uniform Relocation Act. The Action Plan states that "Puerto Rico accepts the HUD waiver of the Section 104(d) requirements, which assures uniform and equitable treatment by setting the URA and its implementation regulations. Efforts to conduct voluntary buyouts for destroyed and extensively damaged buildings in a floodplain may not be subject to all provisions of the URA requirements." (P. 128) The Action Plan must:

g Discuss if families that will be relocated, in accordance with the Action Plan, will be considered to be "displaced persons" per the URA.

h Explain how the eligibility criteria of "ownership of property structure (alternate method)" complies with URA criteria regarding displaced persons and eligible occupants.

i Explain how the eligibility criteria for the Homeowner Repair, Reconstruction, or Relocation Program complies with URA, including relocation assistance rights under URA. For example, URA states that an owner occupant has the right to replacement housing if he/she has actually and lawfully occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations, among other requirements. The Action Plan states as an eligibility criterion: "Must have occupied the property as a primary residence at the time of the storm." (P. 130) The PRDOH should explain how these criteria will be harmonized, and the implications for families that were occupying the structure at the time of the storm and had to move afterwards. Furthermore, adverse effects for the District Plan are foreseeable. All relocation process required for the feasibility and fair implementation of the District Plan are carried out under the rigorous standards of the URA. Implementing relocation programs, even when your character is voluntary, will cause a dislocation between the benefits and perceptions of families affected by the District Plan.

j Clarify what constitutes a "demonstrable hardship" for the purposes of the Action Plan, policies and procedures.

k Establish the concrete steps Department of Housing will take to prevent families from becoming homeless persons once the "Tenant-Based Rental Assistance" and CDBG-DR funds are completed.

l The PRDOH should amend the Action Plan to incorporate the provisions set forth in RC 118-2019.

11. R3 Program. As part of the R3 program, the Action Plan states that "[d]amaged properties acquired by PRDOH will be demolished and vacant lots will be maintained as

green space." (P. 133) In accordance with PR Law 489-2004 and RC 118-2019, land acquired by the PRDOH within the District shall be considered for transfer to the Fideicomiso in coordination with this entity. In addition, the PRDOH should implement the amendments included in RC 118-2019 and establish the mechanisms to be implemented to ensure the long-term maintenance of green spaces and to prevent that these spaces become illegal dumping sites or abandoned areas that represent a risk to public health and safety. The Action Plan also states that "the homeowner must agree to own the home and use it as their primary residence for a period of 15 years after reconstruction or successful relocation, as secured through a Sworn Grant Agreement in compliance with Rule 35.4 of the Puerto Rico Civil Procedure Rules, 32 L.P.R.A. AP. V, R.35.4 (Entry of Judgement by Confession), and a Direct Mortgage Deed with Imposition of Restrictive Covenants, which shall be recorded in the Puerto Rico Property Registry." (P. 131) These restrictions can be detrimental to the socio-economic development of the homeowner. As reported in *El Vocero* on May 25, 2020, "[t]he economic losses caused by the spread of the [Coronavirus] virus on the island will exceed \$10 billion, while a total of 417,000 jobs or 46.8% of the 870,800 existing jobs on the island will be directly affected. A second migration wave of 300,000 people could occur between 2020 and 2022, which would reduce the population to 2.7 million people. This is in addition to the more than 600,000 people who have left from 2010 to 2019 as a result of the protracted economic stagnation." Considering the pervasive economic situation of Puerto Rico compounded by the COVID-19 pandemic, the PRDOH should take into consideration the adverse effect that the Sworn Grant Agreement and Direct Mortgage Deed with Imposition of Restrictive Covenants requirements may have if an eligible homeowner participating in the R3 program is forced to move within, or migrate out of, Puerto Rico in the near future in search of better economic opportunities and/or living conditions. If said requirements are HUD-mandated, we recommend that the PRDOH request a waiver.

12. *Method of Distribution.* The Direct Distribution Model does not allow sub-recipients such as ENLACE, which has carried out acquisition and relocation processes for the past 15 years, to participate in this Model to ensure that it aligns with its relocation processes and that it complies with laws and/or regulations such as URA, applicable to relocation processes in the District. In addition, the voluntary character of the program becomes academic when aid programs are not flexible enough to include real and existing housing options.

13. *Property Title.* The Action Plan states that "Due to the extent of undocumented informal construction on unregistered land, reform to the parcel registry is paramount to restructuring the housing market. Parcel registry is important for clarifying and preventing boundary disputes". (P.51) Puerto Rico has a longstanding history of informal settlement and/or housing, particularly in economically disadvantaged communities. As reported by the American Bar Association, "[t]he Society for Puerto Rican Planners, David Carrasquillo estimates that 260,000 homes in Puerto Rico do not have titles or deeds." These have led to advocacy organizations such as the National Low-Income Housing Coalition (NLIHC) and the Disaster Housing Recovery Coalition (DRHC) question the utility of said restrictive policies that may prevent thousands of people from getting much needed assistance.

14. *Options for the regularization of land rights.* The Action Plan focuses the strategy to regularize land rights in providing support to families in the process of obtaining fee simple titles. However, there are other alternatives that further advance the goals of avoiding the displacement of communities, promoting "Whole communities" and ensuring long-term affordability. The Action Plan should:

a. Provide real opportunities for communities to analyze options according to their priorities and choose how they want to address land tenure. Alternatives to individual land titles should be offered, such as community land trusts (CLTs), which help to ensure long-term affordability, community cohesion, prevent gentrification; reduce the rate of foreclosures, among other benefits. The Fidecomiso is available to support this process.

b. Support the transfer of public lands to allow for the creation of CLTs as well as using funds to buy private lands where necessary to regularize land tenure (i.e., when acquisitive prescription is not applicable).

15. Process to regularize land rights. The process to recognize and document land rights is complex. In areas where the government has issued land titles, there is lack of adequate documentation as to which titles were issued, as well as conflictive documentation between the Registry, documentation provided by the families and/or the information publicly available. In addition, in Puerto Rico registration of a title at the Registry is not a legal requirement thus non-registered deeds are accepted. In view of the aforementioned:

g. The Action Plan must establish a legal assistance program, or provide funds to law school clinics and/or pro bono programs, and/or other legal assistance and aid organizations, to assist families in the title regularization process, including how to obtain the declarations of heirs or other succession documents. These funds should also contemplate legal fees and costs. Similar strategies were implemented in Louisiana after Hurricane Katrina.

h. The Action Plan should contemplate how the PRDOH will assist or guide families in the process of seeking pertinent documentation from other local agencies, such as the Puerto Rico Department of Treasury, the Child Support Administration (ASUME, by its Spanish acronym) and/or the Municipal Revenue Collection Center (CRIM, by its Spanish acronym).

i. Funding should be made available to the Puerto Rico Department of Treasury and the Office of Notarial Inspection (ODIN, by its Spanish acronym) to be able to expedite the process to issue the Estate Tax Return ("Planilla del caudal relicto)", and the Negative Certification of Non-Contentious Cases ("Certificación negativa de asuntos no contenciosos"), respectively.

j. The PRDHO should support CLTs work to regularize land tenure, providing funds to conduct title investigations, surveys, databases, and others necessary to issue surface rights deeds to families living in CLT land, where necessary.

16. Program Caps. The R3 Program limits the maximum award to \$185,000 for rebuilding, and for a homeowner to purchase a replacement home and make any required improvements; and to \$60,000 for repairs. The Action Plan should:

a. Describe the methodology and criteria used to establish the \$185,000 and the \$60,000 caps in benefits. Describe, if there is a gap that families need to cover, how it will be financed and how the cap is compatible with the URA. Describe whether the cap takes into consideration: i. Actual and projected construction costs; ii. Property market predictions and/or potential decrease in property's values; iii. Demolition costs; and iv. Any applicable Leadership in Energy and Environmental Design (LEED) and Fortified Home™ standards.

17. Title Clearance Program. The Action Plan states that "title services will not be provided for applicant properties located in the floodplain or floodway; or an area considered high-risk due to engineering, soil or slope conditions as verified by engineering inspections". (P. 136) As reported by the Centro de Periodismo Investigativo and

highlighted by multiple legal aid and assistance organizations, proving property ownership "is one of the main obstacles that prevents federal government assistance from reaching those who need it". Many families that face issues proving ownership of their home due to lack of title are located within the floodplain or floodway, or an area considered high-risk. However, these families could legitimately own, or have property rights to, their homes although it is located on a high-risk area and/or that they lack title. These families could benefit from multiple programs contained in the Action Plan and the PRDOC [sic] should not prevent them from accessing the title services provide through the Title Clearance Program.

18. *Housing Counseling.* The Action Plan focuses on much needed housing counseling services for disaster recovering. However, it does not delineate how these individual choices will be linked to the Whole Communities planning and strategies, so that individuals are made aware of any mitigation and on site reconstruction opportunities and have the opportunity to stay in their communities and avoid displacement. The Housing counseling activities should be intertwined with existing grassroots community organizing and participatory planning. In addition, according to the redevelopment incentive section "participants may receive an additional \$5,000 in assistance if they choose to purchase a home in a designated urban and/or redevelopment zone as defined in the Program Guidelines procedures." (P. 157) The PRDOH should take into consideration the possibility of encouraging community displacement and the breakdown of social cohesion of vulnerable communities, when implementing this type of incentive.

#### *Economic Recovery Programs*

19. *Construction and Commercial Revolving Loan Program.* The Action Plan establishes that "Providing local contractors access to start-up and mobilization capital will build local reconstruction capacity and maximize the amount of funds recirculated into the Island's economy." (P. 162) The PRDOH should describe the current projections on the income that would be generated given the interest accrued on the loans and disclose how this revenue would be used or reinvested, and what the proposed distribution of funds would be. In addition, the PRDOH should take into consideration the possibility of encouraging community displacement and the breakdown of social cohesion of vulnerable communities, when implementing this type of incentive.

#### *Small Business Financing Program*

20. One of the projected accomplishments of this program is the "[j]ob creation and retention through the recovery and growth of businesses damaged and/or disrupted by the hurricanes, and the growth of start-up businesses established after the hurricanes." (P. 164) The PRDOH and the Department of Economic Development and Commerce (DEDC), as administrator of the program, should amend the Action Plan and guidelines to prioritize existing and hurricane-affected small businesses over external, newly established business. The PRDOH and DEDC should provide mechanisms to prioritize community-based enterprises and business.

#### *Small Business Incubators and Accelerators Program*

21. The initiative included in the Action Plan considers new and startup businesses in need of support to participate in the economic rebirth of the Island. According to the Action Plan, "PRDOH will oversee this program and will fund incubator and accelerator activities with units of local government, non-profit organizations or governmental agencies with proven experience in the implementation of business incubators and accelerators." (P. 169) ENLACE and the Fideicomiso should be partners for the implementation of this initiative within the District, recognizing that they have been implementing a new business incubation initiative for years as part of their Community Economic Development Program.

#### *Workforce Training Program*

22. Training is essential to develop long-range economic recovery and prosperity. This program prioritizes job training and emphasizes the construction industry in the face of a shortage of skilled labor. The PRHD and DEDC as administrator of the program should consider other capacity development areas that in addition to the construction industry.

#### *Infrastructure Coordination Programs*

23. *Community Resilience Centers Program.* The Action Plan seeks to accomplish the creation of "known network of clearly identified and registered community resilience centers across the Island to support communities during disasters with provision of critical functions and increasing social resilience through potential expansion of year-round day-to-day functions." (P. 196) In Puerto Rico, organized communities serve as first responders in most cases throughout the Island. Grassroots and community-based organizations, such as the G-8, often are entrusted with the task of setting up, establishing, and maintaining community aid centers after disasters, providing much needed relief and aid. The PRDOH must establish priority in the granting of funds to places of greater vulnerability. If there are prohibitions on granting these funds in flood zones, PRHD should request from HUD the necessary waivers to achieve mitigation in these spaces and make them more resilient. The spaces to be considered should include the public schools' facilities that were closed by determination of the Department of Education after the impact of hurricanes

#### *Multi-Sector Initiatives Program*

24. Through this program, the PRDOH seeks to promote multi-sector initiatives that "incorporate aspects of or provide benefits in each of the four sectors: economic development and revitalization, infrastructure, planning, and housing." (P. 199) The PRDOH must recognize the policies and instruments, such as the District Plan, that are already in place, so that funds are focused on moving forward the work that will ultimately mitigate risks and address public health and safety issues.

#### *City Revitalization Program*

25. The Action Plan should recognize the District Plan's initiatives as they align with the objectives of promoting "widespread re-greening (green infrastructure, etc.) efforts across the island to provide multiple benefits to communities. Prioritizes funding for projects with

higher levels of leverage investments." (P.201) In addition, the PRDOH should expand the eligibility of this program to public corporations whose main mission is based on community development or to clarify whether these types of public partnerships are recognized within the group identified as "Other community-based governmental entities". In addition, the PRDOH shall amend the Action Plan to allow the implementation of this program in accordance with the legal framework of planning in Puerto Rico, specifically the provisions on development plans for SPD such as the District Plan.

#### *Public Participation*

26. The emergency caused by Coronavirus disease (COVID-19) and the security measures implemented by the Governor of Puerto Rico may significantly affect the public's ability to participate in the public comment process. In view of the emergency as well as the technological challenges traditionally faced by the most disadvantaged communities, the PRDOH must implement public participation initiatives beyond the public comment period to afford "stakeholders (those that have an interest or stake in an issue, such as individuals, interest groups, communities) the opportunity to influence decisions that affect their lives" The PRDOH shall provide additional time and additional platforms for individuals to submit their comments. In view of the implications of the Action Plan to disadvantaged communities, to ensure an inclusive, meaningful, efficient, and effective public participation.

#### *Translation*

27. The Action Plan and its amendments should be concurrently published in both Spanish and English considering that 96.4% of the population speak a language other than English at home (mostly Spanish). The PRDOH must ensure that both translations contain the same data and information to avoid misinformation among the public.

#### *Discussion of data*

28. The Action Plan still maintains discrepancies in various instances where relevant information is discussed. For example, the enumeration of the tables and graphs used, and the enumeration and reference to the annexes. These issues continue to limit the fluid reading of the document and therefore affect its understanding and the ability to submit comments.

#### *Deferral or Definition of Policies, Concepts, Actions*

29. The Action Plan continues to establish that certain policies will be adopted in future documents and processes. However, the public should have knowledge of these policies to make a comprehensive assessment of the impacts that the implementation of the Action Plan may have. A few of the policies that should be described in the Action Plan are the "[d]etailed policies and procedures for assessing Duplication of Benefit" (P.

101 critical to properly assess which families or individuals are eligible for assistance and what type of assistance they're entitled to, and the "[p]rojections for expenditures and outcomes" (P. 104), information that will help sub-recipients plan in advance the itinerary and milestones for the use of CDBG-DR funds taking into account the projections of the PRDOH.

We are available to provide further information as needed.

Sincerely,  
Mario Nuñez Mercado  
Proyecto Enlace Caño Martín Peña"

**PRDOH Response:**

PRDOH appreciates your thorough comments and suggestions. PRDOH understands the expertise community-based organizations have concerning the needs of local communities and as such, values their participation and looks forward to a working relationship at various levels throughout the life of the grant. The Department is considering viable alternatives to address the provisions included in Joint Resolution 118-2019. The regulations governing the use of CDBG-DR funds do not allow their use for mitigation activities as a standalone activity. These mitigation activities will be considered in the development of the action plan for the CDBG-MIT funds whose allocation of \$ 8.25 billion was published by HUD on January 27, 2020. These funds will enable the development of projects that help lessen the impact should vulnerable communities be struck by atmospheric phenomena. It is in the interest of the Department of Housing that the federal funds allocated for the recovery of the Island reach the communities that need it most while complying with the laws and regulations that govern the use of these funds.

PRDOH recognizes that planning mitigation activities should be collaborative process. The Action Plan for the use of CDBG-MIT funds will encompass an array of citizen participation methods to ensure the opportunity of communities and citizens in general to evaluate and propose mitigation measures. As part of the development of the Mitigation Plan, PRDOH will implement communication mechanisms, where residents, non-profit organizations, government entities, private entities, among others, present mitigation measures that can be incorporated as part of the Plan that will be submitted to HUD.

PRDOH has established anti-displacement policies as required by Federal Law and Regulations. These are included in the "Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan" (PRDOH URA & ADP GUIDE) posted to the CDBG-DR website. Please see: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

PRDOH will take these suggestions into consideration during further development of programs or in development of additional programs if additional funding becomes available. PRDOH encourages interested parties to monitor the website for opportunities. Non-profit entities are eligible to apply for assistance under several programs outlined in the Action Plan.



PRDOH will consider “demonstrable hardship” as exceptions to program policies, including post-assistance affordability requirements for the single-family program, for applicants who demonstrate undue hardship. Applicants in this situation will be reviewed on a case by case basis to determine whether assistance is required to alleviate such hardship. Demonstrable hardship may include, but is not limited to, excessive amounts of debt due to a natural disaster, prolonged job loss, substantial reduction to household income, death of a family member, unexpected and extraordinary medical bills, disability, mental health impacts as a result of the hurricane, etc.

We are conscious about the risk of homelessness that face many of the participants of the Rental Assistance Program when the assistance expires. Therefore, PRDOH is considering different exit strategies to provide housing assistance to these families in a more permanent basis. We must emphasize that, currently, there is no such assistance in the CDBG-DR portfolio, hence, any newly proposed program would be subject to HUD’s approval.

PRDOH appreciates your entity’s interest in the Small Business Financing Program. Non-profits and Government Entities are eligible applicants to several programs outlined in the Action Plan. Further program information, including application periods, documentation and process used to determine eligibility are outlined in more detail in the program guidelines. Program guidelines and policies are being posted in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov), as they become available.

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Comment ID: 2020-05-29\_E\_PS\_McConnell Valdés LLC\_Harry Cook (1)

**Comment:** *“Good Evening,*

*Attached please find comments to the City Revitalization Program included in the Fourth Substantial Amendment to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María.*

*May 29, 2020*

*Mr. Luis Carlos Fernandez Trinchet Secretary  
Puerto Rico Department of Housing  
PO Box 21365  
San Juan, PR 00928-1365*

*Re: Comments to Fourth Substantial Amendment to Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María*

*Dear Sirs:*

We make reference to the Fourth Substantial Amendment (the "Fourth Amendment") to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and Maria (the "Action published by the Puerto Rico Department of Housing ("PRDOH") on March 31, 2020, and to the CDBG-DR Program Guidelines (the "Guidelines") for the City Revitalization Program (the published on March 9, 2020.

Pursuant to the Action Plan and the Guidelines, the purpose of the Program is to allow municipal governments and eligible entities to begin to address community recovery at the local level while also addressing regional needs through projects identified in a thoughtful planning process. The first goal of the Program is to restore infrastructure in downtown areas and key to corridors that were impacted by the hurricane, and to make these facilities more resilient to future events, so that residents will want to return to and make use of public urban areas and downtown districts. The second goal of the Program is to use funds to revitalize, modernize, and create green business districts in ways that can support and promote small business recovery and growth, while restoring or encouraging tourism. The third Program goal recognizes that the hurricanes devastated Puerto Rico's natural resources, particularly its tree canopy, and without funding and coordinated action to revitalize it, significant long-term impacts may not be realized. Nevertheless, as recognized in the Action Plan, "[the] Municipal governments lack the financial resources to rebuild or enhance streets, plazas, and other districts that are vital to community recovery and revitalization.

In light of the forgoing, to assist the Program and Guidelines in achieving their respective objectives, we request that for-profit entities be (1) included as eligible applicants under the Program, (2) authorized to present development projects to the municipality to obtain their endorsement, and (3) allowed to apply for CDBG-DR funds as Program subrecipient or applicant for development projects, regardless of whether the endorsed project is included as part of the Municipal Recovery Planning Program ("MRP"). These requests will result in the timely development of projects endorsed by municipalities, but directly managed by the eligible for-profit applicant.

**I. Requests to be considered by PRDOH under the public comment period established for the Fourth Amendment**

**a. Inclusion of for profit entities as Program applicants**

In the Fourth Amendment, the Program's eligible activities include Economic Development Assistance to For-Profit Business under Section 105(a)(17), but for-profit entities are not eligible applicants under the Program. The applicants pursuant to the Fourth Amendment must be one of the following:

- (1) Unit of general local government (municipal governments);
- (2) Non-governmental organization (501 (c)(3)) or not-for-profit-entities;
- (3) Public schools and/or institutions of higher learning to provide public services to the community; and

(4) Other community-based governmental entities (collectively, the "Applicant(s)"). For-profit entities are not permitted to participate in the Program even in instances where for-profit entities have the necessary experience, resources and capacity to develop a project that timely meets Program objectives defined in the Action Plan.

As additional eligibility criteria, the Action Plan establishes that the Applicant has to comply with the following:

- (1) Municipal governments must agree to take part in the PRDOH led planning process;
- (2) Provide for the cost of year-round operations and maintenance ("O&M") expenses for projects funded through this program, including daily operations;
- (3) CDBG-DR funds cannot be used for long-term O&M;
- (4) Applications must be approved and sponsored by the relevant governing body, i.e., the municipal government;
- (5) Utilize the services of a licensed architect or engineer to design the facilities and improvements in accordance with PRDOH and FEMA standards, and all applicable local codes and regulations;
- (6) Projects must be within City boundary, in designated downtown area or key growth corridor;
- (7) Demonstrate tie-back to the disaster; and
- (8) Projects must have a CDBG-DR eligible activity.

The subrecipient model is the method of distribution for the Program and funding will be offered in three rounds. # Pursuant to the Action Plan:

Applicants In each round Will have a specified period of time to submit project concepts to PRDOH that meet Program objectives for the specific round of the Program. The City Revitalization goals for each phase of the Program Will be publicly provided and posted to the PRDOH CDBG-DR website prior to the opening of the application period. At the close of each period, PRDOH will rank and score projects. PRDOH will then inform and work with the selected entities that have projects in each phase of the Program.

The process in the Action Plan to apply for CDBG-DR funds under the Program does not significantly differ from the process established in the method of distribution for the Economic Development Investment Portfolio for Growth Program. Then, why exclude for-profit entities as Program applicants? By including for-profit entities, PRDOH and the municipalities will have a larger pool of eligible applicants presenting a greater variety of development project concepts addressing the municipalities' necessities. For-profit entities are better equipped to respond promptly to municipal needs and offer numerous benefits not otherwise available. For example, for-profit entities can: (1) provide better infrastructure solutions working With municipalities than by having an initiative that is wholly public or wholly private, (2) obtain faster project execution and reduced delays by including a time-to-completion indicator as a measure of performance in their applications, (3) achieve a better return on investment for municipalities through efficient project development, (4) identify risks early on to determine project viability, (5) manage

operational and project execution risks, (6) assist municipalities so their funds are redirected to other important socioeconomic areas, and (7) obtain and maintain greater efficiencies and high quality standards through the project life cycle. Besides, the inclusion of for-profit entities as applicants does not waive the requirement that the applications must be approved and sponsored by the municipal government in question.

Furthermore, the Program requires that Applicants provide for the cost of year-round O&M expenses for projects funded through the Program. Municipalities across the island of Puerto Rico are currently facing severe fiscal constraints due to the economic situation of the Island, which has been exacerbated by the hurricanes, earthquakes and COVID-19. Even though large municipalities may comply with this requirement (which is not a given), it can be onerous for medium and small size municipalities. Medium to small municipalities (by population) face an added challenge due to their potential inability to comply with Program requirements, as compared to larger municipalities. Smaller municipalities may lack the personnel, coverage, and infrastructure needed to undertake large projects. By permitting the participation of for-profit entities, the municipalities mitigate the risk of excess spending and lack of human capital.

If for-profit entities are included as applicants, the municipalities and private entities could work together on transformative projects, revitalizing key areas and corridors, bringing community business back on track and encouraging tourism. For development projects, the O&M for the infrastructure developed by municipalities will be their responsibility, as customary, and for-profit entities will be responsible for other O&M costs related to the project. The for-profit entities development projects will create jobs and economic stimulus to local business during construction and operation of development projects which, in turn, create significant economic benefit to the municipalities.

If for-profit-entities are excluded, we fear the Program will fall short of meeting its objectives. For municipalities, the problem is two-fold, executing on the projects in a compliant, timely, cost effective manner and funding ongoing O&M expenses related to municipal revitalization and expansion. We have no doubt municipalities are capable of developing projects. There are many examples around the Island. However, the O&M requirement presents the municipalities with a Hobson's Choice-refrain from developing a project because of the O&M burden or develop small scale projects that do not entail significant O&M expenses. Neither alternative is conducive to satisfying Program goals. Large, transformative projects are the type of projects that will have a beneficial ripple effect on local economies and solve the O&M challenge.

The inclusion of for-profit entities as eligible applicants subject to municipal approval solves this conundrum. It gives municipalities a powerful tool to leverage CDBG-DR funding to promote revitalization and economic development. The requirement for municipal approval of a private initiative is critical to the success of for-profit participation in the Program as municipal officials know what's best for their municipality.

Finally, PRDOH should permit eligible for-profit applicants to retain program Income generated from the use of Program funds. Otherwise, the for-profit sector will not be incentivized to work on city revitalization development projects and as a result, there is a

strong likelihood the funds allocated to the Program will not be used, frustrating the intended purpose of the Program.

*b. Exempt For-profit Entities from MRP*

The Program provides CDBG-DR awards in the form of a grant, making funding available to municipalities and other eligible entities in three rounds. According to the Action Plan, the funding rounds are as follows:

*Round 1: Projects to be selected based on recovery objectives and needs submitted from previous planning efforts by municipal governments and by eligible entities. PRDOH will work with eligible municipalities to determine which project(s) best fits one of the Puerto Rico recovery objectives. The municipal government will implement the projects with oversight from PRDOH.*

*Round 2: Will be conducted at the completion of the MRP planning process. Municipalities will be able to select and submit projects for PRDOH to consider from the resulting Individual Municipal Recovery Plan up to their municipal allocation. The municipal governments will implement their respective projects with oversight from PRDOH.*

*Round 3: Will be conducted after projects are selected and funded from Round 2. Projects in Round 3 will be determined via a competitive [Notice of Funding Availability] ("NOFA") process. After PRDOH scores, ranks and selects projects after the NOFA closes, the municipal governments and other entities will implement their respective projects with oversight from PRDOH.<sup>17</sup>*

*Pursuant to the Guidelines, municipal governments must agree to take part in the Municipal Recovery Program ("MRP") to participate in second and third rounds of the Program. The MRP defines "planning" as a process by which local administrations collaborate with community residents, businesses, neighboring municipalities, and central government agencies to identify actions and projects necessary for holistic recovery from Hurricanes Irma and Marfa..*

*In the Guidelines issued for MRP, PRDOH stated that: "[m]unicipalities will have time and space to envision a potential future and to plan for Individual and Regional recovery and resilience for all populations." To that end, the "Individual Municipal Planning process is intended to commence immediately upon contract execution and will last for six (6) months. Municipalities will each envision a potential future and develop a plan for recovery and resilience for all populations within their Municipality. After completion of the Individual Municipal Planning Process, the Regional Municipal Planning process will begin and will last for twelve (12) months. Through the Regional Municipal Planning process, "jurisdictions will work with their adjacent Municipalities to understand complex issues that extend beyond civic boundaries and identify solutions that are regional in nature."*

*However, the planning requirement should not apply to for-profit entities or other eligible applicants that participate in the Program. In many instances, a government or*

municipal plan may be unrealistic and/or be an obstacle to innovative ideas that were not addressed or contemplated at the time the plan was developed. For-profit entities are in a better position to quickly adjust plans that may be subsequently affected or altered as a result of changes in economic conditions or as a consequence of future events. Moreover, if the Program outcome is dependent solely on projects included in a municipal recovery plan, the timely disbursements and use of CDBG-DR funds could be in jeopardy. The Individual Municipal Planning process is intended to last six (6) months, meanwhile the Regional Municipal Planning process is intended to last another twelve (12) months. The Grant Agreement for the second tranche of CDBG-DR funds establishes that the period of performance is six years and the requirements to access funds in rounds two and three of the Program may delay compliance with the requirements in the Grant Agreement and result in a loss of funds. Participation by the for-profit sector diminishes the possibility of a loss of funds and provides a sustainable return on investment at the municipal level. Municipal savings resulting from for-profit entities' participation in the Program can be used by the municipalities to pursue planning and development of other projects. Therefore, working closely with the for-profit sector, municipalities will generate a more robust and timely response to the goals in the Action Plan.

As stated in the Action Plan, "Puerto Rico has had a number of planning processes occur in the post-Maria environment and total damages at the municipal level, while not finalized, have become clearer. Two years have gone by after the passages of hurricanes Irma and Maria and the total damages for the municipalities have not been finalized. The municipal developments needed for recovery should not suffer the same fate as the total damages assessments. For-profit entities can assist the municipalities in the process of executing timely developments that will implement integrated and innovative solutions to the problems facing their communities. But to do so, for-profit entities have to be included as eligible applicants under the Program and need to have the flexibility to present project concepts to municipalities to obtain their endorsement, without the necessity of their projects being included in plans developed under the MRP. Moreover, the suggested modifications to these requirements are not intended to bypass compliance by for-profit entities with applicable federal and state regulations.

*c. Expand Eligible Activities to include more options for Affordable Housing*

The Action Plan should clarify that Section 105(a)(4) of the Program Eligible Activities also includes the construction and/or acquisition of affordable housing in compliance with green building standards. Affordable housing was identified as a critical recovery priority by the municipalities in previous comments to the Action Plan. Since then, Puerto Rico continues to struggle with homelessness as affordable housing continues to be in short supply. To that end, the Program Guidelines should incorporate similar requirements to those established for the CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC) to address municipal housing needs. Puerto Rico should not limit the development of affordable housing to the CDBG-DR Gap to LIHTC. For-profit entities should be allowed to apply for grants and/or loans under the Program to prioritize the development of housing for elderly persons (age 65 and above), and access Section 8 funds and other federal programs to develop and operate economically feasible multifamily projects.

The addition of affordable housing to the Program will represent an alternative for projects that do not meet the rent requirements for LIHTC.

In the Transformation and Innovation in the Wake of Devastation — An Economic and Disaster Recovery Plan for Puerto Rico (the "Recovery the municipalities were asked to share their visions for recovery and economic development and, although the responses varied, the following shared objectives emerged that can be addressed with the proposed modifications to the Program:

- (1) Invest in rebuilding and upgrading key infrastructure, including energy, telecommunications, water, and transportation;
- (2) Incentivize large manufacturers to stay in Puerto Rico;
- (3) Reduce labor shortages by both incentivizing workers to stay in Puerto Rico and allowing businesses (particularly agribusinesses) to bring in foreign workers on temporary visas;
- (4) Involve municipal authorities in identifying priorities for their region to support planning at the local level;
- (5) Ensure authority and funding at the local level for planning and implementation of development projects; and
- (6) Expand investment in projects related to the visitor's economy and tourism to all municipalities in Puerto Rico - not just the traditional hotspots.<sup>30</sup>

At the same time, one of the courses of action included in the Recovery Plan is to "[a]ssess municipal governments' current capacity and skillset to apply for and manage federal and other grants and provide technical assistance and training to increase grant management capacity and skills. Strict compliance with the foregoing is [required as CDBG-DR and other funds flow to Puerto Rico for recovery related projects." For-profit entities have the resources and wherewithal to manage federal grants, while developing large scale projects endorsed by municipalities and mitigate grant management concerns. Interacting With their municipal counterparts is a viable alternative to ensure transfer of knowledge from the for-profit sector to municipalities.

