

## Public Comment APA5

### 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: 09/10/20\_WP\_NGO\_Carmen L. Lopez\_Nuestro Corazon Para Su Hogar(1)

**Comment:** *"I wish some information about the Social Housing Program in which I sent my proposal on July 12th."*

**PRDOH Response:**

PRDOH appreciates your entity's interest in the Social Interest Housing Program (SHI). This Program is going through the evaluation of all proposals. We are pleased to say that we received an unprecedented response to the Notice of Funding Available (NOFA) Application. Due to the heavy volume of applications, the review process is taking longer than originally expected. We ask Applicants to remain patient during this time. We are not allowed to comment on individual applications during the review process due to confidentiality and fairness consideration. If you need to contact PRDOH regarding the SIH Program, please do so by sending an email to [SIH-CDBG@vivienda.pr.gov](mailto:SIH-CDBG@vivienda.pr.gov). Thank you again for your interest in collaborating with the recovery of Puerto Rico.

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Comment ID: 09/10/20\_WP\_I\_Gail Figueroa(1)

**Comment:** *"I wish on [sic] information regarding the above person. Her name is Gail Figueroa Case number #18-1254 Municipality of Carolina. I wish to inquire the status."*

**PRDOH Response:**

Thank you for commenting on this 5<sup>th</sup> substantial amendment to the CDBG-DR Action Plan (APA5). If you want to inquire about the status of an application to the Home Repair, Reconstruction, or Relocation Program (R3), please do so by following this link: <https://www.cdbg-dr.pr.gov/intakestatus>. You may also request status from this and other programs via email at [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov), by calling 1-833-234-2324; TTY 787-522-5950, or by regular mail at the following address: CDBG-DR Puerto Rico Program PO Box 21365 San Juan PR 00928-1365.

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Comment ID: 09/14/20\_WP\_I\_Leyda S Ortiz Schettini(1)

**Comment:** *"I need help regarding how to receive the program aid or benefit because the Financial Institution is telling me that the aid is not available."*

**Answer by the Department of Housing:**

The Department of Housing appreciates your comment regarding this 5th Amendment to the Action Plan (substantial). If your interest is related to the Homebuyer Assistance Program, all of the program information, including details regarding assistance, eligibility criteria, as well as a list of participating financial institutions, is found in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>. The CDBG-DR funds for this Program are currently available; they are disbursed at the time of closing of the sale. We would like to know which financial institution provided you with that information in order to make sure that all parties have the most correct and updated information. You may contact us via emails [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov) and [hba-info@afv.pr.gov](mailto:hba-info@afv.pr.gov) or by calling 1-833-234-2324; TTY 787-522-5950, or via regular mail at the following address: CDBG-DR Puerto Rico Program PO Box 21365 San Juan PR 00928-1365.

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Comment ID: 09/17/20\_WP\_I\_Wilma Cardona\_Wilma Cardona(1)

**Comment:** *"I need information on how to apply for the incentive to buy a home; I believe teachers are on the list and I'm a teacher. I've tried several ways and have not been able to contact them."*

**Answer by the Department of Housing:**

The Department of Housing (PRDOH) appreciates your interest in the Homebuyer Assistance Program (HBA). Although we do not know the ways in which you have tried to obtain information or contact us in relation to the Program, we are sorry for any difficulty you may have experienced. In order to be able to offer direct guidance regarding this Program, please send your contact information by email to [hba-info@afv.pr.gov](mailto:hba-info@afv.pr.gov). You will also be able to find all of the information related to the HBA Program in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>. At PRDOH we affirm our commitment to providing you with all the necessary information to be able to benefit from this assistance under the CDBG-DR funds.

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Comment ID: 09/18/20\_WP\_PS\_Bulldozer\_Bulldozer(1)

**Comment:** *"Don't forget Urban center renewal, repurposing, and demolition for/with adequate on site parking"*

**PRDOH Response:**

PRDOH appreciates your interest in this 5<sup>th</sup> substantial amendment to the CDBG-DR Action Plan (APA5). The City Revitalization Program approaches urban renewal as a holistic endeavor, taking into account the activities you mentioned, including construction improvements to public spaces (plazas, town squares), cultural and art installations, and recreational areas and amenities; Streetscape

improvements such as sidewalks, lighting, parking; Rehabilitation or reconstruction of downtown buildings; among others.

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Comment ID: 09/18/20\_WP\_I\_Cristian E Martinez Medina(1)

**Comment:** *“In the case of communities, and community-based organizations, very often they do not have enough resources to obtain the necessary technical guidance to develop and submit a mitigation plan. In order to ensure effective participation by the community which ultimately would be the one directly affected by the implementation of the plans, what technical support will be offered to them in order for them to be able to submit their proposals before the evaluation and decision-making process regarding mitigation proposals begins?”*

**Answer by the Department of Housing:**

The Department of Housing appreciates your comment regarding this 5th Amendment to the CDBG-DR Action Plan (substantial). Activities focusing on mitigation are carried out under the CDBG-MIT Action Plan. PRDOH acknowledges that recovery and mitigation efforts are complex. As a result, the basis to learn about the needs of the communities is provided under the Whole Community Resilience Planning Program, the Municipal Recovery Planning Program, and the state and local mitigation plan updates. Furthermore, there are many different resources by which federal agencies may provide technical support to our communities. For more information regarding the Mitigation Action Plan, click on the following link: <https://cdbg-dr.pr.gov/cdbg-mit/>.

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Comment ID: 09/22/20\_WP\_PS\_Hospitales HIMA-San Pablo\_Armando J. Rodriguez Benitez(1)

**Comment:** *“Public Comments*

*5th Amendment to the Action Plan (Substantial)*

*The CDBG-DR Action Plan acknowledges that only a small group of hospitals in Puerto Rico was able to operate during the first phase of the Irma and Maria emergencies. A big part of the hospitals that continued operating were private hospitals. In fact, the health model in Puerto Rico substantially depends on private hospitals, and a considerable part of the latter are for profit, which are an important part in the offering of specialized and subspecialized services; in addition to generating thousands of jobs for the Puerto Rican economy.*

*The first half of the CDBG-DR Action Plan recognizes the need for programs dealing with the recovery and improvement of the hospital system. The document states that hospital services play a primary role in the prevention of major damage and the development of the economy and quality of life of communities. Currently in Puerto Rico there are only a*

quarter of the number of beds in intensive care units than there are in the United States per person. There are not enough specialized beds, whereas the population is showing an increase in the probability of suffering coronary illnesses, myocardial infarction, asthma, hypertension, among other conditions.

As a result, we believe that the CDBG-DR Action Plan must include specific assignments for the purpose of benefitting and improving the quality of life in communities, providing health services, improving specialized units, and developing hospital emergency rooms.

For this, we propose the following:

The language proposed in the Non-Federal Match Program makes reference to the "improvement and protection of health." Even though the language is not specific and conclusive, it could be argued that for-profit hospitals could submit proposals promoting the creation of jobs, and improvements, renovations and expansion of medical treatment facilities meeting the needs of Puerto Ricans before, during and after disasters. However, there are two concerns with regards to this program. First, the Plan limits the assignment of funds to entities having some kind of agreement with FEMA or another federal agency acting as the primary source of funds. In general, for-profit hospitals do not receive aid from FEMA; therefore, they do not have funds to be matched. This limits the capacity of private for-profit hospitals to meet the needs related to recovery and improvement of the hospital system. Second, the plan acknowledges that it has a limited amount of funds which force the PRDOH to prioritize the focus of the program, leaving for-profit hospitals out of the program.

The Economic Development Investment Portfolio Program offers an opportunity to assist in the development, renovation and expansion of hospitals damaged by hurricanes. Given the nature of the hospital industry in Puerto Rico, the PRDOH should provide fund assistance following the national Program guidelines. To meet the needs identified, the PRDOH should assign a higher amount of funds for proposals that are considered key promoters aimed at benefitting and improving the quality of life in communities, providing health services, improving specialized units, and developing hospital emergency rooms.

Lastly, and as a confirmation of the extent of the need for programs for the recovery and improvement of the hospital system. HIMA•San Pablo Hospitals play a primary role in the prevention of major damage and development of the economy and quality of life in communities during future emergencies. Specifically, and as a direct result of the damages caused by hurricanes Irma and María, the Puerto Rico Department of Health began to develop an emergency response plan known as "HUB or Spoke Regional Plans." The Plan is a joint plan whose purpose is to establish a coordinated procedure for administering resources for health systems in Puerto Rico. HIMA•San Pablo Hospitals participate in the plan as HUB centers in five of the regions (Caguas, Bayamón, San Juan, Humacao, Fajardo). The emergency plan expectations include:

- o Preparing and improving the interregional integration of providers of
- o medical attention throughout mitigation exercises and planning activities;



- o *promoting communication and coordination strategies for medical attention services during responses to incidents between regional and state partners;*
- o *providing a mechanism for sanitation assistance; and*
- o *establishing procedures for prioritizing the assignment of resources that will be used during a medical increase related to a public health emergency.*

*For the above, it is important to acknowledge the need to improve the hospital system of each region. This requires the assignment of funds to benefit and improve the quality of life in communities, provide health services, improve specialized units, and develop the emergency rooms of participating hospitals. According to the assessments, studies, and cost estimates for developing the infrastructure of the 5 HIMA•San Pablo hospitals, an investment of approximately \$250,000,000.00 is required.*

*This investment will make it possible to increase the capacity and quality of hospital services incorporating all of the resilience elements that are necessary to deal with natural disasters which the current structures are not able to deal with. In addition, the investment will allow low and moderate income community patients, needing hospitalization, to use facilities with higher safety and service standards before, during and after an emergency.*

*Respectfully submitted,*

*Mr. Armando J. Rodríguez Benítez, Esq., MHA*

*President/CEO*

*HIMA•San Pablo Group”*

**Answer by the Department of Housing:**

The Department of Housing believes that rebuilding the health sector is fundamental for the recovery of Puerto Rico. However, for-profit entities are not among the eligible entities under the Non-Federal Match Program. The CDBG-MIT action plan includes programs related to the health sector. You may access the mitigation Action Plan in the following link: <https://cdbg-dr.pr.gov/cdbg-mit/>. The Economic Development Investment Portfolio for Growth Program will most likely include the amount of \$200 million dollars from the program budget for key infrastructure pilot projects that are considered key factors for economic recovery and which comply with program requirements. We urge you to keep an eye out for the publication of the program guidelines which, once completed, will be published in the following link: <https://cdbg-dr.pr.gov/download/programa-de-cartera-de-inversion-en-desarrollo-economico-para-el-crecimiento/>.

**Comment:** *"Good morning,*

*Access number 5BA82E*

*I'm interested in the homebuyer assistance program. I believe I comply with the requirements. I respectfully request taking the required course.*

*Cordially,*

*Julisa A. Corchado Juarbe*

*787-590-4185"*

**Answer by the Department of Housing:**

We appreciate your interest in the Homebuyer Assistance Program under the CDBG-DR funds. The courses provided under the Housing Counseling Program that are required for Homebuyer Assistance Program participants are free. To take these courses and obtain more information, please follow the following link: <https://www.cdbg-dr.pr.gov/asesoria-de-vivienda/>.

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Comment ID: 09/24/20\_WP\_I\_Glorivee cruz Trinidad\_Glorivee Cruz Trinidad(1)

**Comment:** *"I'm homeless; I'm sleeping in a car."*

**Answer by the Department of Housing:**

At the Department of Housing, we are sorry for your situation. The Puerto Rico CDBG-DR program portfolio includes the Social Housing Program. The purpose of the Program is to provide financing to non-profit organizations committed to providing Social Housing and working with vulnerable populations to ensure access to housing to persons with a wide range of socioeconomic, physical, and emotional impediments, among others. The Program seeks to expand existing housing to increase the number of vulnerable people served and/or restore existing housing to decent, safe and sanitary conditions, in accordance with all applicable building codes, health and safety rules in areas affected by disasters. For more information about the Program, please access the following link: <https://cdbg-dr.pr.gov/programade-vivienda-de-interes-social>.

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Comment ID: 09/25/20\_WP\_I\_Enrique Hernández Álvarez(1)

**Comment:** *"Income limits should be the same used for the Federal stimulus: \$75,000 for individuals and \$150,000 for a couple filling tax together for a family of 6. Example in our case, we are six and one of our son is a cancer [sic] patient. Thus, our gross during the year is impacted for medical expenses. Also the funds should be allowed to refinance actual mortgage to help us to down the monthly payment."*

## PRDOH Response:

Thank you for your interest in the CDBG-DR Programs. PRDOH has designed the Mortgage Buydown for Critical Recovery Workforce who are existing homeowners under the Homebuyer Assistance Program (HBA). Although this option has been included in the currently approved Action Plan, this portion of the HBA program can only become operational upon further confirmation from HUD of the eligible activity. PRDOH is coordinating with HUD to achieve this; which may include a waiver request. This program income-limits are established by HUD. Applicants may qualify as low-to-moderate-income (LMI) which is below 80% Area Median Family Income (AMFI) or qualify under Urgent Need which is below 120% AMFI. PRDOH encourages everyone interested on the HBA program to visit this program's website by following this link: <https://cdbg-dr.pr.gov/en/homebuyer-assistance-program/>

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Comment ID: 09/28/20\_E\_I\_AI Rizek(1)

**Comment:** "CDBG-DR 5<sup>th</sup> Substantial Amendment to the Plan Comments 9-25-2020

1) Pg 151 Housing Programs – Program accomplishments "Reconstruct Housing to a higher resilience standard":

*The methodology; or methodologies to determine Cost Reasonableness should be defined per Program; and we recommend that for the R3 Relocation Vouchers Program specific instructions be provided to the Appraisers, Appraiser Reviewers or Appraisers Committee per the R3 Guidelines published on 7-15-2020 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.*

*Please refer to attached Table 1 for a comparison of the estimated costs of an additional \$43,059 to comply.*

*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.*

2) Pg. 128 Method of Distribution -*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 landslide zones in a humane way respecting the beneficiaries' social interaction, culture and history.*

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.

- 3) Pg. 131 Certified Development Roster – Per the Puerto Rico Builders Association communication dated July 23, 2020 (copy attached) the Certified Development Roster requirement has been eliminated.
- 4) Pg. 131 Housing Counselors – How Can PRDOH provide a list of the Housing Counselors and their geographic areas and contact information?
- 5) Pg. 130 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, Appraiser Reviewers and the Appraisers Committee by PRDOH to the 3 alternatives:

- Existing Units
- Financial Institutions
- Real Estate Developments

for valuation; including, but not limited to requiring replacement cost valuations considering the factors of complying with the Puerto Rico 2018 Building Code and energy and water resilient features from Table 1 attached; as well as comparable sales per our comments to the CDBG-DR R3 Program Guidelines comments dated August 28-2020 (copy attached).

- 6) Pg. 132 “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.

Who will be responsible for submitting the application under this program: the Beneficiary, the Contractor or the Developer?

- 7) Pg. 134 Title Clearance Program Eligibility -“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 or high risk areas; unless necessary for the applicant to receive benefits from other programs within the CDBG-DR Housing Portfolio.*

*This is confusing. Is an exception going to be made for the R3 Relocation Voucher program? This should be clarified.*

*8) Pg. 157 Commercial and Construction Loan – Eliminated the program and reallocated the funds to:*

- Economic Development for Growth Program – By definition this program is for projects that demonstrate a significant economic development impact by its criteria.*
- Small Business Finance Program – Businesses in the real estate field have been equally affected by hurricane María as in other industries. The Economic Development Bank has determined that Real Estate activity is ineligible for this program in its underwriting criteria.*

*Local Developers, Contractors and Investors have no real source of financing to participate and provide housing inventory to the R3 Relocation program.*

*We suggest that the PRDOH eliminate this restriction so that applicants engaged in the Real Estate industry can be eligible for application evaluation.*

*A \$1,000,000 Loan/Grant (as was originally conceived in the substantial amendments to the Action Plan up to its 4<sup>th</sup> amendment) can represent to a Developer/Contractor/Investor the ability to build up to 32 housing units a year (at \$122,500 total cost projection and \$150,000 sales price for a 3/2 unit) once the Site work is completed utilizing advanced pre-cast concrete construction technologies.*

*Please refer to Table 2 attached for the economic impact in 10 years of:*

*Taxes - \$12,659,952 or \$1,265,995 per year*

*Jobs Creation – 806 or 81 per year*

*Utilizing the Puerto Rico Planning Board parameters.*

*Besides providing local Developers/Contractors/Investors with the financial capability to contribute to the Housing recovery programs; the \$1,000,000 revolving loan is more than justified in its economic impact and jobs creation.*

*A \$1,000,000 CCRL loan has the potential of building 320 housing units in 10 years!*

*With the original \$100 million dollars allocated to the CCRL program a minimum of 100 such loans can be “Invested” to stimulate local economic development*

*We respectfully suggest that the Commercial Construction Revolving Loan Program remain as it was originally conceived up the 3rd substantial amendment to the action plan.*

- 9) *Pg. 171 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 between \$20,000,000 to \$50,000,000 so that more than one (1) project can receive the benefits of this program.”*

**PRDOH Response:**

PRDOH appreciates your time dedicated to evaluating and providing recommendations for this Action Plan. The R3 Program does not give instructions to appraisers, appraiser reviewers, or appraisers committee to assign value to the properties. Appraisers exercise their independent judgment based on the best practices of their profession and Fair Market Value is determined by the market, through the appraisal process. For the relocation award regional cap, it may be revised when necessary to not limit housing choice, and market reasonable means that it is dependent on the cost reasonableness of the specific area.

This Action Plan Amendment 5 (Substantial) eliminates the PRDOH-certified property roster for the R3 Program, instead, relocation applicants must select an existing home located in Puerto Rico outside of a high-risk area and which meet Housing Quality Standards (HQS), and pass applicable environmental clearance and permit requirements.

The subrecipient distribution model is not considered at this time for the R3 Program. A list of the Housing Counseling Agencies, their geographic areas and contact information, may be found in the following link: <https://www.cdbg-dr.pr.gov/en/housing-counseling/>. Title Clearance Program clarifies that title services will be provided for applicant properties located in the floodplain, floodway, or landslide risk area when necessary for the applicant to receive benefits from other Programs within the PRDOH CDBG-DR Housing Portfolio, including relocation applicants under the R3 Program.