In addition, the Action Plan states that "[...] where possible, structures will be repurposed by municipalities, for example, as economic development vehicles through public-private partnerships or municipal corporations to house and attract new businesses." Likewise, the Fourth Amendment establishes that "[e]ligible revitalization projects should correlate to a larger strategy that targets downtown service and business districts or key corridors and supports and aligns with future public and private Investments. The foregoing clearly contemplates large scale developments. As an example, for-profit entities are the key to implementing the "... larger strategy that targets downtown service and business districts or key corridors and supports and aligns with future public and private investments." The Program cannot rely on success with the foregoing if the for-profit sector is limited to an advisory role. Unleashing the for-profit capacity to work in concert with municipalities in executing the "larger strategy" is the key to success.

This is a unique historical opportunity for Puerto Rico to partner with the for-profit sector to develop projects that will address the recovery needs of the municipalities. Therefore, we request that for-profit entities be (a) included as eligible applicants under the Program,) (b) authorized to directly apply for CDBG-DR funds as a Program subrecipient or applicant with a municipality endorsed project, and (c) exempt from the Municipal Recovery Planning Program. Additionally, Program Eligible Activities include construction and/or acquisition of affordable housing in compliance with green building standards.

If you have any questions, please do not hesitate to contact the undersigned directly at (787) 399-1613 or by email at [hoc@mcvpr.com](mailto:hoc@mcvpr.com). We look forward to working with you and your team on these most important matters.

Sincerely,

Harry O. Cook  
McConnell Valdés LLC"

**PRDOH response:**

Thank you for your comments. PRDOH will take this input into consideration during further development of programs outlined in the Action Plan or in development of additional programs if additional funding becomes available. PRDOH seeks to maximize local contractor and business participation and job creation in the CDBG-DR programs to every extent feasible while also complying with all applicable Laws and Regulations. Information regarding procurement, including Requests for Proposals (RFP), will be posted to [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). PRDOH encourages interested parties to monitor the website for opportunities.

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Comment ID: 2020-05-29\_E\_PS\_McConnell Valdés LLC\_Harry Cook (2)

**Comment:** "Good evening,

Attached please find comments to the planning programs that have been included in the Fourth Substantial Amendment to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María.

**[Summarized Comment]**

May 29, 2020

Mr. Luis Carlos Fernández Trinchet  
Secretary  
Puerto Rico Department of Housing  
PO Box 21365  
San Juan, PR 00928-1365



Re: Comments to Fourth Substantial Amendment to Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María

Dear Sirs:

We make reference to the Fourth Substantial Amendment (the "Fourth Amendment") to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds in Response to 2017 Hurricanes Irma and María (the "Action Plan")<sup>1</sup> published by the Puerto Rico Department of Housing ("PRDOH") on March 31, 2020, and respectfully request that PRDOH (i) reinstate the "Economic Recovery Planning Program" (the "Program") eliminated in the Fourth Amendment, (ii) allow pre-development grants to for-profit entities under the Program, and (iii) increase the funding allocated to the planning programs, such as, for example, the Planning Program ("Existing Planning Programs") or a new program whose sole purpose is to fund planning and pre-development expenses ("New Planning Program").

i. Requests to be considered by PRDOH under the public comment period established for the Fourth Amendment

a. Reinstatement and Expansion of the Program to For-Profit Entities

We noticed that the Program was eliminated in the Fourth Amendment. However, in the Second Non-Substantial Amendment to the Action Plan, effective August 23, 2019, PRDOH stated that the Program was intended to work in conjunction with other projects and programs in the Action Plan. Therefore, the Program is essential to conduct the necessary planning and pre-development work for projects that may be eligible under the City Revitalization Program, the Economic Development Investment Portfolio for Growth Program and the CDBG-DR Gap to Low Income Housing Tax Credits Program.

As originally contemplated in the Program's objective and description "[t]hrough the economic planning program PRDOH and the Department of Economic Development and Commerce [{"DDEC"}] w[ould] determine the priorities, resources, and actions that will guide economic stability and growth," for Puerto Rico. To accomplish said objective, PRDOH and its subrecipients, which should include for-profit entities as eligible applicants, would leverage the planning experience from other successful efforts and draw on relevant stakeholders' experience in the private sectors of construction, real estate, and hospitality, among others. Furthermore, the Program was structured to plan on how to "expand the Island's business community's capacity to retain and create new, sustainable jobs through economic development activities."

Successful economic development activities and projects require a thoughtful and coordinated planning process to avoid cost overruns and unnecessary delays. That is why the Program should include for-profit entities as eligible applicants, and be reinstated, and its description further expanded to include Program delivery associated costs, such as predevelopment grants, as further explained herein.

b. Predevelopment Grants for Required Predevelopment Costs Needed to Get Economic Development Projects Shovel Ready

For economic development projects, significant time and expense have to be incurred to conceptualize, plan, program and design each project. The planning stage is where a developer (1) confirms the project's feasibility, after conducting numerous studies, some of which are highly specialized (i.e., archeological, flora/fauna), (2) engages the design, development and engineering teams, (3) finalizes the financing program, and (4) applies for and pursues development and construction permits, all which must occur before construction can begin.

In Puerto Rico, the permitting process is long and complicated. Up to 27 Puerto Rico agencies could be involved in the evaluation of permit applications and public hearings may be required. Given the relative scarcity of land, and the need to address ecological, environmental, archeological, flood, traffic and availability of utilities, the planning, pre-development and permitting processes take time and represent a significant expense and concomitant risk. For example, it is not uncommon for the permitting for complex greenfield developments to take a year or more and cost over a million dollars. Planning, pre-development and permitting work can be timely completed by for-profit entities while waiting for funding to occur under other programs included in the Action Plan, if predevelopment grants are approved by PRDOH or DDEC under the Program, Existing Planning Programs or a New Planning Program, as PRDOH deems appropriate.

Predevelopment grants are utilized by HUD to further several programs that it administers, including HOME and CDBG-DR.<sup>6</sup> The Federal Register Notice for the \$8.2 billion allocation of CDBG-DR, page 40321, 7 states:

*"For funds allocated pursuant to the Prior Notice and this notice, the Department is requiring grantees to address long-term recovery and hazard mitigation planning in the action plan or substantial amendment, whichever is applicable under this notice...*

...

*Grantees are encouraged to review the additional guidance on predevelopment principles [that is] described in the Federal Resource Guide for Infrastructure Planning and Design.*

*(<https://www.hud.gov/sites/documents/BAINFRARESGUIDEMAY2015.PDF>)*

*(the "Guide")."*

*The Guide describes the importance of planning and design, known as "predevelopment", in the life cycle of projects. The Guide states:*

*"Although only accounting for a small percentage of total costs, predevelopment activities have considerable influence on which projects move forward, where and how they will be built, who will fund them, and who will benefit from them. Yet, in light of fiscal constraints, State, local, and tribal governments tend to focus scarce resources on constructing and developing conventional projects and addressing pressing needs, thereby underinvesting in predevelopment for the longer-term.*

Greater attention to predevelopment could yield a range of benefits – for example, providing the opportunity to develop longer-term, more innovative, and more complex infrastructure projects and facilitating assessment of a range of financing approaches, including public-private partnerships. Additional investment in predevelopment costs may also enable State, local, and tribal governments to use innovations in infrastructure design and emerging technologies, reduce long-term costs to infrastructure project users, and provide other benefits, such as improved environmental performance and resilience to the impacts of climate change.”

The Guide states that increased attention to predevelopment can make projects more storm resilient, fiscally attractive, well-thought out, broadly beneficial, innovative, cost-effective job creators, scale-appropriate, adaptive and regionally coordinated. The Guide goes on to describe the federal programs that can support predevelopment activities, including direct grants and various forms of financial assistance. Among the listed programs, CDBG and CDBG-DR are included (“Predevelopment costs associated with an eligible activity may be addressed in one of two ways: as an “activity delivery” component of the overall eligible activity cost; or, as a general administrative cost or planning cost, depending on what the predevelopment cost is, specifically.”)

As another example of HUD’s support for pre-development, HUD Toolkit #610 (“Toolkit #6”) stresses the importance of pre-development as a particularly useful tool to attract developers that are not willing to speculate. To that end, Toolkit #6 recommends that grantees use predevelopment grants in designing their procurement plans for their CDBG-DR multifamily rental programs. The purpose of prioritizing the use of predevelopment grants is to attract “[d]evelopers who are not willing to speculate on a project specific proposal using their own funds for predevelopment [but] may be willing to prepare a project-specific proposal if the grantee agrees to fund certain out of pocket predevelopment costs such as appraisals and environmental reports.” While Toolkit #6 includes an example of a Predevelopment Grant Agreement for multifamily rental housing (the “Agreement”), guidelines, agreements and related documents can be adapted and amended, according to the particularities of the different programs and projects.

The draft Agreement states that “...this written agreement implements a Predevelopment Grant that authorizes a developer to draw down a predevelopment grant to reimburse out of pocket site search costs such as appraisals and environmental reports, incurred in assembling and packaging a future specific CDBG-DR multifamily rental project.” In accordance with 2 C.F.R. § 200.305, we are proposing those costs associated with a project pre-development be made on an “advance payment” method (vs. reimbursement) for all grantees provided the payment request is limited to the minimum amounts needed and is timed to be in accordance with actual, immediate cash requirements. The timing and amount of advance payments must coincide to the payment date for the actual disbursements for direct program or project costs and the proportionate share of any allowable indirect costs. This means that pre-development project costs would be incurred and documented as required prior to the submission of

a payment request (similar to a draw under a commercial construction loan). Although the example provided by HUD in Toolkit #6 is for the development of a housing project, a similar Predevelopment Grant Agreement could easily be developed for an economic development project.

The draft Agreement also narrowly defines "Eligible Costs" since it was written for multifamily rental projects and not greenfield development. We are proposing the definition of "Eligible Costs" be expanded to include the predevelopment costs required to make economic development projects shovel ready, such as: design, engineering, programming and permitting. Please refer to a copy of Toolkit #6 attached as Exhibit I.

The projects included in the housing, economic development and infrastructure programs under the Action Plan could generate long term economic benefits to the Island but are complex, costly and entail great risk. For those reasons, pre-development grants are urgently needed and should be included in the Action Plan as part of the Economic Recovery Planning Program, any of the Existing Planning Programs, or a New Program, and for-profit entities should be recognized as eligible applicants for pre-development grants.

In the case of the CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC), due to the vast experience of the Puerto Rico Housing Finance Authority in construction of affordable rental housing projects throughout the Island, we suggest it become the administrator of pre-development grants. Likewise, we suggest the Puerto Rico Public Private Partnerships Authority be the administrator for the pre-development grants related to the Economic Development Investment Portfolio for Growth Program.

As discussed above, pre-development grants are a necessary tool to promote the best use of the CDBG-DR funds to stimulate the Island's much needed economic development through feasible and achievable projects.

### *c. Additional Funding for Planning Programs*

Using the first allocation of CDBG-DR funds of \$1.5 billion currently available to be disbursed to fund pre-development grants will provide "...the opportunity to develop longer-term, more innovative, and more complex projects...", and accelerate the development timeline for the projects and concomitant generation of economic benefits. Since the Grant Agreement for the second tranche of \$8.2 billion has been executed and funds thereunder are expected to become available in the third quarter, construction could commence almost immediately since the pre-development phase for the projects would be at a stage where site work and preparation for vertical construction could begin.

Specifically, pre-development grants could be funded through the Economic Recovery Planning Program, if reinstated, or through the Program Planning which has a total allocation of \$326.7 million (\$77 million in the first tranche and \$249.7 million in the second tranche), or a reallocation from other programs to the aforesaid programs or to a New Program. For example, the Home Repair, Reconstruction or Relocation Program ("R3"),

with a total allocation of \$3.025 billion (\$835 million from the first tranche and \$2.190 billion from the second tranche) is an attractive program for reallocation of funds.

While R3 is a critical program that will address current unmet housing needs, it will also require additional time and planning before it is ready to be fully implemented and funds disbursed. This is especially true in light of HUD's repeated concerns regarding the lack of reliable and uniform property registry information and GIS database to verify title and physical addresses. Satisfying the foregoing concerns is critical to the proper and effective use of R3 funds. Given the timeline to large scale deployment of R3 funds, there is a real possibility a portion of the R3 funds will remain undisbursed by the deadline mandated by the Grant Agreement (six years), resulting in a loss of funds. While an extension of the foregoing deadline is theoretically possible, it is highly uncertain at this moment. Given the real possibility of material delays in disbursing funds under R3, the reallocation to fund immediate work as a precursor to large scale economic development is a prudent use and demonstrates to HUD and other federal actors that PRDOH is capable of using CDBG-DR funds for their intended use in a timely manner. Funds from other programs in the second tranche could be reallocated to R3 when and as needed.

As discussed, planning has a critical role in the effective, timely and efficient development of projects under the economic development, housing, and infrastructure programs of the Action Plan. Moreover, HUD recognizes that pre-development grants can be awarded to promote projects that could be developed with CDBG-DR funds. By awarding pre-development grants in an amount of no less than \$200 million in the aggregate and making for-profit entities eligible applicants, PRDOH will be in a better position to allocate CDBG-DR funds to projects that are economically feasible and comply with all necessary federal and state regulations. Thus, pre-development grants are an important tool to reduce speculation and risks associated with potential projects and should be included in the Action Plan.

For the reasons discussed herein, we respectfully request that PRDOH (1) reinstate the Economic Recovery Planning Program, (2) include pre-development grants in the Economic Recovery Planning Program or, in the alternative, to the Existing Planning Programs or to as New Program, (3) allow for-profit entities as eligible to apply for and use pre-development grants, and (4) provide funding for the Program or to a New Program or increase funding to any of the Existing Planning Programs to better serve future projects in the economic development, housing, and infrastructure programs in the Action Plan. Our requests align with the Government's objectives and with strategies identified in the Action Plan to achieve long term recovery for Puerto Rico.

If you have any questions, please do not hesitate to contact the undersigned directly at (787) 399-1613 or email at [hoc@mcvpr.com](mailto:hoc@mcvpr.com).

Sincerely,

Harry O. Cook  
McConnell Valdés LLC"

**PRDOH response:**

PRDOH appreciates your comments and value your suggestions and we will take them into consideration during further development of programs outlined in the Action Plan or in development of additional programs if additional funding becomes available. PRDOH seeks to maximize local contractor and business participation and job creation in the CDBG-DR programs to every extent feasible while also complying with all applicable Laws and Regulations. PRDOH encourages interested parties to monitor the website for opportunities: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-29\_WP\_PS\_Auxilio Mutuo\_Juan Marcial (1)

**Comments:** *Attached are my comments*

*May 29, 2020*

*Mr. Luis Carlos Fernández-Trinchet  
Secretary  
Puerto Rico Department of Housing  
Barbosa Avenue, San Juan, Puerto Rico*

*Ref: Comments to Draft of Fourth Substantial Amendment to the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds*

*Honorables [sic] attorney Fernández-Trinchet:*

*The Auxilio Mutuo Hospital is a nonprofit organization dedicated to providing healthcare services in Puerto Rico by offering first-class medical services and surgical procedures for more than 130 years. Our mission is to ensure that all our patients have access to the fullest range of medical hospital services under the strictest excellence standards and guided by the principles of mutual support, welfare, charity, and Christianity. The Auxilio Mutuo Hospital works every day to provide quality and excellence services with kindness and friendliness, so that our patients can feel they are a part of our family and we can work together to prevent, relieve, cure, and rehabilitate the sick within an ethical, moral, Christian, and support framework.*

*We hereby submit our comments to the Fourth Substantial Amendment Draft to the Puerto Rico Disaster Recovery Action Plan for the use of CDBG-DR funds in response to Hurricanes Irma and Maria (2017). While the road to recovery has taken and will take many years, there are several steps that are critical to ensuring that our population stays healthy in the event of a disaster. Therefore, it is imperative that the CDBG-DR Action Plan allocate disaster recovery resources directly to health entities. For this reason, we propose that the Plan be amended in order to include the following areas:*

### Addressing the Real Needs of Health Organizations

The utilization level experienced by healthcare facilities since the devastation caused by the hurricanes of 2017, together with the multimillion-dollar investments that health entities have had to make in order to repair the serious damages to their physical structure and greater needs of the population that have resulted in substantial losses for health organizations in connection with their disaster response efforts. Also, indirect losses are estimated to be significantly higher when medical care costs for people who have been without healthcare services for an extended period of time are also considered. All these circumstances pose a serious threat to the financial feasibility of healthcare entities in Puerto Rico, which are vital for responding to disasters on the Island.

The calculation of the unmet needs included in the Fourth Amendment to the Action Plan has not considered the specific needs of health organizations. Health is an essential service and, therefore, hospitals should always have the ability to provide services and care for patients under any circumstances. It is, thus, imperative to have an optimal infrastructure that will allow for continuity of care in the event of an external interruption. The Action Plan must include a specific allocation so that healthcare organizations are able to invest in resiliency, reconstruction, and risk mitigation in case of disasters.

This allocation will:

- Strengthen resiliency, defined as the ability of health organizations to respond to future disasters.
- Eliminate the vulnerability of organizations by preventing the cessation of operations in the event of a disaster due to a deteriorated, obsolete, or inadequate infrastructure.
- Contribute to community development by safeguarding public health through the provision of health services under extreme circumstances, supporting the reestablishment of normal activities following a disaster.
- Manage the needs of the most vulnerable populations through the use of patient-centered health models.

The unmet needs of health organizations have hampered the recovery process drastically in the wake of Hurricanes Irma and Maria. The lack of a specific allocation continues to prevent the Island's recovery needs gap from being closed.

Ensuring that federal and state infrastructure investments are fairly and adequately allocated in order to address the needs of the community by investing in health organizations.

Hospitals and health organizations are part of the government's critical infrastructure to face disasters and mitigate their impacts. In the event of a disaster, hospitals and health organizations depend on the existing infrastructure to maintain their operations and ensure the continuity of services to their patients, thus guaranteeing the continuity of care in critical situations. The prompt restoration of these assets is essential if they have been compromised, damaged, or are in short supply due to a disaster.

The CDBG-DR-funded Action Plan must address the critical needs not otherwise covered by any disaster recovery resource, including specific appropriations not only to ensure that health organizations are able rebuild, but also to repair and improve their physical structure, which guarantees the ability to better respond to a disaster. We must make sure that the reconstruction plan contemplated in the Action Plan addresses the community's infrastructure needs in a fair manner, allowing all sectors with an inadequate infrastructure to participate without discrimination in the recovery process by providing them with equitable access to available resources. Investments in technology, telecommunications, and retraining should also be allowed in order to provide quick disaster response services.

It is well known that the devastation caused by the hurricanes on the Island's health system, specifically on its hospital network, severely affected the electrical, health, and energy storage, generation, and supply systems, as well as other operational systems, having a paralyzing effect on the Island's hospitals. Almost 3 years after these events, many non-profit hospitals need greater investments to increase their preparedness for future disasters.

It is, therefore, imperative that the CDBG-DR Action Plan allocate disaster recovery resources through the appropriation of funds specifically to these organizations, in order for them to guarantee that they are able to continue providing quality health services, allowing them to develop and carry out economic development projects primarily focused on critical infrastructure, mitigation, and reconstruction, including, among others:

- Construction and upgrading of oxygen plants.
- Construction of energy cogeneration systems.
  
- Connection of satellite structures to be used as backup during power outages on a facility's main electric grid and installation of electrical transformers to reduce voltage.
- Repair, improvement, construction, or acquisition of storage tanks to reduce vulnerability in the event of a disaster and/or a utility failure.
- Repair, improvement, construction, or acquisition of coolers to regulate temperature in accordance with environmental regulations.
- Design and construction of elements of containment and protective components that will act as a shield to safeguard complex physical elements and structures from catastrophic events.
- Repair, improvement, construction, or acquisition of adequate lightning protection mechanisms to reduce vulnerability in the event of utility power failures.
- Repair, improvement, construction, or acquisition of heating systems, including storage tanks, valves, and controllers, to optimize the system's efficient operation.
- Repair, improvement, construction, or acquisition of sprinkler systems to reduce the risk of fire.



- *Providing advice on the design and implementation of a comprehensive business continuity and disaster recovery plan to reduce the risk and mitigate the impact of disasters.*
- *Investment in telehealth and online communications systems to ensure greater continuity of services to the population.*

*The possibility to secure sufficient funding for the investments described above will speed up the recovery process, thus rebuilding a stronger and more resilient Puerto Rico. These projects will also bring tangible economic benefits in the form of jobs, as well as an increase in improved structures value. The economic planning and strategic investments we suggest herein will ensure a lasting effect of the recovery funds injected into the economy.*

*This is the time for the Puerto Rico Department of Housing to help the Island develop a plan that will guarantee that all of the Island's inhabitants will have access to an immediate response health system. This plan will reinforce the Island's sustainability in the face of unavoidable future disasters, will lay the foundations for community development, and will maximize the benefit of valuable and limited federal disaster recovery resources.*

*Thank you for your consideration.*

*Cordially,*

*Juan C. Marcial  
Associate Administrator  
Auxilio Mutuo"*

**PRDOH Response:**

Thank you for your comments. The Department of Housing will consider this matter during the development process for the programs described in the Action Plan. The Critical Infrastructure Resiliency program is scheduled to be implemented primarily by using a subrecipient distribution model whereby all entities having an asset of the Government of Puerto Rico or a Critical Infrastructure asset as defined by FEMA shall be informed of the availability of funds to meet the program's goals and objectives. Interested parties must continually monitor the [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) in order to obtain information regarding the eligibility criteria for the projects. The Program's objectives and the application scoring criteria will be publicly available and will be posted by PRDOH on its CDBG-DR website prior to the opening of the application period.

**Comment:** *"They should not have eliminated subsidized mortgages. I am waiting for them to reopen. They closed the applications too soon and I would like my primary residence. I am a first responder and I qualify for the program. Also, this program should be available for the first phase (1.7 billion) already allocated. We are the ones who work so we can have a home and that money would be really helpful. I hope it is retroactive if you already purchased the property and that the allocation can be used to pay off the principal or to refinance in order to lower the monthly payment. It is an excellent opportunity for first responders. I hope it becomes available immediately."*

**PRDOH Response:**

The Department of Housing appreciates your comments and will take them into account. This 4<sup>th</sup> amendment to the Action Plan (Substantial Amendment) keeps assistance to Critical Recovery Workforce for the purchase of their first home as part of the Homebuyer Assistance Program. This program will give priority to eligible households where one or more residents are documented members of the Critical Recovery Workforce. Eligible applicants will receive assistance to cover closing costs (e.g., title insurance, mortgage insurance premium, among others), down payment, and the financing gap between the first mortgage that the buyer is able to secure from a lender and the property sale price. The application periods, documents, and processes used to determine eligibility shall be detailed in the program guidelines. The program guidelines and policies will be available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-29\_WP\_I\_Yaritza López Castro (2)

**Comment:** *"In response to Normarie Mirabal.*

*It is unfair for those of us who are waiting. Because they closed the applications since January, which was when I called to ask for advice; they told me that it would be in August 2020. It is unfair that they close subsidized mortgages".*

**PRDOH Response:**

The Department of Housing appreciates your comments and will take them into account. This 4<sup>th</sup> amendment to the Action Plan (Substantial Amendment) keeps assistance to Critical Recovery Workforce for the purchase of their first home as part of the Homebuyer Assistance Program. This program will give priority to eligible households where one or more residents are documented members of the Critical Recovery Workforce. Eligible applicants will receive assistance to cover closing costs (e.g., title insurance, mortgage insurance premium, among others), down payment, and the financing gap between the first mortgage that the buyer is able to secure from a lender and the property sale price. The application periods, documents, and processes used to determine eligibility shall be detailed in the

program guidelines. The program guidelines and policies will be available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_E\_NGO\_Hispanic Federation\_Charlotte Gossett Navarro (1)

**Comment:** "Dear Secretary:

Good afternoon.

I am including comments from the Hispanic Federation to the Fourth Substantial Amendment to the Action Plan for the use of CDBG-DR funds in response to Hurricanes Irma and Maria.

Many thanks,

**[Summarized Comments]**

May 29, 2020

Hon. Luis Carlos Fernández-Trinchet  
Secretary  
Puerto Rico Department of Housing  
PO Box 363188  
San Juan, PR 00936-3188

[infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)

Dear Secretary Fernández-Trinchet:

Summary the Hispanic Federation's comments to the Action Plan in 2018

On October 19, 2018, the Hispanic Federation submitted their first comments to the action plan.

The Hispanic Federation then recommended, and now reaffirms, the following:

1. To incentivize downtown areas with housing redevelopment programs, by using the large inventory of existing vacant, abandoned, and disused units.
2. Giving more importance to the real needs, rather than to a profitability or cost-effectiveness analysis, or to the presence of leveraged funds in projects designed before the disasters.
3. Implementing a more aggressive agenda in the affordable housing sector that will not be limited to the distribution of Section 8 vouchers and which includes public housing initiatives, rent control, the use of public land for affordable housing, and the inclusion of affordability requirements in new construction or rehabilitation projects in urban areas, among other measures already identified by research institutions and groups of experts on urban design topics.

4. To clearly demonstrate, in an accessible and transparent manner and using the best available data, the response to the populations most affected by disaster events, as required by the Stafford Disaster Relief and Emergency Assistance Act (hereinafter, "Stafford Act");

5. To guarantee the inclusion of the general population at all levels and in all decision-making processes.

I Updated comments from the Hispanic Federation concerning the Fourth Substantial Amendment to the Action Plan

## RECOMMENDATIONS FOR EACH SPECIFIC PROGRAM

### HOUSING

#### Title Clearance Program

The Title Clearance Program, which currently has a \$40-million allocation, is still incomplete. We recognize the great importance of promoting and facilitating a route to formal ownership. However, it is inappropriate for it to be conditioned upon the local (not federal) requirement to have a property title in order to be able to receive the available assistance, even when the Federal Emergency Management Agency (FEMA) has agreed to use alternative processes to validate and demonstrate legal ownership.

Implementing of this program without establishing measures to protect the communities from being displaced through forced expropriations or "buyouts" has also led to mistrust. In cases where property titles are obtained, the government must make an express commitment not to expropriate or displace the community.

In 2019, Senator Carlos Rodríguez-Mateo filed Senate Bill 1049, which offered protections to communities against the risk of forced expropriations. Much to the dismay of many, its biggest opponent was the Department of Housing, in a presentation by its former Secretary, Fernando Gil-Enseñat. In view of this situation, the communities need to know the Department of Housing's position on forced expropriations, which we hope is based on a clear anti-displacement public policy.

#### Repair, Reconstruction, or Relocation Program (R3)

We are concerned by the uncertainty to which this program's applicants are exposed. Likewise, the large number of contracts issued to promote a program that reached its capacity in just a few days after being announced, due to the urgent need for services, must still be justified.

The communities should not be facing any real or perceived pressure to be displaced. The way in which the R3 Program has defined the requirements to access the resources, (i.e., estimated damages, property appraisal, risk zone designation) substantially limit the

options offered to many people who are still living under unacceptable housing conditions. These limitations must not be confused with a voluntary decision to relocate.

For example, the program provides that if the property damages estimate exceeds \$60,000 or 50% of the property value and is located in a flood zone, the only option would be to relocate. This general rule discriminates against families whose homes have the lowest market value, since the lesser the property value, the higher the likelihood of damages exceeding 50% of the value. In addition, the only option offered by the program to these persons or families will be to relocate, which is evidently not a voluntary decision if the person or family has no money to rebuild their property in order to be able to stay in their house and/or community.

The option to rebuild in high risk zones must be carefully evaluated on a case-by-case basis and at the community level. The safety of families is paramount. However, in some cases, relocation is not the only option to achieve this safety. Survivors and their communities must be aware of the mitigation options that may have been developed under Municipal Mitigation Plans, the State Mitigation Plan, and/or the mitigation projects included therein. In fact, community engagement in the design, evaluation, and implementation process of these plans should be encouraged. Furthermore, the Whole Community Resilience Planning Program must consider these mitigation plans and allow the direct participation of the communities in their development and implementation.

Once survivors are aware of the mitigation options available for their communities, they will have complete and objective information to be able to voluntarily decide whether they will stay (rehabilitate or rebuild) or relocate. Until these mitigation options are evaluated in a responsible manner, the Department of Housing cannot impose the home relocation as the only option in high-risk zones.

On the other hand, this program does not effectively address the reality of people who have no title to their property. The R3 Program Guidelines provide that the R3 Program can allow the use of alternative methods to prove ownership, including a sworn statement, only after a due diligence process has been carried out, which can include efforts to legalize the property title. They further clarify that all participants who complete a sworn statement in order to fulfill the proof of ownership requirement shall be referred to the Title Clearance Program. It is unclear whether it would eventually be necessary to obtain a property title in order to access the program's benefits. As we have stated, it is inappropriate for the granting of assistance to be conditioned upon having a property title.

## PLANNING

### Whole Community Resilience Planning Program

This program represents an opportunity to allow households located in high-risk zones to stay in their communities, if they will, instead of being relocated, as we explained in our comments to the R3 Program. However, the program guidelines must be revised in order for them to really respond to this purpose. The main changes should include the

recommendations for citizen engagement discussed below in this document, as well as considering the mitigation projects contained in the Municipal Mitigation Plans and the State Mitigation Plan. Additionally, the Department of Housing should reallocate funds to implement, as well as planning, specific community resiliency projects developed by the communities themselves under this program.

We also noticed that some amendments eliminate the reference to a competitive process for the development of community plans and the future assessment of structural mitigation measures, without any explanation. On the other hand, it adds eligible activities for the program, such as 1) capacity planning and development and 2) activities carried out through non-profit development organizations. In this regard, we recommend that the plan explicitly indicate the activities allowed pursuant to Section 105(a)(12), in order to avoid mistakes. As for Section 105(a)(14), we are concerned that these activities deviate from what is expected from this planning process, such as the ability to acquire a property or the development of commercial and industrial properties. These changes seem to go against to what has been established in the Program Guides published last September 11, 2019.

#### *Economic Recovery Planning Program*

We agree with the decision to eliminate the Economic Recovery Planning Program. However, the Action Plan must clearly identify the items to which the \$22.5 million were redirected and to which entities were these works reassigned, if they are kept after the consolidation with "other economic development and planning programs within the CDBG-DR program portfolio."

#### *ECONOMY*

##### *Economic Development Investment Portfolio for Growth Program*

In our comments submitted in October 2018, we recommended setting caps or maximum award amounts for each project and initiative, and this is one of the programs that inspires us to insist on said recommendation. This program has been allocated \$880 million, which is the highest amount of money allocated to an economic program in the Action Plan. The funds will be administered by the Department of Housing in coordination with agencies such as the Puerto Rico Public-Private Partnerships Authority. This was the agency which – through COR3 – drafted the recovery plan titled "Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico," published on August 8, 2018, hereinafter "Recovery Plan."