Upon much consideration, PRDOH decided to eliminate the Construction and Commercial Revolving Loan (CCRL) Program and to reallocate funds into Workforce Training Program and Small Business Incubators and Accelerator Program. PRDOH has been able to procure Construction Managers with enough capacity to quickly undertake construction activities for disaster recovery sooner than waiting for full implementation of the CCRL program. Assistance to businesses is then focused in these two streams of funding: grants through Small Business Financing Program and loans through Economic Development Investment Portfolio for Growth (IPG) Program. This Program max award will be determined upon evaluation of projects presented. Detailed information for the IPG Program will be included in the Program Guidelines, which will be published, when available, in the following website: <https://www.cdbg->

Comment ID: 09/28/20\_E\_PS\_Arch Real Estate\_Kim Fernandez(1)

**Comment:** "Greetings,

*I'm writing in relation to a doubt regarding certain public comments submitted to CDBG-DR action plan amendment number 4. I'm specifically referring to the comment made by Paul Saint-Pierre*

*"Comment ID: 2020-05-29\_E\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)" page 100 of the public comments and responses."*

*Maybe we don't know the most efficient or correct way of submitting or formatting our letters with comments or maybe you can provide better guidelines in order to be able to submit our future comments to the 5th amendment in a manner more convenient for CDBG since we know that you must be very occupied. Even though we appreciate the work and time that you have dedicated to Puerto Rico, we are under the impression that the comment with suggestions was not understood given the received response. Said comment was submitted after studies and analysis for the purpose of adding value and further enhancing the action plan and the problems that it is trying to solve. Arch has vast experience in capital markets, finances, engineering and construction developments. We understand the different code requirements and/or development issues. So if we compare a program such as R3 which is exponentially more complex in relation to the suggested options it's a bit difficult to understand the response if we are considering swift, effective, safe and high-quality solutions for Puerto Rico.*

*In short, my sincere concern is seeing that amendment number 5 is actively receiving public comments whereas the comment submitted by Arch was not studied or at the very least considered a bit to completely understand the suggestion regarding value added to the action plan. We may conclude that our comment was not studied based on the response we received which does not discuss or make reference to anything in particular and is more of a warning to the effect that properties must comply with codes, which, as a development company, we are aware of and know quite well.*

*I would like to discuss what is the protocol for internal analysis of these comments. And whether maybe our comment went a bit unnoticed as a result of Covid that's been weighing us all down in an ocean of work and operational complications. You may contact me at this email and also at my cell phone at 305-240-9252.*

*Thank you for your time and attention."*

**Answer by the Department of Housing:**

Once again, at the Department of Housing we appreciate your interest and the interest of your company in the CDBG-DR program. The period for public



comments is very important to us since it allows us to consider the comments offered by interested parties such as non-profit entities, community-based organizations, the private sector, and the public in general, to improve the CDBG-DR program portfolio. A great number of comments is received during each period for public comments; however, the PRDOH places a great deal of importance on the process for consideration of all public comments, although regrettably not all comments and proposals can be adopted as offered.

The comment identified as *2020-05-29\_E\_PS\_Arch Real Estate Holdings\_Paul Saint-Pierre (1)* (pp. 98-100) made recommendations as to rehabilitating the vacant housing inventory in Puerto Rico. It also made recommendations regarding the Economic Development Investment Portfolio for Growth Program, which is currently in the program guidelines development phase, and so your suggestions are appreciated and will be considered during the process of designing the program guidelines, in relation to which you have been urged to keep an eye out for their publication on CDBG-DR's web page. As to the recommendations regarding vacant housing inventory, you were told that they will be considered, and you were provided with information regarding how the program currently deals with the vacant housing matter and relocation within the R3 Program. For more information regarding this matter, please find the R3 Program guidelines in the following link: <https://www.cdbg-dr.pr.gov/en/download/home-repair-reconstruction-or-relocation-program/>.

The Department of Housing affirms its commitment to listening to, reading and considering the comments from all interested parties, even though based on different reasons not all suggestions can be adopted in the Action Plan. Once again, we thank you for your interest in Puerto Rico's recovery. It is this commitment by the private sector and other entities which leads to an effective recovery.

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Comment ID: 09/29/20\_WP\_I\_Liz Colón(1)

**Comment:** *"Many banks are saying that they do not have available funds for the aid to buy a first home. I've been looking for information that would clarify my doubts and I'm not finding the answer anywhere."*

**Answer by the Department of Housing:**

The Department of Housing (PRDOH) appreciates your interest in the Homebuyer Assistance Program (HBA). All of the information related to the HBA Program, as well as the most updated list of participating financial institutions, are found in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>. At the PRDOH we maintain the effort to continue adding to the list of participating financial institutions. In order to be able to offer you direct guidance regarding this Program, please send us your contact information by email to [hba-info@afv.pr.gov](mailto:hba-info@afv.pr.gov). At PRDOH we affirm our commitment to providing



you with all the necessary information to be able to benefit from this assistance under the CDBG-DR funds.

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Comment ID: 09/30/20\_WP\_GE\_Municipio de Mayagüez\_Alfred Kenneth Soto Soto(1)

**Comment:** *"We would appreciate if you would contemplate the loans and donations activity to perform housing projects in urban centers. This activity is indispensable for the revitalization of the city."*

**Answer by the Department of Housing:**

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We appreciate your comment to this 5th amendment to the CDBG-DR Action Plan. The Department of Housing has launched the City Revitalization Program. This Program has a budget of \$1,298 million to provide assistance to the seventy-eight (78) municipalities and other eligible organizations to carry out different recovery activities for the purpose of revitalizing urban centers and key community belts. These projects will promote reurbanization, ecological rehabilitation and restoration of natural resources, and will incentivize more private investments in restored urban areas.

In addition to the City Revitalization Program, the CDBG-DR program portfolio includes the Social Housing Program and the CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC). The Social Housing Program has the purpose of providing financing to non-profit organizations committed to providing Social Housing and working with vulnerable populations to ensure access to housing to persons with a wide range of socioeconomic, physical, and emotional impediments, among others. In addition, the LIHTC Program seeks to promote building and/or rehabilitation of multifamily and/or elderly affordable rental housing, by providing gap financing to increase other public and/or private funds for affordable rental housing units under the LIHTC Program administered by the Housing Financing Authority. These programs for the development of housing projects are not geographically limited; therefore, they could benefit urban centers. You may obtain more detailed information regarding these programs in the programs section at the following address: [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov)

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Comment ID: 10/01/20\_WP\_I\_Christa von Hillebrandt-Andrade, Scientist(1)

**Comment:** *"In order to transform Puerto Rico into a healthy, safe, productive, resilient and sustainable society and environment which supports life and livelihoods, we need to begin to co-design our future. It is time to transform the way we plan for our future. Citizens need to be involved from day one in designing that future, in the end we and our children and grandchildren will be paying the price. Who knows better what they need? Citizens together with Scientists, Engineers, Policy Makers, Health Sector,*

*Financiers, Entrepreneurs, NGOs and others will be able to come up with much better solutions than any one of these sectors on its own.... The Puerto Rico by Design Program promises to be that transformative approach and will give back our hope for a better future. DO NOT ELIMINATE THIS VITAL PROGRAM. Do not approve Draft Amendment 5 of the CDBG-DR Action Plan of the PR Department of Housing and the CDBG-DR Program. We need to STOP making decisions thinking of the short term benefits which benefit the few. PLEASE!!!"*

**PRDOH Response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/01/20\_WP\_NGO\_Centro Deambulantes Cristo Pobre, Inc.\_Juan de Dios Videau Soler(1)

**Comment:** *"Our Institution, based on the eligibility regulations under the Social Housing Development Program, stating that more than one proposal could be submitted for a maximum budget of \$ 2,5000.000, for which we submitted three (3) proposals to develop housing for the homeless in the municipality of Ponce; 1) Permanent Housing Project consisting of 15 apartments for a cost of 4 2,486,326, 2) Permanent Housing Project consisting of 16 apartments for a cost of \$ 2,489.320, and 3) Permanent Housing Project consisting of 15 apartments for a cost of \$ 2,461,174,. Our organization is the only entity offering direct services to the homeless population in Ponce and part of the South area of Puerto Rico. We sent the proposals as part of our general proposal, although we did not consolidate them, the idea is to directly guarantee housing to 46 people. However the population impacted by our Organization amounts to 120 individuals and we serve the 54 municipalities in the geographic area of CoC PR 503. We recognize that our Institution does not have the financial resources to submit to the expense reimbursement process, a situation which puts us at a disadvantage with respect to other entities having good financial backing. Our municipality and the CoC geographic area has a real need stemming from the effects of Hurricane Maria, our Organization is committed to the population that we serve and to the policy of applying the "Housing First" concept. If we are awarded the funds for development of some of the submitted projects, we are willing to be monitored and supervised by the Department of Housing for the purpose of using the assigned funds by applying the policy of the latter being eligible, necessary and*

*reasonable the expenses [sic], we are at your disposal, thank you for mentioning us as an Institution interested in the 5th Amendment to the Action Plan"*

**Answer by the Department of Housing:**

The Department of Housing appreciates your entity's interest in the Social Housing Program (SIH). As part of the fiscal controls established by the PRDOH for implementing the CDBG-DR programs, entities participating as subrecipients of these federal funds are subject to monitoring by the PRDOH, as well as by the HUD. As an additional fiscal control method, the SIH Program operates by reimbursement. Entities who are awarded the grant must send invoices to be reimbursed for all eligible expenses, as supported by the necessary documentation. Requesting entities do not need to have available funds for the total financed amount. Detailed information regarding this matter will be provided to the entities to which the grant is awarded. At the PRDOH we appreciate the work your entity is doing for vulnerable populations and your interest in this program.

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Comment ID: 10/01/20\_WP\_I\_Ana Rivera(1)

**Comment:** *"Please take into consideration "informally" constructed structures in the R3 program since the only thing being offered is a complete reconstruction of the home by demolishing with so much sacrifice made the complete structure [sic].*

*Not every "informally" constructed structure is unsafe. Many people built safely and weren't able to finish they requested assistance under R3 and were not considered.*

*Either one demolishes or if not relocated being a safe location [sic].*

*You should provide assistance to the people in this situation substantial assistance where their home is deteriorated as a result of the hurricane should be reconstructed even if it's wood. That option is not given.*

*Substantial assistance to those who built ""informally""""""*

**Answer by the Department of Housing:**

Thank you for your comments. The informal construction consideration to which your comment makes reference is related to the reconstruction of property damaged by hurricanes that has been initiated by the requesting party before the intervention of the program. When said reconstruction before the intervention of the program has been done without construction plans designed and approved by engineers, local jurisdiction, applicable permits, or progress inspections, it is known as informal construction. The absence of this necessary documentation for construction could result in construction that is less safe than construction that has followed construction codes and applicable zone and use regulations.

Furthermore, informal home construction does not comply with the documentation required to guarantee that the completed work complies with the applicable federal, state and local construction codes; therefore, the Program is unable to guarantee that a property partially built in an informal manner will comply with the CDBG-DR fund requirements under the R3 Program or that the home will be safe for occupancy. Furthermore, it is possible that the Program might not be able to obtain a certificate of occupancy, property registration and restrictive conditions registration, if necessary.

Eligible participants where the work initiated by the latter was done informally will receive a location reconstruction determination or a relocation determination, depending on whether or not the home is located within or outside of the alluvial plain. For more information regarding the R3 Program, please click on the following link: <https://cdbg-dr.pr.gov/download/programa-de-reparacion-reconstruccion-o-reubicacion/>.

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Comment ID: 10/02/20\_WP\_I\_Celimar(1)

**Comment:** *"I bought a home and the person working on my case did not request the aid telling me that it would take too long and that supposedly my home cost too little [to] request the aid that if I requested it it would be a personal loan not a mortgage loan and they practically forced me to do the closing"*

**Answer by the Department of Housing:**

The Homebuyer Assistance Program (HBA) has the purpose of eliminating the financial barriers to become a homeowner, by reducing the costs related to purchasing a home and allowing families that meet the requirements to buy a property that would provide them with a stable residence resulting in the strengthening of families, the neighborhood and the community. The CDBG-DR funds for this Program are currently available; they are disbursed at the time of closing of the sale. We would like to know which financial institution provided you with that information in order to make sure that all parties have the most correct and updated information. You may contact us via emails [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov) and [hba-info@afv.pr.gov](mailto:hba-info@afv.pr.gov) or by dialing 1-833-234-2324; TTY 787-522-5950, or by regular mail at the following address: CDBG-DR Puerto Rico Program PO Box 21365 San Juan PR 00928-1365. All of the program information, including details regarding assistance, eligibility criteria, as well as a list of participating financial institutions, is found in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>. At PRDOH we affirm our commitment to providing citizens with all the necessary information to be able to benefit from this assistance under the CDBG-DR funds.

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Comment ID: 10/02/20\_WP\_I\_Ana rivera(1)

**Comment:** *"rivera*

*Comment Please take into consideration "informally" constructed structures in the R3 program since the only thing being offered is a complete reconstruction of the home by demolishing with so much sacrifice made the complete structure [sic].*

*Not every "informally" constructed structure is unsafe. Many people built safely and weren't able to finish they requested assistance under R3 and were not considered.*

*Either one demolishes or if not relocated being a safe location [sic].*

*You should provide assistance to the people in this situation substantial assistance where their home is deteriorated as a result of the hurricane should be reconstructed even if it's wood. That option is not given.*

*Substantial assistance to those who built ""informally""*

*Homes still with the blue fema tarp."*

**Answer by the Department of Housing:**

Thank you for your comments. The informal construction consideration to which your comment makes reference is related to the reconstruction of property damaged by hurricanes that has been initiated by the requesting party before the intervention of the program. When said reconstruction before the intervention of the program has been done without construction plans designed and approved by engineers, local jurisdiction, applicable permits, or progress inspections, it is known as informal construction. The absence of this necessary documentation for construction could result in construction that is less safe than construction that has followed construction codes and applicable zone and use regulations.

Furthermore, informal home construction does not comply with the documentation required to guarantee that the completed work complies with the applicable federal, state and local construction codes; therefore, the Program is unable to guarantee that a property partially built in an informal manner will comply with the CDBG-DR fund requirements under the R3 Program or that the home will be safe for occupancy. Furthermore, it is possible that the Program might not be able to obtain a certificate of occupancy, property registration and restrictive conditions registration, if necessary.

Eligible participants where the work initiated by the latter was done informally will receive a location reconstruction determination or a relocation determination, depending on whether or not the home is located within or outside of the alluvial plain. For more information regarding the R3 Program, please click on the following link: <https://cdbg-dr.pr.gov/download/programa-de-reparacion-reconstruccion-o-reubicacion/>.

Comment ID: 10/04/20\_WP\_I\_Edgaro Martinez Maldonado(1)

**Comment:** *"Greetings; I'm an emergency first responder. (EMT-RESCUE). I've had a mortgaged residence for a few years. Would an incentive be possible for those of us who already have a mortgage. Since we do not qualify for the aid offered as of this moment.*

*It would be a great help.*

*For responders who work at both the state and municipal level.*

*Thank you in advance."*

**Answer by the Department of Housing:**

Thank you for your interest in the CDBG-DR Programs. The Department of Housing has designed the Subsidized Mortgage component for Key Recovery Personnel who are currently Homeowners under the Homebuyer Assistance Program (HBA). Even though this component has been included in the current Action Plan and in this 5th Amendment to the Action Plan, it can only be implemented following confirmation by the HUD that it is an eligible activity. The PRDOH is coordinating it with the HUD to make this activity eligible and be able to implement it, which could require a request for dispensation. We urge you to keep looking at the CDBG-DR Program page and, specifically, the HBA Program web page, to learn about other updates in relation to this matter, in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>.

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Comment ID: 10/04/20\_WP\_GE\_Cuerpo de bomberos\_Adrian padilla gonzalez(1)

**Comment:** *"We would like to be included in the funds for assistance for homes for those of us who already have a property and are first responders."*

**Answer by the Department of Housing:**

Thank you for your comment to this 5th Amendment to the Action Plan. The Department of Housing has designed the Subsidized Mortgage component for Key Recovery Personnel who are currently Homeowners under the Homebuyer Assistance Program (HBA). Even though this component has been included in the current Action Plan and in this 5th Amendment to the Action Plan, it can only be implemented following confirmation by the HUD that it is an eligible activity. The PRDOH is coordinating it with the HUD to make this activity eligible and be able to implement it, which could require a request for dispensation. We urge you to keep looking at the CDBG-DR Program page and, specifically, the HBA Program web page, to learn about other updates in relation to this matter, in the following link: <https://cdbg-dr.pr.gov/programa-de-asistencia-directa-al-comprador/>.

Comment ID: 10/06/20\_WP\_I\_Elizabeth Castrodad(1)

**Comment:** *"To participate in the seminar."*

**Answer by the Department of Housing:**

Thank you for your interest in the CDBG-DR Program. Regrettably, your comment does not provide us with enough information to be able to give an adequate response. If you are referring to the Housing Counseling Program, this program provides individual or group courses through the Housing Counseling Agencies approved by the HUD. This program provides free services to the residents of the 78 municipalities of Puerto Rico. For more information on how to apply under the program and regarding the different educational opportunities it provides, please click on the following link: <https://cdbg-dr.pr.gov/asesoria-de-vivienda/>

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Comment ID: 10/07/20\_E\_I\_Carmen Rios Arroyo(1)

**Comment:** *"The 5th Amendment releases the Department of Housing from several programs, which will continue in effect, but not under that Department; the purpose is for the PRDOH to administer the assigned funds to exclusively address needs related to planning and construction."*

*Please clarify what government agency will be in charge of the programs that will no longer be under the PRDOH."*

**Answer by the Department of Housing:**

Under this 5th Amendment to the Action Plan (Substantial), the Department of Housing is still responsible for administering all of the programs subsidized with CDBG-DR funds. Furthermore, some programs are implemented by the PRDOH, whereas other programs are implemented by a subrecipient. Programs implemented by a subrecipient state so in the program description in the Action Plan. It should be noted that all programs remain under the PRDOH, since the PRDOH is the entity responsible for the performance of subrecipients and their compliance with the applicable regulations. For more detailed information regarding the distribution methods, please go to the Distribution Methods section under this Action Plan. All subrecipients are listed in the program page in the following link: <https://cdbg-dr.pr.gov/>

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Comment ID: 10/08/20\_WP\_I\_Tyler Silvestro(1)

**Comment:** *Re: Keeping the Puerto Rico By Design Program in the Disaster Recovery Action Plan*

*Dear Sir or Madam:*

*I believe that the future of our communities most likely to be impacted by natural disasters need a holistic and collaborative approach to policy, design, and research. Puerto Rico by Design, much like the highly celebrated, Rebuild by Design in the wake of Hurricane Sandy, will be that approach. By corraling the technical expertise, policy voices, design talent, and sociological awareness of the Island of Puerto Rico, this design program will create a vision and pathway to building a more resilient future for the Island. Therefore, I, Tyler Silvestro, am writing in opposition to the exclusion of the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and ask for reconsideration of this important program.*

*Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future. We share the goal of moving quickly to build back Puerto Rico from Maria, and to protect against future storms. That is why we want to launch this program as soon as possible.*

*We were very happy to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and looked forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches to flood infrastructure. There are many elements in the Rebuild by Design Program that would benefit Puerto Rico:*

- High adaptability to meet environmental, social and economic needs , timelines and goals.*
- Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have co-benefits.*
- Working with communities and local governments before projects are designed ensures that the end product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.*
- A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.*
- Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.*



*The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste.*

*Sincerely,*

*B. Tyler Silvestro, PLA, ALSA*

*Partner – Landscape Architect*

*Marvel Architects, PLLC.”*

**PRDOH’S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_I\_Jazmin Diaz(1)

**Comment:** *“The reconstruction of Puerto Rico needs an interdisciplinary approach, I oppose to the elimination of the Design Team”*

**PRDOH’S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_I\_Zeyi Jiang(1)

**Comment:** *“Re: Keeping the Puerto Rico By Design Program in the Disaster Recovery Action Plan*

Dear Sir or Madam:

I am writing to voice Marvel Architects', an architecture firm located in New York and San Juan, opposition to the exclusion of the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and ask for reconsideration of this important program. We think this program would help local designers like us to make efforts on building up our community a more sustainable future.

Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future. We share the goal of moving quickly to build back Puerto Rico from Maria, and to protect against future storms. That is why we want to launch this program as soon as possible.

We were very happy to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and looked forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches to flood infrastructure. There are many elements in the Rebuild by Design Program that would benefit Puerto Rico:

- High adaptability to meet environmental, social and economic needs , timelines and goals.
- Include extensive community and local government engagements speeding up processes and acceptance of projects from the start. Additionally, it generates better designs and ultimately provides critical local support and legitimacy for building the projects.
- Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have co-benefits.
- Working with communities and local governments before projects are designed ensures that the end product is responsive to the communities' various needs and the infrastructure will be built with their support.
- The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.
- A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.
- Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also

*providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.*

*The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste.*

*Sincerely,*

*Zeyi"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_PS\_Abruña & Musgrave, Arquitectos\_Fernando Abruña(1)

**Comment:** "October 8, 2020

*Re: Keeping the Puerto Rico By Design Program in the Disaster Recovery Action Plan*

*For: Department of Housing, PR:*

*From: Dr. Fernando Abruña, FAIA*

*I am writing on behalf of Abruña & Musgrave, Arquitectos to voice our opposition to the exclusion of the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and ask for reconsideration of this important program. Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future. We share the goal of moving quickly*

*to build back Puerto Rico from Maria, and to protect against future storms. That is why we want to launch this program as soon as possible.*

*We were very happy to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and looked forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to*

create new approaches to flood infrastructure. There are many elements in the Rebuild by Design Program that would benefit Puerto Rico:

- High adaptability to meet environmental, social and economic needs , timelines and goals.
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- Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have cobenefits.
- Working with communities and local governments before projects are designed ensures that the end product is responsive to the communities' various needs and the infrastructure will be built with their support.
- The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.
- A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.
- Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.

The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste.

Sustainably Yours,

Dr. Fernando Abruña, FAIA

Abruña & Musgrave, Arquitectos

[abrumus@gmail.com](mailto:abrumus@gmail.com)

[www.abrunaandmusgrave.com](http://www.abrunaandmusgrave.com)"

#### **PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional

funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_I\_Hector Velez(1)

**Comment:** "October 8, 2020

*Puerto Rico Department of Housing*

*CDBG-DR program*

*Re: Keeping the Puerto Rico By Design Program in the CDBG-DR Action Plan*

*To whom it may concern:*

*I am writing to urge the Puerto Rico Department of Housing and CDBG-DR program to keep the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and hereby ask for reconsideration of this important program.*

*Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future.*

*One lesson experts, officials and communities drew from the impacts of Hurricane Maria is that it would not be enough to simply repair damage or just follow traditional engineering technics/projects that could not withstand events like Maria which are becoming more and more frequent; it is imperative to rebuild with a holistic and innovative approach with an eye to a climate-changed future.*

*The inclusion of the Puerto Rico by Design in Puerto Rico's Action Plan for the CDBG-DR two years ago was a step in the right direction. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches to flood infrastructure, economic development, and in creating resilient communities. The federal government has realized that even the best sustainability plans historically haven't been thinking comprehensively enough about the vulnerabilities cities, regions and islands face and has seen in the beforementioned models as a way to plan better in a more holistic and innovative fashion.*

*There are many elements in the Rebuild by Design Program that would benefit Puerto Rico:*

- High adaptability to meet environmental, social and economic needs , timelines and goals.*
- Include extensive community and local government engagements speeding up processes and acceptance of projects from the start. Additionally, it generates*

*better designs and ultimately provides critical local support and legitimacy for building the projects.*

- *Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have co-benefits.*
- *Working with communities and local governments before projects are designed ensures that the end product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- *The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.*
- *A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.*
- *Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.*

*We share the goal of moving quickly to build back Puerto Rico from Maria in a more holistic approach to protect the archipelago from future disasters. That is why it is imperative that the Puerto Rico By Design program is kept in the 5th Amendment of the CDBG-DR Action Plan and have the program launch as soon as possible. Many residents of Puerto Rico, communities, local governments, among many other local stakeholders are looking forward to partnering with this initiative.*

*The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste.*

*Respectfully,*

*Hector Velez, Esq.*

*San Juan, Puerto Rico"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_NGO\_Mujeres de Islas\_Dulce del Rio-Pineda(1)

**Comment:** *"Re: Puerto Rico CBDG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*Re: Keeping the Puerto Rico By Design Program in the Disaster Recovery Action Plan*

*Dear Sir or Madam:*

*I am writing to voice Mujeres de Islas' opposition to the exclusion of the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and ask for reconsideration of this important program.*

*Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future. We share the goal of moving quickly to build back Puerto Rico from Maria, and to protect against future storms. That is why we want to launch this program as soon as possible.*

*We were very happy to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and looked forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches to flood infrastructure. There are many elements in the Rebuild by Design Program that would benefit Puerto Rico:*

- High adaptability to meet environmental, social and economic needs , timelines and goals.*
- Include extensive community and local government engagements speeding up processes and acceptance of projects from the start. Additionally, it generates better designs and ultimately provides critical local support and legitimacy for building the projects.*
- Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have co-benefits.*
- Working with communities and local governments before projects are designed ensures that the end product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.*
- A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.*

- *Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.*

*The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste.*

*Sincerely,*

*Dulce del Rio-Pineda*

*Organizational Coordinator*

*Mujeres de Islas*

*mujeresdeislas@gmail.com*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_PS\_HACEDOR:MAKER/Arquitectos\_Jose Fernando Vazquez(1)

**Comment:** *"October 8, 2020*

*Re: Puerto Rico CBDG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*I would like to voice our opposition to the elimination of the Puerto Rico By Design Program as proposed in the 5<sup>th</sup> Amendment to the Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan. Therefore, we ask for reconsideration of this important program.*

*Following the impact of Hurricanes Irma and María in 2017, as well as the January 2020 earthquake and its subsequent aftershocks that persist to this day, it is clear that we need to rebuild our archipelago in ways that are innovative, sustainable and will set us up for the future. We share the common goal of acting fast to rebuild Puerto Rico since María*



*and protect ourselves from future storms. That is why we want this program to start as soon as possible.*

*It was great to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and we have been looking forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches for managing floods and social challenges, among others. There are many elements of the Puerto Rico by Design program that can greatly benefit Puerto Rico:*

- High adaptability to meet environmental, social, and economic needs.*
- Includes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.*
- Implements interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should be focused on promoting comprehensive co-benefits.*
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- The use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.*
- A track-record of working with hundreds of local community and professional organizations. This program can ensure capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions.*
- Focusing on implementation and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.*
- Competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.*

*The CDBG-DR disaster recovery funds provide an opportunity to plan and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment, and which will ultimately help us rethink how our communities can respond to the natural challenges posed by*

*climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR action plan.*

*Sincerely,*

*José Fernando Vázquez Pérez, CAAPPR, AIA Lic. 17285"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/08/20\_WP\_NGO\_AIA Puerto Rico\_Eugenio Ramirez Ballagas(1)

**Comment:** *"October 8, 2020*

*Hon. Luis C. Fernández-Trinchet, Esq.*

*Secretary, Puerto Rico Department of Housing (PRDOH)*

*Re: Keeping the Puerto Rico By Design Program in the Disaster Recovery Action Plan*

*Dear Secretary,*

*I am writing to voice AIA Puerto Rico's opposition to the exclusion of the Puerto Rico by Design program in the Fifth Amendment CDBG-DR Action Plan and ask for reconsideration of this important program.*

*Hurricane Maria was a wakeup call to Puerto Rico. The subsequent earthquake and health challenges make it clear that we must rebuild our island in ways that are innovative, sustainable and will set us up for the future. We share the goal of moving quickly to build back Puerto Rico from Maria, and to protect against future storms. That is why we want to launch this program as soon as possible.*

*We were very happy to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and looked forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to*

create new approaches to flood infrastructure. There are many elements in the Rebuild by Design Program that would benefit Puerto Rico, amongst them:

- *High adaptability to meet environmental, social and economic needs, timelines and goals.*
- *Include extensive community and local government engagements speeding up processes and acceptance of projects from the start. Additionally, it generates better designs and ultimately provides critical local support and legitimacy for building the projects.*
- *Interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should have co-benefits.*
- *Working with communities and local governments before projects are designed ensures that the product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- *The use of the world's best practices and the most forward-thinking infrastructure solutions by the experts of the world with the input of communities and local government entities.*
- *A track-record of working with hundreds of community organizations and local professionals. This program can ensure that we build capacity locally by enabling local architects, engineers, and designers to build their practices in Puerto Rico at the same time as educating our communities about future risks and possible solutions.*
- *Focus on implementation and take a multi-benefit approach, meaning that project proposals are both realistic and protect against vulnerability while also providing benefits during non-disaster times such as addressing our health, water transportation, economic development, future, etc.*

*The CDBG-DR funds are an opportunity to finally re-think how our communities can respond to the shocks and stresses of climate change. We should not let this opportunity go to waste. For all the reason stated above we firmly believe and request that the program Puerto Rico by Design be reinstated in the Puerto Rico Action Plan.*

*Sincerely,*

*Arq. Eugenio Ramirez Ballagas, AIA*

*President - AIA Puerto Rico 2020"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match

Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_I\_Nianti Bird Ortiz(1)

**Comment:** *"Re: Puerto Rico CDBG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*Dear\_PRDOH:*

*I would like to voice our opposition to the elimination of the Puerto Rico By Design Program as proposed in the 5<sup>th</sup> Amendment to the Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan. Therefore, we ask for reconsideration of this important program.*

*Following the impact of Hurricanes Irma and María in 2017, as well as the January 2020 earthquake and its subsequent aftershocks that persist to this day, it is clear that we need to rebuild our archipelago in ways that are innovative, sustainable and will set us up for the future. We share the common goal of acting fast to rebuild Puerto Rico since María and protect ourselves from future storms. That is why we want this program to start as soon as possible.*

*It was great to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and we have been looking forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches for managing floods and social challenges, among others. There are many elements of the Puerto Rico by Design program that can greatly benefit Puerto Rico:*

- High adaptability to meet environmental, social, and economic needs.*
- Includes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.*
- Implements interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should be focused on promoting comprehensive co-benefits.*
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.*

- *The use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.*
- *A track-record of working with hundreds of local community and professional organizations. This program can ensure capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions.*
- *Focusing on implementation and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.*
- *Competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.*

*The CDBG-DR disaster recovery funds provide an opportunity to plan and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment, and which will ultimately help us rethink how our communities can respond to the natural challenges posed by climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR action plan.*

*Cordially,*

*Architect Nianti Bird Ortiz, CAAPPR"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_NGO\_Sociedad Puertorriqueña de Planificación\_Plan. Federico del Monte Garrido(1)

**Comment:** "October 9, 2020

Luis Carlos Fernández Trinchet, Esq.

Secretary

Puerto Rico Department of Housing

Re: Puerto Rico CDBG-DR-MIT Recovery Action Plan: Permanence of the Puerto Rico By Design Program

Dear Mr. Fernández:

The Puerto Rican Planning Society (SPP, for its Spanish acronym) is a nonprofit corporation founded on November 23, 1954 and registered under the laws of the Commonwealth of Puerto Rico since 1956. Its purpose is to promote the planning practice as a fundamental process in decision-making for the country's development and to strengthen the participation of planes in matters related to improving the Island's quality of life. To this end, it becomes necessary for the SPP to express its opinion regarding the document prepared by the Puerto Rico Department of Housing (PRDOH), which introduces the 5<sup>th</sup> Amendment to the Community Development Block Grant – Disaster Recovery Mitigation (CDBG-DR-MIT) Action Plan.

Generally speaking, the SPP urges PRDOH to consider the real possibility to identify and hire Puerto Rican professionals or corporations with the capacity to perform the work required to prepare documents such as the CDBG-MIR Action Plan. Puerto Rico has an extensive portfolio of experienced professionals to perform this type of work. The challenges posed by the devastation caused by Hurricanes Irma and María should serve as an opportunity for Puerto Rican professionals and companies lead the plans for Puerto Rico's recovery.

In specific terms, the SPP believes that PRDOH was right to include the Puerto Rico by Design program in the CDBG-DR-MIT Action Plan from the beginning. The program was backed by the success of its application in the aftermath of Hurricane Sandy in New York in 2008. In the case of the "Sandy Rebuild by Design Competition and National Disaster Resilience Competition", disaster recovery funds were used to promote new approaches to planning, designing, and building infrastructure projects, public spaces, and other facilities. This helped them manage floods, promote community engagement, develop planning strategies and participatory designs, and hire local planners to lead the process.

The SPP regards as inexplicable that the amendments to the CDBG-DR-MIT Action Plan eliminate the use of the Puerto Rico by Design program as a planning tool. This, after dozens of presentations where the staff hired by the PRDOH stated that this program would be used as a key tool in planning major interventions during the reconstruction process.

The SPP reminds PRDOH the reasons why the best planning practices recommend the implementation of programs such as the Puerto Rico By Design program:

- Offers high adaptability to meet environmental, social, and economic needs.

- Promotes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.
- Uses interdisciplinary approaches to ensure the development of better projects.
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.
- Promotes the use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.
- Develops a working history with hundreds of community organizations and local professionals.
- The program ensures capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions
- Considers project planning and design at the implementation stage and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.
- Promotes competition between planning and architectural firms, in addition to promoting economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.
- Leads to greater coordination with other planning programs for disaster recovery and natural hazard mitigation.

The CDBG-DR disaster recovery funds provide a great opportunity to plan, design, and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment. This will ultimately help us rethink how our cities and communities can respond to the natural challenges posed by climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR-MIT action plan.

Cordially,

Federico Del Monte Garrido, Planner

President

Puerto Rican Planning Society"

**PRDOH'S response:**

At PRDOH, we welcome your suggestions to this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan. After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_GE\_Universidad de Puerto Rico en Mayagüez\_Bianca Quiñones(1)

**Comment:** *"I agree with the increased funding for incubators and Accelerators and for Workforce Development under CDBG funds."*

**PRDOH'S response:**

At PRDOH we appreciate your comment to this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan. We are confident that these programs will benefit Puerto Rico's economic recovery following the disasters caused by Hurricanes Irma and María.

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Comment ID: 10/09/20\_WP\_I\_Camila Hernandez(1)

**Comment:** *"October 9, 2020*

*Re: Puerto Rico CBG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*I wish to express my opposition to the elimination of the Puerto Rico By Design Program as proposed in the 5<sup>th</sup> Amendment to the Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan. Therefore, we ask for reconsideration of this important program.*

*Following the impact of Hurricanes Irma and María in 2017, as well as the January 2020 earthquake and its subsequent aftershocks that persist to this day, it is clear that we need to rebuild our archipelago in ways that are innovative and sustainable and that will set us up for the future. We share the common goal of acting fast to rebuild Puerto Rico since María and protect ourselves from future storms. That is why we want this program to start as soon as possible.*



*It was great to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and we have been looking forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches for managing floods and social challenges, among others. There are many elements of the Puerto Rico by Design program that can greatly benefit Puerto Rico:*

- High adaptability to meet environmental, social, and economic needs.*
- Includes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.*
- Implements interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should be focused on promoting comprehensive co-benefits.*
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- The use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.*
- A track-record of working with hundreds of local community and professional organizations. This program can ensure capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions.*
- Focusing on implementation and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.*
- Competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.*

*The CDBG-DR disaster recovery funds provide an opportunity to plan and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment, and which will ultimately help us rethink how our communities can respond to the natural challenges posed by climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR action plan.*

Sincerely,

Camila G. Hernández-Rivera

AIT 22128"

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_GE\_University of PR at Mayagüez\_José Ivan Vega Torres(1)

**Comment:** *"Given the magnitude of damages to the SMEs and the economy in our judgement there is an urgent need to direct more resources to expand the entrepreneurial support ecosystem. These include incubators and accelerators particularly those hosted or associated to institutions of higher education with strong entrepreneurship curriculum. The Pandemic has made this need event more urgent."*

**PRDOH Response:**

Thank you for your suggestion. PRDOH has included in this Action Plan Amendment 5 (Substantial) a reallocation of \$50 Million dollars in additional funds to Small Business Incubators and Accelerators Program. This Program will provide grants to organizations and entities for the implementation of programming related to the incubation and acceleration of the island's small businesses. Eligible entities include institutions of higher education.

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Comment ID: 10/09/20\_WP\_I\_Fabiola G. Arroyo Ramírez(1)

**Comment:** *"October 9, 2020*

*Re: Puerto Rico CDBG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*To whom it may concern,*

*I would like to voice our opposition to the elimination of the Puerto Rico By Design Program as proposed in the 5<sup>th</sup> Amendment to the Community Development Block Grant*

– Disaster Recovery (CDBG-DR) Action Plan. Therefore, we ask for reconsideration of this important program.

Following the impact of Hurricanes Irma and María in 2017, as well as the January 2020 earthquake and its subsequent aftershocks that persist to this day, it is clear that we need to rebuild our archipelago in ways that are innovative, sustainable and will set us up for the future. We share the common goal of acting fast to rebuild Puerto Rico since María and protect ourselves from future storms. That is why we want this program to start as soon as possible.

It was great to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and we have been looking forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches for managing floods and social challenges, among others. There are many elements of the Puerto Rico by Design program that can greatly benefit Puerto Rico:

- High adaptability to meet environmental, social, and economic needs.
- Includes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.
- Implements interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should be focused on promoting comprehensive co-benefits.
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.
- The use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.
- A track-record of working with hundreds of local community and professional organizations. This program can ensure capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions.
- Focusing on implementation and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.

- *Competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.*

*The CDBG-DR disaster recovery funds provide an opportunity to plan and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment, and which will ultimately help us rethink how our communities can respond to the natural challenges posed by climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR action plan.*

*Sincerely,*

*Fabiola G. Arroyo-Ramírez"*

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_I\_David Acevedo Ramirez(1)

**Comment:** "October 9, 2020

*Re: Puerto Rico CDBG-DR Recovery Action Plan: Permanence of the Puerto Rico By Design Program*

*I would like to voice our opposition to the elimination of the Puerto Rico By Design Program as proposed in the 5<sup>th</sup> Amendment to the Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan. Therefore, we ask for reconsideration of this important program.*

*Following the impact of Hurricanes Irma and María in 2017, as well as the January 2020 earthquake and its subsequent aftershocks that persist to this day, it is clear that we need to rebuild our archipelago in ways that are innovative, sustainable and will set us up for the future. We share the common goal of acting fast to rebuild Puerto Rico since María and protect ourselves from future storms. That is why we want this program to start as soon as possible.*

*It was great to see the inclusion of Puerto Rico by Design in Puerto Rico's action plan two years ago and we have been looking forward to partnering with this initiative. The program was based on the success of the Hurricane Sandy Rebuild by Design Competition and National Disaster Resilience Competition, a model that used disaster recovery funds to create new approaches for managing floods and social challenges, among others. There are many elements of the Puerto Rico by Design program that can greatly benefit Puerto Rico:*

- High adaptability to meet environmental, social, and economic needs.*
- Includes broad community and local government engagement that speeds up processes and acceptance of projects from the beginning. As a result, it generates better designs and ultimately provides critical and legitimate local support for project building.*
- Implements interdisciplinary approaches to ensure that we do not build back the way we were before. Every investment should be focused on promoting comprehensive co-benefits.*
- Working with communities and local governments prior to designing any project ensures that the final product is responsive to the communities' various needs and the infrastructure will be built with their support.*
- The use of best practices and the most forward-thinking infrastructure solutions by experts with the input of communities and local government entities, from the design stage.*
- A track-record of working with hundreds of local community and professional organizations. This program can ensure capacity building at a local level by enabling local architects, engineers, and designers to develop their practices in Puerto Rico while educating our communities about future risks and potential solutions.*
- Focusing on implementation and adopting a multi-benefit approach, which means that project proposals are realistic and protect against vulnerability while also providing benefits during non-disaster times, such as addressing our needs in the areas of health, water transportation, economic development, future, etc.*
- Competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions together with the community and local governments.*

*The CDBG-DR disaster recovery funds provide an opportunity to plan and build projects and solutions in a holistic and innovative manner that promotes economic and social development and protects human health and environment, and which will ultimately help us rethink how our communities can respond to the natural challenges posed by climate change. We should not waste this opportunity. Therefore, we urge you to keep the Puerto Rico by Design program in the CDBG-DR action plan.*

Cordially,

David José Acevedo-Ramírez"

**PRDOH'S response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_GE\_Universidad de Puerto Rico-  
Mayaguez\_Moraima De Hoyos-Ruperto(1)

**Comment:** *"I agree with the increased funding for incubators and Accelerators, along with the CDBG Workforce Development funds.*

**PRDOH'S response:**

At PRDOH we appreciate your comment to this 5th Amendment to the CDBG-DR Action Plan. We are confident that these programs will benefit Puerto Rico's economic recovery following the disasters caused by Hurricanes Irma and María.