Chapter 12 of the Recovery Plan provides details of the "courses of action" (COAs) for the implementation of the eight identified "strategic initiatives": visitor economy, ocean economy, digital transformation, modernization and integration of emergency services, entrepreneurship, agricultural modernization and processing, workforce of the future, and advance manufacturing. Many of the projects mentioned under these "strategic initiatives" are in line with a traditional view to benefit and facilitate large-scale projects,

*without necessarily establishing a connection with a long-term sustainable economic development beyond the tax revenue collected by the treasury in the short term.*

*Said Recovery Plan was never discussed in public hearings, nor has it been subjected to a public discussion process. Acknowledging the difficulties posed by the above, we reiterate that the program must set maximum award amounts by project and by initiative, as well as clear and equitable criteria to ensure that the distribution of funds responds to the “unmet needs” of the communities, as required by the Stafford Act. We further recommend a moratorium on the implementation of this program until said criteria are established with the transparency and public engagement it deserves.*

#### *Tourism and Business Marketing Program*

*As for the Tourism and Business Marketing Program, we recognize that the fact that the program’s funds have been reduced from \$100 million to \$25 million is a step in the right direction. However, we insist that the right way to maximize this investment on the tourism sector is not through marketing. During the past year, the lack of will of the Destination Marketing Organization (DMO) to disclose documents related to the entity’s expenses has disturbed the country. For this reason, we request that the funds be invested in the quality, reestablishment, improvement, and development of our local destinations, particularly those that promote environmental conservation, endogenous development, and domestic tourism.*

#### *GENERAL RECOMMENDATIONS*

##### *Maximum awards for all programs*

*We recommend that a maximum award be established for each project or initiative, in order to safeguard the responsible use of funds and the competitiveness of local community-based organizations or entities. This, even if the funds are distributed through other agencies or entities. At the very least, criteria or measures should be established to ensure the best possible use of the funds when they are managed by other agencies, entities, or organizations.*

##### *Recovery funds must boost the local economy*

*The Department of Housing should prioritize the selection of local organizations and institutions when allocating recovery funds, in order for the investment to remain in the communities of Puerto Rico. Another priority is to look for alternatives to eliminate the requirements imposed by the programs, given that local organizations and companies lack the money to make the initial investment.*

##### *Unmet Needs*

*The Department of Housing has the obligation to identify and use “the best available information” for the design and implementation of the different programs and the public policy contained in this plan. Identifying Puerto Rico as the “Most Impacted and Distressed Area” overshadows some sectors that were disproportionately affected and, on many occasions, are not even included among the Small Business Administration*

cases, because their needs were not being addressed with a loan. The real and effective identification of the most affected areas and unmet needs are the primary responsibility of the Department of Housing, prior to developing and implementing this plan.

The analysis presented in the Action Plan still lacks the space component that is required to responsibly develop this characterization of the most impacted population and their unmet needs. The data provided by FEMA are public information that must be available to the public. However, the aggregated data are published by zip-code, a scale which is not specific enough for this type of analysis.

In this context, local and community data scales are necessary for a fair distribution of the available resources. Unmet needs data should take precedence over the "Demographic Impact" analysis, based on the Social Vulnerability Index. For this reason, we request that the Department of Housing demand that FEMA publish more local scales and community scales that will allow them to effectively identify the "Most Impacted and Distressed Areas" and the unmet needs related to Hurricanes Irma and Maria in Puerto Rico. This is the only way to achieve a fair distribution of the recovery funds.

#### *Rejecting the unfair implementation of Opportunity Zones*

In February 2020, the Hispanic Federation endorsed Movimiento de Vivienda Digna public comments regarding the implementation of Opportunity Zones in Puerto Rico and the Rules for the implementation of the provisions of Sections 6070.54- 6070.69 of Act No. 60-2019, known as the "Puerto Rico Incentives Code," submitted to the Department of Economic Development and Commerce. Among other things, the comments explained the following deficiencies with regard to the implementation of said zones:

*"Based on federal parameters, 95% of Puerto Rico is designated as an Opportunity Zone. Evidently, this designation does not prioritize directing investments where they are most needed. On the contrary, this general designation guarantees the allocation of incentives to areas that are currently not facing an economic depression."*

*"The opportunity zones act does not provide mechanisms for transparency and participation that will respect the rights and interests of impacted communities. On the contrary, as enacted, the list of priority projects is decided behind closed doors by the Priority Projects Committee (the Committee), which is attached to the Office of the Governor, without having to comply with the provisions of the Uniform Administrative Procedures Act."*

*"Furthermore, the Act provides a fast-track mechanism to approve the permits requested for said projects at the Office of Permit Management (OGPe, for its Spanish acronym), once again encroaching upon transparency and public engagement."<sup>9</sup>*

Despite said shortcomings, on page xvii of the Executive Summary of the Action Plan, the Department of Housing admits that it supports the implementation of Opportunity Zones.

For this reason, we request that the Department of Housing acknowledge the shortcomings of opportunity zones and that it desist from supporting their implementation



until said shortcomings are addressed by the legislature through a transparent and participatory process.

#### *Transparency and access to information*

*It is the Department of Housing's duty to inform and educate the public regarding the resources available for recovery, the evaluated alternatives, and the decisions made by the department concerning their use. In addition, it must identify effective communication mechanisms based on the reality and diversity of the communities.*

*We included the following among the transparency practices that we recommended in 2018:*

*a. Disclosing all contracts, along with some information that the Office of the Comptroller does not include, such as usage description categories, justification, and product of the funds. When available, a link to the contractor's website should be included.*

*b. Disclosing all subcontracting, offering the same information as the contractor.*

*c. The technical and public policy criteria and documents utilized to select partners, proposals, and projects should be disclosed—as well as each decision that affects the processes.*

*d. A guide of the eligibility criteria for potential participation in each program or initiative should be published.*

*e. Maintaining a website with all of the information used in the decision-making process, including: reports, studies, tables, layers of geographic information, inventories, etc. This must identify the source of the information.*

*f. In the case of programs whose distribution will function with a Social Model, offer details of the expectations and preliminary models for the types of contracts that will be offered and what the relationship between the contractors, partners, and government agencies will be like.*

*g. The creation of a digital platform that provides information about the progress of projects and where relevant comments may be shared.*

*h. The development of educational videos and/or clips answering frequently asked questions.*

*We recognize the progress made by the Department of Housing to maintain a website with the contracts, guides concerning approved programs, and other information. We also acknowledge the recent efforts regarding informative webinars and meetings with communities and organizations. However, we ask for the continued expansion of transparency efforts as recommended in these comments.*

*Based on what has been experienced these last few years, we wish to add the following recommendations concerning this subject:*

- a. *Establish a list of unit costs by category that limits the added costs in order changes.*
- b. *Regulate percentage caps for order changes. These caps must be included in all levels of the regulation (i.e. plan, program definitions, guides, regulations, etc.).*
- C. *Establish percentage caps for the funds assigned to each program for expenses not related to the direct services the program itself is intended to provide, including design, promotion, and management costs.*

### *Citizen Participation*

*Firstly, we would like to thank the Department of Housing for extending the period for submitting comments. Those additional days were useful to our organization, allowing it to read, analyze, and prepare these comments. Likewise, we know that community groups and other organizations were also able to make good use of this time. However, we suggest a further extension to the term, as requested by other entities, because it could enrich the evaluation process for the proposed amendment.*

*The communities are the groups of people who are most familiar with their needs and they are the first support group for their residents after a natural disaster. For this reason, their knowledge is critical when establishing priorities, objectives, and criteria for developing a recovery plan, like the Action Plan, the Community Resilience Plans, and the implementation plans and guidelines. It is also necessary for communities to be empowered and integrated in the planning and development process of programs from their conception, so that the investment of public funds is sustainable in the long term.*

*Each community has a unique composition of people of interest, including residents, businesspeople, nonprofits, municipalities, etc. The people who will be affected by the government's decisions must participate in an effective way in the decision-making process. Each person of interest has a perspective to contribute for solving problems.*

*It is the government's responsibility to identify and utilize the best outreach and communication mechanisms to successfully integrate said people in the decision-making process in an opportune manner. The outreach mechanisms must be those that facilitate the flow of feedback from the community.*

*It is necessary that the government provide the resources and needed and objective technical support so that the communities may issue an informed opinion during the planning process. When we talk about objective information, we refer to information that helps in understanding the problem and knowing all the challenges and alternatives that must be considered to solve said problem. This may integrate mechanisms such as direct meetings, workshops, field visits, or any other remote mechanism necessary to achieve the goal of sharing information.*

*Once the community understands the problem and alternatives and expresses its will, the agency must disseminate the results and explain how it is analyzing and structuring the obtained information. The communication channels must be constant and transparent. The community should know that it is a real part of the process.*

After absorbing and analyzing the data, the agencies' responsibility to apply their expertise and translate said will into technical proposals based on their specialized knowledge and the democratic discussion achieved through the participative processes. The agency's proposal must be presented to the community once again to verify that the needs and concerns of the people were responsibly addressed. The agency's final decision must respond to the community's final validation and the agency's expertise.

For this reason, the Hispanic Federation requests that the Department of Housing amend the Citizen Participation Plan approved on August 9, 2019 in order to integrate all of the transparency and citizen participation recommendations presented in these comments. In addition, we request that said plan be amended to allow any person to propose substantial and non-substantial amendments to the Action Plan. The Hispanic Federation is more than willing to develop proposals for more specific amendments to the Citizen Participation Plan in collaboration with the agency and the general public.

The same transparency and citizen participation requirements adopted by the Department of Housing must be imposed on all of the agencies, organizations, or institutions that manage or intervene with federal disaster funds. In particular, the requirements must be integrated in the Memorandums of Understanding that exist between the department and said institutions.

Throughout the entire recovery process, the Department of Housing must be willing to remain in direct contact with the public. The Action Plan should not be one that is alien to the reality of the people that, two years after hurricanes Irma and María, have yet to receive the aid they need and have had to face earthquakes and a pandemic in a vulnerable state.

#### *Public anti-discrimination policy*

Emergencies and recovery processes cannot be used to conceal discrimination. The Department of Housing must expressly establish public policy in the Action Plan for zero tolerance for any form of discrimination and adopt mechanisms to implement it. Specifically, no agency, organization, and/or institution that discriminates against any person in any way can be allowed to receive and manage public funds to address the recovery.

#### *Conclusion*

The process of amending the Action Plan is an opportunity for the Department of Housing to improve the public policies adopted in said plan. We hope that the comments presented here are useful for achieving that.

*Sincerely,*

Charlotte Gossett Navarro  
Senior Director of Operations in Puerto Rico  
Hispanic Federation

## PRDOH Response:

The Department of Housing appreciates your comments and will take them into consideration. The Repair, Reconstruction, or Relocation (R3) Program guidelines provide alternative methods for people who do not have a clear title. The Department of Housing understands that there are many people without formal title documentation. In order to ensure that the lack of such documentation does not affect aid under the R3 Program, we have designed a program that is flexible regarding the evaluation of title documents. In no way is it required that an applicant submit formal title documents in order to be declared eligible. However, in order to accommodate and assist these applicants who do not have formal title documents, the Department has created the Title Clearance Program. Any R3 Program applicant that submits informal documents as proof of title ownership is automatically referred to the Title Clearance Program once it has been determined that they have preliminary eligibility for the R3 Program.

In the majority of cases, title clearance services are provided free of charge. The Title Clearance Program Guidelines are available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) both in English and Spanish. These Guidelines describe the services available to applicants in detail. The Title Clearance Program is necessary so that homes built by the R3 are properly authorized, with their permits confirming to the provisions of the Joint Regulation for the Evaluation and Issuance of Permits Related to Development, Land Use and Business Operations (Regulation No. 9081 of June 7, 2019).

In order to minimize displacement, policies in line with the goals and objectives for relief activities under the HCDA Act have been adopted. These policies are contained and published in "PRDOH's Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan" (PRDOH URA & ADP GUIDE). In order to obtain a copy of these guidelines, please visit [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Future programs, including those that will be financed through the allocation of mitigation (CDBG-MIT) funds, may consider additional focuses for the subject of reconstruction within hazard zones. The Department of Housing acknowledges that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participation processes in order to ensure that communities and the general public have an opportunity to evaluate and propose mitigation measures.

Public awareness is important to PRDOH and that is why we place great value in the public being aware of the programs' progress. Once the Economic Development Investment Portfolio Program is launched, more information will be published at <http://www.cdbg-dr.pr.gov>. Details regarding this program, including its objectives and results, will also be published on that website.

The public commentary period represents the time during which all comments regarding the 4th Amendment to the Action Plan (substantial amendment) are received and subsequently taken into consideration; they are incorporated into

the Action Plan that is submitted to HUD for evaluation and they are shared with the public. In order to improve the opportunity for citizen participation, various mechanisms through which citizens may submit their comments and suggestions for the action plan were provided. In addition, the period for commentary period was extended on two occasions, for a total of sixty (60) days.

The Department of Housing thanks you once again for your valuable comments and recommendations.

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Comment ID: 2020-05-30\_E\_GE\_Clinical Legal-Psicológica UPR Recinto de Cayey\_Belines Ramos Negrón (1)

**Comments:** *"I have attached the comments concerning the 4th Substantial Amendment to the CDBG-DR Action Plan issued by the Psychological-Legal Clinic at the UPR, Cayey Campus, and the community of San Isidro in Canóvanas for your consideration.*

**[summarized commentary]**

May 30, 2020

Hon. Luis Carlos Fernández Trinchet  
Secretary

Puerto Rico Department of Housing  
PO Box 363188

San Juan, PR 00936-3188

infoCDBG@vivienda.pr.gov

Re: Comments regarding the draft of the 4th Substantial Amendment to the CDBG-DR Action Plan

Dear Secretary Fernández Trinchet:

Comments and suggestions

R3 Repair, Reconstruction, or Relocation Program

The R3 program presents various concerns, but the most important one is the prohibition of reconstruction within flood zones. This leaves families with relocation as their only option, limiting the possibility of moving within their own community. Being aware of their location, many of the people who apply are left uncertain of how their process will end, with the possibility of being displaced being ever present. This may also cause a greater problem of properties being left abandoned or in disuse. Even though the option for these homes according to the program is demolition, we do not know how long these processes will take. In the worst case scenario, the property could become a public nuisance. The implementation of this program must reflect its whole community focus, taking into account the situation, history, and particulars of the community, including the voluntary decision to relocate.

*In order to achieve this, the Clinic recommends that, while the program continues with its evaluation phases, hazard mitigation options are taken into account. These may even achieve a change in the zoning and keep the community from being at serious risk of flooding. This would prevent the possibility of displacement and offer more options to keep families safe. If this process does not occur in a parallel manner, we would be facing a scenario where we are evaluating mitigation projects after relocating families. For that reason, it is important to have real community participation in the evaluation and implementation processes of those mitigation plans, and for them to have the available and viable alternatives before them so that they are able to make a decision regarding whether to remain or relocate. The program mentions that alternative methods for verifying title ownership will be allowed, but with a sworn statement, which can create confusion among applicants because the guidelines indicate that those who complete a sworn statement will be referred to the Title Clearance Program. Similarly, those who have problems with property titles must resolve them before being relocated which entails prolonging the wait and uncertainty—which as we have documented in our work, affects the health of the residents.*

#### *Title Clearance Program*

*We recognize the importance of this program for people who, due to a lack of access or resources, have not had the opportunity to formalize their titles, and which after hurricanes Irma and María, have been identified as a great portion of the population. However, presenting this as a requirement for access to certain types of aid would once again put that same population in a disadvantageous position. This requirement was the primary reason why the Federal Emergency Management Agency (FEMA) denied aid. The program contains some exceptions for processing the cases of certain applicants, for example, whose properties are in PRDOH's portfolio. It still isn't clear how this problem will be implemented in communities like San Isidro which, even though they are comprised of land that recently passed onto the hands of the Department of Housing, they are in a flood zone. Not adopting measures that protect these communities in light of possible forced displacement and expropriation generates even more distrust among the residents toward the programs or government agencies. Even though in some cases, it will be the only alternative, a process that minimizes the effects of that displacement should be kept in place.*

*For this, the Clinic proposes developing communication and updating the information regarding the program's phases, in addition to the government's promise to not displace or expropriate the community once the granting of titles has concluded. Community participation is also essential in this Project in order to discover and evaluate the alternatives the community has concerning both the various forms of possession, as could be a land trust, and the mitigation measures that would achieve significant change in the community's situation.*

#### *Whole Community Resilience Planning Program*

*The Action plan establishes as strategies understanding the complexities of the communities, recognizing their capabilities and needs, promoting relationships with leaders, and developing and strengthening their infrastructure. Specifically, this*

*program's priority is to address communities located in high-risk zones, which is why this is the only viable opportunity these communities have to develop their capacity for self-management in order to remain in their community, particularly special communities. The guidelines provide that this program will develop community plans whose benefits will allow communities to develop policies and planning with the goal of increasing resilience and mitigating hazards.*

*The concern regarding this program is the time and process for implementation. We believe that not making it parallel to the R3 or Title Clearance programs, and not including real community participation, may lead to family or community relocation processes to take place before they can submit their plans or projects for land use, relocation measures, and resilience. This would foster more distrust among residents toward the directing agency and, as we have documented in our clinical work, it awakens feelings of abandonment, desolation, and neglect.*

*The Clinic proposes the continuation of the practice of engaging in the exchange of information regarding land use and economic development through webinars, forums, or other mediums. If government agencies adopt this practice, the objective of integral planning, as proposed in the Action plan, would be achieved. These processes of exchange allow communities and organizations like ours to present proposals aimed at preserving the community's social fabric and prevent the painful process of displacement.*

*Belines Ramos Negrón*

*"Psychological-Legal Clinic of the UPR, Cayey Campus"*

**PRDOH Response:**

The Department of Housing appreciates your comments and has taken them into consideration. In order to minimize displacement, policies in line with the goals and objectives for relief activities under the HCDA Act have been adopted. These policies are contained and published in "PRDOH's Uniform Relocation Assistance Guide & Residential Anti-Displacement and Relocation Assistance Plan" (PRDOH URA & ADP GUIDE). In order to obtain a copy of these guidelines, please visit [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). Future programs, including those that will be financed through the allocation of mitigation (CDBG-MIT) funds, may consider additional focuses for the subject of reconstruction within hazard zones. The Department of Housing acknowledges that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of the citizen participation processes in order to ensure that communities and the general public have an opportunity to evaluate and propose mitigation measures. In cases where PRDOH has acquired the affected property, it will be demolished and the vacated land will be kept as green areas. All construction and demolition activities will be carried out in conformance with the pertinent laws and regulations.

In the majority of cases, title clearance services are provided free of charge. The Title Clearance Program Guidelines are available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) both in English and Spanish. These Guidelines describe the services available to applicants in detail. The Title Clearance Program is necessary so that homes constructed by the R3 are properly authorized, with their permits confirming to the Joint Regulation for the Evaluation and Issuance of Permits Related to Development, Land Use and Business Operations (Regulation No. 9081 of June 7, 2019).

The Whole Community Resilience Planning Program has been designed so that citizens in vulnerable communities can actively participate in decisions concerning the creation of whole community resilience solutions. The subrecipient-applicants selected under the Whole Community Resilience Planning Program will work directly with communities to identify the needs and concerns of the community and develop community resilience plans aimed at improving resilience and mitigating hazards. Through this process, communities will be asked to evaluate future stressors, environmental integrity, diversity and economic viability, hazard mitigation opportunities, historic preservation, equity and vulnerability, and infrastructure development or improvement, as well as other matters they consider to be important. The Action plan contains the information currently available regarding this program. We ask that you watch for the publication of the program guidelines. These program guidelines and policies are published at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). When they are available, they will detail additional information concerning the program, including eligibility periods and criteria.

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*Comment ID: 2020-05-30\_E\_NGO\_ConPRmetidos\_Isabel Rullán (1)*

**Comment:** *"To whom it may concern,*

*My organization ConPRmetidos, submitted comments today May 30 at 12:00pm. We have a message saying we have to wait to be moderated. We want to make sure you received them since Today is the due date.*

#### *COMMENTS ON THE TOURISM & BUSINESS MARKETING PROGRAM*

*Puerto Rico's Action Plan/Tourism & Business Marketing Program develops a comprehensive marketing effort to promote the island as an ideal place to do business. The goal is to attract new companies of external investment that can contribute additional capital to the economy, promoting economic development and job creation.*

*However, the action plan is missing an essential part to safeguard its success: securing the availability of a skilled and professional workforce to attract external investments and operations. The financial crisis in the island, followed by the devastation caused by Hurricanes Irma and Maria, exacerbated the massive migrations to the mainland. According to the data provided by the United States Census Bureau and Puerto Rico's*



Institute of Statistics, between the years 2005 to 2016, the net out-migration reached 537,000. It constitutes an average of 1% of our population per year. After the 2017 hurricanes, approximately 130,000 people left the island, increasing the already significant population loss.

ConPRmetidos has developed a program to bring back Puerto Rican professionals, to further increase the island's profile as an ideal place to do business and bring external and foreign capital. Our organization is a 501(c)(3) founded in 2012 as a movement and call to action for all Puerto Ricans to take part in helping the island move forward. ConPRmetidos is the most robust local organization, maximizing linkages and connections between projects and the Puerto Rico diaspora. Our US network and goodwill facilitated record-breaking fundraisers, securing 4 million in a year and a half to support the relief and economic development efforts in the island after the hurricanes.

As a result, ConPRmetidos funded programs have impacted 78 municipalities, directly assisting over 8,600 people in areas of emergency relief, food security, energy and water, economic development, and long-term rebuilding. We aided the creation of the biggest farmer association on the island that currently has over 700 members, financed capacity trainings to increase their coffee production yields, and boosted agriculture with an economic impact of approximately 7.5 million dollars. The projects we have invested in have benefited approximately 660 local entrepreneurs and provided 33 hurricane-stricken families with a safe home to live. Our Collaborative Impact Grant (CIG) model allows us to support organizations' management structure to secure their programs. The ultimate goal is to strengthen and scale up the existing efforts of local leaders and community members to help them achieve a more significant impact.

Our strategy to foster economic development: engage the diaspora to bring back the best talent. A Pew Research Center study on US Census Bureau data supports these arguments by revealing that 42% of the Puerto Rican respondents gave work-related reasons for their decision to migrate. Moreover, a survey by the US Census Bureau announced that 47% of the Puerto Ricans who migrated between the years of 2013 and 2014 have some degree of higher education. Estimates indicate that Puerto Rico has a large diaspora with more than 1 million skilled individuals.

A proven model: a 2012 joint survey by the International Organization for Migration and the Migration Policy Institute found that 400 government institutions and partnerships in 56 countries successfully engage their diasporas through programs to foster economic development. Diasporas connect their countries of origin to global networks, tapping into critical business practices essential to the development of a knowledge-based economy. A strategically engaged diaspora can counterweight the migration of qualified and talented individuals, converting the migration flow into an economic asset and the "brain drain" into a "brain circulation." The diaspora can promote the growth of the Puerto Rican economy in four primary aspects: skill transfer through mentorships, donation of funds to support the growth of the non-profit sector, financial investments to local companies and start-ups, and lastly, the relocation of human capital to support the growth of domestic corporations.

ConPRmetidos is ready and willing to partner up with DDEC and Invest PR to create and secure this crucial linkage between the promotion of the island as a business destination, and its ability to offer external businesses and investment with the best roster of skilled workforce and professionals. For more information on our impact visit the following link: [https://issuu.com/conprmetidos9/docs/conprmetidos\\_impact\\_report\\_2019\\_-\\_2020\\_final](https://issuu.com/conprmetidos9/docs/conprmetidos_impact_report_2019_-_2020_final)

Isabel Rullán  
ConPRmetidos"

**PRDOH response:**

Thank you for your interest in the Tourism and Business Marketing program. PRDOH will take your comments into consideration during further development of the Tourism and Business Marketing program. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information.

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Comment ID: 2020-05-30\_E\_GE\_United States Environmental Protection Agency\_Peter D. Lopez (1)

**Comment:** "RE: EPA Feedback and Comments to the CDBG-DR Substantial Amendment DRAFT of Action Plan 4

Dear Mr. Fernández Trichet and Ms. Méndez Castañeda:

Thank you for your commitment and work assisting in disaster recovery efforts in Puerto Rico in the aftermath of Hurricanes Irma and María. As you may know, since the initial stages of the emergency, the U.S. Environmental Protection Agency (EPA) has been helping Puerto Rico respond to the damages caused by these hurricanes to ensure the protection of human health and the environment. Among our continuing key priorities, we have been actively engaged in life-sustaining efforts and temporary assistance in ensuring that the public has access to clean drinking water, minimizing illegal discharges of pollutants to waterways and in collecting and disposing of orphan containers and household hazardous waste (HHW), among many other activities. EPA is also working in collaboration with FEMA, the Government of Puerto Rico, local authorities, non-governmental organizations (NGOs), and communities to ensure that all disaster related response and recovery activities result in a more resilient Puerto Rico and a safer, more sustainable society.

We want to thank you for the opportunity to submit our comments on the Substantial Amendment DRAFT of Action Plan 4 that incorporates \$277,853,230 to the Community Development Block Grant-Disaster Relief (CDBG-DR) funds allocated to the Government of Puerto Rico through the Federal Register Vol. 85, No. 17 issued on January 27, 2020 (85 FR 4681), for unmet infrastructure needs. EPA hereby provides comments to the CDBG-DR Substantial Amendment DRAFT of Action Plan 4, addressing public health, environmental, housing, infrastructure and economic development issues for the Puerto

Rico Department of Housing's (PRDH) consideration in developing the final Amended Action Plan for HUD approval (see enclosed Attachment 1).

EPA is committed to continue working with our federal partners and NGOs in providing support to the Government of Puerto Rico and municipal governments to find transformative and sustainable solutions to Puerto Rico's disaster recovery challenges.

If you have any questions regarding these comments or need any additional information, please do not hesitate to contact Carmen Guerrero, Director of EPA Region 2's Caribbean Environmental Protection Division (CEPD), at 787-977-5875 or [guerrero.carmen@epa.gov](mailto:guerrero.carmen@epa.gov).

I look forward to continuing our collaboration and commitment to ensure a short-term and long-term recovery for Puerto Rico and its residents. Thank you for your consideration to our comments.

Peter D. Lopez  
Regional Administrator  
United States Environmental Protection Agency

#### [Summarized Comment]

- Whole Community Approach & Integrated Planning, Multifamily Housing Market, City Revitalization Program - The plan should include throughout narratives that can provide guide on what it means substandard housing and substandard structures.
- Building Back Better - EPA recommends including recycling activities and healthy indoor air quality for homes/housing/buildings to continue reflecting the overarching goal of building back better in a sustainable and a resilient manner. Incorporating recycled materials, such as recycled concrete, rebar and tires, for construction work help to reduce waste resulting from recovery work (e.g., demolitions, road repairs) that would end in landfills in Puerto Rico, which already have limited capacity to receive waste. Capacity-Building Healthy Housing initiative (Recovery Course of Action HSS 2), a key social determinant of Health as per HUD's guidance. The plan states that construction performed under the programs will adhere only to the Puerto Rico Codes 2018. It needs to consider the building code adopted in Puerto Rico at the time of the construction activity, which could be beyond the 2018 building code. For example, the PR Planning Board is already working on the update of the 2018 building code. Construction performed under the programs also needs to comply with the Puerto Rico Land Use Plan to assure protection of public health and the environment, as well as adherence to local zoning district requirements. For example, consideration should also be given to proper on-site septic systems or small wastewater treatment systems sitting, construction, and maintenance in order to protect groundwater and surface water resources. It is strongly recommended that the Action Plan establishes that the Green Building Standard means that PRDOH will require, at the minimum, that applicable construction will meet the "Permiso Verde" criteria, which is the Commonwealth mechanism to implement and permit

construction using sustainable approaches and certified industry-recognized green standards for energy efficiency, resource conservation, land protection, water safety, water conservation and indoor environmental quality. This requirement will create new business and will provide incentives to, at least, energy efficiency practitioners, as per the Incentive Code of Puerto Rico approved on July 1, 2019. Most importantly, it will save energy, water, resources, generate less waste and support human health for future generations.

- Housing Typologies – EPA recommends including a description of wastewater treatment and disposal within the description of Housing Typologies. Approximately 40% of the population in Puerto Rico (an estimated 1.4 million people) is served by on-site septic systems or small wastewater treatment systems as their wastewater treatment and disposal infrastructure. The Puerto Rico Aqueduct and Sewer Authority (PRASA) provides wastewater services to roughly 60 percent of the population in Puerto Rico. Hurricanes Irma and Maria greatly exacerbated local pre-existing challenges, such as lack of enforcement of building codes and poor design siting, construction, and maintenance of on-site septic systems. As a result, at least 50% of the septic systems in PR are incapable of functioning to prevent raw sewage contamination and at least 5% of them directly discharge raw sewage into groundwater and surface water resources, the main contaminant to the island's freshwaters. Innovation is needed about the use of this technology as there are areas in Puerto Rico where site conditions need to be optimized to maximize performance of this technology and/or connection of houses to a centralized system such as, PRASA, is not feasible. Consideration should also be given to proper on-site septic systems or small wastewater treatment systems siting, construction, and maintenance in order to protect groundwater and surface water resources.
- Impact Infrastructure – Impacts from public facilities such as solid waste, flood control and stormwater infrastructure were not included in the Infrastructure Impact section. With 2-4 years of disposal capacity left, and with another year or more of waste still to be generated from building demolition, Puerto Rico currently has a solid waste crisis. Also, Puerto Rico's dams, levees, natural infrastructure (e.g., coral reefs, wetlands, dunes), and other stormwater infrastructure were also damaged, which resulted in extensive flooding, erosion, and the scouring of waterways costing, at least, \$215.8 million of stormwater system damages in 51 of Puerto Rico's municipalities. There are references available such as, the 2019 American Society of Civil Engineers Report Card for Puerto Rico Infrastructure (page 50), El Nuevo Dia article from March 2019 and Puerto Rico Recovery Plan that describe in detail the impacts of Hurricane Irma and Maria and costs on solid waste, flood control and stormwater infrastructure. EPA is available to collaborate with the Department of Housing to address this comment.
- Dam Failure – EPA recommends changing the title of this section to Dam Failure and Safety. EPA also recommends that in addition to the experience after Hurricane Maria with the Guajataca Dam, this section should also include a summary of the results of the damage assessments conducted by the Government of Puerto Rico and federal agencies to all the island's dams and reservoirs. There are a total of 36 dams and reservoirs in Puerto Rico and the Action Plan would benefit from the description of the results of the damage assessments to this critical infrastructure. Consideration should also be given to issues related to

maintenance dredging to add water storage capacity, release works for environmental management, and preemptive releases for stormwater control. The need for updating management protocols for dams and reservoirs in order to attenuate storm impacts should also be highlighted. Puerto Rico agencies (PRASA and PREPA) applied for FEMA disaster assistance to address dam safety and management, but are still waiting for such aid. Puerto Rico claimed damages for 26 related recovery projects. PRASA is leading nine projects and PREPA is leading 17 projects. These recovery projects include, but are not limited to, dredging water reservoirs and rivers and rebuilding dams' structural stability.

- Whole Community Resilience Planning – Missing Courses of Action (COA) that could be aligned to the program.
- Home Resilience Innovation Competition Program – EPA recommends including wastewater treatment and disposal at a household level in the Home Resilience Innovation Competition Program. Approximately 1.4 million people in Puerto Rico or approximately 40% of the population are served by on-site septic systems or small wastewater treatment systems as their wastewater treatment and disposal infrastructure. The Puerto Rico Aqueduct and Sewer Authority (PRASA) manages roughly 60 percent of wastewater services in Puerto Rico. Hurricanes Irma and Maria greatly exacerbated local pre-existing challenges, such as lack of enforcement of building codes and poor design siting and construction of on-site septic systems. As a result, at least 50% of the septic systems in PR are incapable of functioning to prevent raw sewage contamination and at least 5% of them directly discharge raw sewage into water bodies. Innovation is needed about the use of this technology as there are areas in Puerto Rico where site conditions need to be optimized to maximize performance of this technology and/or connection of houses to a centralized system such as, PRASA, is not feasible. EPA encourages the Department of Housing to include septic systems technology in the Home Resilience Innovation Program to be issued from this competition program. Consideration should also be given to proper on-site septic systems or small wastewater treatment systems siting, construction, and maintenance in order to protect groundwater and surface water resources.
- Housing Programs – Puerto Rico's housing market has been in a deep and prolonged crisis. Puerto Rico's economic recession has led to depopulation and the loss of jobs, which induced a decline of home equity values and an increase in foreclosures. As a result, a significant number of Puerto Rico's housing stock is vacant and the spike in foreclosures after Hurricane Maria suggests that vacant units are increasing at an accelerated rate. The potential demand for housing in the immediate future is significant since a considerable number of Puerto Rico's housing stock has been damaged due to Hurricane Maria.
- R3, Hurricane Impact – The program needs to highlight that home repairs and reconstructions also include repairs and reconstruction of septic systems as a strategy to raise attention to homeowners. Approximately 40% of the population (approximately 1.4 million of people) handle their wastewater service needs through septic tanks, which are owned and operated by homeowners.
- Recovery Plan Alignment – Missing a Courses of Action (COA) that could be aligned to the program.
- R3, Program Accomplishments – Lack of building septic tanks up to building codes and have led to a situation in which all septic tanks have overland runoff, at least

50% of septic tanks in Puerto Rico are incapable of functioning to prevent raw sewage contamination, and 5% of septic tanks directly discharge raw sewage.

- Social Interest Housing - Missing a Courses of Action (COA) that could be aligned to the program.
- Housing Counseling – Lead can enter drinking water when home service pipes that contain lead corrode, especially where the water has high acidity or low mineral content that corrodes pipes and fixtures. (<https://www.epa.gov/ground-waterand-drinking-water/infographic-lead-drinking-water>). Further, a substantial cause of public health and environmental problems in watersheds in Puerto Rico is septic systems that fail to prevent raw sewage from entering populated areas and water sources.
- Community Energy and Water Resilience Installations, Recovery Plan Alignment – Missing Courses of Action (COA) that could be aligned to the program. WTR 12 proposes the increase of off -grid renewable energy and WTR 29 proposes the to strengthen the redundancy and diversification water reuse practices.
- Community Energy and Water Resilience Installations, Community Installations – The U.S. Department of Housing and Urban Development (HUD) and the PR Public Housing Management have several programs that seek to provide funding for housing and community development including the promotion of renewable energy and community micro-grid. For example, HUD has the Organizational Solar Readiness Assessment Tool<sup>1</sup>, the Renew300: Advancing Renewable Energy in Affordable Housing<sup>2</sup>, Support States In Developing Community Solar Programs<sup>3</sup> which has a goal to install 300 megawatts (MW) of renewable energy in federally subsidized housing and providing technical assistance to make it easier to install solar, including clarifying how to use Federal funding; among other programs that provide technical assistance.
- Multi-family Reconstruction, Repair & Resilience Program, Recovery Plan Alignment - Referencing the Green Building Standard will provide incentives to, at least, energy efficiency practitioners, as per the Incentive Code of Puerto Rico approved on July 1, 2019. Most importantly, it will save energy, water, resources, generate less waste and support human health for future generations.
- Workforce Training Program, Recovery Plan Alignment - Missing Courses of Action (COA) that could be aligned to the program.
- Workforce Training Program – Workforce training programs and the proposed new apprenticeships program need to include additional environmental skill trades necessary for emergency response and long-term sustainability and resiliency activities.
- Economic Recovery Programs – EPA recommends that Economic Recovery Programs include eligibility requirements that consider construction projects that integrate energy conservation, renewable energy, water conservation, and other resiliency features. Extra attention is recommended to meet green construction and green building design, construction, and operation.
- Infrastructure Coordination Program – EPA recommends including references to guide and/or training documents from HUD that can provide more detailed information about possible eligible facilities under the Infrastructure Coordination Programs. There should be a more explicit description, at least, of the term public facilities and improvements to provide notional knowledge about possible public facilities that can benefit from a program, as applicable. EPA recommends

highlighting public facilities and improvements such as, water/sewer improvements, flood drainage improvements, solid waste disposal improvements and privately-owned utilities (i.e., 240 community aqueducts in Puerto Rico). These examples are included in HUD's guides and training documents such as, Chapter 6: Public Facilities, Special Assessments and Privately-Owned Utilities in the Basically CDBG for States training guide.

- Infrastructure Coordination Program, Mitigation & Resilience – The Mitigation & Resilience section of the Action Plan reflects a FEMA-centric approach for the selection of mitigation projects that will advance long-term resilience to natural hazards and promote climate adaptation measures in Puerto Rico. This leaves out approaches from other federal agencies (e.g., USACE, EPA, USDOT) that are also acceptable by HUD under the CDBG-Mitigation. The CDBG-Mitigation Program recognizes possible non-correctable flaws in FEMA-approved methodologies found in the FEMA Hazard Mitigation Guidance. Therefore, CDBG-Mitigation allows the use of non-FEMA methodologies to better account benefits of mitigation projects such as, economic development, community development and other social/community benefits or costs. See more about alternate demonstration of benefits under the CDBG-MIT in the 2019 webinar CDBG-MIT Webinar Series: Using FEMA's Benefit Cost Analysis (BCA) Toolkit.
- Critical Infrastructure Resilience Program, Recovery Plan Alignment – Missing Courses of Action (COA) that could be aligned to the program.
- Community Resilience Centers, Recovery Plan Alignment - Missing Courses of Action (COA) that could be aligned to the program.
- City Revitalization Program, Recovery Plan Alignment – Missing a Course of Action (COA) that could be aligned to the program.
- Puerto Rico By Design, Recovery Alignment – Missing a Course of Action (COA) that could be aligned to the program.

**PRDOH response:**

PRDOH thanks the EPA and appreciates its commitment with a more resilient Puerto Rico and a safer, more sustainable society. Your suggestions have been taken into consideration. Program alignment with courses of action has been reviewed. PRDOH looks forward to an ongoing working relationship with the EPA and other vested parties interested in furthering the recovery of Puerto Rico. Thank you for your comments.

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*Comment ID: 2020-05-30\_WP\_I\_Rafael A. Torrech San Inocencio (1)*

**Comment:** "COMMENT ON 4TH AMENDMENT TO ACTION PLAN

*Rafael A. Torrech-San Inocencio*

*Sat/05/30/2020 at 11:59 am*

1. With regard to the Comprehensive Planning Program for Community Resilience (p. 126-127), how is this process coordinated with the 78 municipal mitigation plans that are currently coordinated with the Planning Board through a contract with Atkins Caribe and funded with a planning grant from the FEMA HMGP program?

These mitigation plans are required by law and their priorities should be consistent with the projects to be financed through the Hazard Mitigation Grant Program (HMGP/404) that has approximately \$3b from FEMA and \$1b from CDBG-DR. The HMGP mitigation planning process has been uneven, since the letters of intent addressed to COR3 were submitted before updating the mitigation plans. But that is another story.

In short, there are elements of the mitigation plans that seem repetitive with regards to the express intention of the Comprehensive Planning Program for Community Resilience of identify "opportunities to mitigate risk"... "needs related to disaster mitigation and resilience," among others. Is it that we are going to have two parallel plans or are the findings of each to be integrated in a master comprehensive plan? The latter would be ideal, aside from the fact that resources could be reprogrammed that are needed for other priorities.

2. Many charitable and non-profit organization sectors are concerned about the capacity and the lack of prior experience of the Foundation for Puerto Rico to manage a project of this scope. No event during the approval of the first Action Plans has changed this first impression, and possible may have reinforced it. The elimination of the line (p. 127) that emphasized that the Department of Housing was the administrative agency leaves us out with any guarantee that this program and its funds will be administered and managed in an efficient and effective manner, especially in the of a sub-recipient administrator that lacks prior experience in community planning and much less in managing grants of this magnitude and scope. We should put to use existing organizations with the know-how to plan community resilience. There is a lot we are putting at stake.

3. It is not clear why the phases of the Community Resilience Planning Program were eliminated (p. 126). No justification has been provided as to how this improves the program and broadens the scope and community participation.

4. With regard to the Community Resilience Centers Program (p. 233) it is not clear why the mention of FEMA shelters or safe houses was eliminated. The organizations that are interested in this kind of facility have already submitted their letters of intent to COR3. COR3 has already established that it will not receive any more letters of intent. FEMA has expressed its reticence to finance the construction of shelters or safe houses, as it prefers to rehabilitate existing structures. Therefore, for communities where there are not any structures that could be used as shelters the elimination of this mention "in the case of communities that cannot make improvements to shelter facilities under the FEMA program, the CDC program could build new shelter facilities" leaves these communities without any viable shelter option. The construction of new facilities in some communities is of vital importance since they require elevations according to FEMA flood maps would



*be unpractical and overly burdensome in existing buildings, making it less cost-efficient due to the difficulty of doing it through the renewal or rehabilitation of existing facilities. The elimination of this phrase does not address the needs of high-risk communities that lack exiting shelter facilities and rely on this program as the only and last option to protect life and property in the event of a disaster, through the construction of new viable and cost-effective shelters.*

*5. The amendment to this Action Plan is a great opportunity to correct a recurring error in the CDBG-DR project notices and in the definition of the eligibility criteria for non-profit organizations. On page 191 (and for example, also on pages 206, 210, 215, 220, among others) it is established as a requirement that non-profit organizations shall be exempt from federal taxes, or 501(c)3. However, in the Community Development Block Grant Disaster Recovery Policy Guidance for Grantees (2019) and in particular on page 21 it is stated that: "If the nonprofit is a subrecipient administering funds for a grantee or subgrantee, grantees may look to state law definitions of nonprofit. A nonprofit need not be designated by the IRS as a 501(c)(3) charitable organization. "That means that the HUD regulatory guidelines for the CDBG-DR program affords discretion with regard to the government of Puerto Rico and establishes that it is not necessary for a non-profit applicant to be exempt from paying federal taxes. If we consider that according to the studies and updates of the Estudios Técnicos firm (a firm retained by the principal local philanthropies) barely 12 percent of non-profit organizations have federal tax exemption (to be expected, since Puerto Rico is a territory where it is not required to pay federal taxes) we consider that it is prudent, appropriate, and relevant for our reality that the requirement of federal tax exemption, 501(c)3, be eliminated. Thus, many non-profit organizations could participate in the competition for grants. We object (as we have hear in public statements) that their eligibility should be left to the discretion of the Department of Housing or other subgrantees such as the Foundation for Puerto Rico, since that could discourage many organizations from applying, and if there are not found to be eligible, it would save the time and effort of preparing their proposals.*

*Rafael A. Torrech San Inocencio."*

#### **PRDOH Response:**

The Department of Housing of Puerto Rico agrees that planning works best when it is energized by the community and involves the municipalities and the Planning Board, so that it has designed programs such as Comprehensive Community Planning for Community Resiliency taking into account these considerations. The Department thanks you for your comments and will take your suggestions into consideration.

The Comprehensive Community Planning for Community Resiliency Program is directed at communities, with no limitation in terms of municipalities or geographical areas, the result of which will be Community Resiliency Plans (CRP). The CRPs are developed through a socially inclusive planning process and will

address the concerns of communities while identifying opportunities for resilience. The main focus is on vulnerable communities. The Program will initiate the development of the CRP plan by identifying all of the related plans that have been developed and determining the best way to coordinate them.

The PRDOH has been designated as the recipient of CDBG-DR funds. As such, it is in charge of monitoring all subgrantees and programs to ensure that all programs are implemented for the benefit of the recovery of Puerto Rico and in compliance with all and applicable federal and state laws and regulations.

The language of the Comprehensive Community Planning for Community Resiliency Program was modified for clarity and consistency. This program has the same goals and methodologies. As stated in the program guidelines, the goal for Puerto Rico is to develop recovery strategies that not only protect lives and property from future hazards, but also foster an inclusive and participatory recovery process that will allow all residents to become aware of the benefits that revitalized communities have to offer. This results-oriented community planning is critical for disadvantaged communities that are recovering throughout the island.

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*Comment ID: 2020-05-30\_E\_NGO\_G-8 Grupo de las Ocho Comunidades Aledañas al Caño Martín Peña \_Lucy M. Cruz Rivera (1)*

**Comment:** *"Greetings,*

*I include a document with Comments on the Amendment to the CDBD-DR Action Plan.*

*Please acknowledge receipt.*

*Hon. Luis Carlos Fernández-Trinchet  
Secretary*

*Puerto Rico Department of Housing  
PO Box 363188 San Juan, PR 00936-3188 [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)*

*Dear Secretary Fernández-Trinchet:*

*Greetings. This past March 2020 the Department of Housing published the Fourth Amendment to the Action Plan for the use of CDBG-DR funds. We are hereby submitting our Comments on that amendment.*

*The G8: Grupo de las Ocho Comunidades Aledañas al Caño Martín Peña, Inc., (Group of Eight Communities along the Martín Peña Channel) is a community-based non-profit organization, established in 2002 and incorporated at the Department of State of the Commonwealth on June 28, 2004. The group is constituted by the community leaders of the eight communities along the Martín Peña Channel, which are Barrio Obrero Marina, Barrio Obrero San Ciprián, Buena Vista Santurce, Bitumul and Israel, Buena Vista Hato Rey, Las Monjas, Parada 27, and the organization Consejo Vecinal pro Development*

Península of Cantera (Community Council for the Development of the Cantera Peninsula). Subsequently, on September 24, 2004 and pursuant to Act 489 the Special Planning District was approved for the Martín Peña Channel and in turn the Corporación Proyecto ENLACE and the Land Trust of the Martín Peña Channel was accepted and passed. The vision of the G-8 encompasses developing, maintaining, and strengthening the communities along the Martín Peña Channel through initiatives, programs and projects that improve the lives of the residents. For the past 18 years it has been the voice of more than 21,000 residents, ensuring citizen participation in the matters that affect us as a community.

#### *Joint Resolution No. 118*

The communities of the Martín Peña Channel have undergone a participatory planning process which led to the Comprehensive Development Plan of the Martín Peña Channel, hereinafter the "Development Plan" and Act 489-2004. Both documents set forth the community that we residents want. However, some of the provisions of the Action Plan for Puerto Rico for hurricanes Irma and María are not according to our Development Plan. Pursuant to public policy set forth by the Government of Puerto Rico in Joint Resolution No. 118, dated November 19, 2019, we request that (a) the construction, rehabilitation, and reconstruction of housing located in flood zones surrounding the Martín Peña Channel be allowed; (b) The considerations of the Special Planning District of the Martín Peña Channel be respected and that any land acquired by the Government of Puerto Rico by means of these funds be transferred to the Land Trust of the Martín Peña Channel pursuant to Act 489.

#### *Title Clearance Program*

We recognize the importance for citizens to have formal ownership of the land where their residences are located, which they have worked for many years and raised a family. However, the formalization of ownership must be within a participatory process in which the residents acquire knowledge of the different tools that exist to formalize their land and decide the best option under an informed process. The Puerto Rican context in matters of ownership, as in other countries of the world is particular. Informality with regard to land may not be penalized and available assistance may not be conditioned on having property title. Given that when these communities settled on the banks of the channel it was not necessary to have any document that granted value to the property or the large landowners gave them the space for their houses without any kind of document. This happens not only in El Caño, but also in the rest of Puerto Rico. Therefore, ownership title should not be an obstacle and alternative methods for showing that the person is the owner should be recognized and accepted. This should not require that the person should incur in an expense which would become a reason for not applying and losing the opportunity to receive assistance at a time the person needs to improve his or her quality of life and therefore have a dignified residence as everybody deserves. In the particular case of the Martín Peña Channel communities surface rights that have been granted by the Land Trust of the Martín Peña Channel must be recognized. This collective ownership tool was chosen by the community and established in Act 489-2004, as

amended, to prevent the displacement of our communities that are located in spaces with a high economic development value. Just as we have developed tools for protection, the Title Clearance Program and the Department of Housing should establish a clear policy of non-displacement of communities.

#### *Repair, Reconstruction, or Relocation Program (R3)*

The Repair, Reconstruction, or Relocation Program (R3) has set forth eligibility criteria that are not in accordance with the needs of the persons who were affected by hurricanes Irma and María. The criterion of preventing reconstruction in flood zones has been one of the most important obstacles to access the funds. In this program each case should be evaluated taking into account local reality. In the case of the Martín Peña Channel communities, the Program should accept the reconstruction and rehabilitation of residences in flood plains established in Joint Resolution 118-2019. As established in the comments submitted for the 4th Amendment to the Action Plan, according to FEMA flood maps (2018), a large part of Puerto Rico appears as a flood zone. In our communities, 89% of the Planning District is within this flood map. This entails serious consequences for the housing of our residents and fosters the displacement of communities. We know of jurisdictions, such as Texas and Florida, that have received these funds using as an alternative measurement the elevation of the residences and constructions. We propose that mitigation measures be allowed instead of displacement under the exercise of eminent domain since we consider that there is neither the staff nor the capacity to maintain all the empty lots that would be created, which would create trash sites and barren areas without any use and where new people will build and in the end the problem will be worse than elevating a residence to prevent flooding. In the case of the Channel, the flooding would improve or be eliminated by installing a sewage system that is non-existing or collapsed. We know full well that in PR there are residences that because of their location and issues of landslides or earthquakes that we are experiencing now need to be relocated, but that is not the case with the Martín Peña Channel.

On the other hand, the criteria need to be broadened so that the people who need help to improve their residences can actually access that assistance. To reconstruct in the community should be a priority. Relocations should follow specific guidelines that guarantee the right to decide. Relocation is not voluntary if it is the only option that is offered to a person, who cannot rebuild on his or her own land, because it cannot be done because of the mathematical calculation of the appraisal as compared to the damages does not allow it or because it is under the shadow of flooding according to the map. This is a way of displacing that person. That is why we consider that alternative mechanisms should be provided so that the families that in areas that have been classified as flood areas can access funds for reconstruction, reconstructing their residence at the required necessary elevation. Furthermore, mitigation should be allowed as a response so that the persons does not need to be relocated and that there is an anti-displacement plan in the published guidelines. Another example is that on many occasions the residences of the persons that were affected are fully paid for. What

guarantees exist in the relocation process and acquiring a debt for a new residence? In the relocation process there should be equal conditions and a fair deal. The relocations should be done from a perspective of law. It is foreseen that a family will be tied to a residence, a sector, and a municipality for 15 years without being able to dispose of their residence, since as part of a relocation process the person was forced to accept these imposed conditions. In cases like these, the right of free determination should prevail. In addition, the question is what guarantee is there that the new residence located in the person's sector will not also be flooded or face issues of landslides and the we as, who will come to help again?.

#### *Citizen Participation*

*Citizen participation is core to ensure rights and is the way to have a better country. The Government should establish mechanisms to disseminate clear information on the Programs and Projects that continue to arise from the Action Plan, before, during, and after the implementation, above all in this situation that is not possible to visit the agencies to obtain information or even call due to the problem of the pandemic. How is orientation going to be provided, how is assistance going to be given or follow up on the cases? There should be a real opportunity to inform the communities regarding the matters that will have an impact on them, that they can give their opinion, and demand changes to their benefit. This should be done using methodologies such as popular education and tools that will allow the information to reach the general public. We consider that technology is important, although it is directed at a group and many times excludes others. That is why a real and effective participatory planning process should be established in the communities. This is the opportunity to plan and develop resilient communities in each context and taking into account the historic and geographic realities of the communities, while respecting and se honoring the plans that some communities already have.*

*Regards,*

*Lucy M. Cruz-Rivera  
President  
G-8, Inc."*

#### **PRDOH Response:**

Thank you for your comments. The Housing Department is considering viable alternatives for addressing the provisions of Joint Resolution 118-2019. The regulations that govern the use of CDBG-DR the funds do not allow their use for mitigation activities as an independent activity. These mitigation activities will be considered in the development of the Action Plan for the CDBG-MIT funds for which the appropriation of \$8.25 billion dollars was published by HUD this past January 27, 2020. These funds will enable the development of projects that will help to reduce the impact that atmospheric events have, if such were to impact vulnerable communities. It is the interest of the Housing Department that the

federal funds assigned for the recovery of the Island reach the communities that are most needy, while complying with the laws and regulations that govern the use of these funds.

The Repair, Reconstruction, or Relocation Program (R3) has established in its guidelines alternative methods for persons who do not have clear title. The Housing Department believes that there are many persons without formal title documentation. To ensure that the lack of such documentation does not affect assistance under the R3 Program, a flexible program has been designed with regard to the evaluation of a title document. Applicants in no way will be required to submit formal title documents in order to be found eligible. The Department has created the Title Clearance Program to accommodate and assist these applicants who do not have formal title documents. All applicants for the R3 Program who submit informal documents as proof of title are automatically referred to the Title Clearance Program once it has been determined in a preliminary manner that they are eligible for the R3 Program.

Title Clearance services are provided free of charge for the majority of the cases. The Guidelines of the Title Clearance Program are available on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) in English and in Spanish. These Guidelines describe in detail the services that are available to applicants. The Title Clearance Program is necessary so that the housing built under the R3 Program will be duly authorized with their permits, as provided in the Joint Regulation for the Evaluation and Issue of Permits for Development, Land Use, and Operation of Businesses (Regulation No. 9081, dated June 7, 2019).

Future Programs, including those to be financed with the mitigation funds appropriation (CDBG-MIT) may consider additional approaches for reconstruction in at-risk areas. The Housing Department recognizes that the planning of mitigation activities is a collective effort. The Action Plan for the CDBG-MIT funds will be part of citizen participation processes to ensure that communities and the public at large have the opportunity to evaluate and propose mitigation measures. The Housing Department has adopted policies to minimize displacement that are consistent with the goals and the objectives for assistance activities under the HCDA Act. This policies are published "Guide for Uniform Relocation Assistance & Relocation Plan and Anti- Residential Displacement of the Puerto Rico Housing Department" (PRDOH URA & ADP GUIDE). To obtain a copy of the guide, please consult the following site: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

The public comment period is the period of time in which all comments will be received on the 4th Amendment to the Action Plan (Substantial Amendment) and will later be considered an incorporated into the Action Plan that is submitted to HUD for evaluation and are shared with the public at large. To increase the opportunities for public participation, several mechanisms were provided through which the public could submit comments and suggestions for the Action Plan, such as email, web page, regular mail, and telephone lines, and furthermore, the period for comments was extended twice for a total of sixty (60) days. The Housing

Department values the collaboration with non-profit entities and expects to continue this collaboration for the duration of this grant.

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Comment ID: 2020-05-30\_E\_GE\_Junta de Planificación\_María del C. Gordillo Pérez (1)

**Comment:**

*"Hon. Luis C. Fernández-Trinchet  
Secretary  
Housing Department  
P.O. Box 21365 San Juan, Puerto Rico 00928-1365*

*Comments on the Amendment*

*Dear Mr. Fernández-Trinchet:*

*Greetings from all of us at the Planning Board. The Federal Housing Department published the draft of the Fourth Substantial Amendment of the Action Plan for the use of "CDBG-DR" funds in the recovery from hurricanes Irma and María. The deadline for comments was postponed until May 30, 2020, April 30 having been the original deadline for the comments.*

*The Fourth Substantial Amendment of the Action Plan proposes significant changes to the Agency Initiatives Planning Program, adding to eligible activities:*

- "Activities carried out through non-profit development organizations"*
- "Assistance to institutions of higher education"*

*The Planning Board considers that the processes related to property ownership in Puerto Rico, as well as the development and implementation of the protocols for assigning physical addresses in Puerto Rico should be a government function, although allowing for participation by the public and all of the stakeholders in the construction of the solution to the problem. The reason for this is the importance that both issues have for public safety and economic development.*

*Events such as what we are undergoing in the current world-wide pandemic which has affected the daily lives of the citizens of Puerto Rico make evident the need for processes and a database of physical addresses that will allow for locating any event, including the exact and precise geographical identification of a positive diagnosis for a viral disease such as COVID-19.*

*The Planning Board proposes that the issue of ownership and physical addresses in Puerto Rico should be addressed by integrating the workflows and the information that is generated by each respective agency for each area such as the Planning Board, the*

Permits Management Office, the Department of the Treasury, and the Department of Justice.

Page 128 of the draft of this 4th Substantial Amendment to the Action Plan reads “Puerto Rico [sic] to reconstruct better and construct a future in which housing units can be located using data from emergency response agencies, property titles, and the property registry.” We recommend that the language be: “Puerto Rico needs to reconstruct better and construct a future in which housing units can be located using data from emergency response agencies, property titles, the property registry, cadastral information, and any other source of information that may be useful for locating and providing direct assistance to the public.”

If you have any concerns or questions about our comments, please contact the Vice Chair Mrs. Suheidy Barreto Soto at her email [Barreto\\_s@jp.pr.gov](mailto:Barreto_s@jp.pr.gov).

Thank you,  
Maria del C. Gordillo- Pérez, GEOG-PPL  
Cahir  
Planning Board  
PO Box 41119  
San Juan PR 00940-1119”

**PRDOH Response:**

Thank you for your support and comments. Through the direct participation of the government agencies, such as the Puerto Rico Innovation and Technology Service (PRITS) and the Puerto Rico Planning Board, as well as the universities and the private sector, an Agency Planning Initiatives Program will be implemented to build the data set for property for all of the island to ensure that land use is correctly permitted, planned, inspected, insured, and visible for the municipalities. The safety and privacy of the public are highly important. Therefore, all personal identification information will be protected and secured and only appropriate information will be shared with government entities. The Housing Department appreciates your association with the Planning Board and expects to collaborate with it throughout the recovery process.

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Comment ID: 2020-05-30\_E\_NGO\_Unidos por Utuado\_Ineabell Medina (1)

**Comment:** “Greetings:

As part of our commitment to our residents in the mountain areas, we are submitting recommendations for the 4th Amendment of the Action Plan for CDBG-DR Funds. It should be very useful to review them and include them in this Amendment.

Thank you for your attention to this email.



Hon Luis C. Fernández-Tirinchet [sic]  
Secretary  
Puerto Rico Housing Department  
PO Box 21365 San Juan, Puerto Rico 00928-1365

**[Summarized comment]**

*Unidos por Utuado, Inc. has reviewed the draft of the Fourth Amendment to the Action Plan for Disasters Recovery for the use of CDBG-DR Funds in Response to Hurricanes Irma and María (2017) and we would like to make our comments, based on our commitment to improving the living conditions of the residents of the Central Mountain Range, and being interested in having these funds being invested equitably in the most vulnerable communities with the priority being the area of the mountains which has historically been neglected and are not a priority for the Electric Power Authority or the government.*

*Therefore, we are submitting our comments on this draft emphasizing the following areas:*

- The economy, including promoting and stimulating new businesses in the center of the island, and decentralizing services and resources by taking them to the mountain areas to improve accessibility.*
- Support for small and mid-size businesses to break through barriers and stimulate economic growth with fractional services and providing these services in the center of the island to create sustainable development.*
- Job training for residents of the center of the island in technology and 21st Century skills. These services should be provided in the Central Mountain Range area to ensure accessibility for the residents and a more equitable distribution of the CDBG-DR funds.*
- Electric power with a resilient system with regard to climactic events and the effects of climate change on our Island.*
- Electric power free of emissions and environmental pollution.*
- Electricity should be generated at the closest point to consumption to improve resilience.*
- Electric power generation should be controlled by those who consume the electricity.*
- Democratization of the generation of electricity especially through Electricity Cooperatives given that the new technology facilitates the distribution and generation of electric power.*

*The following are our recommendations to be included in the next Amendment of the Action Plan.*

*Enclosure*

*Recommendations by Unidos por Utuado for the 4th Amendment of the Action Plan.*

1. Page xi, Rationale: - We consider that with regard to this issue, priority should be given to the Municipalities of the Central Mountain Range, since they are the most vulnerable and have very few economic resources. They were the most affected by the Hurricanes. We recommend the following language: -"The unmet needs in this Action Plan will be updated appropriately. Priority will be given to the Municipalities of the Central Mountain Range, since they are the most affected by the Hurricanes, and because of the lack of attention after these events."

2. Page xx: - Rationale: After Hurricane María hit, access to the mountain towns became impossible, the electric power system collapsed, which affected, among other things, people's health, and delayed the recovery of the Central Mountain Range. The creation of a roadmap for success which includes the mountain towns, especially unifying the power grid and using cooperative models for the benefit of consumers. The absence of incentives for creating new businesses in the Center of the Island stifles economic growth in the mountain towns. Based on this law, we recommend the following language: "Planning: develop a roadmap for the success of communities, government agencies, residents, and the private sector. A road map in which the electric power system in the Municipalities of the Central Mountain Range is unified, resilient, cost- effective, that provides electric power in rural areas, and with a cooperative model for benefit of all consumers, communities, government agencies, residents and the private sector." "Economy: transform the current economic situation, which is focused on efforts for economic recovery activities, strengthening existing businesses, creating new businesses, and providing job training, especially in the Municipalities of the Central Mountain Range."

3. Page xiv: Rationale: The lack of accessibility to services, modern technology, and consulting for small businesses contributes to these businesses having a low profit margin, leading to closure of the businesses and the loss of jobs in this sector. We recommend the following language: "Commerce: facilitate doing business by reducing the barriers for establishing and sustaining businesses; for example, streamlining and simplifying the process of paying taxes, obtaining permits, and licenses to operate, accessibility to advice, consulting, technology, and merchandise importation and transportation services, and registering properties."

4. Page xvii: Rationale: Employment with a company for 30 years is no longer feasible, and even less so at the center of the island. Therefore, the approach must be to train people so that they can create their own business. Include training and development of opportunities for self-sustaining employment. We recommend the following language: "According to applicable requirements this support may be for specific and "isolated" projects or to facilitate in a broader manner, economic development initiatives, provide training to create opportunities for self-sustaining employment, eliminate deteriorated areas, and infrastructure initiatives to improve the economy and the environment."