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Comment ID: 10/09/20\_WP\_GE\_Puerto Rico Public Housing  
Administration\_William O Rodríguez-Rodríguez, Esq.(1)

**Comment:** *"October 8, 2020*

*Hon. Luis C. Fernández-Trinchet*

*Secretary*

*Puerto Rico Department of Housing 606 Barbosa Ave.*

*Juan Cordero Dávila Bldg, 10th floor*

*San Juan, PR 00918*

**PRPHA COMMENTS TO PRDOH'S FIFTH AMENDMENT TO CDBG-DR ACTION PLAN**

*The Puerto Rico Public Housing Administration (PRPHA) hereby submits its comments to the Puerto Rico Department of Housing (PRDOH) Fifth Amendment to the Community*

*Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan, under the Puerto Rico Department of Housing (PRDOH) CDBG-DR Program, particularly to the CDBG-DR Gap to Low-Income Housing Tax Credit (LIHTC) Program.*

*As stated in the CDBG-DR Gap to LIHTC Program Guidelines (Guidelines) published by PRDOH, in the aftermath of hurricanes Irma and María incentives are required to replenish Puerto Rico’s housing inventory of resilient affordable rental housing.*

*The PRPHA is engaged in the operation and administration of over 53,000 housing units subsidized under section 9 of the United States Housing Act of 1937, which is the statutory basis for the Public Housing Capital Fund and the Public Housing Operating Fund.*

*During the past years the Public Housing Capital Fund has been reduced significantly. That, together with the severe damages caused by hurricanes Irma and María, has limited PRPHA’s capital activities, including development, financing and modernization of its public housing inventory.*

*In light of the above, PRPHA is engaged in the formation of public and private partnerships in order to ensure long-term sustainability of its public housing developments and leverage its resources to transform its inventory into sustainable and resilient housing.*

*However, PRPHA has identified the need for gap financing to enable or provide for the development of quality resilient affordable housing for Puerto Rico’s low-income households.*

*Therefore, we formally request the PRDOH to revise its 5th Amendment to the CDBG-DR Action Plan to address the needs of our public housing communities by reserving \$250 million under the CDBG-DR Gap to LIHTC Program for the development of new public housing projects (the “Set-Aside”).*

*In addition, PRPHA request PRDOH revise the CDBG-DR Gap to LIHTC Program Guidelines and the LIHTC Qualified Allocation Plan to allow the Set-Aside. In designing the Set-Aside, we suggest that clear language be included to prohibit potential conflicts of interest in such awards pursuant to 24 CFR 570.611 and 2 CFR Parts 200.317-318.*

*If you require additional information, please contact the undersigned at your convenience.*

*Sincerely,*

*William O. Rodríguez-Rodríguez, Esq.*

*Administrator”*

**PRDOH Response:**

PRDOH appreciates your recommendation and is currently taking it into consideration. To include potential alternatives in a future amendment to the CDBG-DR Action Plan, PRDOH will keep communication and coordination with the Puerto Rico Public Housing Administration (PRPHA). PRDOH values the

participation of all government entities in the development of this Action Plan and the resilient recovery of Puerto Rico.

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Comment ID: 10/09/20\_WP\_I\_Aileen(1)

**Comment:** *"Information regarding economic assistance"*

**PRDOH'S response:**

At PRDOH we appreciate your interest in the CDBG-DR Program. We are sorry that we are not able to define which of the CDBG-DR portfolio's program you are referring to so we can provide you with an appropriate response. Information on all the programs is available under the Programs section of PRDOH's website at: <https://cdbg-dr.pr.gov/>. You can obtain additional information by calling 1-833-234-2324, by sending an email to [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov), or by regular mail at the following address: Programa CDBG-DR Puerto Rico PO Box 21365 San Juan PR 00928-1365.

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Comment ID: 10/09/20\_WP\_NGO\_SESA-PR\_Javier J Rua-Jovet(1)

**Comment:** *"October 9th, 2020"*

*To: Hon. Luis C. Fernandez-Trinchet*

*Secretary*

*Department of Housing*

*Commonwealth of Puerto Rico*

*RE: SESA-PR OBJECTION TO ACTION PLAN SUBSTANTIAL AMENDMENT DELETING SOLAR ENERGY RESILIENCE INCENTIVE PROGRAM*

*To the Honorable Secretary:*

*Comes now SESA-PR, the Solar and Energy Storage Association of Puerto Rico, to comment and strongly object to the Puerto Rico Housing Department's (Vivienda) proposal to substantially amend the Action Plan currently in force and delete the critical Community Development Block Grant-Disaster Recovery (CDBG-DR) incentive program, designed for lifesaving energy resiliency for all Puerto Ricans, via solar plus storage systems.*

*CDBG-DR for life saving solar + storage*

*CDBG funds are specifically authorized by statute to finance certain rehabilitation activities, including: "the conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply".<sup>1</sup>*



*As such, via HR 1892, the Bipartisan Budget Act of 2018, Congress appropriated 28 billion dollars for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major declared disaster that occurred in 2017. Up to \$16,000,000,000 shall be allocated to meet unmet needs for grantees for major declared disasters that occurred in 2017 and no less than \$11,000,000,000 shall be allocated to the States and units of local government affected by Hurricane María, and of such amounts allocated to such grantees affected by Hurricane María, \$2,000,000,000 shall be used to provide enhanced or improved electrical power systems."*

*The HUD and Vivienda approved Action Plan currently in force pertains to the \$8.2 billion (\$8,220,783,000) "second tranche", which together with the already "granted" \$1.5 "first tranche" total over \$9.7 billion (\$9,727,962,000). The Federal Notice for the allocation of this \$8.2B CDBG-DR second tranche was published on August 14, 2018. As per the Action Plan currently in force, this \$8.2 "tranche" includes around \$300 Million for a critical solar incentive for the people:*

*"[...] applicants will have the ability to apply for solar panel [...] retrofits for residential structures [...] designed to backfeed the structure to provide sufficient power to run critical household appliances and allow for shelter-in-place options during outages. 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."2*

*This critical solar plus storage incentive was an apt response to quickly begin tackling the postMaría energy humanitarian disaster. We all remember the aftermath of María: highly polluting and strident diesel or gas generators, scarce fuels and price speculation, unbreathable air and darkness; the longest blackout in US history. A blackout that killed thousands, the poorest and the elderly being the hardest hit, simply because of lack of access to basic energy.*

*The CDBG solar plus storage incentive which Vivienda plans to simply delete, was intended to effectively start dealing with the individual energy resilience crisis, and protect Puerto Ricans from similar future situations. If modestly sized rooftop solar installations paired with batteries had been substantially deployed prior to the 2017 storms, Puerto Ricans with these systems, including the hardest hit and last to had grid-power restored in the central mountain region, would simply have not experienced the year-long blackout.<sup>3</sup> With batteries, solar systems are storm-resistant,<sup>4</sup> fuelless, silent, maintenance free and user-friendly generators - that save lives. If there is an outage, the battery will keep a family powered day and night via self-generated, clean solar energy, running house lights, refrigeration, medical equipment, cistern pump, ventilation, home office, entertainment, internet, smartphones and other appliances. And today's technology even allows for aggregation and coordination of multiple solar and battery systems, enabling communities to share energy and provide services to the grid, creating benefits and savings for all.*

*Despite the awesome need -which recently became again evident after the major, islandwide outages associated to very minor tropical storm Isaias- no monies have yet been disbursed. Science tells us this will continue happening, given climate change. Had these congressionally approved monies been deployed as intended, thousands of Puerto Rican families would have been spared from having to relive, over and over again, the nightmare that was María. We are again at the peak of the 2020 hurricane season, and not only is there zero movement by the federal or local governments on the issue of life-saving energy resilience, now Vivienda proposes we take a gigantic step backwards.*

*Puerto Ricans have been held hostage by politics, bureaucracy and negligence. On the one hand, the federal Housing and Urban Department (HUD), has been foot-fragging to the point that it had to be literally forced by to “publish in the Federal Register the allocations to all eligible grantees, and the necessary administrative requirements applicable to such allocations within 90 days” (H.R.2157; P.L. 116-20). Yet even that date, September 4th, 2019, came and went, as the federal Housing and Urban Department (HUD) simply ignored it, with complete impunity. It was only after the major earthquakes and aftershocks in Puerto Rico since early January 2020, and amid renewed political pressure, that the official notice by HUD was finally emitted for these funds.*

*This federal executive branch attitude of disdain towards Puerto Ricans is not surprising, given the current White House resident. What is a bit dumbfounding is Puerto Rico’s current Vivienda Department’s actions. On February 2020, instead of finding a way to quickly and responsibly put these funds to work for Puerto Rican families, Vivienda did exactly the opposite: it downgraded these solar emergency funds to “a longer-term component of this program”, signaling diminished priority, and worse: it reduced that solar incentive by over a 100 million dollars (initially it was over \$400M), without any relevant notice or discussion, via a so-called 'non-substantial amendment'. Vivienda gave no one a chance to even object this multimilliondollar downgrade in detriment of Puerto Rican energy resilience. 5*

*Now Vivienda simply proposes elimination of this critical solar plus storage incentive via the “substantial amendment” now open for comment.<sup>5</sup> Specifically, Vivienda proposes to: a) erase the requirement to prioritize low-income and the elderly, b) erase the requirement to prioritize communities without electrical power, c) erase the solar plus storage incentive program altogether; d) erase any solar plus storage incentive program that could be open to all Puerto Ricans; e) erase the ability for CDBG funds to be used on renewable energy microgrids; and f) reduce the possibility of any new solar plus battery deployment just to any housing projects to be rebuilt by Vivienda.*

*Around 20,000 families in Puerto Rico have already become energy-resilient via rooftop solar plus batteries. Yet thousands more systems would have been deployed via the CDBG-DR solar resiliency incentive Vivienda aims to delete. Thousands more, including our neediest, would have kept power through last year’s weekly brownouts, through this year’s earthquake-related blackouts, and through the ongoing covid19 lockdown, which is now is compounded with another highly active hurricane season. Clean solar energy would have been running their house lights, their refrigeration, their medical*

equipment, their ventilation, their home office, their internet, their remote schooling, their smartphones and myriad other needs. Solar would have secured life and quality of life.

Vivienda must not go forward with its plan to erase the solar plus storage incentive proposed in the current Action Plan Substantial Amendment, and simply move forward to correctly design the specifics of the program and deploy these lifesaving funds before the next hurricane season hits.

*The right way forward*

SESA-PR has been, is, and will continue committed to ensure that all Puerto Ricans have viable choices in how they procure and consume electricity. SESA-PR has, for the past two years, been trying to effectively engage local authorities to design and deploy these lifesaving funds correctly, to no avail. SESA-PR, has provided guidance White Papers and communications discussing and sharing correct incentive design suggestions. For example, SESA-PRs first White

Paper notes that:

“CDBG funds should be used to address the credit risk and financial challenges faced in developing solar+storage projects for the broader low and moderate income (LMI) population and municipalities providing critical services. A well designed loan guaranty program backed with CDBG dollars would also leverage significant new private investment. Government-backed loan guaranty programs are an efficient and proven means of leveraging private investment and scaling community development financing transactions. We proposed a 75% guaranty, which is comparable to other effective loan guaranty programs. The USDA Renewable Energy Systems and Energy Efficiency loan guaranty program that provides an 85% loan guaranty, and the SBA loan guaranty program that provides up to a 75% guaranty on loans over \$150,000 and up to 85% on loans equal to or less than \$150,000. In general, the recommended loan guaranty program would provide a payment guaranty for solar+storage project loans that would backstop up to fifty percent (50%) of the debt service payments allocated to financing the solar+storage portion of the loan, which cumulative prorated payments would not exceed seventy-five percent (75%) of the original amount of the solar+storage portion of the loan.”

Another best-practice approach could focus on an upfront incentive that would provide the revenue certainty necessary and lower upfront costs necessary to make storage more economic and accessible to all, including the neediest. This would also facilitate a transparent and understandable process for all residential customers, including those seeking clean back up generation options to prepare for prolonged outages similar to those experienced during and since Hurricane Marí. 6

Attached please find SESA WHITEPAPER v1.5 – (DRAFT FOR CIRCULATION & INPUT), that has been previously sent to Vivienda, for further insights.

It is SESA-PR’s sincere hope and belief that renewed leadership at the Federal level, will jumpstart disbursement of all these critical energy-resiliency funds, but for that to occur

Vivienda must not proceed with the amendments described herein. And hopefully, in September 2021, headlines will read: 'Millions of Puerto Ricans keep their lights on via Solar plus Storage'.

Yours,

Javier Rúa-Jovet

Chief Policy Officer,

SESA-PR"

**PRDOH Response:**

PRDOH appreciates the interest of the Private Sector in this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan (APA5). After much consideration and in consultation with HUD, PRDOH has decided to include the Community Energy and Water Resilience Installations (CEWRI) Program with the Community Installations and the Incentive Program components under the CDBG-MIT Action Plan. The CEWRI program under this APA5 will be used as an add-on to, or potentially integrated within applicable CDBG-DR programs such as the Home Repair, Reconstruction, or Relocation Program, Social Interest Housing Program, and Small Business Incubators, and Accelerators Program. For more information about the CEWRI Program under the CDBG-MIT Action Plan, please access the following link: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan/>

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Comment ID: 10/09/20\_WP\_I\_Glennys Rivera(1)

**Comment:** *"I agree with the increased funding for incubators and Accelerators and Workforce Development funds"*

**PRDOH'S response:**

At PRDOH we appreciate your comment to this 5th Amendment to the CDBG-DR Action Plan. We are confident that these programs will benefit Puerto Rico's economic recovery following the disasters caused by Hurricanes Irma and María.

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Comment ID: 10/10/20\_WP\_GE\_UPR-Mayaguez\_Patricia Valentin(1)

**Comment:** *"I agree with the changes included in the second amendment, particularly to the Small Business Incubators and Accelerators Program, since it will enable us to direct recovery resources to businesses that were impacted and affected by the hurricane and which are in need of recovery."*

**PRDOH'S response:**

At PRDOH we appreciate your comment to this 5th Amendment to the CDBG-DR Action Plan. We are confident that these programs will benefit Puerto Rico's economic recovery following the disasters caused by Hurricanes Irma and Maria.

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Comment ID: 10/10/20\_WP\_NGO\_Mercy Corps\_Karla Pena Romero(1)

**Comment:** "October 9, 2020

Disaster Recovery Deputy Secretary Office

CDBG-DR Program

Subject: Amendment 5: Substantial Amendment

Action Plan CDBG - DR

To whom it may concern:

*Mercy Corps is a leading international non-profit organization powered by the belief that a better world is possible. Our team of more than 6,000 humanitarians work in over 40 countries to help people triumph over adversity and build stronger communities from within. Together with local change-makers, international innovators, and people most affected by crises, Mercy Corps works to help vulnerable communities meet their most urgent needs, while building long-term solutions and forging new paths to prosperity in the face of injustice, instability, and climate change. Mercy Corps began work in Puerto Rico following the devastating impact of Hurricane Maria in 2017.*

*After an initial emergency response to Hurricane Maria, Mercy Corps transitioned to focus on longer-term recovery and community resilience. With generous support from corporate donors, Mercy Corps launched its Resilience Hubs Program, through which we equipped 17 community centers with varying combinations of permanent, high-capacity solar infrastructure, potable water storage, internet connectivity, agricultural resources, and disaster risk reduction expertise that have benefited more than 100K members of Puerto Rico's most vulnerable communities. Three years later, Mercy Corps has been working hand-in-hand with numerous local partners and communities in Puerto Rico, particularly in relation to "Resilience Hubs" which empower communities to support themselves in the aftermath of a natural disaster.*

*Modeled on the 17 established Hubs and lessons learned throughout the program—we provide the comments below aiming to contribute to the CDBG-DR Action Plan and its recent substantial amendment.*

- a. *The use of a specific Resilience Approach and Framework to fully operationalize resilience. Mercy Corps defines resilience as the capacity of communities in complex socio-ecological systems to learn, cope, adapt and transform in the face of shocks and stresses. Mercy Corps supports a Resilience Approach that helps communities identify and address underlying vulnerabilities, minimize exposure to*

*risks and strengthen resilience capacities to achieve positive, inclusive change. Through NOFAs, guidelines, and other resources, the CDBG-DR Resilience Centers program area has the opportunity to use and share a defined resilience approach and framework to guide program participants and funding recipients projects.*

*Mercy Corps Puerto Rico Resilience Program approach supports five different programmatic areas.*

- b. Ensuring resources go where most needed and community scale considerations - The CDBG-DR Resilience Centers program area and the funding opportunity guidelines should give the opportunity to local NGOs and other organizations like Mercy Corps with advanced technical and administrative capacity to support smaller local community based organizations and community centers located in the most vulnerable areas on their path to recovery and resilience. Mercy Corps' Resilience Hubs Program was able to support over a dozen of community centers in their transition to become resilience centers. The program delivered results and measurable impact within the communities and regions. All 17 community centers continue to operate successfully on their own after their participation in the Program.*
- c. Building the capacity and strengthening communities connections - Capacity building for community based organizations (CBOs) and community members is critical to the sustainability of the Resilience Hub Model. Mercy Corps proposes that part of the investment be directed to the technical capacity of CBOs managing future Resilience Hubs or Centers, and the communities they serve in order to foster sustainable impact and entrepreneurship in target communities. This program area becomes an opportunity to strength community connections with other communities, organizations and government related agencies. Mercy Corps recommends a comprehensive capacity building program component targeting community leaders, business owners, and vulnerable households in the communities surrounding Resilience Hubs.*
- d. Coordination and internal alignment among CDBG programs - We appreciated CDBG's steps towards internal program coordination. It is important to emphasize that several programs and funding opportunities should be linked and well coordinated with the Resilience Centers program area. Our experience shows it is important to have a comprehensive understanding of the dynamic and systems in place to secure and enhance the impacts of any recovery program.*

*Please do not hesitate to reach out if any further information is needed.*

*Best,*

*Karla Peña*

*Puerto Rico Director*

Mercy Corps”

**PRDOH Response:**

PRDOH appreciates your organization’s interest in the Community Resilience Centers under the City Revitalization Program. PRDOH encourages all interested parties to monitor the website for any updates of the City Revitalization Program Guidelines and the Program implementation. Application process for the Community Resilience Centers portion under this Program will be published on the website <https://cdbg-dr.pr.gov/en/city-revitalization/>.