5. Page 1 and 2 Rationale: The mountain area suffered huge devastation and the collapse of vital services and the main highways caused delay for emergency assistance to these towns of the Central Mountain Range leading to a humanitarian crisis there. We

recommend the following language: *"Having been hit by consecutive hurricanes, Puerto Rico was 100% impacted by Hurricane María just two weeks from having survived the impact of Hurricane Irma in the region. The successive effect of these hurricanes aggravated the harm to the Island, principally in the eastern area and the central area affecting residential structures and the electric power system that were affected or totally devastated. Since the mountainous central part of the island is about sixty per cent (60%) of the Island, it is imperative that attention [be given to] recommendations by several sectors with specialized knowledge of the subject, [sic] the population in general, to establish the parameters that will guide Puerto Rico to a vision of the future in which there is a resilient, reliable, and robust electric power system that will allow consumers to be active agents, modernization of the transmission and distribution network, a transition from the use of fossil fuel to renewable energy sources, the integration of distributed generation, microgrids, and state-of-the-art technology that will benefit consumers and generate cost-effective rates, while allowing for sustainable economic development."*

6. Page 8 Rationale: Non-profit organizations were fundamental for getting Puerto Rico up on its feet again, but the non-profit organizations serving towns in the center of the island should be included. We recommend the following language: *"Several interested sectors have played a fundamental role in the immediate recovery efforts, including, but not limited to: Fundación Community de Puerto Rico, Fundación para Puerto Rico, Unidos por Utuado, Unidos por Puerto Rico, and Fondo de Recuperación de Puerto Rico."*

7. Page 18 Rationale: Organized communities and community cooperative had a key importance, along with the government, in getting Puerto Rico back on its feet. We recommend the following language: *"The PRDOH, along with organized communities are seeking to reconstruct infrastructure in the most robust and resilient manner to be able to endure future threats. The activities that support this commitment not only will improve the quality of construction in terms of measures to protect lives, but also to preserve the integrity of the federal investment contributed by the American people. The resurgence of Puerto Rico depends on sustainable growth produced by the injection of funds for the recovery process, including citizen participation through community-based organizations and community cooperatives. Through strategic partnerships and resilience planning, Puerto Rico will prepare the framework for investment a long-term economic results. The implementation of recovery activities will focus on the innovation of modern tools and the constant application of mitigation and resilience techniques, prioritizing the municipalities in the mountain areas that were the most affected."*

8. Page 25 Rationale: After hurricanes Irma and María, human resources came in that had no knowledge of the geography and profile of the communities that they were going to help. To work with rural and mountain regions training must be provided for people from the communities who know the profile and geography of each community that will be impacted. We recommend the following language: *On the contrary, the population residing in the rural and mountain regions, although less populated, are generally characterized by higher levels of social vulnerability. Directing recovery resources to these areas that are the most affected, training people in the communities*

themselves who know the profile of the community [sic] the vulnerability, and the geographical area can be of great benefit, especially in the Central Mountain Range, since these areas are much less capable of recovering without external assistance. Although there was damage in practically all of the island, the effects (according to a thorough analysis of loss data verified by FEMA) were concentrated more in certain areas, especially when they were aggravated by the incapability to recover (social vulnerability)."

9. Page 30 Rationale: The poverty level in the Municipalities of the Central Mountain Range has been rising after Hurricanes Irma and María. An equitable proportion must be added in which these factors are included in the Action Plan to ensure that the programs reach the most vulnerable population in the center of the island. We recommend the following language: "Unemployment has increased since the hurricanes left utilities disconnected, obstructed access to highways, and caused structural damage to businesses all over the island. Unemployment was at 4.7% in 2016 with 11,805,773 [sic] unemployed and since February 2018 a 10.6%.<sup>41</sup> [sic] unemployment rate has been reported, currently still changing. Monthly unemployment claims submitted to the Department of Labor have fluctuated between 1,469 and 7,300 a month since María hit, the interior of the island having the highest rate of unemployment and the fewest job training opportunities."

10. Page 31 Rationale: The towns of the Central Mountain Range have figures similar to those mentioned above which is why the effort should be directed at these municipalities. We recommend the following language: "The median income of Puerto Rican households is half of that the poorest State in the Continental territory of the United States, Mississippi, and 60% less than in the United States in general. The highest levels of concentrated poverty are in the areas farthest into the interior and on the southwest coast, in the following municipalities: Maricao – 64%, Adjuntas – 63%, Guánica – 63%, Comerío – 61%, Ciales – 60%, Barranquitas – 60%, Lajas – 60%, Jayuya – 60%, Las Marías – 59%, and Guayanilla – 59%. It is imperative that a major part of the available resources be directed at the municipalities that have these figures in order to achieve a better economic development."

11. Page 88 Rationale: There is a need to update information because frequently information is not sought at the center of the island when funds are being distributed 'sic] they are the most disadvantaged and affected towns. The specific economic impact for the Municipalities of the Central Mountain Range must be included.

We recommend the following language: "The economic impact calculated for this Action Plan is only based on current federal data and will updated as necessary, including the mountain area, to inform the development of the assignment and the administration of the CDBG-DR program assistance, from a growth perspective to reach sustainable economic development."

12. Page 100 Rationale: Many of the residents and business people did not apply for SBA loans since they do not want to take on debt or the process of gathering the

documentation was very difficult and costly, so they desisted, and in many cases they were denied the loan. We recommend the following language: "Following this logic, an estimated percentage of businesses that were damaged all over the island was created by first multiplying the total number of business applications (88,988) less those for which the actual property or content damage had been calculated (6,122), by the percentage of residences that were estimated to have been affected by Irma and María (90%), which showed a total of 74,579 businesses as being impacted aside from those that had been recorded by the SBA.["]

13. Page 104 Rationale: The Action Plan programs should be directed at the residents of the Central Mountain Range, who were severely affected by Hurricanes Irma and María. We recommend the following language: "Subrecipients chosen by the beneficiary of funds to undertake certain eligible CDBG activities. 'Subrecipient' may mean a public or private agency, authority or non-profit organization, or a for-profit entity authorized under § 570.201(o), that receives CDBG funds from the recipient or other subrecipient to undertake activities that are eligible for such assistance. Eligible beneficiaries are defined for each program in the Action Plan. The Action Plan prioritizes organizations that impact the residents of the central area, who were those most affected after Hurricane María hit and the last to receive help.]

14. Page 108, Rationale: The Municipalities of the Central Mountain Range were the most affected, where there was the highest mortality rate as a direct and indirect consequence of the need for electric power service, which affected the continuity of treatment and nutrition, unleashing a high rate of premature deaths. Enclosure 6. We recommend the following language: "The T.H. Chan School of Public Health at Harvard University and other institutions asserted that "the interruption of medical services was the primary cause of the high death rates in the months after the hurricane, the municipalities of the Central Mountain Range being the most affected, where the death rate was higher as a direct consequence of the lack of electric power service."

15. Page 137, Rationale; The municipalities of the Central Mountain Range were the most affected and the residents still are living in houses with blue roofs since they don't have money for temporary rent while their houses are being rebuilt. We recommend the following language: "For low- or moderate- income residents who were displaced by the CDBG-DR program, a temporary housing program might be available through the CDBG-DR program to allow time for the rehabilitation or construction of new units. And specifically, the town [sic] of the Central Mountain Range, which are the most vulnerable, desolate, and still are living in precarious in situations, including "blue roof" after Hurricane María."

16. Page 138, Rationale: Non-profit organizations and community cooperatives were the first to respond after Hurricane María battered and played a very important role in the first line of response and as collection and distribution center to supply basic needs of residents. We recommend the following language: "Section 105)(a)(15)' Assistance for eligible entities, including non-profit organizations and community cooperatives for

revitalizing neighborhoods, sustainable community economic development, and energy conservation."

17. Page [sic], Rationale: Estimates of expenses and costs for housing that is built, repaired or relocated by the Department of Housing should include the cost of implementing renewable energy through the use of photovoltaic panels, in compliance with the mandate of the Act on Public Policy for 100% Renewable Energy by 2050. We recommend the following language: "The maximum grant for the rehabilitation of a residence is \$60,000 in construction costs per unit. The maximum awarded for relocation or reconstruction is \$185,000 in construction costs per unit. However, if necessary, additional costs above the maximum will be allowed that could be used for demolition and environmental mitigation work, or for site-specific costs, such as lots of a size that requires the construction of a two-story units or the construction of accesses (entryways or hallways) whose length exceeds the minimum [sic] limits established by regulation or the cost of connecting utilities, including in the estimates of costs and expenses of housing built or repaired or relocated by the Department of Housing and adding the cost of implementing renewable energy with the use of solar panels, to comply with the mandate of the Act on Public Policy for 100% Renewable Energy by 2050. Assistance for temporary relocation may be available for applicants while the construction funded by the program is in progress.

18. Page 144, Rationale: There are non-profit organizations and corporations in the Central Mountain Range, whose mission and objectives are directed at working on energy resiliency. We recommend the following language: "Alignment of community facilities for energy resilience and water supply when feasible, all reconstruction and rehabilitation projects will also be eligible for participating in this program. The additional costs will be shown in and accounted for through the Community Facilities for Energy Resilience and Water Supply Program instead of being included in the previously mentioned maximums. Community-based organizations that are aligned with energy resilience may intervene directly with the communities."

19. Page 153, Rationale: That for profit as well as non-profit Corporations of the Central Mountain Range be included since this is their objective and priority, those mountain sectors of the island. That priority be given to individuals or staff that can be trained to be prepared to offer services to community facilities. This will create a robust and resilient economic development. Staff are trained from the Municipalities themselves so that jobs or training are provided to cover unemployment in this forgotten region. We recommend the following language: "Housing consultants are prepared to connect participants with certain resources, including, but not limited to, volunteer organizations that are active in disaster and other federal programs, such as Continuous Care (CC), section 8, and subsidized rent program and include for-profit and non-profit corporations of the Central Mountain Range since their mission is to achieve economic, social, and environmental recovery of the center of the Island."

20. Page 161, Rationale: The Energy Cooperative model is a component of social justice, since electric power should be in the hands of users for their own benefit. We recommend

the following language: "The long-term component of this program, beyond the stove and the water heater, will include facilities for energy resilience and water supply. Eligible candidates may request that solar panel and water capture systems be refurbished for residential structures. The solar panel component entails a variable scale design that will provide feedback to the structure so as to provide sufficient energy for appliances and to provide options that will allow people to take shelter in their own homes during blackouts. ---- [sic] -requires a resistant design and improvements that integrate modern technology for maintenance during the events. The recovery efforts for energy and water may include an evaluation of energy use in the home and the promotion of energy efficiency and stability. Resilient design and improvements include things such as installing photovoltaic systems, solar generators and storage batteries and capacities aligned with household needs, including the consideration of critical medical needs and an electric power cooperative model as an alternative for communities."

21. Page 174, Rationale; Community cooperatives can be an entity that provides employment for the communities that they represent. We recommend the following language: "ELIGIBLE ACTIVITIES helping to retain and increase employment of low and moderate income residents of Puerto Rico, which we will achieve by including community organizations to provide job training and technical employment opportunities to increase employment in the communities and improve the quality of life of the residents and the economy."

22. Page 176, Rationale: Community cooperatives, non-profit organizations and small businesses are a vital part of community development, especially following natural disasters. We recommend the following language: The disaster recovery grant program will help micro and/or small businesses and community cooperatives and non-profit organizations to reopen operations and/or invest in opportunities for growth after the hurricanes by awarding grants of not more than \$50,000 for operational capital and moveable equipment and implementing consulting and training programs to achieve sustainable development.

23. Page 180, Rationale: Non-profit corporations in the Central Mountain Range area should be included to provide training in these municipalities to assist residents of these areas. We recommend the following language: "The PRDOH will oversee this program and finance incubation and acceleration activities with municipalities and non-profit organizations with proven experience in implementing business incubators and accelerators especially in the Central Mountain Range area and provide training to benefit from these programs to obtain an economic and social sustainable recovery."

24. Page 181, Rationale: Employment for 30 years with vesting is not possible, so that we must obtain specify training for self-employment for the communities of the Municipalities of the Central Mountain Range. Training should be provided to the unemployed and these individuals may also act as models (including giving talks) to become a Leader and Instructor for residents in the mountain region. We recommend the following

language: "Training programs can provide a more thorough training in technical and life skills, as well as economic and logistics support services that will help to prepare and employ unemployed and/or sub-employed workers, to offer self-employment programs and training for residents of the communities of the Municipalities of the Central Mountain Range, and that in turn these trained personnel can provide talks (pay back) and be Leaders and Instructors for residents of the mountain areas."

25. Page 182, Rationale: The mountain towns have the highest poverty rates in Puerto Rico, which has as a consequence slow economic development and impoverishment of these municipalities. We recommend the following language: "A portion of the available funds will be managed through the municipalities, non-profit organizations, and government agencies, and quasi government entities that will be invited to submit proposals for job training programs that successfully address the needs of recovery and sustainability, prioritizing job training focusing on the poorest areas in the center of the island.]

26. Page 183, Rationale: There is a significantly increasing trend toward self-employment. Job training needs to include training for self-employment and this training must be taken to mountain towns so that the underserved population can benefit from it and that the training offerings should be according to the employment possibilities in the area. We recommend the following language: "The PRDOH or its subrecipient will evaluate the proposed training programs based on the capacity of the entity to administer the training, the relationship between the educational material and the needs of the area, and the readiness for work of the participants and the reasonable cost. Entities that are interested in managing training programs are urged to develop and manage programs in association with institutions of higher education, workforce investment boards, business groups or commercial, labor or community- based organizations, and learning centers. It is suggested that the curriculum be developed in collaboration with subject matter experts and that the training be given in the areas with the highest unemployment and poverty rates, including the towns of the Central Mountain Range."

27. Page 200, Rationale: NGOs and corporations provided a first response in heavily affected areas. We recommend the following language: "Following the FEMA Guide for Risk Mitigation Assistance, the PRDOH will finance projects that develop long-term resiliency with regard to natural disasters and hazards. As part of the coordination of financing for infrastructure activities through community organizations and energy cooperatives that are working to develop electric to achieve an economic, social, and environmental recovery."

28. Page 216, Rationale: The cooperative model and the for-profit and not-for-profit corporations have been fundamental in the first response to a disaster. We recommend the following language: "Section 05(a)(16) includes strategies for the use of electric energy for development objectives. Section 105(a)(17) on economic development assistance for for-profit businesses. The project must be within city limits, in the designated center area or in the key growth corridor. A relationship will be shown with the disaster. Cooperative models will be used and for-profit and not-for-profit corporations of the



mountain region of the Island, and that are aligned with the purpose of assisting resilient communities that have undergone a natural disaster, in order to improve the economy and self-sufficiency."

Respectfully  
Board of Directors

*Unidos por Utuado*

**PRDOH Response:**

The Puerto Rico Housing Department appreciates your careful comments and will take them into account during the program development process. The housing programs included in the Action Plan do not have geographical restrictions. The entire island of Puerto Rico is considered to be an eligible area for all of the housing programs. The Puerto Rico CDBG-DR Program values collaboration with non-profit entities and eagerly expects to continue with working relationships with these entities throughout the entire recovery process. Interested parties should frequently consult the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to obtain information on eligibility criteria for the projects as they become available.

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Comment ID: 2020-05-30\_E\_NGO\_Cooperativa Hidroeléctrica de la Montaña\_C.P. Smith(1)

**Comment:** "Greetings:

*We enclose our recommendations for the 4th Amendment of the Action Plan for the CDBG-DR Funds. It should be very useful to review them and include them in this Amendment.*

*Thank you for your attention to this email.*

*Hon Luis C. Fernández Trinchet  
Secretary  
Puerto Rico Housing Department  
PO Box 21365  
San Juan, Puerto Rico 00928-1365*

*The towns of the Central Mountain Range traditionally have had the greatest limitations in terms of access to resources. This situation was aggravated after hurricane María hit on September 20, 2017. The towns of the Central Mountain Range suffered severe humanitarian crisis since they were in the dark for almost 12 months due to the mountainous geography and that they were not a priority for the government or the Electric Power Authority. At present, the power grid continues to be weak, which affects*

people's health and causes great losses to families and businesses in the towns at the center of the Island.

The Cooperativa Hidroeléctrica de la Montaña was created with the objective of improving the quality of life and finding alternatives to improve electric power service. It is the first electric power cooperative in Puerto Rico and has the objective of providing rural residents with cost-effective and resilient power generation and distribution with renewable sources that provide strategic value for the entire island, while at the same time ensuring that the needs of the residents of the mountain areas are not ignored and forgotten.

After reviewing the Fourth Amendment to the Action Plan for Disaster Recovery for the use of CDBG-DR Funds in Response to Hurricanes Irma and María (2017) we submit the following comments as part of our commitment to the residents of the Central Mountain Range, so that these funds may be distributed in an equitable manner that addresses the needs of the most vulnerable communities, particularly in the center of the island, that lack resources.

We indicate the areas for improvement in the generation of electric power where these funds should be directed in an equitable manner.

1. Energy with a resilient system in the face of weather events and the effects of climate change on our island since the Central Mountain Range towns were the last to reconnect, and part of these funds should be directed to this effort.
2. Electricity should be generated at the point closest to consumption to improve resiliency and avoid blackouts and the humanitarian crisis that the residents of the center of the island lived through in which there were premature deaths.
3. The generation and distribution of electricity should be controlled by those who consume it. An example of this need was the social injustice in which ironically the center of the island has hydroelectric plants, these communities were reconnected to the network after long months in the dark.
4. The democratization of the generation of electricity, especially through Energy Cooperatives and due to the new technology that facilitates distributed generation, makes it feasible for CDBG-DR funds to be directed to the residents of the mountain area.
5. The hydroelectric plant infrastructure which has been abandoned and misused should be in the hands of Puerto Ricans through electric power cooperative initiatives and that effort should be supported with these CDBG-DR funds in an equitable manner to achieve a sustainable and self-sufficient development, improving the green infrastructure. The following are our recommendations to be included in the 4th Amendment to the Action Plan of the CDBG-DR funds.

Respectfully,  
C. P. Smith  
Executive Director

**PRDOH Response:**

The Community Facilities for Energy Resilience and Water Supply Program was designed to provide energy resilience options in the home to homeowners or renters that meet the requirements. The information available on the program is in the Action Plan. More specific guidelines will be developed and published on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Housing Department values the participation of all community organizations and eagerly awaits having a collaborative relationship in different area for the duration of the grant.

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Comment ID: 2020-05-30\_E\_I\_Francisco J. Rullán Caparrós (1)

**Comment:** “Comments to the Action Plan are submitted for study.

*For questions or reference,*

Mr. Luis Carlos Fernández Trinchet, Esq. Secretary  
Housing Department CDBG-DR Program  
By email: [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)  
Attention: Mr. Dennis González, Assistant Secretary  
Department of Housing CDBG-DR Program

*After living through the traumatic experience of the battering by Hurricanes Irma and María, in addition to the public knowledge of the fiscal situation of the government that the country is suffering and the cutbacks in the government and the direct impact on the public. In this experience I was working as executive director of the State Office for Energy Public Policy for Puerto Rico, formerly the Energy Affairs Office. Before that I worked for two decades in the Engineering Department of the PREPA in Arecibo and the las eight years I worked directly with residential and commercial renewable energy development projects.*

*As executive director in 2017, I promulgated as public policy the “Democratization of energy and customer choice,” a leading edge concept the which the electric power is decentralized in several phases to promote self-generation and development of electric power microgrids as an alternative method to the fragility of the electric power system of the island.*

*Before these hurricanes hit, incentives were added to the Green Energy Fund for the installation of energy storage or batteries to the existing photovoltaic systems or that had previously been given incentives by the government. This was to add resiliency to existing “grid tie” systems or connected to the network and begin to give consumers the opportunity to acquire a backup system without exposure to fossil fuels and the*

environmental cost of maintenance for emergency generators. By promoting the installation of photovoltaic equipment with batteries a new market was opened for consumers that forced competitive and accessible prices. His decision quickly expanded the photovoltaic energy market at the residential level to twice the existing level. It was the first time that the consumers themselves had the opportunity to see energy independence with financial assistance from the government before Hurricane María.

After the hurricane, the photovoltaic facilities operated at an unthinkable level and different levels of our society [sic] after the lack of electric power service for several months even in hospital facilities. Hundreds of companies that are providers and installers have arisen in view of the need because of the lack of service regardless of cost. While the PREPA contracted dozens of companies for more than a year to reconstruct its transmission and distribution system for tens of billions of dollars jointly with FEMA. The government Administration decides to suspend incentives until completing the proposed consolidation of the agencies and beginning operations through the New Incentives Code that includes the Green Energy Fund, which however is currently not operating. The proposed CDBG-DR Home Resiliency Program arises to fill this void of new expectations with federal funds for individuals and communities that need this. It should be noted that I worked directly on the First Action Plan on a proposal for energy resilience along with several teams of professionals and consultants of the Housing Department.

However, I am submitting this narrative of my experience in the energy industry, as I see that as these projects are being developed, they are not based on scientific measurable data on need and consumption vs. generation of installed renewable energy.

In short, the photovoltaic facilities and the potable water reserves depend on a vendor analyzing invoices and the lack of service to determine what equipment should be installed, so that subsequently an engineer or profession licensed electrician, in the best of cases can intervene. In the case of water reserves, the vast majority are installed by untrained personnel. In both cases a very simple analysis is done and there is no thorough exploration of the structure, materials, location, environment, use, or maintenance of the consumer's existing systems and many are installed informally which creates other larger problems such as health and safety.

The regulatory element should be included prior to any evaluation of water facilities or photovoltaic energy systems. There should be study and an energy audit report certified by an engineer or a licensed and qualified profession electrician. This will maximize the assign funds, compliance with current federal and state codes and regulations, while the user's needs are addressed. This professional should be an independent entity that evaluates the property with a holistic and environmentally correct perspective and the professional's report should present an actual picture a real of the systems to be improved. This will create a new continuing education certification for this local professional class.

In addition, I would like to submit another comment on the Community Facilities for Energy Resilience and Water Supply Program, that the priorities of the program should

include communities that do not have electric power service or have deficient service. The Electric Power Authority constantly presents brownouts (load relief), deficiencies in voltage, power factors, variations in generation waves or cycles, overload of the distribution system, among others, that make efficient service impossible.

Other comments to be evaluated for operations:

- Standardized re-design by capacity
- Establishing a cost base (market)
- Establishing unit cost of installation per site
- Establishing of Registry of Certified Equipment, among others

Regards,  
Francisco J. Rullán-Caparrós"

#### **PRDOH Response:**

The Department thanks you for your interest in this 4th Amendment to the Action Plan (Substantial Amendment) and appreciates your offering your expertise at the service of reconstructing Puerto Rico. Your suggestions will be considered during the design of the guidelines for of the Community Facilities for Energy Resilience and Water Supply Program. We urge you to watch for the publication of the guidelines and policies of the program on the website [www.cdbq-dr.pr.gov](http://www.cdbq-dr.pr.gov), which will be published when they are available.

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Comment ID: 2020-05-30\_E\_NGO\_Furia Inc.\_Nayda Bobonis-Cabrera (1)

**Comment: [Summarized comment]** "Firm, United and Resilient with Advocacy (FURIA Inc.) is a non-profit organization the purpose of which is to foster Community Resiliency through of the participatory advocacy, providing education and accompaniment services to communities in Puerto Rico. FURIA works hand in hand with a group of community leaders, Puerto Rico por el Derecho a una Vivienda Digna (Puerto Rico for the Right to Dignified Housing )(PRODEV), constituted by about 80 community leaders representing more than 56 communities throughout the Island.

Today, almost three years after Hurricanes Irma and María hit, and with a new season approaching, our communities are still considerably affected. When questioned, most of the leaders responded that in their communities, as consequence of the hurricanes, there are residences in very bad condition, others with worn out blue tarpaulins, a large part of the persons who have been affected have been denied assistance, and in short, many communities have not fully recovered.

The consequences following the hurricanes are not limited to the structures, but also affect the environment and occasionally the safety of citizens. For example, in Caimito there is a problem due to accumulated debris because of construction waste that has been dumped in the brooks, which affects the ecosystem and causes flooding, which has worsened since the hurricanes. Another example is in the San Pedro de Macorí [sic] community in Guayanilla, where a stopped-p channel is causing flooding that did not happen before. The Buenos Aires community in Caguas has a community aqueduct for which there is a budgetary appropriation, but the funds have not yet been received, because it has not been possible to repair the system since then, which prevents it from operating at full capacity. In communities such as Hill Brothers Sur there are issues with the condition of the roads, families living temporarily with other families or friends after they lost their residence and are still waiting to receive dignified and safe housing. In short, the problems caused by Irma and María continue to grow, continue to diversify, continue to overwhelm our residents in spite of the time that has gone by.

In fact, the assistance that has been denied, the exhaustion and frustration of people who have had to live in deplorable conditions since 2017, when we were hit by the hurricanes, has caused many of them to give up. This translates into the displacement of many of them to other spaces, in the hope of being able to go on with their lives, unfortunately away from their people. That many communities are being deserted is a consequence of the slow recovery process, in spite of the fact that precisely the CDBG-DR funds are supposed to be of assistance in this. This causes a lot of fear in communities such as Islote in Arecibo, where due to the special beachside location the way could be opened to speculation and it could become yet another displaced community.

Having consulted with our membership, FURIA is submitting this statement as comments on the Fourth Substantial Amendment to the Disaster Recovery Action Plan for the use of CDBG-DR funds in response to Hurricanes Irma and María (2017). The following are the most important points for our communities.

#### *Citizen Participation*

It is important for us to note that everything that has to do with the post-disaster recovery process and the use of public financial resources for such, should be infused with the element of citizen Participation. We insist on this point and it seems to us to be the most important point, because according to our experience many communities have been excluded from processes that directly affect their lives, stability, permanence, and recovery, with devastating consequences for their residents.

There is no question that for this participation to be effective it should be involved each of the issues addressed in the Action Plan and guide the processes in each of its programs. This can be implemented to the degree that the municipalities and the central government truly involve the community, who are the ones who are living and enduring the situation, can identify vulnerable areas, how to improve them, and know what needs to be done.

*In terms of the Action Plan, we are concerned for example, about the Municipal Planning Program, which is already in place and does not have any requirement to consult with the community, yet by definition it will have a say in the affected communities throughout Puerto Rico. Also, several of the infrastructure and multisectoral programs include under transparency and public outreach provisos such as details on when the request process will begin, selection criteria for of projects, qualification processes, and other specifics, which were eliminated from the original text of the Action Plan. We consider that this eliminated guarantees of an open process so that we are requesting that they be reincluded.*

*Furthermore, it is important to remember that many of these affected communities are special communities that are protected under the Comprehensive Development of Special Communities Act of Puerto Rico, Act No. 1- 2001, as amended once again on February 27, 2017. That law, for example, ensures a community consultation process before any expropriation process. Therefore it is imperative to consider this kind of legal protection before taking action that affects special communities, which unfortunately were categorically left out of any mention in the Fourth Amendment to the Plan.*

*In view of this, and being grateful for forums in social media and other initiatives to explain and educate on the CDBG-DR funds, we consider that other ways of citizen participation should be explored to ensure that it be effective. First of all, we would like to point out the possibility of holding public hearings by video conference while the emergency situation that is being borne by Puerto Rico persists, and that social media be a means of dissemination and a contact point for citizens.*

*In addition, we consider that a good way of ensuring that the proposals for the use of the recovery funds be truly vetted by the community is that in that it be required that all proposals be accompanied with an endorsement letter in which the community organization or spokesperson certifies that they were consulted and they support the project that will be carried out with the respective CDBG-DR funds. In addition to the endorsement letter, evidence should be required of attendance at the meetings on these community consultation.*

*Finally, to facilitate the process of notifying the community, we consider it worthwhile to use as an example the self-generated legislative process of community leaders, Senate Bill 1049. The Bill establishes the following guidelines to ensure adequate citizen participation in the community consultation process, which we recommend for the distribution of the funds in the Recovery Action Plan programs for Puerto Rico. These are some of the strategies set forth in the Senate Bill PS1049:*

- 1. Street banner advertising;*
- 2. Loudspeaker announcing;*
- 3. Publication in a newspaper of general circulation; and*
- 4. Leaflets distributed to the residents.*

*In view of all that we have set forth here, we reiterate the demand for a commitment by local and federal agencies to ensure genuine citizen participation. This will be the only way to ensure an effective management of the funds assigned for the of reconstruction process of Puerto Rico, provided that it is based on the participation of the people of the communities from start to finish. Only this participation during the planning and implementation of the projects will provide guarantees for the equitable and effective use of the funds, to create an inclusive, just, and transparent Puerto Rico; which is what we ant.*

### *Planning*

*The planning programs in the Action Plan are crucial for the permanence of our communities, as a full, sustainable, and effective recovery. The Integral of the Community Resiliency Comprehensive Planning Program is a fundamental guide for community rehabilitation. In this Amendment it is clarified that communities will be consulted to evaluate futures stressors, environmental integrity, diversity, and economic feasibility, risk mitigation opportunities, historic preservation, equity, vulnerability, redevelopment, and infrastructure improvement. We also ae aware that the program will produce a public document that will be more than a community profile, which will include the needs of the communities; in this Fourth Amendment it was omitted that a resiliency planning document for the community would be produced.*

*The leaders who are the members of our group, being aware of the need to update in certain cases the document that is to present real alternatives to address its needs, recommend that the Community Planning Program should be the first to be implemented. This comment is directed at indicating the need for consistency with regard to the programs of the Action Plan and we even venture to suggest a modification of the way in which they are currently being addressed, principally for the purpose of preventing the potential for displacement.*

*For example, we recognize that the Action Plan clarifies and sets forth that relocation is a completely voluntary process under the umbrella of the Reconstruction, Rehabilitation and Relocation, Program, R3. However, the way in which the programs are being manage could result in having many persons considering that relocation is their only option. Many of the residents that were affected by the hurricanes and are possible beneficiaries of this program currently live in a flood zone, according to flood zone maps. For this reason, the program does not allow them the option of reconstruction or rehabilitation in those spaces, due to the prohibitions in the Action Plan itself. We consider that it is academic to invest R3 funds before the Community Planning Program. So then, many residents of our communities would have to move from their spaces without previously considering mitigation and community planning, which puts them up against the wall, between living in an unstable residence and stay there or relocate and leave their community behind.*

*Furthermore, the Title Clearance Program is working full throttle, and is limited to a referral process of the R3 Program, to support efforts regarding title issues in the applications,*



clearing title of the property to be intervened. However, the Title Clearance Program indicates that "title services will not be provided for flood land unless it is for relocation". This seems to us to be a problem because it means that the program will only be at the service of relocating people that suffered considerable damage to their structures, who are in flood zones according to published flood maps and many of them do not have title. This will be translated into the displacement of thousands of families.

The R3 Program states that depending on the plans developed through the Community Planning Program the next phase of the Title Clearance will be activated, but we are still waiting for the Community Planning Program to begin. It is precisely this kind of inconsistency that seems to us that it is important to correct in this Fourth Amendment to the Action Plan. It would seem to be a proviso, but planning will not be effective in the manner that the title program is now being implemented. It does not seem consistent to us to deliver titles and relocate people without planning. It is also important to consider as an obstacle to recovery the few or no possibilities that the communities can access the funds through reimbursement. There is not going to be any community left to plan if they cannot access the funds and there is no adequate planning.

We would like to mention the programs that are under the Multisectoral section, the Revitalization of the City Program, "Puerto Rico se Diseña." These programs include relocation as part of their eligible activities, specifically in Urban Rehabilitation it is stated that the Municipalities will plan the rehabilitation with the State Department of Housing, including the selection of objectives and needs, without any further mention of the communities or community-based organizations to ensure that these will be included in the process. The Revitalization Program will substitute the Municipal Planning Program (MPR), but there is no exact requirement with regard to what the community has to say.