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Comment ID: 10/10/20\_WP\_NGO\_Hispanic Housing Development Corporation\_Ana Margarita Irizarry Gorrochategui(1))

**Comment:** “CDBG-DR Action Plan

*Program’s objective and description, page 151*

*Puerto Rico Housing Finance Authority receives an annual allocation of low income tax credits (“LIHTC”) known as “9% LIHTC” under the provisions of the Tax Reform Act of 1986 that helps raise millions of dollars of investment from private sector for the construction of affordable housing*

*Puerto Rico receives millions of dollars in low-income housing tax credits (LIHTC) every year and it currently has over \$1 billion available for 4% LIHTC projects; the need is so great.*

*The maximum funding (in the form of grants or any necessary loans) per project depends on the proposals already submitted to the PRHFA to be included in the previously approved 9% tax credit [project] list. The PRHFA will compile additional project lists. The program shall consist of \$713 million to fund multiple projects, and projects shall be funded as funds become available.*

*Comment: We acknowledge that funding has been increased, but at least \$1 billion are required for 9% LIHTC.*

*There are currently 1,533 unites that will be built under a 9% low-income housing tax credit program and which will be completed within a 24-month period following the beginning of each project.*

*Comment: The plan does not indicate how often will these funds be available. We suggest that you consider allowing 4% LIHTCs to be available on an ongoing basis once this round comes to an end in October. This will speed up the development of units, since applications would be filed to the extent that the developer has it ready, instead of waiting until a call for proposals is opened.”*

**PRDOH’S response:**

Thank you for your comments and suggestions. As you acknowledge, this program received an additional fund allocation to address the need for affordable housing through the LIHTC Program. At PRDOH, we will consider your valuable suggestions. Please continue to check our website for any updates to the Program.

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Comment ID: 10/10/20\_WP\_NGO\_Barrío Eléctrico\_Alison Mason(1)

**Comment:** *"Alison Mason*

*Director of Technology*

*Barrío Eléctrico*

*Utuaado, Puerto Rico*

*October 10, 2020*

*Department of Housing*

*Government of Puerto Rico*

*San Juan, Puerto Rico*

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

*Re: Barrío Eléctrico Comments on the 5th Amendment to CDBG-DR Action Plan for Puerto Rico*

*Barrío Eléctrico is a 501(c)3 nonprofit working to make resilient solar energy available to all Puerto Ricans under a community model to support residential installations. Our model leverages private investment, philanthropy, and community banking to lower the monthly payment to fit into each households' budget. Because Barrío Eléctrico was created by a handful of civic-minded individuals to address the lack of resilient energy systems that hurricane Maria exposed, we have a stake in the design of the CDBG-DR Action Plan and particularly the Community Energy and Water Resilience Installations Program. While we recognize the equal importance of water resilience, we focus our comments on electricity.*

*Since its inception, electricity infrastructure has been considered a public good, worthy of public funding and answerable to the public interest. In Puerto Rico, the twelve months that thousands of families suffered without electricity after hurricanes Irma and Maria have made the case that one model of electricity system outshines all others in efficacy, economy, and public benefit. That model is a battery based solar system installed on each home. To be resilient, these systems must provide energy for the necessities of modern life – refrigeration, light, communication, and home medical equipment. To be*



*affordable, these systems must be no larger than necessity dictates. To be effective, they must use quality components and be installed by qualified contractors. To satisfy their users, they must be accompanied by education and a community of support. These principles and concepts have been integrated into the Residential Solar Program of Barrio Eléctrico and offered to the families who are members of our community partners.*

*The Community Energy and Water Resilience Installation Plan described in the CDBG-DR Action Plan responds to the need, identified through inclusive stakeholder listening sessions, to implement solutions that immediately strengthen the access of vulnerable communities to electricity and water in their homes during ongoing and future natural disasters. It seems clear, and we agree, that the vulnerable communities with the highest priority are those that were left without power for the longest after hurricane Maria, contributing heavily to tragic loss of life.*

*The Action Plan correctly identifies these solutions as photovoltaic systems with battery storage, on an individual home level. This is important because if people have to leave their home in or after a natural disaster to access electricity, the disruption to their lives compounds the threat to their health and wellbeing and their ability to sustain economic activity and prosper.*

*Insofar as the proposed 5th amendment maintains the level of funding and clarifies eligibility for the funds, we find it to be logical and appropriate, as it streamlines the qualification process to current beneficiaries of PRDOH who, by definition, meet the test of being economically vulnerable. This is the population that will experience the greatest benefit from access to resilient solar energy in their homes.*

*It is important, however, that economically vulnerable families who have either not applied for or not qualified for housing assistance also be included in the public funding of resilient solar energy systems. This population includes many rural families who could form the backbone of a robust local economy and who contribute greatly to the island's prosperity when they are able to carry on with their daily activities because they have reliable daily access to electricity in their homes. If this population cannot be included in the Community Energy and Water Resilience Installations allocation of funds, then another source of public funds must be identified.*

*We identify five ways the Community Energy and Water Resilience Installations Program can deliver more value to the public for the allocated funds:*

- 1. The photovoltaic systems should have enough capacity for a family to remain in their home and continue with their daily activities for months (since that is what has happened and is certain to happen again) – i.e. a system that only takes care of critical loads (as stated in the 5th amendment) is a poor use of funds because for a modestly larger investment, a full complement of necessary loads can be sustained and normal economic life can continue. The mental wellbeing that comes with possession of a reliable supply of electricity cannot be overvalued. We suggest that a PV system with a capacity of 2 kW be used as the standard and consider bigger systems if required by medical treatment.*

2. The systems should be offered in only one size of 2 kW peak production and a limited variety of equipment models. This will bring down the cost of the system and streamline operation and maintenance of the systems in the long term.

3. The systems should be free to the recipient only in rare cases of extreme need. It is well understood that human nature leads us to care more for things we buy ourselves. The public funds should serve to reduce the monthly cost to the recipient to fit within their budget and below the cost of utility-provided power.

4. The public funds, supplied by the taxpayer, should be leveraged with private investment, allowing each dollar to go much further in reducing the vulnerability of the population to be served.

5. The funds should in every way work to make families more resilient, communities self sufficient, and economies thrive; for this reason, the solar systems should be installed by a broad coalition of smaller installers scattered about the island. This also results in distributing solar know-how throughout the island and therefore with easier access to systems otherwise isolated by flooding and mudslides.

Smart allocation of public funds means expanding the reach of those public funds by matching with other sources of money. For example, \$100 million in public funding allocated to outright purchase of resilient solar-plus-battery systems meets most of the consumption of approximately 10,000 low and middle income (LMI) homes. That same \$100 million in public funding of Barrio Eléctrico's community-supported residential solar program leverages private investment to reach 40,000 homes. Smart allocation of public funds means ensuring the systems deliver the energy needed the day they are installed and 20 years later. A system purchased outright often leaves the household confused and dissatisfied because they don't understand how to live within a solar energy budget. Those 40,000 Barrio Eléctrico households would receive a 20-year warranty with ongoing services and energy management counseling as well as insurance and technological updates.

In short, the proposed 5th amendment to the Community Energy and Water Resilience Installations Program is well-intended and goes partway to meeting the need for islandwide energy resilience. Attention to the five points listed above and identification of funding for all of the 300,000 or so households that were left more than 4 months without power after the 2017 hurricanes would equitably and elegantly close the gap.

Dr. Fernando Abruña

Trustee, Advisor

Dr. Marcel Castro-Sitriche

Director, Advisor

Lauren Rosenblatt

Trustee, Executive Director

Jorge Gaskins

Director of Community Relations

Alison Mason

Director of Technology”

**PRDOH Response:**

PRDOH appreciates the interest of the Non-Governmental Organizations on the Community Energy and Water Resilience Installations (CEWRI) Program under this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan (APA5). After much consideration and in consultation with HUD, PRDOH has decided to include the CEWRI Program with the Community Installations and the Incentive Program components under the CDBG-MIT Action Plan. The CEWRI program under this APA5 will be used as an add-on to, or potentially integrated within applicable CDBG-DR programs such as the Home Repair, Reconstruction, or Relocation Program, Social Interest Housing Program, and Small Business Incubators, and Accelerators Program. For more information about the CEWRI Program under the CDBG-MIT Action Plan, please access the following link: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan/>

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Comment ID: 10/10/20\_WP\_NGO\_Community Development Venture Capital Alliance\_Kerwin Tesdell(1)

**Comment:** “October 10, 2020

Luis C. Fernández- Trinchet, Esq., CFA,

Secretary

Puerto Rico Department of Housing (PRDOH)

CDBG-DR Puerto Rico Program

PO Box 21365 San Juan PR 00928-1365

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

Re: Comments Regarding 5th Amendment to the Puerto Rico Disaster Recovery Action Plan

Hon. Secretary Fernández- Trinchet,

Thank you for the opportunity to submit these comments regarding the 5th Amendment to the Puerto Rico Disaster Recovery Action Plan. We do so on behalf of the Community Development Venture Capital Alliance (“CDVCA”) and the Puerto Rico Fund for Growth

("PRFG"), which CDVCA manages. With offices in both New York City and San Juan, CDVCA is a 25-year-old, 501(c)(3) taxexempt U.S. not-for-profit organization with a national mandate to serve underinvested and economically distressed regions through economic development and business finance. We operate the national network of Community Development Financial Institutions (CDFIs) that make equity and near-equity investments in businesses, and we are, ourselves, certified by the Department of the Treasury as a CDFI. We also manage directly funds not only in Puerto Rico, but also in New York, Florida, Illinois, Arkansas, Kentucky, Nevada, and Mississippi. We currently manage \$231 million of capital in these funds, all focused on business finance, economic development, and job creation in economically distressed areas.

Over the past five years, we have been involved in multiple economic development activities in Puerto Rico, at the center of which is the \$45 million Puerto Rico Fund for Growth (PRFG). We are the managing general partner of PRFG, whose investors are Corporación del Fondo del Seguro del Estado (CFSE) and Administración de Compensaciones por Accidentes de Automóviles (ACAA). We have invested PRFG capital in leading venture capital, private equity, and mezzanine debt funds in Puerto Rico, all managed by Puerto Ricans, and we sit on the investor advisory boards of all of these funds. We are also investing up to 15% of the fund directly in Puerto Rican businesses. The PRFG is still in its investment period and deploying capital to underlying funds; however, as of June 30, 2020, our funds had already invested in 81 businesses headquartered in Puerto Rico. The PRFG has contributed to funding \$44.4 million in portfolio assets of underlying funds and has already supported the creation and retention of approximately 17,000 jobs--and we're just getting started. We will continue to invest in Puerto Rico to provide risk capital that can catalyze additional investments, currently estimated at well over \$200 million, and potentially quadruple our impact on job creation and retention.

More broadly, we seek to support and expand the business finance ecosystem in Puerto Rico. In addition to PRFG, we provide management support for the Puerto Rico Venture Association, the new association of Puerto Rican business finance professionals and have run a series of meetings and webinars for finance professionals. We have received almost \$2 million in the form of three grant awards from the US Department of the Treasury's CDFI Fund for the purposes of additional investment capital for Puerto Rican businesses and funds and to provide technical assistance to these funds. We also are seeking to invest an allocation of New Markets Tax Credits in Puerto Rico. As a founding member of the US Opportunity Zone Coalition, we know this program well and are exploring ways to bring OZ capital to Puerto Rico.

These activities afford us a unique window into the business environment in Puerto Rico and particularly the business finance ecosystem on the island. Based on this experience, we make the following broad observations about maximizing the effectiveness of the Disaster Recovery Plan:

- While rebuilding Puerto Rican infrastructure after hurricane Maria is important, Puerto Rican small- and medium-sized businesses are vital to job creation and

retention on the island and to building a healthy economy for Puerto Ricans for decades to come.

- The health of Puerto Rican business requires a thriving, local business finance ecosystem. While business finance programs operated by government can be useful in seeding recovery in the short term, government funding for such purposes tends not to be transient. It is therefore most effective for government to seed and support the development of a permanent private sector business finance ecosystem.
- If job creation is an important aim, then the startup and growth of businesses must be supported. Start-up and growth businesses account for virtually all net new job creation in the US economy.
- Business startup and growth requires more than senior debt of the variety that banks provide. Such activities require equity capital investment and the provision of mezzanine (higher risk and more flexible) debt capital. A strong ecosystem of such funds is currently developing in Puerto Rico.
- It is difficult for government to provide capital to funds directly in an effective way. The use of intermediaries to provide such capital in public-private partnerships can be most effective.

Based on the observations above, we make the following recommendations on amendments to the Action Plan, and particularly about the Community Energy and Water Resilience Installations Program and the Economic Development Investment Portfolio for Growth Program.

### *Recommendations*

#### *Use of a Subrecipient with Financing Expertise*

The Community Energy and Water Resilience Installations Program and the Economic Development Investment Portfolio for Growth Program can both provide enormous opportunities for companies located in Puerto Rico to provide goods and services, which can lead to business and job growth. Action Plan amendments to the Community Energy and Water Program suggest that approved applicants will not make their own purchases, but rather receive goods and services procured by PRDOH. We recommend that PRDOH procurement terms take into consideration the limited financing capacity of local Small and Medium-sized Enterprises (SMEs). A subrecipient can help PRDOH ensure that Puerto Rican companies are able to comply with procurement requirements and have the financing capacity for inventories, working capital, project pre-development costs, and other interim needs. A subrecipient can also help projects tap into federal subsidy programs and capital provided by foundations and philanthropic sources. CDFIs and Community Development Entities (CDEs) are at an advantageous position when it comes to smarter deployment of CDBG-DR funds. A subrecipient can also provide technical assistance to level the procurement playing field. This includes conducting outreach efforts, providing professional education, and optimizing financial planning for small

*businesses that need to gear up to become suppliers by increasing inventories and investing in their workforce.*

*A subrecipient to the Economic Development Investment Portfolio for Growth Program, can serve a similar purpose regarding Puerto Rican SMEs. There is an even greater potential for positive long-term effects as investments are made into durable infrastructure and physical assets with long useful life. A subrecipient with CDFI and CDE qualifications is positioned to leverage federal subsidies, tax credits, and private capital. Their expertise could be key in integrating various types of financing and sources of funds, particularly in large-scale projects which are expected to have a combination of private lender financing, various types of public financing, and business owner capital.*

#### *Co-Investment Fund for the Economic Development Investment Portfolio for Growth Program*

*A Co-investment Fund (CIF) can serve as a tool to respond to structural challenges in the supply of entrepreneurial finance. CIFs can help in a wide spectrum of situations, from addressing the seed and early stage funding gap experience by entrepreneurs, to mitigating the risks perceived by private investor concerned about government control and investment decisions made by bureaucrats rather than experts. Israel's government sponsored Yozma funds are an example of how CIFs can enable private capital investments. Yozma funds attracted leading, experienced fund managers who would take the lead on investment decisions and engage local venture capital investors to expand private financing. Development focused CIFs, where government provides a proportion of funding to lever matched private funding can be key in incentivizing and encouraging private investment. These funds should set attractive minimum matching percentage requirements for private investors, and potentially combine returns with tax breaks or the use of subsidies. Funding from the CDBG-DR Program into a CIF can provide a greater assurance of leveraging of private capital.*

#### *Conclusion*

*As described above, CDVCA has a long-term commitment to fostering economic development business growth, and job creation in Puerto Rico. In particular, we are working to support a strong, local business finance ecosystem on the island. We therefore stand ready to assist PRDOH in any way that might be helpful in achieving the goals of the Action Plan. These might include:*

- Consulting with PRDOH in the development and implementation of various aspects of the Plan, particularly those related to economic development, investing, and job creation. We are nationally recognized for our expertise in public/private partnerships and effective use of subsidy to leverage private capital. For example, the Innovate NY fund that we manage is a public/private partnership that includes investment capital from both Goldman Sachs and New York's Empire State Development Corporation.*

- *Acting as an effective intermediary organization in implementing programs. For example, in a role similar to that being played by the Science Trust in the Agriculture Program (ReGrow Puerto Rico).*
- *Gathering detailed financial and social impact data on all businesses that receive financing. As part of our PRFG investment program, we gather this type of data from funds in which we invest, including 115 separate data points regarding jobs and job quality. As we have invested in most of the private business finance funds on the island, we are gathering a detailed, longitudinal data set on a significant portion of the start-up and highgrowth businesses on the island. We would be happy to share our data with PRDOH and potentially expand our data collection and analysis.*

*Please do not hesitate to contact us if you have any questions about our comments or if we can be helpful in other ways.*

*Sincerely yours,*

*Kerwin Tesdell*

*President, CDVCA*

*Managing Director, Puerto Rico Fund for Growth*

*Ernesto Villarini-Baquero*

*President, CDVCA*

*Managing Director, Puerto Rico Fund for Growth"*

**PRDOH Response:**

PRDOH appreciates your comments. The Economic Development Investment Portfolio for Growth (IPG) Program will be using a direct distribution model in which CDBG-DR funds will be used as leverage for private funds. Funds cannot be invested in a co-investment fund. Applicant entities are welcome to partnering with other entities to cover project costs. Applicants are expected to obtain the necessary external funding prior to applying to the IPG Program. The awards will be in the form of loans that range from \$500,000 to \$50,000,000, thus public-private partnerships are encouraged to cover the majority of a project's total costs with CBDG-DR funding supplementing a set remaining portion. For more information about the IPG Program, please monitor the following website where the Program Guidelines, when available, will be published: <https://cdbg-dr.pr.gov/en/download/economic-development-investment-portfolio-for-growth-program/>.

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Comment ID: 10/10/20\_WP\_PS\_Social Solutions, LLC\_Juan A. Padilla(1)

**Comment:** *"The National Science Foundation (NSF) awarded a grant to Social Solutions, LLC (SSL), a local company, for the development of an innovative technology known as "Geolocation Name Service"(GNS), aimed at modernizing geolocation management and simplifying system integration, taking into account user validation and authorization concepts. This technology has already been used to support COVID-19 response initiatives in food and protective equipment areas.*

*Since GEOFRAME is focused on geospatial infrastructure, GNS could be an innovative complement that would put PR at the forefront of research and development in these areas. We humbly offer to collaborate with you on this issue.*

*I have attached the link to the grant below:*

*[https://www.nsf.gov/awardsearch/showAward?AWD\\_ID=1913502](https://www.nsf.gov/awardsearch/showAward?AWD_ID=1913502)*

*I have included the project's abstract:*

*"This SBIR Phase I project focuses on making geolocations direct, easy to remember, and unambiguous. Disambiguation is a critical part of automation and simplifies infrastructure for the autonomous world. Instead of searching for an address to obtain a geolocation, the goal is to provide a portable, user-friendly, human-readable method. Geolocations are becoming more important in this new mobile world and are already critical for reaching a business, picking up a passenger, delivering a package, or transporting a student. Geolocations will become even more important with the expanding use of autonomous vehicles, robots, and drones. Geolocation information with contextual data can be the foundation for powerful analyses and programmable solutions. Data analytics with these records can provide extraordinary results in scenarios of disease propagation, disaster preparedness, emergency response, population movement, and longitudinal student analysis, which can result in substantial savings on health and disaster recovery and more efficient investment in education.*

*The goal of this project is to build an open, dynamic, personalizable geolocation repository that serves as the foundation for the next generation of geolocation-enabled applications, including autonomous and Internet-of-Things (IoT)-related solutions, and the output of which can be used in data analytic models for forecasting health, weather, and population growth and/or spread. Geolocation repository and management tools can add interactivity to the information, with capabilities for geolocation updates, near-real-time tracking, and data notifications and the potential to enable the development of programmable solutions. By adding software application programming interfaces above the repository layer with appropriate functions and commands, the geolocation data can power everyday applications to maintain data freshness while being used to advance data analytics. When provided at edge endpoints with strong authorization mechanisms, the information can be bound to Internet domains, emails, or telephones for portability across operating systems, devices, and apps.*



*This award reflects NSF's statutory mission and has been deemed worthy of support through evaluation using the Foundation's intellectual merit and broader impacts review criteria."*

**PRDOH Response:**

PRDOH appreciates your entity's interest in the CDBG-DR Geoframe Program. If you are a company or firm specializing in geospatial information, Spatial Data Infrastructure, and developing land administration systems for governing bodies, please see the Request for Proposals in the following link: <https://cdbg-dr.pr.gov/app/cdbgdrpublic/Auction/SeeMore/293?redirect=true>

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Comment ID: 10/10/20\_WP\_NGO\_Centro para la Reconstrucción del Hábitat\_Marina Moscoso(1)

**Comment:** "BY EMAIL

October 10, 2020

Luis C. Fernández-Trinchet

Secretary

Department of Housing

PO Box 21365

San Juan, PR 00928-1365

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

Re: Comments to draft 4<sup>th</sup> Substantial Amendment to the CDBG-DR Action Plan

Dear Mr. Fernández-Trinchet:

*Warm greetings. As a representative for the only nonprofit organization on the Island dedicated to promoting alternative for proper management of abandoned properties, I am submitting my comments to the 5<sup>th</sup> substantial amendment to the Action Plan for the use of CDBG-DR funds. These recommendations are intended to promote the use of these funds to support the development of the local land bank in accordance with the provisions of the new Municipal Code, which empowers municipalities to create Community Land Banks (CLBs). At a time when municipal administrations are facing major fiscal and economic challenges in boosting downtown and community revitalization. What has been experienced in the United States during the last decade illustrates the great opportunity presented by the banking sector and land banks to reduce the number of vacant, abandoned, damaged, and delinquent properties. In addition to posing a risk to safety, health, and the environment, these properties are a areal obstacle to Puerto Rico's reconstruction and recovery.*

If you have any concerns or need additional information on this or any other related matter, please do not hesitate to contact me at 787-479-9229 or by email, at [mmoscoso@crhpr.org](mailto:mmoscoso@crhpr.org). We reiterate our availability and remain at your disposal.

Cordially,

Marina Moscoso

Codirector

## COMMENTS AND RECOMMENDATIONS

### City Revitalization Program

Based on the latest US-Census (ACS, 2018) data, around 373,424 (24%) of all housing units in Puerto Rico are vacant. According to experts, this high percentage rises above the barrier to a well-functioning housing market and indicates the need to implement innovative, bold, and assertive public policies. The vast majority (65%) of these properties are probably abandoned and declared as condemned properties. In many cases, this can be related to the impact of Hurricanes Irma and María, since it is estimated that an additional 55,656 housing units have become vacant since the 2010 Census. Lastly, there is a high chance that a large number of these properties are facing legal-tax issues that have traditionally hindered their acquisition, management, and/or disposal. However, given the municipalities' new legal authority, they are now able to promote investment with CBDG-DR funds, not only under the City Revitalization program, but also under the Municipal Recovery Planning Program and the Whole Community Resilience Program, among others.

Specifically regarding urban areas, the number of vacant properties in 50 (64%) of the 78 municipalities exceeds 20% and it should be noted that these numbers do not include commercial, industrial, or damaged properties, and vacant lots. This allows for the conclusion that the real extent of the problem has been underestimated. On the other hand, in 39 (50%) of the municipalities, the percentage of vacant properties in their urban areas is lower than the overall percentage for the municipality, which should serve as additional justification to focus particular recovery efforts on the planning, revitalization, and resilient transformation of these downtown areas. Additionally, usufructs and/or municipal properties can be abundant in urban areas, as well as state properties that can be managed to promote investment in CDBG-DR funds. This is exactly why CLBs are created in the United States, in order to provide an additional planning tool that will contribute to the success of these efforts. It is crucial to overcome the local lack of knowledge about these municipal public entities, not only for the benefit of municipalities, but also for the benefit of the state government, nonprofit organizations, and private persons. Usufructs and/or municipal and state properties can be abundant in downtown areas.

General recommendation:

The program should clearly emphasize that municipalities must have detailed georeferenced inventories of vacant, abandoned, and/or derelict properties and must develop their own protocols for the acquisition, management, and disposal of these properties in order to bring them back into productive use.

Specific recommendations:

*"HURRICANE IMPACT"*

Adding [the word] "growth," so that it reads "key growth corridors," and providing a clear definition of the criteria used to identify and/or delimit these corridors. They talk about "reducing outmigration, but they don't talk about attracting people to populate these areas, specifically, about the need to provide housing as a mechanism to achieve that end. They talk about "promoting tourism," but no reference is made to the assets necessary to achieve it, such as natural areas of great landscape value, properties of historical-architectural value, or recreational and cultural facilities.

*"ELIGIBLE ACTIVITIES"*

Section 105(a)(12) on planning activities is included, but it should be made clear that eligible activities include the property census or inventory.

Section 105 (a)(18) on housing Rehabilitation is included, but it should be made clear whether the rehabilitation of commercial or other properties will be allowed.

*"PROGRAM ACCOMPLISHMENTS"*

The creation of complete urban communities equipped with the necessary infrastructure (electricity, drinking water, communications, etc.), housing alternatives, public services (service centers, schools, transportation, etc.), facilities, businesses, and employment opportunities, should be added as program accomplishments, among others.

*"ELIGIBILITY"*

Adding the following:

- Municipal corporations and community land Banks (municipal community development entities)

*"PROGRAM OBJECTIVE AND DESCRIPTION"*

Adding the following to the existing text in the 4th paragraph: Municipalities shall be responsible for identifying the inventory of deficient, abandoned, and delinquent structures and preparing a cost analysis based on conventional protocols, property tax debt, and market value for the properties they intend to turn into green spaces or use for other eligible purposes."

**PRDOH'S response:**

The PRDOH appreciates your comments and will take them into consideration. The City Revitalization Program requires the identification of existing properties in order to promote the use of these structures for the benefit of local communities. Please continue to check our website for all program guidelines and updates. The City Revitalization program website is: <https://cdbg-dr.pr.gov/revitalizacion-de-la-ciudad/>.

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Comment ID: 10/10/20\_WP\_NGO\_ACONER\_Jéramfel Lozada Ramírez(1)

**Comment:** "October 10, 2020

To:

Government of Puerto Rico, Department of Housing

From:

Asociación de Consultores y Contratistas de Energía Renovable de Puerto Rico (ACONER)

*SUBJECT: Comments to the Fifth Amendment to the Puerto Rico Action Plan for disaster recovery for the use of CDBG-DR funds in response to Hurricanes Irma and María (2017)*

*Asociación de Consultores y Contratistas de Energía Renovable de Puerto Rico (ACONER) [Puerto Rico Renewable Energy Consultants and Contractors Association] is a nonprofit organization founded in 2007 whose primary purpose is to promote the development of renewable energy in Puerto Rico. The Association also seeks to contribute to the development of this emerging industry in an atmosphere of fair competition, educating the general public, and collaborating with government agencies and other entities in everything related to regulations and public policy on this matter.*

*Below are ACONER's comments to the proposed Fifth Amendment to the Action Plan, as published on September 10. These recommendations are based on the premise that it is widely accepted that the implementation of energy efficiency, distributed renewable energy, and energy storage technologies are key to achieving the highest resilience potential sought in this Action Plan. While the consolidation of programs helps simplify and streamline the implementation of the plan, it also tends to dilute the potential for projects that will specifically improve energy resilience. Therefore, our organization is recommending changes that will make programs that deal with improving energy resilience in individual houses and communities in general more robust and which, in turn, will grant the renewable energy market's support industry preferential access to the programs for small businesses and nonprofit entities.*

COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM

Overall, the 5<sup>th</sup> Amendment to the Action Plan, regarding the current version, downgrades this program so that energy resilience and water supply modifications are attached to and function as a complement to other CDBG-DR Programs. To this end, the 5<sup>th</sup> Amendment eliminates several paragraphs that lay the foundation for an independent program which, according to the current version, would include the following important aspects:

- Home energy efficiency improvements
- Installation of community systems
- Incentives program such as the Green Energy Fund

We recommend reversing these changes and taking the opportunity to further strengthen the energy efficiency and resiliency program so that, despite being complementary, it can run independently from other programs. Several energy efficiency programs have already been developed successfully in Puerto Rico, such as the Weatherization Program, as well as renewable energy incentive programs such as the Green Energy Fund. It is, therefore, advisable to build on this experience to create similar programs.

#### HOMEBUYER ASSISTANCE PROGRAM

On page 165, we recommend that the subject of energy efficiency be included in the counseling courses that will be offered by to program applicants PRDOH's HUD-certified Counselors. Additionally, the inclusion of energy efficiency and resiliency measures could be added as a requirement for the Redevelopment Incentive.

#### COMMUNITY RESILIENCE CENTERS PROGRAM

The new amendment to the plan eliminates this program and incorporates it into a more general program. ACONER believes that this is a mistake, since recent emergencies have proved that these resiliency centers are necessary for the communities, especially for low-income communities. The current Action Plan illustrates describes this need in detail. Incorporating this program as part of another general program would minimize the opportunity to develop these types of centers, which would have to compete with other initiatives in order to receive funds. Similarly to our opinion in the case of the energy resilience program, we recommend that the program be kept as an independent program and even make it more robust so that it will facilitate the development of as many centers as possible.

#### ECONOMIC RECOVERY PROGRAMS

ACONER recommends that, as part of the application criteria for several of the economic recovery programs, tools be included that will give priority to proposals that prioritize energy resilience. Specifically, this priority aspect should be part of the following Action Plan programs:

- *Small Business Financing Program*
- *Small Business Incubators and Accelerators Program*
- *Workforce Training Program*
- *RE-GROW Puerto Rico Program*

#### *FUND ALLOCATION*

*Based on the information provided in the current Action Plan (Amendment 4), ACONER recommends that the allocation for energy resiliency projects be significantly increased. Table 413 on page 114 shows how the need described in the resiliency line is twice the allocated budget amount.*

*Lastly, we express our willingness to support the Department of Housing in developing these programs in order for them to be implemented, once a final plan has been approved.*

*Cordially,  
Jéramfel Lozada Ramírez, Eng.  
President"*

#### **PRDOH'S response:**

PRDOH appreciates the private sector's interest in this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan (APA5). After much consideration and in consultation with the U.S. Department of Housing (HUD), PRDOH has decided to include the Community Facilities and Incentives components of the Community Energy and Water Resilience Installations Program (CEWRI) under the CDBG-MIT Action Plan. The CEWRI Program in this APA5 will be a complement to or will be incorporated into other programs, such as the Repair, Reconstruction, or Relocation (R3) Program, the Social Interest Housing Program, and the Small Business Incubators and Accelerators Program. For more information regarding the CEWRI Program under the CDBG-MIT Action Plan, please visit: <https://cdbg-dr.pr.gov/cdbg-mit/>

In order to expedite its implementation, the Community Resiliency Centers Program (CRC) has been incorporated into the City Revitalization Program, although CRC eligibility requirements remain unchanged. Also, the City Revitalization Program maintains a specific budget for CRCs, which will be distributed to eligible entities with the capacity to establish CRCs in compliance with the provisions of the program guidelines.

The purpose of the Small Business Financing Program (SBF) is to provide recovery support to small businesses and microenterprises by means of Recovery Grants of up to fifty thousand dollars (\$50,000) to cover working capital and mobile equipment. Recovery Grants under the SBF Program do not cover construction or construction-related activities, including the purchase of permanently installed

equipment. Renewable energy equipment can be considered, provided that they meet the requirements mentioned in the SBF Program guidelines.

The purpose of the RE-GROW Puerto Rico Program – Urban and Rural Agriculture Program (Re-Grow) is to promote food safety, as well as enhancing, and expanding, agricultural production related to economic revitalization and sustainable development activity. This includes considering renewable and resiliency technologies such as the ones mentioned in your commentary. The Re-Grow Program guidelines include some of these renewable energy technology as part of the program’s eligible costs. The program guidelines are available at: <https://cdbg-dr.pr.gov/programa-de-renacer-agricola-de-pr-agricultura-urbana-y-rural/>. PRDOH will take your valuable recommendations into consideration and it looks forward to a continued collaboration with nonprofit entities for the duration of the grant.

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Comment ID: 10/10/20\_E\_NGO\_Centros Resilientes FURIA Inc.\_Pamela Silva(1)

**Comment:** “October 10, 2020

*Luis Carlos Fernández-Trinchet, Esq.*

*Secretary, Puerto Rico Department of Housing*

*PO Box 363188 San Juan,*

*PR 00936-3188*

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

*Firmes, Unidos y Resilientes con la Abogacía (FURIA Inc.) is a nonprofit organization whose goal is to promote community resilience through participatory advocacy, providing education and support services to communities in Puerto Rico. FURIA, Inc. works together with the Puerto Rico por el Derecho a una Vivienda Digna (PRODEV) community leader movement, comprised by nearly 100 community leaders representing over 60 communities throughout the Island. PRODEV’s main objective is to join community voices together and create strategies for the protection of the human right to decent housing and preventing displacement.*

*FURIA, Inc. hereby presents this report as commentaries to the Fifth Substantial Amendment to the Action Plan for Disaster Recovery for the use of CDBG-DR funds in response to Hurricanes Irma and María (2017). The relevant points for our communities concerning this matter are listed below.*

More than three years after Hurricanes Irma and María hit the Island, Furia, Inc. is still working together with community leaders to promote the recovery of communities that continue to be deeply affected by multiple disasters. We help community leaders to address the problems and challenges they are still facing. The consequences of the hurricanes lead us to work primarily on ensuring the safety and security of residents and their ability to face new disasters. Therefore, among all the programs associated with CDBG-DR funds, the Community Resilience Centers Program was of the utmost importance for our communities.

The development of resilient community centers was the main proposal brought forward at Cumbre Comunitaria [Community Summit], an event that gathered over 400 community leaders from all over the archipelago of Puerto Rico in March last year. This solution was broadly proposed by leaders from different regions of Puerto Rico during the event, through several discussion tables and focus topics.<sup>1</sup> We acknowledged a sense of urgency in this claim, considering that these communities are at risk of being left without any means of communication and not being able to rely on an external response, even when there are human lives in danger.

For this reason, our main strategy for emergency preparedness and response must be community-based and must leverage resources and community networks. During the 2017 events, many communities developed strategies, activities, and “spontaneous” spaces that provided relief and mutual support among residents. Following these collective lessons, these resiliency spaces have been identified as a key element for community preparedness and response to future disasters.<sup>2</sup> Having a specific program for Community Resiliency Centers (CRC) afforded them the importance, urgency, and resources required for the development of these spaces. The CRC Program was supposed to be led by Puerto Rican communities; however, it has now been included as a subcomponent of a broader program primarily intended for municipalities.

The fact that the program requires the submission of a long-term operations and maintenance plan and that it provides that applicants who have other non-CDBG-DR funds will receive a scoring bonus during the application review, proves that this program, the City Revitalization Program (CRP), was not designed to match the community’s reality. The chances of applying and receiving these complementary funds could pose a challenge to community-based organizations, with limited resources and small teams (mostly volunteers), as compared to applicants such as the Municipalities, which have more access to resources and staff dedicated solely to these activities. It also gives priority to applications with a holistic approach, such as walkability and support of commercial districts. We believe that adding this type of approach to the CRC proposal led by community-based organizations could pose an additional challenge for these organizations, as compared to other applicants.

The main problem with reducing the leading role of communities, specifically in this project, and transferring that power to the municipality is that many municipalities are not paying attention and have failed to adequately address the requests of the



community, in addition to allowing for little or no citizen engagement when it comes to making decisions regarding these spaces.

For all of these reasons:

- We request that the CRC is NOT merged into the CRP and that separate processes are kept for each program.

Should the merging of the CRC into the CRP continue, we request that:

- We are provided with a detailed explanation of the reason why including the CRC program within the CRP program represents an alternative for quicker project implementation.
- Community engagement be ensured: We know from experience that many communities have been excluded from processes that have a direct impact on their lives, stability, permanence, and recovery, and that usually affects them significantly. In the event of municipal grants, it is essential to secure mechanisms to ensure direct and constant communication with the communities and that communities are able to participate in the decision-making process for planning and implementation. Therefore, we propose that a community consultation requirement be used to ensure that the proposals are endorsed by the community, and that they be accompanied by a letter of endorsement whereby the organization or community spokesperson certifies that they were consulted and that they support the project that would be undertaken. In addition to this letter, evidence of attendance to said community consultation meetings should be required.
- Communities have a real change to Access CRC funds: It is imperative that processes be accessible. Therefore, we recommend eliminating the removing the requirement of being a 501 (c)(3) organization, since many community-based organizations do not have this tax exemption, in order to open participation to all organizations. Also, since they have no form of protection or safeguard against other organizations that are familiarized with these processes. We suggest emphasizing on an ongoing training process and facilitating support from institutions that may be able to provide assistance. Lastly, it is important to provide details on when the application process would begin, project selection criteria, qualification process, etc.

Community-based and nonprofit organizations are in direct contact with the population affected by the hurricanes; they know they needs, concerns, and processes. If community-based organizations have to compete with municipalities for these funds, it reduces their chances of having access to the funds, since they are disadvantaged in comparison with the municipalities' resources and influence. That is why we are concerned about the merging of programs, because they often fail to adequately address the concerns of the population they are supposed to serve.

We continue to demand commitment from local and federal agencies in securing and ensuring real citizen engagement in our communities. That is the only way to achieve an

effective use of funds for project planning and implementation, guaranteeing an equitable and effective use for all.

If you have any question or are interested in further discussing these or other issues under consideration, please do not hesitate to contact us at [furia.puertorico@gmail.com](mailto:furia.puertorico@gmail.com), or call 787-210-6189.

Nayda Bobonis-Cabrera, Esq.

Public Policy Coordinator

Pamela Silva Díaz, Eng.