In consideration of what we have set forth here and in order to ensure that all the communities may access an adequate planning process in which mitigation is included we suggest that the tools and guidelines of the Comprehensive Development Program known as PDI, which were developed for the Special Communities Program of Puerto Rico, be used, and we specially recommend using part of the funds to update them. We know that there is a commitment with these communities and the projects developed under Act 1, currently known as Act 10 -2017, and that there be adequate planning, these projects could alleviate certain problems and address needs that had already been identified. As we know they were developed with the approval of the community, so that it is a good starting point to work towards the future.

### Mitigation

We have said that mitigation should be the first option for any project in the Action Plan, for the purpose of avoiding, expropriations, and unnecessary investment with funds that could be used effectively. We are aware of the problems caused to our communities that are affected by being flood-prone. In spite of that, we recognize that that situation was aggravated after Hurricanes Irma and María, this situation justified the creation of flood maps for the entire Island, which guide the work of the Action Plan programs.

However, we are totally convinced that this situation of being flood prone can unquestionably be addressed if a mitigation plan is implemented.

Specifically this comment, as we said before, refers to the R3 Program, where there are location vouchers without first allowing community planning that includes mitigation elements. Vulnerable areas where most of the persons whose residences were affected by the hurricanes are located must be reconsidered given the possibility that they must be protected and if they are identified and truly include mitigation measures, which would certainly entail less expense than displacement or massive expropriation. For example, in the Municipal Planning Program (MPR) the language that included as parameters the evaluation of mitigation measures was eliminated, but there is still a need of first addressing mitigation issues before developing or planning at a community and municipal level.

Given this situation, we can take as an example the communities of the Martín Peña Channel, which have been working for years on a comprehensive development project that includes mitigation to solve the flooding that has beleaguered these communities for decades, without having to displace the community. This project, which is led by the group of community leaders G-8 is a vivid example of how with community participation of the, adequate planning is possible; provided that the autonomy of the community is respected and their empowerment is ensured, the projects will have their approval and support, which are unquestionably ingredients of success.

We recommend, once again, that revisiting the flood maps is crucial for the following:

- these do not reflect reality,
- there were not done taking into account the real spaces
- they can be used to discriminate against low-income communities.

It is possible to have a fair community recovery process without the need to displace people who have lived all their life in their space. We only have to make important adjustments such as these.

#### *Inclusion*

We recognize that the recovery process immediately after the hurricanes, was led mostly by community-based organizations and many non-profit organizations that assisted them. These are the organizations that are in direct contact with the population that is still affected, they know its needs and concerns, and know how to best provide assistance in the process.

For this reason, we would like to mention two situations that we identified in the Action Plan that cause us concern. First of all, it seems important to us to address the situation that most of the programs operate under reimbursement. It is a reality that very few community-based or non-profit organizations have a real capacity to provide services to the communities or generate programs and that later be reimbursed by the government for the funds that were invested, and worse yet, because there is no date set for the

reimbursement. This means that many entities that have the conviction and possibility of doing quality work are left out of directly applying for the Action Plan programs, and consequently cannot access them.

In spite of the fact that this affects community-based and non-profit organizations, we recognize that this problem affects many others so that we recommend that we join forces to request that the federal Housing Department, HUD, not consider the reimbursement mechanism to achieve recovery for Puerto Rico. Our island has suffered an economic recession for more than ten years, a situation that does not allow our communities and institutions, in turn, to have sufficient funds to wait for a reimbursement that could create a precarious financial condition for them.

Furthermore, it also seems important to us that the limitation represented by the requirement in many of the programs for 501(c)(3) tax exemption be evaluated. This once again limits the participation of the smallest non-profit organizations, as well as that of community-based organizations. Our communities believe in the recovery, but we need for the processes to be easily accessible and eliminating this requirement would open up participation even more.

Regarding the Crucial Infrastructure Resiliency Program, we recommend that taking into account that this program is similar to FEMA Public Assistance the guidelines of that program be adopted, thereby ensuring that non-profits are included, because under current circumstances they would be excluded under the scope of the definition of eligibility.

It is crucial to allow organized communities to submit proposals, most of which do not have any kind of support or preferential safeguards with regard to organizations that are familiar with these processes. We suggest that emphasis be given to a continuous training process, so that they can submit proposals and apply for recovery funds.

#### *Other Specific Recommendations*

We submit specific issues of the Fourth Amendment to the Action Plan:

- 1. Immediate review of flood maps on which the determinations of the Action Plan are based, because these do not reflect our reality, considering the physical spaces and their possible mitigation. These maps, in addition to not being a federal requirement, seem to us to be discriminatory with low-income communities.*
- 2. Implement the community planning program as the first program, providing better alignment in terms of the order of the Action Plan programs.*
- 3. Reopening applications for the R3 Program mentioned above, always leaving relocation as the last option, accompanied by an analysis of the alternatives that the community identifies through community planning programs of and mitigation process. It is also important to identify and limit to a reasonable period of time for the completion of the ten (10) phases identified as part of the program, bearing in mind that to the degree that there continue to be delays in processing applications, many people*

continue to see their right to safe and dignified housing being denied, at almost three (3) years after the natural disasters Irma and María, and there is already fear in the face of the next hurricane season that begins in June. Finally, it seems important to us to extend the reconsideration period for the program. It is indicated that:

*“Participants must submit their reconsideration in writing, by email or regular mail, within twenty (20) calendar days from the filing in the record of a copy of the notification. It is further provided that if upon the date filing in the record the copy of the notification is different from that deposited in the mail of said notification, the aforementioned term of twenty calendar (20) days will be calculated from the date of deposit in the mail. It is recommended that the participants submit a Request for Reconsideration to the Program that provides individual facts or circumstances, as well as documents that support and justify the request.”*

*It seems important to us to adjust these terms to align them with the financial and physical limitations of the individuals, such as the damages caused by the hurricanes and the economic situation of the Puerto Rico, added to the current situation after COVID-19. Reconsideration should be for a period of no less than 45 days so that citizens will have sufficient time to support and justify their requests appropriately.*

*4. Not eliminate from the Small Business Financing Program (SBF) the requirement for fair wages and other federal requirements. This is a problem for local employees who do not have minimum protection with regard to the jobs that will be created. The protection should be tied to the stimulus that the participants/business owners will be receiving. We recommend aligning this with the Small Business Incubators and Accelerators Program that does include minimum wage protection.*

*5. Open the Job Training Program Capacitation to all interested parties who are within the category of eligible entities.*

*6. Extend the explanation of the use of the funds allocated to the Investment Portfolio Program, under the Economic Recovery section, that is a program that has an appropriation of \$800 million, a considerable investment of funds that has very broad eligibility criteria or eligible activities, now including the relocation process. It is indicated in its method of distribution that “the PRDOH plans to implement this program principally through a sub-recipient distribution model, in which the Public-Private Partnership (Spanish acronym APP) will identify potential projects and the PRDOH will work with specific entities that will commit to meet the general recovery objectives of this program.” It likewise includes prioritizing “projects located in opportunity zones.” This seems to us a considerable budgetary appropriation and its eligible activities are very broad and with little explanation, which could cause the funds to not actually reach the communities with the greatest need. The problem is aggravated by the fact that opportunity zones are prioritized, which in their regulations do include the aspect of citizen participation and until now does not require any kind of community intervention or consultation. This is in spite of the fact that the importance of citizen participation is well-known. Once again, it is necessary that it be considered that for opportunity zones*

the fact that most are in special communities, they are covered by Special Communities Act. We note that the Investment Portfolio Program includes a proviso for community planning with participation and approval, so that community development may be real and viable. It is fundamental to ensure the funds for addressing real and urgent needs of the community.

7. Compliance with the construction code for so that the constructions of housing and projects are implemented adequately, with coordinated planning. We recommend compulsory training on the requirements of the construction code for those who are interested in applying for Action Plan funds to participate in construction programs. We also recommend setting up a hot line or web page where any kind of inconsistency, concern or complaint may be lodged, as a way of visibilizing the process. Furthermore, it is important to ensure complain with considerations other than construction, such as for example insurance, access to financing, and being able to select among structures in good condition and provide orientation in that regard.

8. We request that the planes of the Community Resiliency Planning Program plans that have been developed move forward including to the implementation phase.

9. Review of the time needed to implement the Action Plan, since currently the plan is two years old. We recommend requesting an extension by the federal authorities to ensure compliance with a plan that is consistent with the purpose for which it was created, which is the recovery of Puerto Rico.

If you have any questions about the points that were commented on or if you want to discuss these some more or any other issue under your consideration, please do not hesitate to contact us at [furia.puertorico@gmail.com](mailto:furia.puertorico@gmail.com) or by telephone 787-210-6189.

Signatures: Jeffrey Rivera - Residencial Luis Llorens Torres, San Juan

Edwin Rosa Castro - Caimito, San Juan

Nayda Cabrera Galarza - Buena Vista Hato Rey, San Juan

Edwin Rivera - Playita, San Juan

Carmelo Porrata - Caimito, San Juan

Harold Martínez Santiago - San Pedro Macoris, Guayanilla

Gerardo Rivera Román - Campo Alegre, Guayanilla

Carmen Milagros Ferrer - Sabana Abajo, Carolina

Nydia E. Pagan - Villa Palmera, San Juan

Carmen Febres Alméstica- Barrio Obrero Marina, San Juan

Myriam Matos Díaz- Buenos Aires, Caguas

Lucy Cruz- Presidenta G-8

Jannette Lozada Sabastro - Valle Hill, Canóvanas

Mayra Hernández Pillot - Puerto Rico Somos Gente, Aguadilla

Carmen Villanueva Castro- Hill Brothers Sur, San Juan

Maribel Bonilla Reyes- Rio Blanco, Naguabo

María Bernard - Villa Palmera, San Juan

Raúl García Carambot – Fortuna Playa, Luquillo

Rafael Rivera – Villa Cañona, Loíza

Nayda Bobonis Cabrera, Esq.  
Public Policy Coordinator  
Furia, Inc."

**PRDOH Response:**

The Housing Department thanks you for your comments and suggestions. The public comment period is the time in which all comments on the 4th Amendment to the Action Plan (Substantial Amendment) are received and will later be considered are included in the Action Plan submitted to HUD for evaluation and are shared with all of the public. To increase the opportunities for citizen participation several mechanisms have been provided through which citizens were able to submit comments and suggestions for the Action Plan, such as by email, a web page, regular mail, and a telephone exchange. Furthermore, the comment period was extended twice for a total of sixty (60) days.

Future programs, including those to be financed with the mitigation funds (CDBG-MIT) allocation, may consider additional approaches to the issue of reconstruction in risk areas. The Housing Department recognizes that the planning of mitigation activities is collective effort. The Action Plan for CDBG-MIT funds will be part of citizen participation processes to ensure that the communities and the general public will have the opportunity to evaluate and propose mitigation measures. The PRDOH has adopted policies to minimize displacement, which are consistent with the goals and objectives of assistance activities under the HCDA Act. These policies are published in the "Guide for Uniform Relocation Assistance & Relocation Plan and Anti- Residential Displacement of the Puerto Rico Housing Department" (PRDOH URA & ADP GUIDE). To obtain a copy of these guides please visit [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

The Small Business Financing Program has not been eliminated. The Program offers funding options that are carefully written to assist in the recovery after the hurricane and to expand the business. The PRDOH projects that at least 1,000 small businesses will receive assistance under this program. Specifically, the financing options of the SBF program will be the Recovery Grant.

This job training program will help unemployed and sub-employed residents to find employment through job training in skills that are related to the recovery efforts. It will also collaborate with other local government organizations and non-profit entities that can facilitate training. We urge you to closely follow up on the publication of the guidelines, which will set forth the periods, documents, and process for applying to determine the eligibility of the participants in each program. The guides and policies of the programs are published on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Large and transformative projects that create jobs and/or have an economic cascade effect may be eligible for receiving funds of the Investment Portfolio

Program in Economic Development for Growth. The Action Plan contains the information that is currently available for this program. When it became available, any additional information will be included in the program guides, which will be published on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

All construction funded by CDBG-DR grant programs must comply with state and federal construction codes and environmental regulations. The Housing Department is committed to administering the CDBG-DR grant funds efficiently and in accordance with applicable federal and state laws and regulations. The Puerto Rico Housing Department values the participation of all community organizations eagerly looks forward to collaborative relationships in different areas for the duration of the grant.

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Comment ID: 2020-05-30\_E\_NGO\_Cooperativa Cultura Bicicleta\_Kathleen Ramos Jusino (1)

**Comment: [Summarized comment]** *"To whom it may concern,*

*Please receive warm greetings on the part of Cultura Bicicleta. We thank you in advance for your attention to this matter. An enclosed document is included.*

*Cordially,  
Yara Gorbea  
Secretary*

*Cultura Bicicleta is a worker cooperative born in Río Piedras with the purpose of contributing to the revitalization of our community betting on sustainable mobility and solidarity. We are a nonprofit organization, as defined by the Puerto Rico General Cooperatives Act, Law 239 of 2004, as amended. Above all, we seek for the bicycle to be an accessible means of social mobility, that allows people to have a job and transport themselves to that job, to contribute to the revitalization of spaces, and for the people that use it to fully enjoy their rights, thereby transforming Río Piedras and Puerto Rico in bike-friendly places recognized worldwide.*

*Among our social-impact goals, is that of achieving a Bike-friendly Río Piedras, a goal shared with the community, organized through the Community Board of the Río Piedras Urban Core, since 2011. In the participatory budget exercise performed in 2015, a group from the community submitted an infrastructure proposal entitled "Río Piedras on Bike." It proposed a total of 4.2 miles of cycling infrastructure on different streets in Río Piedras for a total cost of \$115,821.33 and it came in fifth place in the deliberation by vote of the Río Piedras community as a whole.*

*However, it is not merely a matter of infrastructure, but rather about converting Río Piedras into a successful bike-friendly space, which should go hand in hand with the model established by the League of American Bicyclists, which includes the following five components: engineering, education, encouragement, enforcement, and evaluation.*

*This is why Cultura Bicicleta wishes to become agents of this change and requests this money to facilitate the aspect of infrastructure.*

### *Economic Recovery*

*Our socially responsible company will generate several types of jobs. Particularly, our industrial niche belongs to an umbrella of offerings of green activities involving contact with nature or outdoor recreation, a growing industry, that, in the United States, considering only the cycling-related sector, generates \$88 billion in direct consumer spending, creates 768,633 jobs, and generates \$12 billion in federal, state, and local taxes (Report on the Outdoor Recreation Economy, 2017).*

*The bicycle as a means of transport contributes multidimensional benefits: while at the same time it contributes to improving individuals' health by being an excellent form of low-impact cardiovascular exercise, it also contributes to improving the economy in a sustainable way. For example, some cities where the streets have been being transformed through infrastructure and education to include the bicycle as a safe means of transportation, a 17% decrease in vacant local businesses has been shown after improvements geared toward said modes of transport (Carmona et al, 2018), and a 30% increase in sales (Lawlor, 2013).*

*Implementing the necessary structures for transportation on bicycle will serve as a vehicle for achieving greater access to jobs and opportunities for the development of businesses, services, products, etc. According to the most recent data of the Census Information Center (CIC) of the University of Puerto Rico—Cayey Campus, it was revealed that Puerto Rico "is the third most unequal country of the 101 countries that published these data during the 2013-2017 period" (CIC, 2017). In the face of this reality and the new economic vulnerabilities we are exposed to as a result of the COVID-19 pandemic in full 2020, and in light of the possibility of other natural disasters, the installation of bicycle paths would serve as a convincing mitigation strategy in the face of the changes we must assume in order to adapt to times of economic hardship or scarcity. This way, people can move around even in cases where there has been destruction in the physical infrastructure and buildings, given that the bicycle can move through very narrow places. This entails the development of a proposal of economic and social resilience on multiple levels: in economic terms it will mean savings for individuals' pockets as well as savings at the state level given that its maintenance requires less money; in terms of health it strengthens the cardiovascular and immune systems given that it stimulates the production of new cells, which in turn translates into savings for the health system by having healthier people in the population. Let us not forget its contribution to reducing pollutant emissions, especially CO<sub>2</sub>, since for every mile that is pedaled, 450 grams of CO<sub>2</sub> are saved, thereby contributing to the mitigation of global warming, which comes with the threat of a possible rise in sea level, potentially affecting our island geography. The bicycle activist and writer Elly Blue is not exaggerating when she affirms to us that "bicycle lanes and zoning practices are the antibiotics of the 21<sup>st</sup> century" in her book *Bikenomics*.*



Given the closing of collective modes of transport to prevent the spread of COVID-19, throughout the world temporary bicycle lanes have been habilitated to provide for the need for mobility and health promotion. In Puerto Rico, despite the fact that unfortunately we have not followed the same example, Cultura Bicicleta took on the task of joining the international effort to petition authorities for the streamlining of Complete Streets through the "2020 Cyclist Manifesto" on Change.org (<https://www.change.org/manifiestociclista2020pr>) this past April 28, 2020. At present, 191 signatures in support of this transformation have been obtained. We have seen how in Lima, Peru and Santo Domingo their claim has been heard, and temporary bicycle paths are being put in thanks to their petition. In other cities, they have taken advantage of reduced automobile traffic on roadways to install temporary bicycle lanes as a strategy of tactical urbanism to then convert them into permanent bicycle lanes. We believe that time is short for the economic recovery and revitalization of the city by way of the bicycle. All that is needed are the resources to implement and guide this change.

We are interested in accessing these funds to initiate and continue work to improve our spaces to protect the lives of cyclists, as well as pedestrians, who move around on a daily basis to obtain food, attend work, school, or university, and perform other activities. We seek to achieve this through the installation of cycling infrastructure accompanied by an educational and social campaign to spread the content of the Puerto Rico Vehicles and Transit Act. This will be possible through the continuation and expansion of our educational workshops to learn to ride a bike, among others. Moreover, we will design a campaign to disseminate information through social networks, radio, and television.

We will create visual materials and educational resources to present and hand out to our communities, and we will establish participatory processes to make viable the installation of signage on the roadways of different urban zones highly transited by cyclists.

These projects are complemented by the San Juan Recreational Promenade, a space consisting of reserving and ensuring an open path for enjoyment, physical activity, and the promotion of health, the economy, and culture. It is a matter of closing a roadway for the transiting of pedestrians, cyclists, runners, and people who seek to enjoy the different educational, cultural, and economic activation activities that are organized at each event. These should be offered with regularity, once or several times a month on a set schedule, such as for example from 8:00 am to 2:00 pm. The activities will be geared toward all types of populations and ages, in an attempt to be accessible and inclusive. We firmly believe that this initiative will be financially beneficial to many people, in addition to being beneficial to their mental and physical health. There are countries where this same initiative has already been running for 40 years, and many in which attendance is very high. We are confident that a happy population is a population that has places and recreational activities that allow them to enjoy themselves through physical activation.

We thank you in advance for your attention and support to the proposals presented here.

Sincerely,

Kathleen Ramos Jusino  
President  
Yara Gorbea Colón Management Team Director  
Cooperativa Cultura Bicicleta  
Est. Río Piedras 2019"

### Response from the Department of Housing:

The Department of Housing appreciates your interest in the CDBG-DR Puerto Rico Program. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (1)

**Comment:** *"On page xi, the Action Plan states: •The needs not satisfied in this Action Plan will be appropriately updated." Argument: It is our understanding that, on this point, priority must be given to the Municipalities of the Central Mountain Range, due to being the most vulnerable people with the scarcest financial resources. They were the most affected by the Hurricanes. We recommend the following language: •The needs not satisfied in this Action Plan will be appropriately updated. Contributions will be made and priority will be given to the Municipalities of the Central Mountain Range, due to being the most affected by the Hurricanes, and due to the lack of attention after having occurred these events."*

### Response from the Department of Housing:

The Department of Housing appreciates your comment. Assistance from these programs does not have any geographic restrictions in Puerto Rico; the residents of the Municipalities of the Central Mountain Range may be eligible to receive assistance. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (1)

**Comment:** *"On page XX, it states: Original "Planning: develop a roadmap for success for communities, government agencies, residents, and the private sector." "Economy:*

*transform the current economic state by concentrating efforts on economic recovery activities.” Argument: In the wake of Hurricane Maria, access to mountain towns was made impossible, collapsing the electric system, affecting health, among other things, thereby delaying the recovery of the Central Mountain Range. The creation of a roadmap for success which includes mountain towns, particularly unifying the electric power grid and utilizing corporate models for the benefit of consumers. The absence of incentives for creating new businesses in the Central Region of the Island prevent economic growth in mountain towns. Based on this law, we recommend the following language: “Planning: develop a roadmap for success for communities, government agencies, residents, and the private sector. A roadmap in which the electric system is unified, resilient, cost-effective, that provides electric power in rural areas, and with a cooperative model for the benefit of all consumers, communities, government agencies, residents, and the private sector.” “Economy: transform the current economic state by concentrating efforts on economic recovery activities, where existing businesses are bolstered, creating new businesses, and providing job training, especially in the Municipalities of the Central Mountain Range.”*

**Response from the Department of Housing:**

The Department of Housing appreciates your comment. Assistance from these programs does not have any geographic restrictions in Puerto Rico; the residents of the Municipalities of the Central Mountain Range may be eligible to receive assistance. The Community Installations for Energy Resilience program was designed with the aim of providing home energy-resilience options to qualifying owners or tenants. The available information on the program is found in the Action Plan. More specific guidelines will be created and posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (2)

**Comment:** *“Page 8 states: “Several interested sectors have performed a fundamental role in the immediate recovery efforts, including but not limited to: Community Foundation of Puerto Rico (Fundación Comunitaria de Puerto Rico), the Foundation for Puerto Rico (Fundación para Puerto Rico), United for Puerto Rico (Unidos por Puerto Rico), and the Puerto Rico Recovery Fund (Fondo de Recuperación de Puerto Rico).” Argument: Nonprofit organizations played a fundamental part in lifting up PR, but the nonprofit organizations serving the town in the central region of the island should also be included. We recommend the following language: “Several interested sectors have performed a fundamental role in the immediate recovery efforts, including, but not limited to: Community Foundation of Puerto Rico (Fundación Comunitaria de Puerto Rico), the Foundation for Puerto Rico (Fundación para Puerto Rico), United for Utuado (Unidos por Utuado), United for Puerto Rico (Unidos por Puerto Rico), and the Puerto Rico Recovery Fund (Fondo de Recuperación de Puerto Rico).”*

### Response from the Department of Housing:

We appreciate your comments. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ineabelle M.(2)

**Comment:** *“On pages 1 y 2 the following is stated: “Besieged by back-to-back hurricanes, Puerto Rico experienced a 100% impact by Hurricane Maria just two weeks after having survived the brunt of Hurricane Irma in the region. The subsequent effect of these hurricanes exacerbated the damage to the island, given that in nearly all municipalities, housing structures were severely affected or completely devastated.” Argument: The mountain area suffered great devastation and the collapse of essential services and the main roadways delayed essential aid to these towns in the Central Mountain Range, causing a humanitarian crisis in the mountains. We recommend the following language:*

*“Besieged by back-to-back hurricanes, Puerto Rico experienced a 100% impact by Hurricane Maria just two weeks after having survived the brunt of Hurricane Irma in the region. The subsequent effect of these hurricanes exacerbated the damage to the Island, principally the eastern area and the central region, affecting [sic] the housing structures and electrical system were severely affected or completely devastated. With the interior mountain area of the Island making up sixty percent (60%) of the entire Island, it is imperative to give attention to the recommendations of various sectors with specialized knowledge in the area, from the general population, to establish the parameters that will guide Puerto Rico toward a future vision in which there is a resilient, reliable, and robust energy system that allows for consumers to be active agents, for the modernization of the transmission and distribution network, the transition from the use of fossil fuels to renewable energy sources, the integration of distributed generation, micro-networks, and cutting-edge technologies that benefit consumers and result in cost-effective rates and allow for sustainable economic development.”*

### Response from the Department of Housing:

The Puerto Rico Department of Housing agrees that sustainable and renewable energy is important and has designed the Community Energy and Water Resilience Installations Program taking this into account. Municipal projects may be eligible to receive assistance under the City Revitalization program, which establishes a fund for municipalities to allow for a variety of critical recovery activities aimed at revitalizing urban centers and key community corridors. More information on the guidelines and policies of the programs are posted at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov), as they are made available.

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Comment ID: 2020-06-01\_E\_PS\_Delta Engineers\_Omar Caraballo (1)

**Comment:** "Good afternoon,

On Friday, May 29, my company submitted the attached letter in the comments section for the referenced amendment, before the deadline. Even so, it is not shown in the comments made on the page. I would appreciate it if it could be accepted through this method. Please confirm.

Thank you,

May 30-2020

Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, PR 00928-1365

We appreciate the opportunity to provide comments in order to help with the implementation of public sector programs that address the humanitarian and infrastructure needs of Puerto Rico.

Puerto Rico is perceived around the world as a major risk when it comes to investment and we have witnessed many investors are hesitant to invest in Puerto Rico. For this reason, we believe there should be more opportunity zone investment incentives created through the use of the DOHPR CDBG-DR funds. This may create a proof of investment scenario to attract more investors for long-term capital investment and sustained economic development and growth for Puerto Rico."

Delta Engineers is a development company focused in commercial and residential construction. Although our business depends on new construction, we strongly believe that building new residential units in Puerto Rico is not the most viable solution. Puerto Rico has hundreds of thousands of vacant properties which are not only a possible immediate solution for the vast housing need on the island but also are a threat to the infrastructure if left empty. Opportunity Zone private capital could really help solve the housing need while also incentivizing the local economy by providing a stream of capital into the island. Opportunity Zone incentives should be combined with the available disaster recovery funds in more creative ways."

**PRDOH Response:**

Thank you for your comments. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about project eligibility and program guidelines, as they become available.

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Comment ID: 2020-06-01\_E\_PS\_Solar & Energy Association of Puerto Rico\_PJ Wilson (1)

**Comment:** *"Leadership of the Department of Housing,*

*Please see attached, comments of SESA. Any questions, please don't hesitate to contact me.*

*Cordially,*

*PJ Wilson*

*President, Solar and Energy Association of Puerto Rico (SESA)*

*Solar and Energy Storage Association of Puerto Rico*

*Input on 4th Substantial Amendment to Puerto Rico CDBG-DR Action Plan*

*May 30, 2020*

*The Solar and Energy Storage Association of Puerto Rico (SESA) represents Puerto Rico's solar and energy storage industries. It advocates for solar and storage technologies as a central solution to the energy needs of Puerto Rico and promotes public policy that benefits the growth of these industries. It brings awareness and understanding of these technologies to both government policymakers and the public and facilitates collectively beneficial collaboration and good business practices within the industry.*

*These brief comments will be in two parts, with Part 1 addressing the specific currently proposed changes to the Action Plan, and Part 2 consisting of broader comments on the overall grant.*

*Part 1: Comments on specific proposed changes*

*Pertaining to the National Objective of the Community Energy and Water Resilience Installations Program (P. 159):*

- The 3rd Unsubstantial Revision states: "LMI, UN"*
- The 4th draft Substantial Revision says: "LMI 100% LMI GOAL"*

*We are opposed to removal of the criteria of UN (Urgent Need), and request that the program retain the ability to be administered to recipients based on Urgent Need as well as Low- & Moderate-Income status.*

*We suggest using the primary metric of effectiveness of these funds to be likelihood of saving the most lives during the next inevitable major power blackout. While LMI and UN status will need to be considerations, we urge programs aimed at resulting in solar energy with battery storage systems to be available to all Puerto Ricans. Rather than setting a goal of 100% LMI, we recommend for this program to remain as flexible as possible, and to set a lower LMI goal based on projections developed with solar experts.*

*Part 2: General Comments*

*The Congressional approval of \$20 billion in CDBG disaster relief and mitigation funds for Puerto Rico is historic and unprecedented. Because of the link between lack of electricity*

and mortality, we urge for these important funds to prioritize preventing loss of life in the wake of another similar weather event. In this case, utilizing these funds primarily to support programs which provide solar & storage systems to enable homes, critical facilities, and businesses to operate independently from the unreliable power grid are the most important and urgent.

For these reasons, we recommend moving forward with rapid deployment of CDBG funds, with a minimum overall budget of \$5 billion, which could be budgeted as follows, to provide enough backup power for critical electrical loads in the following categories:

\$2 billion	Homes	200,000 homes
\$1.3 billion	Critical Facilities	All Critical Facilities
\$1.7 billion	Community Solar	All Low-Income Multifamily Housing

We recommend for the primary metric of such a program to be minimizing loss of life resulting from lack of electricity during the next power outage. Using as much solar power systems with battery storage as possible for these systems would also be in line with Puerto Rico's public policy for energy, assisting in the required transition to 100% renewable energy.

It should be noted that this sort of large-scale deployment of customer-sited solar and storage does not depend on the modernization of the island's entire grid. Rather, the technology exists off-the-shelf, and the industry and workforce exist and are ready to ramp up to market, design, install, and maintain these local power systems with the overall grid in its current condition. Indeed, deployment of these systems would have the positive secondary effects of lowering stress on the grid, contributing to voltage stabilization, and many other grid benefits. The added modern technology is by nature ready to interact with the larger power grid today and will stand ready to add more sophisticated value as the grid itself becomes more sophisticated over time.

Homes: Lack of power in houses was a primary reason for loss of life after Hurricanes Irma and Maria. The specifics of a residential solar and storage program would be best designed with a collaborative stakeholder workgroup, based on best practices nationally and integrating lessons learned with previous solar incentive programs in Puerto Rico.

A simple initial projection could assume an average of \$10,000 in funding to support residential solar & storage, considering that a typical system in Puerto Rico that provides around 5kW of solar and 10kWh of battery storage may cost around \$25,000. In this case, to support deployment of solar & storage to 200,000 homes, at \$10,000 per home, around \$2 billion would need to be budgeted.

It is important that programs like this are compatible with already-existing solar sales and installation models, and allow for the customer the flexibility to pay for any unsubsidized amount of their system in any way they wish, whether it be via cash, loan, third-party-ownership or a PPA arrangement. The program should also ensure funds are available continually, pay contractors ahead of time or immediately after systems are constructed,

require 10-year minimum warranties, and include a variety of other considerations based on lessons learned from past programs supporting the deployment of solar and energy storage in Puerto Rico and around the nation. The most important metric is that systems provide a baseline amount of electricity when it is needed most: during an extended power outage

*Critical Facilities:* Lack of power in critical facilities resulted in many deaths that would have otherwise been avoided had hospitals, clinics, and other critical facilities around the island been operational during the blackout. Likewise, during future blackouts, it is of utmost importance that all critical facilities have a reliable power supply when the grid is down.

Sandia National Labs conducted a study analyzing what would be necessary to ensure that all critical facilities on the island have reliable power when the primary power grid goes down. The report they issued in September 2018, entitled “Analysis of Microgrid Locations Benefitting Community Resilience for Puerto Rico” analyzed the possibility of dividing the island into 159 distinct microgrids. Making assumptions about power consumption needs and the amount of power needed during a blackout, they drew conclusions about what it would take to provide enough backup electricity to ensure that all critical facilities are able to function during an extended blackout. The report can be accessed here: <https://www.osti.gov/servlets/purl/1530167>

While we recommend further analyses to ensure the amount of solar and energy storage is maximized in system design, the Sandia Labs report could be used as a starting point in the effort to provide reliable backup power to all critical facilities.

The Sandia National Labs could be included as a potential key stakeholder in providing analyses to HUD and Vivienda as federal support for powering critical facilities is further considered. The Sandia National Labs report lists a variety of scenarios and cost estimates for providing enough electricity to power the critical electrical loads at all critical facilities on the island and indicates that a minimum starting point for funding could be around \$1.3 billion.

*Community Solar:* Many of the island’s residents live in multifamily housing units (apartments) or in homes that have too much shading or other factors which prevent powering directly through rooftop solar. Reports indicate that between 10 and 25% of all buildings have significant shading and are thus not suitable for placement of solar panels. To ensure these residents are protected, we recommend including a robust Community Solar program.

Community Solar generally means larger shared solar and battery storage systems located close to where the power is needed. For example, a solar field next to an apartment complex, with large or medium-scale batteries and/or batteries within each apartment, can provide critical power needs when the main power grid goes down.

Although a robust budget for this should be developed with technical and industry experts, a starting point for providing such community solar systems in Puerto Rico could



be \$1.7 billion. Although a much more detailed analysis should be performed (perhaps with technical support from one or more of the federal agencies with solar expertise), a simple assumption of an average \$10,000 per-unit cost would mean this could support an additional 170,000 homes and businesses having backup power for their critical electric needs.

*In Conclusion: Thank you for the opportunity to provide comments for the use of these important funds. We ask that these general comments to be taken into consideration as program design ramps up for the \$300 million already allocated for the Community Energy and Water Program, and also as the future rounds of funding of \$8.3 billion for CDBG-MIT and \$1.9 billion specifically for energy are developed. We encourage the rapid start of deployment of funds so that as much new backup solar and storage power as possible is able to be installed before the peak of the hurricane season this year, and to continue deployment at an aggressive pace. Each year, the forecast for the number and intensity of hurricanes increases. The quicker high-quality solar and storage systems are deployed, the more lives will be saved during the next inevitable long-term power outage.*

*Thanks again for the opportunity to provide comments at this time.*

*Sincerely,*

*PJ Wilson*

*President, Solar and Energy Storage Association of Puerto Rico (SESA)"*

**PRDOH response:**

Thank you for your comments. PRDOH will take this input into consideration during further development of programs outlined in the Action Plan or in development of additional programs if additional funding becomes available. PRDOH seeks to maximize local contractor and business participation and job creation in the CDBG-DR programs to every extent feasible while also complying with all applicable Laws and Regulations. Information regarding procurement, including Requests for Proposals (RFP), will be posted to [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). PRDOH encourages interested parties to monitor the website for opportunities.

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (3)

**Comment:** *"Page 30 states: "Unemployment has risen since the hurricanes left services without connection, obstructing access to highways, and causing structural damage to businesses throughout the island. Unemployment was at 4.7% in 2016 with 11,805,773 individuals unemployed and as of February 2018, a rate of 10.6%.<sup>41</sup> [sic] has been reported. Today, unemployment continues to change. Monthly unemployment claims submitted to the Department of Labor have fluctuated between 1,469 and 7,300 claims per month since Maria hit." Argument: The poverty level in the municipalities of the*

Central Mountain Range has risen in the wake of Hurricanes Irma and Maria. An equitable percentage must be added wherever these factors are integrated in the Action Plan to ensure that the programs reach the most vulnerable population in the center of the island. We recommend the following language: "Unemployment has risen since the hurricanes left services without connection, obstructed access to highways, and caused structural damage to businesses throughout the island. Unemployment was at 4.7% in 2016 with 11,805,773 individuals unemployed and as of February 2018, a rate of 10.6%.41 [sic] has been reported. Today, unemployment continues to change. Monthly unemployment claims submitted to the Department of Labor have fluctuated between 1,469 and 7,300 claims per month since Maria hit, with the interior area of the island being where the highest unemployment rate and the least job training opportunities."

**Response from the Department of Housing:**

The Department of Housing appreciates your comments. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (4)

**Comment:** "Page 31 states the following: "The average income for Puerto Rican households is half of that of the poorest state in the Continental United states, Mississippi, and 60% less than in the United States overall. The highest levels of poverty are found in the areas of the interior and the southeastern coast, in the following municipalities: Maricao - 64%, Adjuntas - 63%, Guánica - 63%, Comerio - 61%, Ciales - 60%, Barranquitas - 60%, Lajas - 60%, Jayuya - 60%, Las Marías - 59% y Guayanilla - 59%." Argument: The towns of the Central Mountain Range share figures similar to those previously mentioned, wherefore efforts should be directed toward these municipalities. We recommend the following language: The average income for Puerto Rican households is half of that of the poorest state in the Continental United states, Mississippi, and 60% less than in the United States overall. The highest levels of concentrated poverty are found in the areas more toward the interior and along the southeastern coast, in the following municipalities: Maricao - 64%, Adjuntas - 63%, Guánica - 63%, Comerio - 61%, Ciales - 60%, Barranquitas - 60%, Lajas - 60%, Jayuya - 60%, Las Marías - 59% y Guayanilla - 59%. It is imperative that a great part of the available resources be directed to the municipalities that share similar figures in order to achieve better economic development."

**Response from the Department of Housing:**

The Department of Housing appreciates your comments. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine

the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ineabelle M.(3)

**Comment:** *“Page 100 states: “Following this logic, an estimated island-wide percentage of businesses with damages was created by multiplying first the total number of applications from businesses (88,988) minus those for which the damage to real estate or content had already been assessed (6, 1 22), by the estimated percentage of housing units affected by Irma and Maria (90%), which revealed a total of 74,579 impacted businesses apart from those categorized by the SBA. Following this logic, an estimated island-wide percentage of businesses with damages was created by multiplying first the total number of applications from businesses (88,988) minus those for which the damage to real estate or content had already been assessed (6, 1 22), by the estimated percentage of housing units affected by Irma and Maria (90%), which revealed a total of 74,579 impacted businesses apart from those categorized by the SBA.” Argument: Many residents and merchants did not request SBA loans given that they do not wish to take on debt, or the fact that gathering the documentation was very difficult and costly for them, and therefore they gave up, and in many cases they were denied the loan. We suggest the following language: “Following this logic, an estimated island-wide percentage of businesses with damages was created by multiplying first the total number of applications from businesses (88,988) minus those for which the damage to real estate or content had already been assessed (6, 1 22), by the estimated percentage of housing units affected by Irma and Maria (90%) 126, which revealed a total of 74,579 impacted businesses apart from those categorized by the SBA. Following this logic, an estimated island-wide percentage of businesses with damages was created by multiplying first the total number of applications from businesses (88,988) minus those for which the damage to real estate or content had already been assessed (6,1 22), by the estimated percentage of housing units affected by Irma and Maria (90%) 126, which revealed a total of 74,579 impacted businesses apart from those categorized by the SBA without counting the high percentage of businesses from the center of the island that did not apply for SBA assistance.”*

**Response from the Department of Housing:**

The Department of Housing appreciates your comments. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (5)

**Comment:** *“Page 88 states: “The economic impact calculated for this Action Plan is based solely on current federal data and will be updated as needed to inform the development of the allocation and administration of aid through the CDBG-DR program, from a growth perspective.” Argument: The data must be updated, given that in many instances data from the center of the island is not sought when distributing funds, they are the most disadvantaged and most affected towns, the specific economic impact on the Municipalities of the Central Mountain Range must be added. We recommend the following language: “The economic impact calculated for this Action Plan is based solely on current federal data and will be updated as needed to inform the development of the allocation and administration of aid through the CDBG-DR program, from a growth perspective, in order to achieve sustainable economic development.”*

**Response from the Department of Housing:**

The Department of Housing appreciates your comments. Aid from these programs does not have any geographic restrictions in Puerto Rico. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Maribel H. (3)

**Comment:** *“Page 137 states: “For residents with low to moderate incomes displaced by the CDBGDR program, a temporary housing program may be available through the CDBG-DR program in order to allow them time to rehabilitate or build new units.” Argument: The municipalities of the Central Mountain Range were the most affected and the residents still remain living in homes with blue roofs given that they do not have money for temporary rent while they rebuild their homes. We recommend the following language: “For residents with low to moderate incomes displaced by the CDBGDR program, a temporary housing program may be available through the CDBG-DR program in order to allow them time to rehabilitate or build new units. And, specifically, the towns of the Central Mountain Range, which are the most vulnerable and desolate, and they are still living in precarious situations, including ‘blue roofs’ after the passing of Hurricane Maria.”*

**Response from the Department of Housing:**

The Department of Housing appreciates your interest in this 4<sup>th</sup> Amendment of the Action Plan (substantial amendment). The housing programs included in the Action Plan do not have any geographic restrictions. The entire island of Puerto Rico is considered an eligible area for all the housing programs. The CDBG-DR Puerto Rico Program values collaborations with nonprofit organizations and enthusiastically looks forward to continuing working relationships with these entities throughout the entire recovery process. Interested parties should remain up to date on the webpage [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) to obtain information on the eligibility criteria of the projects as they become available.

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Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (4)

**Comment:** *"Page 108: "The Harvard T.H. Chan School of Public Health and other institutions affirmed that "the interruption of medical services was the primary cause of the high mortality rates sustained in the months following the hurricane." Argument: The Municipalities of the Central Mountain Range were those most affected, where there was the highest mortality rate as a direct or indirect consequence of the need for electric service, affecting the continuity of treatment and nutrition, triggering a high premature mortality rate. We recommend the following language: "The Harvard T.H. Chan School of Public Health and other institutions affirmed that "the interruption of medical services was the primary cause of the high mortality rates sustained in the months following the hurricane, with the municipalities of the Central Mountain Range being those most affected as a direct consequence of the absence of electric service."*

**Response from the Department of Housing:**

The Department of Housing appreciates your comments. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (6)

**Comment:** *"Page 143 states: "The maximum grant for the rehabilitation of housing is \$60,000 in construction costs per unit. The maximum awarded for relocation or reconstruction is \$185,000 in construction costs per unit. However, if necessary, additional costs over the limit are permitted that could be used for demolition work and environmental mitigation, or for the specific costs of the site, such as lots that due to their size require the construction of a two-floor unit or the construction of entryways (entries or hallways) whose length exceeds the minimum limits established by the regulations or utility connection costs. Assistance for temporary relocation may be available to applicants while the construction sponsored by the program is underway." Argument: The cost of implementing renewable energy through solar panels should be included in the expense and cost estimates for the housing units built, or repaired or relocated, by the Department of Housing. This, to comply with that ordered by the 100% Renewable Energy by 2050 Public Policy Act. We recommend the following language: "The maximum grant for the rehabilitation of housing is \$60,000 in construction costs per unit. The maximum awarded for relocation or reconstruction is \$185,000 in construction costs per unit. However, if necessary, additional costs over the limit are permitted that could be used for demolition work and environmental mitigation, or for the specific costs of the site, such as lots that due to their size require the construction of a two-floor unit or the construction of entryways (entries or hallways) whose length exceeds the minimum limits established by the regulations or utility connection costs, including in the expense and cost estimates for the housing units built, or repaired or relocated, by the Department of*

*Housing and adding in the cost of implementing renewable energy through solar panels to comply with that ordered by the 100% Renewable Energy by 2050 Public Policy Act. Assistance for temporary relocation may be available to applicants while the construction sponsored by the program is underway."*

**Response from the Department of Housing:**

Future programs, including those to be defrayed through the allocation of mitigation funds (CDBG-MIT), may consider additional approaches for the topic of reconstruction in risk zones. The Department of Housing recognizes that the planning of mitigation activities is a collective effort. The Action Plan for CDBG-MIT funds will be part of the citizen involvement processes to ensure the opportunity for communities and citizens in general to be able to evaluate and propose mitigation measures. Mitigation activities have different funding caps. The Community Installations for Energy Resilience program was designed with the aim of providing home energy-resilience options to qualifying owners or tenants. This program may also be used as a supplement or, possibly, as part of the R3 program, without prejudice to the caps received through that program. The available information on the program is found in the Action Plan. More specific guidelines will be created and posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (5)

**Comment:** *"Page 138 states: "Section 105(a)(15) – Assistance to eligible entities for neighborhood revitalization, community economic development, and energy conservation." Argument: "Nonprofit organizations and community cooperatives were the first to respond after the scourge of Hurricane Maria, playing a very important role in the first response and as centers of supply and distribution centers to supply the basic needs of residents. We recommend the following language: Section 105(a)(15) – Assistance to eligible entities, including nonprofit organizations and community cooperatives, for neighborhood revitalization, sustainable community economic development, and energy conservation."*

**Response from the Department of Housing:**

The Department of Housing appreciates your comment. Nonprofit organizations are eligible to apply for assistance in the programs included in the Action Plan. para solicitar asistencia en los programas incluidos en el Plan de Acción. We urge you to remain on the lookout for the posting of guidelines on all the programs, which provide details on the application periods, documents, and processes used to determine the eligibility of participants in each program. The guidelines and policies of the programs are posted on the portal at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Maribe H. (4)

**Comment:** *“On page 174 it states: “ELIGIBLE ACTIVITIES to help to retain and increase employment of residents of Puerto Rico with low to moderate incomes” Argument: Community cooperatives may be an employer entity for the communities they represent. We recommend the following language: “ELIGIBLE ACTIVITIES to help to retain and increase employment of residents of Puerto Rico with low to moderate incomes, which we will achieve by incorporating community organizations to provide training, work, and technical employment opportunities to increase employment in their communities and improve the living conditions of the residents and the economy.”*

**Response from the Department of Housing:**

Thank you for your comments. The Financing for Small and Medium-sized Businesses program, which is found on page 174 of the Action Plan, includes activities performed through nonprofit development organizations among the eligible activities. The Puerto Rico Department of Housing values the participation of all community organizations and looks forward to having a collaborative relationship in different scopes during the validity of the grant.

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (7)

**Comment:** *“Page 144: “Alignment of community energy and water resilience installations: whenever feasible, all reconstruction and rehabilitation projects shall also be eligible to participate in this program. The additional costs shall be reflected and accounted for through the Community Energy and Water Resilience Installations Program instead of being reflected in the previously mentioned caps.” Argument: “There are for-profit and nonprofit Organizations and Corporations, in the Central Mountain Range, with missions and purposes that are aimed at working toward energy resilience.”*

*We recommend the following language: “Alignment of community energy and water resilience installations: whenever feasible, all reconstruction and rehabilitation projects shall also be eligible to participate in this program. The additional costs shall be reflected and accounted for through the Community Energy and Water Resilience Installations Program instead of being reflected in the previously mentioned caps.” Argument: “There are for-profit and nonprofit Organizations and Corporations, in the Central Mountain Range, with missions and purposes that are aimed at working toward energy resilience. Community-based organizations that are aligned with energy resilience may intervene directly with the communities.”*

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants' eligibility for each program. The program guidelines and policies are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (6)

**Comment:** " Page 176 states: 'The Recovery Grant will help microenterprises and/or small businesses re-start operations and/or invest in growth opportunities in the wake of the hurricanes by providing grants of no more than \$50,000 for working capital and non-affixed equipment.' Argument: Community-based cooperatives, nonprofit organizations, and small-sized businesses are an essential part of the community development especially after natural disasters. We recommend the following language: 'The Recovery Grant will help microenterprises and/or small businesses re-start operations and/or invest in growth opportunities in the wake of the hurricanes by providing grants of no more than \$50,000 for working capital and non-affixed equipment and implementing advisory and training programs to achieve sustainable development.'"

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants' eligibility for each program. The program guidelines and policies are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (8)

**Comment:** "Page 153 states: 'Housing Counselors will be equipped to connect program participants with resources including, but not limited to Voluntary Organizations Active in Disaster (VOAD), and other federally funded programs like CoC and Section 8, and rental subsidy programs.' Argument: That for profit and nonprofit organizations of the Central Mountain Range are included, since this is their objective and priority: the Mountain region sectors of the Island. To give priority to persons or staff that could be trained and educated to offer services to community installations. In doing so, a robust and resilient economic development is promoted. Personnel from that same Municipalities would be trained and provided with jobs or training therein to reduce unemployment in those forgotten zones. We recommend the following language: 'Housing Counselors will be equipped to connect program participants with resources including, but not limited to Voluntary Organizations Active in Disaster (VOAD), and other federally funded programs like CoC and Section 8, and rental subsidy programs and include for profit and nonprofit organizations of the Central Mountain Range, since their mission is to achieve economic, social, and environmental recovery in the center of the Island.'"

**PRDOH Response:**

This Housing Counseling program shall provide residents in recovery with complementary educational services to promote their understanding of the housing and financial options, namely: financial education, future homeowner counseling, credit repair advisory, loss mitigation and/or foreclosure, etc. Puerto Rico will work with HUD-approved housing counseling agencies that are uniquely placed to assist in long-term recovery. For



more information about this program and to apply, you can visit <https://cdbg.pr.gov/asesoria-de-vivienda/>. PRDOH appreciates your comments.

Comment ID: 2020-05-30\_WP\_I\_Maribel H. (5)

**Comment:** *"Page 181 states: 'Apprenticeships can provide a deeper level of technical and life skills training and financial and logistical support services will help train, coach and employ unemployed and/or underemployed workers.' Argument: A 30-year job with permanency is not feasible; hence, we must gear the training specifically to self-employment for the communities of the Municipalities of the Central Mountain Range. That training be offered to unemployed personnel and, in turn, these persons are able to serve as role models (including giving conferences) and become Leaders and Instructors for the mountain residents. We recommend the following language: 'Apprenticeships can provide a deeper level of technical and life skills training and financial and logistical support services will help train, coach and employ unemployed and/or underemployed workers, offer self-employment programs and training for the residents of the communities of the Municipalities of the Central Mountain Range, and in turn, this conference-trained personnel (pay back), and be a Leader and Instructor residents of the mountain region.'"*

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants' eligibility for each program. The program guidelines and policies are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Under the Workforce Training program, municipalities, nonprofit organizations, and governmental agencies will be invited to propose workforce training programs for the DEDC under program guidelines, as approved by PRDOH. PRDOH or its designee will evaluate proposed training programs based on the entity's capacity to administer training, relationship of training material to job-readiness of participants and cost reasonableness. Entities interested in administering training programs are encouraged to develop and administer programs in partnership with institutions of higher education, workforce investment boards, business groups or trade organizations, labor or community-based organizations and learning facilities. It is suggested that curriculum be developed in collaboration with subject matter experts in the area.

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (9)

**Comment:** *"Page 161 states: 'A longer-term component of this program, beyond the stove and the water heater, will entail energy and water resilience installations. Eligible candidates may request the reconditioning of the solar panel and water collection*

systems for residential structures. This component involves a variable scale solar power retrofit designed to backfeed the structure to provide sufficient power to run critical household appliances and allow for shelter-in-place options during outages. -requires resilient design and improvements that incorporate modern technology for life-sustaining purposes during off-grid events. Energy and water resilience efforts may include conducting a home energy evaluation and the promotion of energy efficiency and stability. Resilient design and improvements include things such as the installation of photovoltaic systems, solar generators and battery storage at capacities aligned with household needs, including the consideration of critical medical needs.' Argument: The Energy Cooperative model is a social Justice component, since energy should be in the hands of users for their own benefit. We recommend the following language: 'A longer-term component of this program, beyond the stove and the water heater, will entail energy and water resilience installations. Eligible candidates may request the reconditioning of the solar panel and water collection systems for residential structures. This component involves a variable scale solar power retrofit designed to backfeed the structure to provide sufficient power to run critical household appliances and allow for shelter-in-place options during outages. -requires resilient design and improvements that incorporate modern technology for life-sustaining purposes during off-grid events. Energy and water resilience efforts may include conducting a home energy evaluation and the promotion of energy efficiency and stability. Resilient design and improvements include things such as the installation of photovoltaic systems, solar generators and battery storage at capacities aligned with household needs, including the consideration of critical medical needs, including a model of energy Cooperatives as an alternative to the communities.'"

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants' eligibility for each program. The program guidelines and policies are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (7)

**Comment:** "Page 182 states: 'Of the funding available, a portion will be administered through municipalities, nonprofit organizations, governmental and quasi-governmental agencies that will be invited to propose workforce training programs that best serve the needs of the recovery.' Argument: The towns of the mountain region have the highest poverty index in Puerto Rico. As a result, the economic development is lower in these municipalities which become more impoverished. We recommend the following

language: *'Of the funding available, a portion will be administered through municipalities, nonprofit organizations, governmental and quasi-governmental agencies that will be invited to propose workforce training programs that best serve the needs of the recovery and sustainability, giving priority to labor training geared to the zones with a higher poverty in the center region of the Island.'*"

**PRDOH Response:**

All of Puerto Rico is considered an eligible area for the Labor Training Program. PRDOH appreciates your comment and wishes to note that the program's priority is the training and employment of the citizens of Puerto Rico, particularly low- to moderate-income persons, including youths 18 years or older, unemployed adults, and dislocated or underemployed workers.

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (10)

**Comment:** *"Page 180 states: 'PRDOH will oversee this program and will fund incubator and accelerator activities with municipalities and nonprofit organizations with proven experience in the implementation of business incubators and accelerators.' Argument: 'Nonprofit organizations of the Central Mountain Range region must be included to offer training in these municipalities and impact the residents of these areas. We recommend the following language: 'PRDOH will oversee this program and will fund incubator and accelerator activities with municipalities and nonprofit organizations with proven experience in the implementation of business incubators and accelerators, especially in the Central Mountain Range area, and offer trainings to benefit from these programs, so as to achieve economic, social, and sustainable recovery.'"*

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (substantial amendment). The Small Business Incubators and Accelerators Program included in the Action Plan has no geographic restrictions. The program will provide grants to organizations and entities for the implementation of initiatives related to the Island's small business incubators and accelerators. The program will also assist in the development of new facilities for small business incubators and accelerators. Among the eligible entities are Nongovernmental Organizations (NGOs) (501(c)(3)) or Nonprofit Entities and Community Development Organizations. For more detailed information about this program, and the objectives and eligibility criteria, please visit [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Maribel H.(6)

**Comment:** *"Page 216 states: 'Section 105(a)(16) - Energy Use Strategies Related to Development Goals, Section 105(a)(17) - Economic Development Assistance to For-Profit Business. Project must be within city boundary, in designated downtown area or key growth corridor. Demonstrate tie-back to the disaster.' Argument: The cooperative models and corporations, whether for profit or not, have been essential to the first*

response after a disaster. We recommend the following language: 'Section 105(a)(16) - Energy Use Strategies Related to Development Goals, Section 105(a)(17) - Economic Development Assistance to For-Profit Business. Project must be within city boundary, in designated downtown area or key growth corridor. Demonstrate tie-back to the disaster. Use cooperative models and corporations, whether for profit or not, of the mountain region of the Island, which are aligned to the intent to assist resilient communities with the aftermath of natural disasters so as to improve the economy and their self-sufficiency.'

**PRDOH Response:**

PRDOH appreciates your interest in this Action Plan Amendment 4 (substantial amendment). According to the current design of the City Revitalization Program, eligible applicants are limited to the municipalities, NGOs, and nonprofit organizations. Eligible applicants other than municipalities must coordinate their project application with the pertinent municipality and must be able to enter into a Subrecipient Agreement (SRA) with the municipality for the use of the funds allocated.

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (11)

**Comment:** "Page 183 states: 'PRDOH or its designee will evaluate proposed training programs based on the entity's capacity to administer training, relationship of training material to job-readiness of participants and cost reasonableness. Entities interested in administering training programs are encouraged to develop and administer programs in partnership with institutions of higher education, workforce investment boards, business groups or trade organizations, labor or community-based organizations and learning facilities. It is suggested that curriculum be developed in collaboration with subject matter experts in the area.' Argument: The self-employment trend is increasing significantly. At the time of offering the labor training, they must be provided with self-employment[sic] training and take such training to the towns of the mountain region so that the disadvantaged population is able to benefit therefrom; the training offered must be consistent with the job opportunities in the area. We recommend the following language: PRDOH or its designee will evaluate proposed training programs based on the entity's capacity to administer training, relationship of training material to job-readiness of participants and cost reasonableness. Entities interested in administering training programs are encouraged to develop and administer programs in partnership with institutions of higher education, workforce investment boards, business groups or trade organizations, labor or community-based organizations and learning facilities. It is suggested that curriculum be developed in collaboration with subject matter experts in the area and offered in areas with a higher unemployment and poverty indexes, including the towns of the Central Mountain Range.'"

**PRDOH Response:**

We appreciate your comment. All of Puerto Rico is considered an eligible area for the Labor Training Program. PRDOH appreciates your comment and wishes to note that the program's priority is the training and employment of the citizens of Puerto Rico,

particularly low- to moderate-income persons, including youths 18 years or older, unemployed adults, and dislocated or underemployed workers.

Comment ID: 2020-05-30\_WP\_I\_Ineabelle M. (8)

**Comment:** *“Page 25 states: ‘Conversely, populations residing in the more rural and mountainous regions, although much less heavily populated, are characterized by generally higher levels of social vulnerability. Targeting recovery resources to these most heavily impacted and vulnerable areas may yield high benefit because these areas are currently much less able to bounce back without outside assistance. While there was damage across nearly the entire Island, the impacts (according to an extensive analysis of FEMA Verified Loss Data) in certain areas was concentrated more extensively, especially when compounded with an inability to bounce back.’ Argument: After hurricanes Irma and Maria, the human resources that arrived did not know the geographical areas and the profiles of the communities they were going to assist. In order to work with rural and mountain regions, training must be provided to persons within those same communities who are aware of the profile and geography of each community to be impacted. We recommend the following language: ‘Conversely, populations residing in the more rural and mountainous regions, although much less heavily populated, are characterized by generally higher levels of social vulnerability. Targeting recovery resources to these most heavily impacted and vulnerable areas may yield high benefit, especially for the Central Mountain Range, because these areas are currently much less able to bounce back without outside assistance. While there was damage across nearly the entire Island, the impacts (according to an extensive analysis of FEMA Verified Loss Data) in certain areas was concentrated more extensively, especially when compounded with an inability to bounce back (social vulnerability).’”*

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants' eligibility for each program. The program guidelines and policies are published on the website at [www.cdbq-dr.pr.gov](http://www.cdbq-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (12)

**Comment:** *“Page 200 states: ‘By following the guidance outlined by FEMA’s Hazard Mitigation Assistance Guide, PRDOH will fund projects which create long-term resilience to natural disasters and hazards. As part of the funding coordination pursued for infrastructure activities,’ Argument: Nongovernmental organizations and corporations were the first to respond in areas that were most affected. We propose the following*

language: 'By following the guidance outlined by FEMA's Hazard Mitigation Assistance Guide, PRDOH will fund projects which create long-term resilience to natural disasters and hazards. As part of the funding coordination pursued for infrastructure activities through community-based organizations and energy cooperatives engaged in energy development to achieve economic, social, and environmental recovery.'

**PRDOH Response:**

We appreciate your comment. The Action Plan contains the information about the first stage of the Community Energy and Water Resilience Installations Program, which could include solar energy systems. We encourage you to keep posted on the publication of the guidelines of all programs, which state in detail the application periods, documents, and processes used to determine the participant's eligibility for each program. The guidelines and policies of the programs are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Maribel H. (7)

**Comment:** "Page XVII states: 'Consistent with applicable requirements, such support could range from discrete, "stand-alone" projects to broader facilitation of economic development initiatives, including job creation, blight removal, and infrastructure initiatives.' Argument: 'A 30-year corporate job is not feasible anymore and even more so in the center of the Island. Hence, the focus must be on training persons to be self-employed. To include training and development of opportunities for self-sustainable jobs. We recommend the following language: 'Consistent with applicable requirements, such support could range from discrete, "stand-alone" projects to broader facilitation of economic development initiatives, training and education to create sustainable job opportunities, blight removal, and infrastructure initiatives to improve the economy and the environment.'"

**PRDOH Response:**

PRDOH appreciates your suggestion and will take it into consideration for the development of initiatives related to Opportunity Zones.

Comment ID: 2020-05-30\_WP\_I\_C.P. Smith (13)

**Comment:** "Page XIV states: ' Business: Increase the ease of doing business by reducing the barriers of starting and sustaining business practices such as expediting and simplifying the process of paying taxes, obtaining permits and operational licensing, goods importing and transportation, and property recordation.' Argument: The lack of

*accessibility to services, modern technology, and advisory for small business owners contributes to their low profit margin, thus forcing business shutdown and job loss in this sector. We recommend the following language: 'Business: Increase the ease of doing business by reducing the barriers of starting and sustaining business practices such as expediting and simplifying the process of paying taxes, obtaining permits and operational licensing, the accessibility to advisory, consulting, technology, goods importing and transportation, and property recordation.'*"

**PRDOH Response:**

We appreciate your comment. The Fiscal Plan for Puerto Rico is developed by the office of the Governor in compliance with the provisions of PROMESA. PRDOH does not have the authority to amend reforms provided for in the Fiscal Plan for Puerto Rico.

Comment ID: 2020-05-30\_WP\_I\_Elín C. (1)

**Comment:** *"Page xii of the Action Plan states: 'PRDOH will use procedures, systems, and monitoring strategies that encompass cross-cutting regulatory requirements including: HUD regulations, civil rights, environmental regulations, labor standards, fair housing law, citizen participation, and recordkeeping. Argument: We believe that at this point, the focus should be broadened to identify and impact the neediest communities. We recommend the following language: 'PRDOH will use procedures, systems, and monitoring strategies that encompass cross-cutting regulatory requirements including: HUD regulations, civil rights, environmental regulations, labor standards, fair housing law, citizen participation, and recordkeeping to effectively satisfy the basic needs as well as the needs for opportunities of every community in the Island.'"*

**PRDOH Response:**

We appreciate your comment. This section of the Action Plan encompasses all the programs within the CDBG-DR portfolio, including those that address the needs and afford opportunities to the Island's communities.