Community Engineer"

**PRDOH'S response:**

The Community Resilience Centers Program (CRC) has been incorporated into the City Revitalization Program in order to expedite its implementation. Eligibility requirements remain unchanged for all CRCs under the City Revitalization Program. Also, the City Revitalization Program maintains a specific budget for CRCs, which will be distributed among eligible entities with the capacity to implement the CRCs in compliance with the provisions of the program guidelines. It should be noted that nonprofit and community-based entities may be eligible under this program. The program guidelines will include more information regarding CRCs under the City Revitalization Program. When they are ready, the guidelines will be available at: <https://cdbg-dr.pr.gov/download/revitalizacion-de-la-ciudad/>. The Department of Housing values collaborating with nonprofit organization and encourages you to look for these guidelines and to apply to the program once the application process begins.

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Comment ID: 10/09/20\_E\_NGO\_Ayuda Legal Puerto Rico\_Nicole Diaz(1)

**Comment:** "October 9, 2020

Hon. Luis C. Fernandez-Trinchet, Secretary

Puerto Rico Housing Department

PO Box 21365

San Juan, PR 00928-1365

Re: Comments to the Draft 5th Amendment to the CDBG-DR Action Plan

Dear Secretary:

Warm greetings from the Ayuda Legal Puerto Rico. Please find attached our comments to the Draft 5<sup>th</sup> Amendment to the Action Plan concerning the use of CDBG-DR funds.

Although this amendment includes changes that are limited to housing topics, we believe it is important to achieve these amendments in order to ensure greater consistency among the new Repair, Reconstruction, or Relocation Program guidelines, Executive Order 2020-063, and the provisions of the Action Plan. Furthermore, we ask for clarification regarding the scope of the Low-Income Housing Tax Credit program and the control measures to be implemented by the Department to ensure its proper functioning. Lastly, we request the inclusion of a program management dashboard in the Action Plan, as a cross-cutting measure for the development of all programs.

At ALPR, we reiterate our commitment to collaboration that will lead to a fair community recovery.

Cordially,

Ariadna Godreau-Aubert, Esq.

Executive Director

Verónica González-Rodríguez, Esq.

Community Lawyer

Paula Fournier del Valle, Esq.

Community Lawyer

Nicole Díaz-González, Esq.

Public Policy Analyst

Comments from Ayuda Legal Puerto Rico

Draft 5<sup>th</sup> Amendment to the Action Plan for CDBG-DR funds

- I. Need to amend the Repair, Reconstruction, or Relocation Program (R3 Program) in order to address gaps between the Fourth Substantial Amendment, the eight version of the program guidelines, and the applicable regulations concerning property titles.

The Fourth Substantial Amendment to the Action Plan entered into force on August 17 of this year, providing that:

"Participants who qualify for relocation, but who do not wish to be relocated immediately, may defer the acceptance of the assistance offered by the R3 Program in order to allow for the participatory development of a housing

mitigation program under the CDBG-MIT Program. Applicants who choose to defer their acceptance of the relocation fund allocation provided under the R3 Program in order to participate in a housing mitigation program in the future, will remain in waiting status in the R3 Program until the Housing Mitigation Program is established under the CDBG-MIT program".

A month later, the new R3 Program guidelines were published. This amended version, although still confusing, is closer to facilitating access to assistance for homeowners who do not meet the clear title requirement in cases of reconstruction and repair. In addition to adopting a uniform Title Clearance mechanism, as required by OE-2020-063, everything regarding the imposition of liens at the Property Registry in order to safeguard compliance with the conditions of the Program was removed. This was a correct decision. It is clear that the imposition of liens in the Registry would require a chain of title, which can only be obtained through the legal registration of the ownership title. This would require a recordable title from all applicants. Therefore, it would thwart the public policy outlined in the aforementioned executive order and, even worse, it would prevent people in need from receiving assistance. However, the Fifth Amendment keeps a language that requires the imposition of liens, referred to as "Direct Mortgage Deeds," with regard to reconstruction and relocation activities not found in the latest R3 Program guidelines. We are confident that this gap is due to the fact that the date of the amendments included in the guidelines – September 17 – is subsequent to the publication of this Draft – September 10 – and that it can be amended to remove said requirement.

As we have stated before, since people do not receive this money directly, but it is rather channeled through selected contractors under the Department's control, neither the legal title nor the registry certification are necessary to guarantee the proper use of funds. The Department has less onerous methods, such as routine inspections and certifications of occupancy, to safeguard their interest that this Program will benefit families whose homes were affected by Hurricanes Irma and María.

Regarding the latter, we reiterate our call for the removal of the legal title requirement in relocation cases. The new guidelines open the door to considering the existence of "mitigating circumstances" on a "case by case" basis in cases where the applicant family is not able to prove ownership, but they do want and need to be relocated. As we know, relocations should be limited to cases where emergency conditions cannot be addressed through other methods and when the applicant so accepts it. These are critical cases where greater accessibility should be the norm. The correlation between the lack of a clear title and this need is evident; therefore, relaxing this requirement is essential to safeguard the right to safe housing in accordance with the objectives of the CDBG-DR program. We celebrate the consideration of "mitigating circumstances" as another positive step to not requiring a title as a condition and we ask that the Department extend a clear rule providing that the "lack of a clear title" – once ownership has been proved by alternative methods, in accordance with the aforementioned Certification, for example – shall become public policy for the allocation of these funds.

*Also, considering the changes undergone by the guidelines and the Plan, we persist in our call for notifying the general public and all applicants about this policy change; amending the Program guidelines; clarifying that this does not affect the right of applicants who are facing emergency conditions or who are at high risk to freely and voluntarily request and obtain relocation assistance; and establishing a temporary housing program that will benefit people who wish to wait for the mitigation process, but who should not stay in their homes.*

*Required action: Removing from the Action Plan all references to liens or registrations with the Property Registry in connection with the R3 Program, in order to promote consistency among the aforementioned regulations.*

*Required action: Reopening the application process for the R3 Program and ensuring that all applicants that were rejected for lack of a clear title or due their house being located on a risk zone are able to ask for reconsideration under the new criteria established in OE-2020-063.*

*Required action: Eliminating the clear title requirement as a condition to relocate people who have and choose this option.*

*Required action: Establishing a temporary housing program that will benefit any applicant whose house is not in safe condition (e.g., it still has a blue tarp for roof), particularly people who want to wait for the mitigation process, but who should not stay in their homes.*

- II. Need to review the proposed amendment to the Low-Income Housing Tax Credit and the Non-Federal Share Match programs through reallocations that may not benefit the families affected by Hurricanes Irma and María.*

*One of the major changes included in the Fifth Substantial Amendment is the removal of several programs and the reallocation of \$1 billion to the CDBG-DR Gap to LIHTC Program and the Non-Federal Share Match Program.*

*The CDBG-DR Gap to LIHTC Program, which was originally allocated \$100 million and is now increased to \$713 million, is aimed at promoting the construction of affordable housing. The program seeks to provide the gap funding needed by projects that already received funds under the LIHTC Program. The LIHTCs are a federal government tool to finance the acquisition, construction, and rehabilitation of rental housing for low- and moderate-income people. It consists of tax credits granted by the government to developers, who usually sell them to investors in exchange for funds to finance their construction projects.*

*Once the project has been completed, part of the housing units that were built or rehabilitated must be made available to low-income persons or families, while the rest can be sold or rented at market price. Since 1988, 231 housing projects have been built or rehabilitated with LIHTC funds. The majority of their units are intended for people who qualify for public housing or Section 8 assistance, or for people aged 62 and over. According to the Action Plan, PRDOH plans to provide gap funding to projects that have*

been already awarded LIHTC funds and which still have not receive enough private funds to begin work.

Meanwhile, the Non-Federal Share Match Program is aimed at meeting the government of Puerto Rico's cost share required for FEMA-funded projects, up to 25% of their value. This amendment raises to \$1.7 billion the allocation for this program, which had originally been allocated \$100 million. With these funds, PRDOH plans to match the costs incurred by the Public Assistance, Transitional Sheltering Assistance (TSA) and Risk Mitigation (HMPG) programs that were implemented following the hurricanes in 2017. Entities, agencies, and municipalities who have already qualified for these FEMA programs shall eligible for non-federal share match assistance.

Also, the programs that were eliminated and whose funds would be reassigned to the LIHTC y Match programs include the Construction and Commercial Revolving Loan Program (CCRL), the Multi-Family Reconstruction, Repair, and Resilience Program (Multi-Family R3 Program), and the Puerto Rico by Design Program. They still have not published any guidelines indicating how this programs would work or who would specifically be eligible to request assistance. What is clear, however, is that now a substantial amount of money will only be available for projects that have been already qualified and selected under other federal programs.

We're concerned about the Department declining to create incentives and assistance with rules and procedures that are more flexible and accessible than the ones imposed by the low-income tax credits or the FEMA mitigation funds. By acting in this manner, it is limiting the access to those who do not participate in the selection for these programs, reducing the opportunities for community and nonprofit organizations, as well as for small and medium-sized businesses that do not have the resources to design proposals and projects or offer economic guarantees at the level required by the federal government. On the other hand, as we can already see in the selection process for the housing projects with LIHTC, large subsidized housing developers, owners, and administrators may be favored, and these also have the opportunity to benefit from ample tax incentives, like the ones granted to priority projects in Opportunity Zones, or from expedited permit processing, like what happens with Critical Projects under Title V of PROMESA. This, with few guarantees of long-term benefits for low-income citizens and communities.

*Required action:* Maintain or create programs geared toward the design and implementation of infrastructure proposals and projects developed by, with, and for the communities affected by the hurricanes, based on their wants and needs.

*Required action:* Create assistance or incentive programs that prioritize community businesses or cooperatives that promote sustainable economic development and directly benefit the community.

*Required action:* Establish guarantees for residents of the communities where projects will be developed using Tax Credits for Low-Income Housing, such as recognizing their right to return or remain there, establishing rent caps for all the newly constructed or renovated

*rental properties, providing adequate mechanisms for participation and communication that are accessible to the residents of neighboring communities or those who were displaced during the rehabilitation or construction process, guaranteeing that the service infrastructure available in the area is sufficient, and requiring the mitigation of any environmental impact.”*

**PRDOH Response:**

PRDOH appreciates your entity’s continued interest in the CDBG-DR program and its work in the community. In this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan, the language referring to the tax rates in the Repair, Reconstruction, or Relocation (R3) Program was updated to remain consistent with program guidelines.

By virtue of Executive Order 2020-63, the R3 Program developed a Title Certification draft. As the entity managing the CDBG-DR funds and the Program, PRDOH has decided to no longer accept applications in order to responsibly manage the available funds and people’s expectations. However, a notification list was established to inform people in the event that more funds become available for this Program because, as vouchers are granted, we’ll know with more certainty whether the current funds will allow for adding more applications to the Program after this temporary closure. The R3 Program continues to address the cases of people who applied before the closing date, until all of the available funds have been assigned to eligible applicants. Cases are addressed in the order the applications were received.

PRDOH is taking your suggestions into consideration and evaluating the possibility of creating a temporary housing program for R3 Program applicants whose homes are not safe and who would like to wait for a housing mitigation program under the CDBG-MIT funds. Without being able to guarantee anything, and in a very preliminary capacity, should any program be implemented, it would be included in a substantial future amendment to the CDBG-DR action plan.

The CDBG-DR Gap to Low Income Housing Tax Credit (LIHTC) Program provides financing for qualified projects under the federal LIHTC program. Cooperatives and community businesses may complete the process to qualify their affordable housing projects under the federal LIHTC program and subsequently apply to the CDBG-DR LIHTC program.

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Comment ID: 10/10/20\_E\_NGO\_Arnán Golden Gregory LLC\_Orlando Cabrera(1)

**Comment:** *“October 10, 2020*

*The Honorable Luis Carlos Fernandez-Trinchet*

*Secretary of the Puerto Rico Department of Housing*

Commonwealth of Puerto Rico  
c/o Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, Puerto Rico 00928-1365  
E-mailed to: [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)

RE: Comments to Draft Puerto Rico Disaster Recovery Plan for the Use of Community Development Block Grant - Disaster Recovery in Response to 2017 Hurricanes Irma and Maria, Action Plan Amendment Five, Draft for Public Comment dated on or about September 10, 2020 ("Draft DRP Amendment")

Dear Secretary F emandez-Trinchet:

Our firm submits these comments in connection with the Puerto Rico Department of Housing's ("PRDOH") request for comments to the Draft DRP Amendment on behalf of our clients.

Hurricane Irma struck Puerto Rico on or about September 6, 2017 and Hurricane Maria struck soon thereafter on or about September 20, 2020. Both Hurricanes Irma and Maria caused substantial damage to the Commonwealth. As the Draft DRP Amendment makes plain, Puerto Rico has significant issues that require the extended application of focused federally appropriated resources.

The Draft DRP Amendment contemplates the reallocation of significant resources to various programs created by PRDOH under its initial Disaster Action Plan dated July 28, 2019 ("Initial Plan"). Like the Initial Plan, the Draft DRP Amendment rightly maintains its focus on "shovel ready" development, including housing development.

These comments, conveyed on our clients' behalf, can be placed in two categories, namely, developers of market rate and affordable multifamily housing ("Client Group A") and clients that manufacture housing ("Client Group B"). Both Client Group A and B are actively involved in business in Puerto Rico. Assuming that federal disaster recovery is available, in one way or another, Client Group A and B are immediately capable of executing their business plans with respect "shovel ready" development or economic development efforts that will produce much needed housing and jobs.

Accordingly, we organized our comments to the Draft DRP Amendment into four groups: (I) multifamily housing, (II) our comments by industry, (III) comments relating to City Revitalization, and (IV) suggested technical corrections.

A. General Comment.



*As a general matter, Client Groups A and B are concerned that CDBG-DR proceeds are not being distributed quickly or efficiently enough. Both Client Groups A and B welcome the reallocation of resources set forth in the Draft DRP Amendment, but are deeply concerned that time has become a distinct challenge to progress. While both Client Groups A and B understand and empathize with the current challenges, there is an expiry date on CDBG-DR funds. Despite the recent extension provided by the current administration and the possibility of yet another down the line extension, Client Groups A and B are concerned about capacity to perform the requirements of the Initial Plan and each subsequent amendment, including the Draft DRP Amendment.*

*Secondly, as the Draft DRP Amendment notes, Congress appropriates nearly all federal disaster recovery appropriation as a supplemental appropriation.<sup>1</sup> Once Congress appropriates through a supplemental appropriation, those appropriations are coupled with de facto legal direction that tends to lay a broad parameter for execution by the applicable federal agency, in this case the United States Department of Housing and Urban Development ("HUD"). The most pertinent form of appropriation for purposes of this comments letter is Community Development Block Grant - Disaster Recovery ("CDBG-DR") appropriation and additional supplemental appropriation to FEMA's Disaster Relief Fund ("DRF"). We do not address FEMA appropriation in this comments letter.*

*Legislative proviso language in supplemental appropriations impacts each of Puerto Rico's CDBG-DR supplemental appropriations. The proviso language sets the general rules applicable to each individual CDBG - DR appropriation. While each CD BG-DR appropriation is similar to every other disaster recovery appropriation, those appropriations are seldom identical. Even the various supplemental appropriation acts that have funded all COBO-DR allocations to the PRDOH for Hurricane Inna and Maria have differed from one another in slight but substantive ways. Some require that CDBG-DR be used for mitigation while other COBO-DR appropriations do not; accordingly, the proviso language in each specific CD BG-DR supplemental appropriation is critical to assessing use of CD BG-DR funds.*

*Once HUD is allotted Congressionally-appropriated CDBG-DR for subsequent allocation grantees, HUD then begins its process before allocating any CDBG-DR. In order to guide the development of action plans by grantees, HUD publishes a set of guidelines in the Federal Register that, while not technically federal regulations as matter of law, are nonetheless treated as such. The overarching rule of thumb with any CDBG-DR allocation made to any state or territory is flexibility of use of federal appropriation that does not exist when federal appropriation is undertaken under "ordinary course" Community Development Block Grant ("CDBG") program, as authorized under the Housing and Community Development Act of 1974 ("HDCA").<sup>2</sup>*

*Each supplemental appropriation that funds CDBG-DR and allocates it to the various states and territories require those jurisdictions to provide HUD with a plan of operations, controls, and expenditure with respect to each of their CDBG-DR allocation. Each*

supplemental appropriation law creates an appropriation of CDBG-DR and requires that each grantee jurisdiction create a plan (or amend its plan, as is the case with the Draft DRP Amendment). The grantee, in this case PRDOH, has considerable legal discretion to craft provisions in their respective plans that allow more flexible eligible uses than those authorized by the HDCA. Sometimes, those more flexible grantee provisions created by grantees with HUD's consent effectively supplant federal law. Further, each supplemental appropriation permits those grantees, usually states, to craft alternative processes in order to address mandatory compliance with certain federal law, such as the nation's environmental laws within their respective action plans. 3

Our clients urge PRDOH to fully analyze the provision language and various Federal Register parameters published by HUD in order to take advantage of available language and maximize flexibility of CDBG-DR use. We suggest that careful use of flexibility provided in some of the supplemental appropriations and various Federal Register notices may help Puerto Rico maximize the impact of the Draft DRP Amendment. Our clients do not suggest that PRDOH has failed to analyze the various supplemental appropriations act in the past, but as time passes, revisiting the available flexibility may have value for PRDOH when it comes to execution of the Initial Plan including the Draft DRP Amendment.

Further, our clients encourage PRDOH to identify those provisions of federal law that would typically impose prohibitions under the authorizing sets but may be waived by HUD pursuant to the Federal Register guidelines. Those conditions set forth the various Federal Register notices and general compliance with national objective requirements and serving low income populations make clear what is permissible waive. As noted above, each CDBG-DR appropriation allows for some degree of flexibility. For example, CDBG-DR proviso language commits the grantee to use monies for infrastructure, but permits some of the infrastructure to include housing related activities. In the case of Commonwealth that flexibility may be of particular usefulness in the context of encouraging transit-oriented development.

## B. Our clients' Comments Organized by Industry

### 1. Multifamily Housing ("Client Group A")

Puerto Rico's economic reality poses underwriting challenges for market rate and affordable housing development alike. As the Draft DRP Amendment notes, unmet need is a major issue when it comes to development of multifamily housing in the Commonwealth simply because underwriting multifamily transactions of any kind, market or affordable, require significant gap financing as a source. To complicate issues further, despite regulatory relief from the United States Office of the Comptroller of the Currency, LIHTC investors and real estate lenders have not aggressively returned to Puerto Rico.

Those same lagging investment sources that hampered LIHTC transactions in Puerto Rico have also impacted the possibility of using other potentially utilization of useful tools, like the New Markets Tax Credit ("NMTC"), NMTC investors have been reticent to fund transactions in Puerto Rico generally, but particularly so after Hurricanes Irma and Maria. Inducing such investment is key to the Draft DRP Amendment's anticipated success.

As the Draft Amendment notes, Puerto Rico's area median income is \$19,606, as compared to \$55,322 for the United States as a whole. Rent in Puerto Rico averages \$477 monthly. Whether a developer is developing market rate or affordable multifamily rental housing, the implications of those economic data points infer that the developments will require deep subsidy for both construction and operation. Thus, maximizing gap finance is key to successfully executing the objectives set forth in the Draft DRP Amendment.