Comment ID: 2020-05-30\_WP\_I\_Ametza C. (1)

**Comment:** *"Page xv[sic] stated: "Economy: Promote and incentivize sustainable economic development and job growth, revitalize urban centers, and minimize risk of doing business to contribute to a more competitive and prosperous economy and social transformation.' Argument: The 'Puerto Rico Energy Cooperatives Act,' Cooperatives organized under the 'Puerto Rico General Cooperative Associations Act of 2004,' Act No. 239-2004, as amended, for the purpose of meeting the individual and common electric power needs of their members and communities through electric power generation, transmission, and distribution systems, pursuant to the regulations of the Energy Bureau. Based on this Act, we recommend the following language: 'Economy: Promote and incentivize sustainable economic development and job growth, revitalize*

*urban centers, and minimize risk of doing business to contribute to a more competitive and prosperous economy and social transformation focusing on those places where there are community-based and energy cooperatives to promote labor training in more technological areas.’”*

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine the participants’ eligibility for each program. The program guidelines and policies are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Elín C. (2)

**Comment:** *“Page xvi states: ‘Energy: Address the energy needs of Puerto Rico through the transformation of electric power infrastructure into an affordable system, reliable and innovative, which at the same time reduces the adverse health impacts of people and the environment.’ Argument: We believe that organized communities should be involved. We recommend the following language: ‘Energy: Address the energy needs of Puerto Rico through the transformation of electric power infrastructure into an affordable system, reliable and innovative, which at the same time reduces the adverse health impacts of people and the environment, reach the Central Mountain Range through community-based cooperatives and nonprofit organizations, among others, so these can integrate into the development of infrastructure, housing, and the electric power system.”*

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, especially the guidelines for the Community Energy and Water Resilience Installations Program, which state in detail the application periods, documents, and processes used to determine the participant’s eligibility for each program. The guidelines and policies of the programs are published on the website at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Ametza C. (2)

**Comment:** *“Page xvi states: ‘Energy: Address the energy needs of Puerto Rico through the transformation of electric power infrastructure into an affordable, reliable, and innovative system that, in turn, reduces adverse effects on the people’s health and the*



environment. Argument: The public policy aims at broadening people's access to renewable energy. Said public policy is consecrated in the "Puerto Rico Energy Transformation and RELIEF Act," Act No. 57-2014, to further the democratization of Puerto Rico's economy, by fostering cooperation between public and private entities, thus promoting administrative efficiency, as well as participation processes in our energy cooperatives. We believe that grassroots organizations should be involved. Based on this Act, we recommend the following language: "Energy: Address the energy needs of Puerto Rico through the transformation of electric power infrastructure into an affordable, reliable, and innovative system that, in turn, reduces adverse effects on the people's health and the environment and incorporating the resources offered by grassroots organizations and energy cooperatives."

**PRDOH Response:**

The Department of the Housing appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used to determine participants' eligibility for each program. Programs guidelines and policies are published on the website: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Aida S. (1)

Comment: "Page 3 states the following: "The National Oceanic and Atmospheric Administration (NOAA) recorded Hurricane María winds that reached up to 155 mph in the City of San Juan. Early estimates accurately captured extreme wind and rain threats, and a hurricane trajectory to impact the Island head-on before proceeding northwest to the mainland US. Puerto Rico sustained hurricane force winds sweeping at maximum strength first through the islands of Vieques and Culebra then the northeast coast before sweeping westward across the main Island." Argument: We believe that it must specify other affected areas of Puerto Rico. We recommend the following language: "The National Oceanic and Atmospheric Administration (NOAA) recorded Hurricane María winds that reached up to 155 mph in the City of San Juan. Early estimates accurately captured extreme wind and rain threats, and a hurricane trajectory to impact the Island head-on before proceeding northwest to the mainland US. Puerto Rico sustained hurricane force winds sweeping at maximum strength first through the islands of Vieques and Culebra then the northeast coast before sweeping westward across the main Island. Seriously affecting the towns of the Central Region ravaged by hurricanes Irma and Maria."

**PRDOH Response:**

The Department of the Housing appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the application periods, documents, and processes used

to determine participants' eligibility for each program. Programs guidelines and policies are published on the website: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Ametza C. (3)

Comment: "Page 1 states: 'The 2017 hurricane season brought insurmountable devastation in Puerto Rico. It was initially calculated that 64 lives were lost during the hurricane and over two thousand more due to secondary conditions caused by lack of electric power, polluted water sources, and limited or no access to healthcare services. Today, most of the Island's electric power system has been restored, however recurring outages are possible due to the ongoing fragility of the grid.' Argument: All of these lives would have been saved if the electric power system had not been so deteriorated, if the Government does not take a stance on this issue, we, the consumers, will be facing the same consequences in the event of another natural disaster. We recommend the following language: 'The 2017 hurricane season brought insurmountable devastation in Puerto Rico. It was initially calculated that 64 lives were lost during the hurricane and over two thousand more due to secondary conditions caused by lack of electric power, polluted water sources, and limited or no access to healthcare services. Today, most of the Island's electric power system has been restored, however recurring outages are possible due to the ongoing fragility of the grid. Identifying the need for modernizing or retiring facilities, keeping a robust infrastructure, developing photovoltaic Resiliency Centers, installing microgrids in hard-to-reach areas, prioritize underground systems in areas where critical facilities are located as well as in urban centers, with citizen participation through grassroots organizations and community-based cooperatives.

**PRDOH Response:**

The Department of the Housing appreciates your comment and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail the periods, documents, and application processes used to determine participants' eligibility for each program. Programs guidelines and policies are published on the website: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

Comment ID: 2020-05-30\_WP\_I\_Elin C. (3)

**Comment:** "Page 8 states: 'The work of non-profits and grassroots organizations that have spent months working alongside residents and community leaders. *They will continue to play a key role in the long-term rebirth of the Island.*' Argument: Community-based cooperatives played a key role in the economic development of municipalities. We recommend the following language: 'The work of non-profit and grassroots organizations that have spent months working alongside residents and community leaders. *They will continue to play a key role in the long-term rebirth of the Island, in which they are a key component for the economic development of the municipalities of the Central Mountain Range by achieving the implementation of energy and community-based Cooperatives to assist in the Island's reconstruction and sustainability.*'

**PRDOH Response:**

The Department of Housing values the participation of all grassroots organizations, and looks forward to continue the collaborative relationship in different fields during the effective period of the grant. We appreciate your interest in this Action Plan Amendment 4 (substantial amendment). We encourage you to keep up with the publication of all program guidelines, which state in detail the periods, documents, and application processes used to determine participants' eligibility for each program. Programs guidelines and policies are published on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ametza C. (4)

**Comment:** *"Page 77 states: 'The Title Clearance Program, which was launched in September 2019, serves a valuable resource for the applicants to the R3 Program and other programs in the CDBG-DR portfolio, as well as households struggling to obtain clear title to their homes. As of March 12, 2020, the Title Clearance Program has accepted close to 2,000 applications, with 64% of the applications coming from priority applicants who are elderly, occupy government-owned land, or have encountered challenges receiving Federal assistance due to lack of clear title.' Argument: Prioritize the Municipalities of the Central Mountain Range to obtain clear title. This encourages the proliferation of illegal housing, which in the event of a natural disaster, will have no access to resources to rebuild them. They are the most vulnerable and are left without the State's protection. The report on human development reveals a great financial disparity between the municipalities of the metropolitan area and those of the mountain area. It is necessary to create an environment in which the political and economic powers are distributed more equitably. We recommend the following language: The Title Clearance Program, which was launched in September 2019, serves a valuable resource for the applicants to the R3 Program and other programs in the CDBG-DR portfolio, as well as households struggling to obtain clear title to their homes. As of March 12, 2020, the Title Clearance Program has accepted close to 2,000 applications, with 64% of the applications coming from priority applicants who are elderly, occupy government-owned land, or have encountered challenges receiving Federal assistance due to lack of clear title, giving priority to applications from households of the Municipalities of the Central Mountain Range, since they are the most vulnerable and are left without the State's protection."*

**PRDOH Response:**

The Department of Housing appreciates your interest in this Action Plan Amendment 4 (substantial amendment). Housing Programs under this Action Plan including the Title Clearance Program, have no geographic restrictions. The entire

Island of Puerto Rico is considered an eligible area for this program. Program priorities as outlined in the Action Plan are applicants who are elderly (65 years or older, occupy government-owned land, or have encountered challenges receiving Federal assistance due to lack of clear title. Geographic location, such as residing in the metropolitan area, is not among the priorities of the program. For further information on the Title Clearance Program, please consult the program guidelines and policies, posted on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)

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Comment ID: 2020-05-30\_WP\_I\_Elín C. (4)

**Comment:** *"Page 18 states the following: 'Puerto Rico will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.' Argument: Achieving the successful implementation of goals requires the participation of community-based or cooperatives. We recommend the following language: 'Puerto Rico will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All rehabilitation, reconstruction, and new construction will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors. Workforce training in the mountain region will result in great benefits through community-based organizations or cooperatives which will be critical for achieving our sustainability goals.'"*

**PRDOH Response:**

The Department of the Housing appreciates your comment and has taken it into account. We encourage you to keep up with the publication of all program guidelines, which state in detail periods, documents, and application processes used to determine participants' eligibility for each program. Programs guidelines and policies are published on the website: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ametza C. (5)

**Comment:** *"Page 140 states: 'If a homeowner moves, sells, leases, transfers, exchanges, donates, vacates, abandons or otherwise alienates the property within the first five (5) years, but before completing the 15-year affordability period, the amount of benefit that must be repaid will be determined by the straight-line, linear amortization schedule for the remaining years.' Argument: Most of the residents of the Municipalities of the Central Mountain Region are low-income individuals. Therefore, a clause must be included whereby the children or heirs of the residents benefited or qualified under this program*

may keep the benefit. Not requiring them to repay 100% of the benefit received to PRDOH. Or the repairs thereof. We recommend the following language: 'If a homeowner moves, sells, leases, transfers, exchanges, donates, vacates, abandons or otherwise alienates the property within the first five (5) years, but before completing the 15-year affordability period, the amount of benefit that must be repaid will be determined by the straight-line, linear amortization schedule for the remaining years, if there is any direct heir, such as spouse, children or heirs of the residents benefited or qualified under this program, they may keep the Benefit and will not be required to repay to the PRDOH 100% of the benefit received for the property or repairs thereto.'

**PRDOH Response:**

The R3 Program guidelines detail any mitigating circumstances, that these arise, the R3 Program may consider to cancel and release the liens of the property. For detailed information on the ownership requirements and occupation periods in the R3 Program, please consult the program guidelines posted in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Department of Housing appreciates you comment.

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Comment ID: 2020-05-30\_WP\_I\_Aida S. (2)

**Comment:** "Page 127 states: 'Communities, like Caño Martín Peña, are encouraged to submit holistic plans for recovery to include items such as land-use, relocation, acquisition, and resilience measures.' Argument: It is critical for the central area of Puerto Rico to receive a large portion of the funds allocated for the communities. It is a well-known fact that these areas were the most affected by hurricanes Irma and María. The following language is recommended: Communities, like Caño Martín Peña and the towns of the mountain region, are encouraged to submit holistic plans for recovery to include items such as land-use, relocation, acquisition, and resilience.'"

**PRDOH Response:**

The Community Resilience Planning Program does not have geographic restrictions; therefore, the entire island of Puerto Rico is eligible. This Section of the Action Plan makes reference to Caño Martín Peña as an example, but it is not limited solely to this community. For more information on the program objectives, policies, and eligibility, please consult the program's guidelines posted in the webpage [www.cdbg-de.pr.gov](http://www.cdbg-de.pr.gov). The Department of Housing appreciates your comment.

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Comment ID: 2020-05-30\_WP\_I\_Elín C. (5)

**Comment:** "Page 78 states: 'Puerto Rico's electrical grid was already in a state of deterioration when the hurricanes hit. Irma first caused a power outage for nearly 50% of the Island, then Maria caused a complete loss of power in all 78 municipalities. By 2 a.m.

on September 20, 2017, Puerto Rico reached a total blackout. Due to a damaged outage management system, Puerto Rico Electric Power Authority (PREPA) was initially unable to read meters in order to determine an accurate count of residents left without service. Nearly three months later fiber optic cables were repaired allowing the system to read meters and begin the targeted road to recovery. Power restoration has been hampered due to the sheer scale and complexity of the damage.' Argument: Due to its geographic features and the neglect of the electric power infrastructure, the municipalities most affected were those of the Central Mountain Range, causing a humanitarian crisis in the central area of the island. We recommend the following language: 'Puerto Rico's electrical grid was already in a state of deterioration when the hurricanes hit. Irma first caused a power outage for nearly 50% of the Island, then Maria caused a complete loss of power in all 78 municipalities. By 2 a.m. on September 20, 2017, Puerto Rico reached a total blackout. Due to a damaged outage management system, Puerto Rico Electric Power Authority (PREPA) was initially unable to read meters in order to determine an accurate count of residents left without service. Nearly three months later fiber optic cables were repaired allowing the system to read meters and begin the targeted road to recovery. Power restoration has been hampered due to the sheer scale and complexity of the damage, being the municipalities of the Central Mountain Range the most affected due to its geographic features.'

**PRDOH Response:**

The Department of Housing appreciates your comments and has taken it into consideration. We encourage you to keep up with the publication of all program guidelines, which state in detail periods, documents, and application processes used to determine participants' eligibility for each program. Programs guidelines and policies are published on the website: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_I\_Ametza C. (6)

**Comment:** "Page 141 states: 'To the extent possible, PRDOH will validate ownership and/or primary residence through electronic verification utilizing locally or federally maintained registries. After conducting a due-diligence process, the R3 Program may also allow alternative methods for documenting ownership, including an affidavit process.' Argument: Given the lack of financial resources for legal advisory services, the Title's clearance process must be rendered more flexible through alternative methods whereby the descendants or heirs of the Homeowner may keep ownership to comply with the 15-year affordability period. To acquire ownership for the remainder of the affordability period. We recommend the following language: 'To the extent possible, PRDOH will validate ownership and/or primary residence through electronic verification utilizing locally or federally maintained registries. After conducting a due-diligence process, the R3 Program may also allow alternative methods for documenting ownership, including an affidavit process, and to render the title's clearance process more flexible through alternative methods whereby the descendants or heirs of the Homeowner may

keep ownership to comply with the 15-year affordability period and acquire ownership for the remainder of the affordability period.’”

**PRDOH Response:**

The Department of Housing appreciates your suggestions. The R3 Program guidelines states that should any mitigating circumstances may arise, the R3 Program may consider these circumstances to cancel and release the liens of the property of a program beneficiary. As for the evidence of ownership as an eligibility requirement, the documents and processes that heirs may submit are stated in detail in the R3 Program guidelines. For detailed information on the ownership requirements and occupation periods in the R3 Program, please consult the program guidelines posted in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Department of Housing appreciates you comment.

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Comment ID: 2020-05-30\_WP\_I\_Elín C. (6)

**Comment:** “Page 223 states: ‘The goal of the Citizen Participation Plan is to provide all of Puerto Rico’s residents with an opportunity to participate in the planning and assessment of the PRDOH’s CDBG-DR recovery programs. In order to facilitate citizen involvement, PRDOH has laid out target actions to encourage participation and allow equal access to information about the program by all citizens, especially those of low and moderate income, those living in slum and blighted areas and in areas identified for recovery through CDBG-DR, and other disadvantaged populations. In addition to citizen involvement, PRDOH encourages the participation of regional and island-wide institutions, such as non-profits, civic groups, the educational community, and professional associations. It is critical for community-based Organizations to have priority participation in the development thereof.’ Argument: Community-based Organizations play a key role in the development and recovery of the island. We recommend the following language: ‘The goal of the Citizen Participation Plan is to provide all of Puerto Rico’s residents with an opportunity to participate in the planning and assessment of the PRDOH’s CDBG-DR recovery programs. In order to facilitate citizen involvement and the movement of community-based organizations for infrastructure development, PRDOH has laid out target actions to encourage participation and allow equal access to information about the program by all citizens, especially those of low and moderate income, those living in slum and blighted areas and in areas identified for recovery through CDBG-DR, and other disadvantaged populations. In addition to citizen involvement, PRDOH encourages the participation of regional and island-wide institutions, such as non-profits, civic groups, the educational community, and professional associations that provide services within impacted areas and that facilitate economic sustainability.’”

**PRDOH Response:**

The Department of Housing appreciates your comment and has taken it into consideration. The Department of Housing of Puerto Rico values the participation of all community-based organizations, and looks forward to continue the collaborative relationship in different fields during the effective period of the grant.

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Comment ID: 2020-05-30\_WP\_I\_Ametza C. (7)

**Comment:** *"Page 181 states: 'Puerto Rico currently has no construction apprenticeship programs available that can provide instruction or on-the-job training opportunities in partnership with Puerto Rico's construction and hospitality industries.' Argument: The construction industry is moving towards renewable energy, since the law requires 100% renewable energy by 2055. We recommend the following language: Puerto Rico currently has no construction apprenticeship programs available that can provide instruction or on-the-job training opportunities in partnership with Puerto Rico's construction, renewable energy, and hospitality industries."*

**PRDOH Response:**

*The Department of Housing appreciates your suggestions. This Workforce Training Program will help unemployed and underemployed residents to find a job through workforce training in areas related to recovery efforts.*

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Comment ID: 2020-05-30\_WP\_I\_Aida S. (3)

**Comment:** *"Page 25 of the Disaster Recovery Action Plan Amendment Four states: 'Populations residing in the more rural and mountainous regions, although much less heavily populated, are characterized by generally higher levels of social vulnerability.' I agree with the following statement: 'Targeting recovery resources to these most heavily impacted and vulnerable areas may yield high benefit because these areas are currently much less likely to bounce back without outside assistance'. Argument: Community-based Cooperatives of the mountain municipalities as the closest and most suitable bodies for assisting in the recovery of the mountain region populations. These community-based organizations are already established in these areas. In addition, they are constituted by persons who belong to these communities and know the area's demography and needs and have pertinent strategies. We recommend the following language: 'Populations residing in the more rural and mountainous regions, although much less heavily populated, are characterized by generally higher levels of social vulnerability. Targeting recovery resources to these heavily impacted and vulnerable areas through community-based cooperatives may yield high benefits, because these areas are much less likely to bounce back without outside assistance.'"*

**PRDOH Response:**



Nonprofit and community-based organizations are eligible for applying for the different programs outlined in the Action Plan. The application periods, documents, and processes used to determine eligibility are stated in detail in the program guidelines. Program guidelines and policies are posted in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov). The Department of Housing appreciates your comments.

Comment ID: 2020-05-30\_WP\_GE\_Planning Board \_María del C. Gordillo Pérez (1)

**Comment:** *"Comments to the amendment"*

*Dear Mr. Fernández-Trinchet:*

*Greetings from the staff of the Planning Board. The U.S. Department of Housing published the draft of the Action Plan Substantial Amendment 4 to use CDBG-DR funds in recovery efforts related to hurricane Irma and Maria. The original due date for submitting comments was April 30<sup>th</sup>, but was postponed to May 30, 2020.*

*The Action Plan Substantial Amendment 4 proposes several significant changes to the Agency Planning Initiatives Program, by adding as eligible activities:*

- *"Activities carried out through nonprofit Development organizations"*
- *"Assistance to Higher Education Institutions"*

*The Planning Board understands that processes related to property ownership in Puerto Rico as well as the Development and implementation of protocols for assigning street addresses in Puerto Rico, is an inherent government function. However, the involvement of citizens and parties interested in seeking a solution to these issues should be allowed, for these issues are relevant to public safety and economic development.*

*Events such as the Pandemic that we are currently facing worldwide and that has affected the daily lives of the citizens of Puerto Rico make more evident the need for processes and street address databases that allow for the location of any event, including the exact and accurate geographical location of positive cases of a viral infection such as COVID-19.*

*The Planning Board proposes that the issue of property ownership and street addresses in Puerto Rico should be addressed by integrating the work flow and information generated in every agency concerned such as the Planning Board, the Permit Management Office, the Department of the Treasury, and the Department of Justice.*

*Page 128 of the draft Action Plan Substantial Amendment 4 reads: "Puerto Rico [sic] build back better and realize a future where homes will be locatable by using the data from emergency response agencies, ownership title, and the property registry." We recommend writing: "Puerto Rico needs to build back better and realize a future where homes will be locatable by using the data from emergency response agencies, ownership title, and the property registry and any other sources of information that may serve the purpose of locating and providing direct assistance to citizens."*

Should you have any doubt or question with respect to our comments, you may contact the Vice president, Mrs. Suheidy Barreto Soto at her email: [Barreto\\_s@jp.pr.gov](mailto:Barreto_s@jp.pr.gov).

Sincerely,  
María del C. Gordillo-Pérez, GEOG-PPL  
President"

**PRDOH Response:**

Thank you for your support and comments. Through collaboration with government agencies, like PRITS and the Puerto Rico Planning Board, as well as universities and the private sector, the Agency Planning Initiatives Program will be undertaken to build the data sets for property across the Island to ensure land use is correctly permitted, planned, inspected, insured, and viewable to the municipalities. Citizen's safety and privacy are of utmost importance. For such reason, any personal identification data will be protected and secured, only the appropriate information will be shared with nongovernmental organizations. PRDOH appreciates your association with the Planning Board and looks forward to continue collaborating with it throughout the recovery process.

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Comment ID: 2020-05-30\_WP\_I\_Glendaly Benesario (1)

**Comment:** *"The initiative is consistent with the needs in Puerto Rico, but as in most projects introduced to help the economy, they forget the working class whose salaries are not always enough to qualify for a regular mortgage loan; but PRDOH will provide them with a subsidy, contribution or incentive to buy a home. I, for example, live in a Housing Project and pay a tidy rent, with that amount of money I could afford paying a mortgage.*

*For instance, my parents-in-law bought their house 25 years ago with PRDOH assistance from, because they paid a considerable amount."*

**PRDOH Response:**

The Department of Housing appreciates your comment and has taken it into consideration. This Action Plan Amendment 4 (Substantial Amendment) keeps the assistance for Critical Recovery Workforce to buy their first home under the Homebuyer Assistance Program. This program prioritize eligible households in which one or more residents are documented Critical Recovery Workforce members. Eligible applicants will receive closing cost assistance (e.g., title insurance, mortgage insurance, among others), down payment assistance and/or with the gap between the amount of first mortgage the household is able to obtain from a lender and the purchase price of a home. The application periods, documents, and processed used to determine are stated in detail in the program guidelines se. Program guidelines and policies are posted in the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-30\_WP\_PS\_Delta Engineers\_Omar Caraballo (1)

**Comment:** "May 30-2020

Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, PR 00928-1365

*We appreciate the opportunity to provide comments in order to help with the implementation of public sector programs that address the humanitarian and infrastructure needs of Puerto Rico.*

*Puerto Rico is perceived around the world as a major risk when it comes to investment and we have witnessed many investors hesitate about investing in Puerto Rico. For this reason, we believe there should be more opportunity zone investment incentives created through the use of the DOHPR CDBG-DR funds. This may create a proof of investment scenario to attract more investors for long term capital investment and sustained economic development and growth for Puerto Rico."*

*Delta Engineers is a development company focused in commercial and residential construction. Although our business depends on new construction, we strongly believe that building new residential units in Puerto Rico is not the most viable solution. Puerto Rico counts with hundreds of thousands of vacant properties which are not only a possible immediate solution for the vast housing need in the island but also are a threat to the infrastructure if left empty. Opportunity Zone private capital could really help solve the housing need while also incentivizing the local economy by providing a stream of capital into the island. Opportunity Zone incentives should be combined with the available disaster recovery funds in more creative ways."*

**PRDOH Response:**

Thank you for your comments. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information about project eligibility and program guidelines, as those becomes available.

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Comment ID: 2020-05-30\_WP\_NGO\_ConPRmetidos\_Isabel Rullán (1)

**Comment:** "COMMENTS ON THE TOURISM & BUSINESS MARKETING PROGRAM

*Puerto Rico's Action Plan/Tourism & Business Marketing Program develops a comprehensive marketing effort to promote the island as an ideal place to do business. The goal is to attract new companies of external investment that can contribute additional capital to the economy, promoting economic development and job creation.*

However, the action plan is missing an essential part to safeguard its success: securing the availability of a skilled and professional workforce to attract external investments and operations. The financial crisis in the island, followed by the devastation caused by Hurricanes Irma and Maria, exacerbated the massive migrations to the mainland. According to the data provided by the United States Census Bureau and Puerto Rico's Institute of Statistics, between the years 2005 to 2016, the net out-migration reached 537,000. It constitutes an average of 1% of our population per year. After the 2017 hurricanes, approximately 130,000 people left the island, increasing the already significant population loss.

ConPRmetidos has developed a program to bring back Puerto Rican professionals, to further increase the island's profile as an ideal place to do business and bring external and foreign capital. Our organization is a 501(c)(3) founded in 2012 as a movement and call to action for all Puerto Ricans to take part in helping the island move forward. ConPRmetidos is the most robust local organization, maximizing linkages and connections between projects and the Puerto Rico diaspora. Our US network and goodwill facilitated record-breaking fundraisers, securing 4 million in a year and a half to support the relief and economic development efforts in the island after the hurricanes.

As a result, ConPRmetidos funded programs have impacted 78 municipalities, directly assisting over 8,600 people in areas of emergency relief, food security, energy and water, economic development, and long-term rebuilding. We aided the creation of the biggest farmer association on the island that currently has over 700 members, financed capacity trainings to increase their coffee production yields, and boosted agriculture with an economic impact of approximately 7.5 million dollars. The projects we have invested in have benefited approximately 660 local entrepreneurs and provided 33 hurricane-stricken families with a safe home to live. Our Collaborative Impact Grant (CIG) model allows us to support organizations' management structure to secure their programs. The ultimate goal is to strengthen and scale up the existing efforts of local leaders and community members to help them achieve a more significant impact.

Our strategy to foster economic development: engage the diaspora to bring back the best talent. A Pew Research Center study on US Census Bureau data supports these arguments by revealing that 42% of the Puerto Rican respondents gave work-related reasons for their decision to migrate. Moreover, a survey by the US Census Bureau announced that 47% of the Puerto Ricans who migrated between the years of 2013 and 2014 have some degree of higher education. Estimates indicate that Puerto Rico has a large diaspora with more than 1 million skilled individuals.

A proven model: a 2012 joint survey by the International Organization for Migration and the Migration Policy Institute found that 400 government institutions and partnerships in 56 countries successfully engage their diasporas through programs to foster economic development. Diasporas connect their countries of origin to global networks, tapping into critical business practices essential to the development of a knowledge-based economy. A strategically engaged diaspora can counterweight the migration of qualified and talented individuals, converting the migration flow into an economic asset

and the “brain drain” into a “brain circulation.” The diaspora can promote the growth of the Puerto Rican economy in four primary aspects: skill transfer through mentorships, donation of funds to support the growth of the non-profit sector, financial investments to local companies and start-ups, and lastly, the relocation of human capital to support the growth of domestic corporations.

ConPRmetidos is ready and willing to partner up with DDEC and Invest PR to create and secure this crucial linkage between the promotion of the island as a business destination, and its ability to offer external businesses and investment with the best roster of skilled workforce and professionals. For more information on our impact visit the following link: [https://issuu.com/conprmetidos9/docs/conprmetidos\\_impact\\_report\\_2019\\_-\\_2020\\_final](https://issuu.com/conprmetidos9/docs/conprmetidos_impact_report_2019_-_2020_final)

Isabel Rullán  
ConPRmetidos”

**PRDOH response:**

Thank you for your interest in the Tourism and Business Marketing program. PRDOH will take your comments into consideration during further development of the Tourism and Business Marketing program. Interested parties should monitor [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) for more information.

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Comment ID: 2020-05-30\_WP\_I\_Eduardo Díaz (1)

**Comment:** “I will begin by thanking you for the opportunity that this platform provides both professionals and average citizens to share ideas and solutions with a common purpose, that is, our Island’s recovery and progress after all the natural disasters we have experienced.

Transparency is a key element for Development and this platform is a step in the right direction.

There is no doubt that due to our political situation and the damaging effects of the most recent natural disasters on the island, Puerto Rico is considered, globally, high risk for investment. This is not just the opinion of renowned investment companies, it is also a concern for individuals with capacity for investment.

It is of utmost importance to clarify the information about opportunity zone investments and incentives available through the use DOHPR CDBG-DR funds. This will create a more attractive and sustainable scenario for investors and developers to promote the development, recovery and growth of the island.”

**PRDOH Response:**

PRDOH appreciates your comment and has taken it into consideration. We encourage you to monitor the publication of all programs’ guidelines which state

in detail the application periods, documents and processes used to determine participants' eligibility for each program. Program guidelines and policies are posted on the website [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov).

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Comment ID: 2020-05-27\_M\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)

**Comment: [summarized comment]**

*"Arch Real Estate Holdings, a private enterprise established to invest in and manage Puerto Rico housing assets, has a core mission to elevate the attention of the world's private sector investment community and to attract long-term capital to invest in Puerto Rico's housing market.*

*We note that the OZ Program is lightly acknowledged in the CDBG-DR Action Plan Amendment 4. This material oversight and understated treatment can be improved in CDBG-DR Action Plan Amendment 4. The point here is that there is already high awareness in the US investment community that a very significant percentage of Puerto Rico is potentially eligible for investment under the OZ Program. As we have witnessed in other parts of America, state and local economic development programs require a coordinated embrace of the OZ Program to realize its vast potential in Puerto Rico.*

*The OZ Program deserves more than just a few mentions in the CDBG-DR Action Plan Amendment 4. The CDBG-DR Action Plan Amendment 4 should prominently promote the OZ Program, including the allocation of significant CDBG-DR funding amounts to enter into the OZ Program Public-Private Partnerships to aggressively address housing conditions and supply-demand issues on a massive and efficient scale. We believe that the CDBG-DR Action Plan Amendment 4 should comprehensively and explicitly exhibit a high preference priority to deploy public sector funds into OZ Program Public-Private Partnerships. The deployment of CDBG-DR funds within OZ Program Public-Private Partnerships will expedite the economic process in Puerto Rico with long-term sustainable positive results.*

*Puerto Rico is competing for OZ investment capital with all other low-income communities across the United States. The wide-spread low-income situation throughout Puerto Rico was recognized by the US Congress in that Puerto Rico, more than any other State, deserved a Super Opportunity Zone to utilize the OZ Program on a massive scale. The Puerto Rico public sector, with appropriated federal funds (e.g. CDBG-DR), can immediately leverage on the OZ Program Public-Private Partnerships to trigger the flow of private capital to tackle its housing and economic challenges. The OZ Program is essentially unconstrained in design and application in comparison to the Low-Income Housing Tax Credit program.*

*We are very enthusiastic to see the inclusion of this Economic Development Investment Portfolio for Growth Program in the CDBG-DR Action Plan Amendment 4. This section favors the Public-Private Partnership business model we discussed above, and it seems to encourage the submission of creative and feasible "project concepts" from qualified*

sponsors to tackle largescale and complex housing, commercial and economic development initiatives.

We believe this named section of the CDBG-DR Action Plan Amendment 4 is underfunded at \$800 million. The intention of this named section appears to encourage the submission of "project concepts" that are expected to be a mix of a) large-scale regional infrastructure projects and b) mixed-use economic development projects that provide housing and business opportunities. A larger allocation of CDBG-DR funds is warranted to ensure the diversity and feasibility of large-scale project proposals. This named section should explicitly favor the utilization of the OZ Program to maximize the formation of long-term equity capital that is imported into Puerto Rico and that stays in Puerto Rico. An OZ Program Public-Private Partnership focused on the large-scale expansion of workforce rental housing through the acquisition and rehabilitation of vacant single-family properties will yield more immediate and tangible impacts, coupled with higher measurable benefits relative to cost. This named section elaborates on an extended process to nominate project sponsors, submit project concepts, and then to conduct an extensive public review process. We recommend that the PRDOH consider the potential for fast-tracking those project concepts that are structured around the OZ Program.

We have surrounded our company with OZ Program experts and we are available to share their creative concepts of creating OZ Program Public-Private Partnerships for deployment in Puerto Rico.

Paul Saint-Pierre  
Chief Financial Officer"

**PRDOH Response:**

PRDOH appreciates your interest in this CDBG-DR Action Plan Amendment 4 (Substantial Amendment) and thanks you for your comments and suggestions. PRDOH will take this input into consideration during further development of the programs or during development of new programs if additional funding becomes available.