Given the foregoing, wherever possible, Client Group A encourages PRDOH to focus efforts that encourage mixed use and allow for the seamless weaving of a variety of resources, including NMTC and LIHTC within the possibilities provided by federal law and regulation. To use an 'everything including the kitchen sink' example, if PRDOH is interested in innovative financial plans, it may make sense to consider language that expressly encourages multi-faceted funding plans buttressed by CDBG-DR funded gap financing. Such language might consider providing greater amounts of CDBG-DR when applied to various funding gaps if a developer seeks to finance, for example, an urban transit oriented, mixed-use, mixed income (i.e., affordable and market rate) development that includes elderly and/or disabled, is energy independent, uses innovative financing structures that might include both rental and homeownership on the one hand and would provide less gap financing or deprioritize funding to a straight "naked" LIHTC-subsidized development that has no additional desirable components on the other. Client Group A believes the Draft DRP Amendment as a useful tool to articulate such a policy should PRDOH want to pursue that kind of plan.

As a supplemental matter not directly related to the Draft DRP Amendment, Puerto Rico Housing Finance Authority ("PRHF A") and its resources are a powerful tool for the developing affordable housing, but the foregoing policy clarity in the Draft DRP Amendment might be the foundational basis for language in PRHFA's future qualified allocation plans. Outside the context of the Draft DRP Amendment, one thing recently learned from the recent Covid-19 and other recent disasters is that Congress is willing to create emergency LIHTC when needed. Given the fact that PRHFA forward-allocated LIHTC through 2021, our clients believe that it is worthwhile for PRDOH to consider an effort to achieve a similar supplemental LIHTC emergency allocation for Puerto Rico, given that CDBG-DR works well in combination with LIHTC.

## II. Single Family ("Client Group B").

Certain of our clients are HUD-regulated housing manufacturers. Manufactured housing offers two critical benefits for Puerto Rico: it provides (1) cost effective, HUD-compliant lead-free housing that is hurricane resistant, and (2) jobs. While we understand that the Draft DRP Amendment is not designed to be prescriptive, our clients believe that it would be worthwhile to mention possible programs that would produce manufactured housing that could serve Puerto Rico well. While the Draft DRP Amendment's Housing, Multi-Sector, and Economic Recovery components are clearly designed to deal with Puerto Rico's various economic sector's needs, my clients feel that Puerto Rico may want to consider supporting some opportunities that might help manufactured housing and single family production.

### C. City Revitalization.

Our understanding is that the City Revitalization component contemplates a \$600 million program consisting of (a) a non-competitive \$345 million pool to be made available to municipalities, (b) a \$ 175 million competitive pool for which municipalities will compete, and (c) \$100 million for the University of Puerto Rico and the University of Puerto Rico-Mayagüez. Our clients restrict their comments to the proposals set forth in (a) and (b) above.

Our clients applaud the decision to undertake a reallocation and imagine new allocation models that include the municipalities on a non-competitive and competitive basis. Provided the municipalities make affirmative covenants to comply with all federal and state regulation, our clients believe that allowing municipalities might address local needs more effectively and help PRDOH with meeting the ever present timing stresses involved with allocation billions of dollars in federal aid within the context of a definitive timeline. It may be worthwhile to allow the municipalities more leeway to decide which economic and real estate developments to prioritize on their own, particularly those municipalities with capacity.

Our clients are concerned that PRDOH involvement in local priorities may impede innovation. They understand PRDOH's need to assure compliance, but would suggest that the City Revitalization provisions requiring seemingly intensive oversight or input from PRDOH with respect to the \$345 million non-competitive portion might be a disincentive. Carefully clarifying PRDOH involvement in the non-competitive portion of the City Revitalization program may help PRDOH achieve more municipal participation.

Finally, our Client Group A clients all have "shovel ready" developments and would benefit enormously from allowing more fluid funding processes generally and under City Revitalization program. We again urge efficacy in allocating CDBG-DR resources whether in the ordinary courses or under the City Revitalization component.

### D. Technical Comments

We further note the following technical comments for your consideration:

1. The table on pp.23 and 24 repeats the "Median Age;" It first appears on the first row on p.23 then again on the last row of the same table on p.24
2. We offer the following suggestion as a comment because LIHTC is often misconstrued by some who are not supports of LIHTC.

As you know, the Section 42 of the Internal Revenue Code governs the allocation of the low income housing tax credit ("LIHTC"). The current sentence on p.140 states that the Internal Revenue Service provides millions of dollars annually. The Internal Revenue Service is not providing money when Puerto Rico receives LIHTC. Additionally, LIHTC is not federal appropriation but instead a federal resource known as a tax expenditure.

LIHTC is used to raise private capital that funds single purpose entities ("SPEs") that are pass through entities that are commonly organized as limited partnerships under the laws of the state where the pertinent housing finance agency allocates LIHTC, Investors,

usually financial partnerships interest in the SPE and the LIHTC. Since LIHTC really reflects the investment of private capital in exchange for receipt of LIHTC and other tax benefits, we would suggest the following sentence in lieu of the current initial sentence set forth on P. 140:

*“Puerto Rico Housing Finance Authority receives an annual allocation of low income tax credits (“LIHTC”) known as “9% LIHTC” under the provisions of the Tax Reform Act of 1986 that helps raise millions of dollars of investment from private sector for the construction of affordable housing.”*

*Our clients our grateful for the opportunity to comment upon the Draft DRP Amendment. We hope our comments are helpful and useful to PRDOH. As always, if you have any questions or concerns, please feel free to contact me.*

*Sincerely,*

*Arnall Golden Gregory LLP*

*Orlando J. Cabrera”*

**PRDOH Response:**

PRDOH appreciates these comments and will take them into consideration. Mixed use of New Markets Tax Credit (NMTC) and Low-Income Housing Tax Credit (LIHTC) is a possibility under actual CDBG-DR LIHTC Program design without the need of a program redesign. These NMTC projects must also be certified LIHTC projects to be eligible under the CDBG-DR LIHTC Program.

The City Revitalization Program uses the Subrecipient Distribution Model. PRDOH bears the responsibility of administering these CDBG-DR funds through this model of distribution in the same extent as it does for the Direct Distribution Model. PRDOH is required to deploy the exact level of subrecipient oversight to ensure subrecipients meet compliance with all applicable laws, regulations and special grant conditions imposed by HUD. PRDOH will consider these comments and appreciates the private sector interest in these CDBG-DR Programs and in the recovery of Puerto Rico.

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Comment ID: 10/09/20\_E\_NGO\_Puerto Rico By Design\_Israel Matos(1)

**Comment:** *“October 9, 2020*

*Re: Puerto Rico CBG-DR Recovery Action Plan: Retention of the Puerto Rico By Design Program*

*Dear Secretary:*

*Through this message, I, Israel Matos Mercado, as a US citizen, wish to inform you of my opposition to the elimination of the Puerto Rico By Design program as proposed in the 5<sup>th</sup>*

Amendment to the Action Plan for the Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and therefore we request that you reconsider this important program.

After the impact of Hurricanes Irma and María in 2017, and the earthquake in January 2020 and subsequent aftershocks that still persist, it is clear that we must rebuild our Puerto Rican archipelago in an innovative, sustainable way that prepares us for the future. We must also consider the impact of Climate Change (more frequent and intense hurricanes, more frequent and intense rainy seasons the effects of which are well-known, and even periods of intense and prolonged drought) on our environment. We share the goal of moving quickly to rebuild Puerto Rico after María and to protect against future hurricanes and/or natural disasters to which we are vulnerable. That is why we want this program to launch as soon as possible.

It was very pleasing to see the inclusion of the Puerto Rico By Design program in the CDBG-DR program for Puerto Rico two years ago and we have been waiting to become partners in this initiative. The program is based on the success of the Hurricane Sandy Rebuild by Design Competition and the National Disaster Resilience Competition that used disaster recovery funds to create new focuses for the planning and building of infrastructure for managing flooding, social challenges, among other things. The government invested a great deal of money and effort into this Puerto Rico by Design Program so that it would be used in the island's recovery after disasters and it is surprising and regrettable that it is not being taken into consideration nor being including in this proposed Recovery Plan (CDBG-DR Recovery action Plan). There are many elements that could be greatly beneficial to Puerto Rico in the Puerto Rico By Design program:

- Great adaptability for meeting social, economic, and environmental needs and goals.
- Includes ample community participation and government entities accelerating processes and the acceptance of projects from the beginning. The result has been that better designs have been generated and, in the end, it provides critical, legitimate local support to develop projects.
- It implements interdisciplinary focuses to guarantee that we do not rebuild things as they were before. Any investment must be focused on promoting collateral and comprehensive benefits.
- Working with communities and local governments before designing projects guarantees that the final product addresses the diverse needs of the community and that the infrastructure is built with support.
- The use of best practices and the most advanced infrastructure solutions by the experts, involving the use of supplies from the community and government agencies from the design phase.
- A history of working with hundreds of community organizations and local professionals. This program can guarantee that capabilities are developed at a local level to allow local architects, engineers, and designers to develop their

*practices in Puerto Rico, educating our communities on future risks and potential solutions.*

- *Concentrating on implementation and adopting a multi-benefit focus, which would mean that the project proposals are realistic and protect against vulnerability while simultaneously providing benefits during periods where there are no disasters, like improving our health, aquatic transportation, future economic development, etc.*
- *The competition also promotes economic development by providing an opportunity for local professionals (architects, planners, engineers, etc.) to propose projects and solutions alongside the community and local governments.*

*The CDBG-DR disaster recovery funds present a unique opportunity for planning and developing projects and solutions in a holistic and innovating way that promotes the economic and social development health care and environmental protection that can finally help us rethink how our communities can address the natural challenges presented by climate change. We should not waste this opportunity, which is why we ask that you allow the Puerto Rico by Design program to remain in the CDBG-DR action plan.*

*Respectfully,*

*Israel Matos,*

*Meteorologist and former Director of the San Juan, PR National Weather Service Office."*

**PRDOH Response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in Puerto Rico's recovery.

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Comment ID: 10/10/20\_E\_PS\_McConnell Valdes LLC\_Laura Femenias Jove(1)

**Comment:** "October 10, 2020

*Mr. Luis Carlos Fernández Trinchet*

*Secretary P*

*Puerto Rico Department of Housing*

*PO Box 21365*

*San Juan, PR 00928-1365*

Re: Comments to Fifth 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 Fifth Substantial Amendment (the "Fifth 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") published by the Puerto Rico Department of Housing ("PRDOH") on September 10, 2020, and to the CDBG-DR Program Guidelines (the "Guidelines") for the City Revitalization Program (the "City Revitalization Program") published on March 9, 2020. We are pleased to submit our comments to the Fifth Amendment regarding the City Revitalization Program and the Economic Development Investment Portfolio for Growth Program (the "Economic Development Portfolio").

Pursuant to the Action Plan and the Guidelines, the purpose of the City Revitalization 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 City Revitalization Program is to restore infrastructure in downtown areas and key corridors that were impacted by the hurricanes, 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 City Revitalization 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 City Revitalization 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 City Revitalization Program and Guidelines in achieving their respective objectives, we request that for-profit entities be (1) included as eligible applicants under the City Revitalization 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.

The Action Plan currently includes 21 programs, including the Economic Development Portfolio. Funding for the Economic Development Portfolio is pegged at \$800,000,000. It's evident there are too many programs and as a result the CDBG-DR funds are going to



be unnecessarily diluted, increasing the likelihood the funds will not be used in a timely basis and will not achieve the stated purpose in the Action Plan to address the urgent humanitarian needs of its residents while implementing a transformative recovery not only focused on the use of funds for rebuilding, but to stimulate economic growth in every affected community.

There's a strong consensus in the private sector that the allocation to the Economic Development Portfolio at \$800,000,000 is underfunded. More funding is needed in the Economic Development Portfolio to develop the large-scale projects that will have a positive impact on Puerto Rico's economy. Since the economic crisis of 2008 and ensuing events, including the insolvency of the government of Puerto Rico, impactful and lasting economic development has been nil, in large part because of the loss of billions of dollars in local capital as well as the loss of "936 funds" from the Puerto Rico banking and finance sector. In order to overcome these hurdles and make the Economic Development Portfolio truly effective, we request that funds be reallocated from other programs to the Economic Development Portfolio and suggest a target allocation of \$2,000,000,000.

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

a. Inclusion of for profit entities as City Revitalization Program applicants

In the Fifth Amendment, the Program's eligible activities include Economic Development Assistance to For-Profit Business under Section 105(a)(17),<sup>8</sup> but for-profit entities are not eligible applicants under the City Revitalization Program. The applicants pursuant to the Fifth 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; for example:
  - a. Faith Based or Community Based Organizations; and
  - b. Conservation of Natural Resource Organizations.
- (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 example:
  - a. Public Housing Authorities and/or Public Health Facilities.For-profit-entities are not permitted to participate in the City Revitalization Program even in instances where for-profit entities have the necessary experience, resources and capacity to develop a project that timely meets City Revitalization 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) CDBG-DR funds cannot be used for long-term operations and maintenance. Subrecipients must submit an Operations and Maintenance Plan ("O&M Plan") for proposed projects to be funded through the City Revitalization Program, including daily operations.
- (3) All construction work, whether reconstruction, repairs or new, shall utilize the services of an architect or engineer, with a valid professional license to practice in Puerto Rico, to design the facilities and improvements in accordance with PRDOH and FEMA standards, and all applicable local codes and regulations.
- (4) Projects must be within city boundary, in designated downtown area or key growth corridor.
- (5) Demonstrate tie-back to the disaster.
- (6) Projects must be a CDBG-DR eligible activity.
- (7) Proponents of Community Resilience Centers must agree to be listed in a public registry and make the facility available to the public in future disasters and provide year round maintenance and pay operating expenses.
- (8) Proponents of residential projects should clearly demonstrate that they will satisfy the LMI objective.

The subrecipient model is the method of distribution for the City Revitalization Program and funding will be offered in three non-sequential 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. [The] City Revitalization goals for each round of funding of the City Revitalization 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 round of the City Revitalization Program.<sup>12</sup>

The process in the Action Plan to apply for CDBG-DR funds under the City Revitalization Program does not significantly differ from the process established in the method of distribution for the Economic Development Program. Then, why exclude for-profit entities as City Revitalization 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 City Revitalization Program requires that Applicants or Subrecipients submit the O&M Plan. 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 City Revitalization 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. By permitting private sector participation in the City Revitalization Program, CDBG-DR funds will not be used for long-term O&M costs, as required in the Fifth Amendment to the Action Plan. Furthermore, 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 City Revitalization 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 costs 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 costs. Neither alternative is conducive to satisfying City Revitalization 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 City Revitalization 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 City Revitalization 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 City Revitalization Program will not be used, frustrating its intended purpose.

b. Exempt For-profit Entities from MRP

The City Revitalization Program provides CDBG-DR awards in the form of a grant, making funding available to municipalities and other eligible entities in three non-sequential rounds.<sup>16</sup> According to the Fifth Amendment to the Action Plan, the non-sequential funding distribution rounds may be implemented 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 government will implement the projects with oversight from PRDOH.

Round 3: Projects in Round 3 will be determined via a competitive NOFA process. After PRDOH scores, ranks and selects projects after the NOFA closes, the municipal governments and other eligible entities will implement the projects with oversight from PRDOH. Applications will compete in three categories: General projects, Set-Aside projects and Community Resilience Centers projects. Eligible applicants will be required to submit evidence of their presence, knowledge and prior experience in providing services to the community where the proposed project will be implemented. Depending on the submission of proposals, PRDOH reserves the right to perform additional rounds or adjust the total funding of this round to assure the distribution of all funds.

Pursuant to the Guidelines, which have not be amended since March 9, 2020, the municipal governments must agree to take part in the MRP to participate in second round of the City Revitalization 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 María."

*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 City Revitalization 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 City Revitalization Program outcome is dependent solely on projects included in a municipal recovery plan, the timely disbursements and use of CDBG-DR funds will 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. Even though the Fifth Amendment to the Action Plan says the rounds are now non-sequential, the Individual Planning process makes this moot because it will take a considerable amount of time before any projects can be selected and developed with the funds assigned to round 2 of the City Revitalization Program.*

*The Grant Agreement for the second tranche of CDBG-DR funds establishes that the period of performance is six years and the requirement to access funds in round two of the City Revitalization Program will 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 City Revitalization 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-María environment and total damages at the municipal level, while not finalized, have become clearer.”<sup>25</sup> Three 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 City Revitalization 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, state and municipal regulations.

*c. Expand Eligible Activities to Include more options for Affordable Housing*

The Action Plan should clarify that Section 105(a)(4) of the City Revitalization 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 City Revitalization 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 City Revitalization 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 Plan”), 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 City Revitalization 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>29</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."<sup>30</sup> 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 Recovery Plan states that "[...] where possible, structures will be repurposed by municipalities, for example, as economic development vehicles through publicprivate partnerships or municipal corporations to house and attract new businesses."<sup>31</sup> Likewise, the Fifth 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."<sup>32</sup> 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."<sup>33</sup> 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.

d. Reallocation of CDBG-DR funds to the Economic Development Investment Portfolio for Growth Program

The Economic Development Portfolio is the cornerstone of the economic development goal of CDBG-DR. Most of the programs in the Action Plan address short term needs (i.e., Workforce Training Program, Small Business Financing Program, etc.) or critical problems that require urgent attention (housing under the Home Repair, Reconstruction or Relocation Program ("R3")). The Economic Development Portfolio needs to fund permanent "economic development infrastructure" such as, for example, building manufacturing plants, hotels and large scale projects that will create a higher economic multiplier effect and greater socioeconomic benefits for Puerto Rico.

Fortunately, there are numerous transformative projects "in the pipeline". The need for a reallocation of funds to make these transformative projects a reality is exacerbated by the unwillingness of private financial institutions and investors in and outside Puerto Rico to provide financing. Puerto Rico's risk profile is not conducive to investing. The most effective way to overcome the problem is to eliminate programs and reallocate funds to

*the Economic Development Portfolio. As projects are developed and the economy is stimulated, the degree of risk will diminish and financial institutions and investors will view investing in Puerto Rico in a different light. CDBG-DR will then have served its purpose to provide a bridge to lasting economic growth.*

*The Action Plan is a unique historical opportunity for Puerto Rico to address long standing humanitarian needs and transform the island's economy. In sum, it is the catalyst for overcoming structural economic and socioeconomic issues that has reversed the progress achieved over the last fifty (50) years of the twentieth century.*

*In light of the foregoing, we request that Action Plan be amended to (a) include for-profit entities as eligible applicants under the City Revitalization Program authorized to directly apply for CDBG-DR funds as a Program subrecipient or applicant for municipality endorsed projects, and (b) exempt municipalities from complying with the Municipal Recovery Planning Program in the case of private sector municipality endorsed projects. Additionally, add as a Program Eligible Activity the construction and/or acquisition of affordable housing in compliance with green building standards. Lastly, we urge that CDBG-DR funds be reallocated to the Economic Investment Portfolio up to the amount of \$2,000,000,000.*

*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"*

**PRDOH Response:**

PRDOH appreciates these comments and will take them into consideration. Consideration of including for profit entities as eligible applicants under the City Revitalization Program must be made in light of the restrictions imposed by Federal regulations on the use of CDBG-DR funds for assistance to for-profit entities. These are generally limited to economic recovery activities and meeting specific requirements. This 5<sup>th</sup> Amendment to the CDBG-DR Action Plan removes from the City Revitalization Program the requisite of completing the Municipal Recovery Planning Program process.

PRDOH has decided to address the affordable housing need through the CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC), the Social Interest Housing Program (SIH) and the Rental Assistance Program (RA). Through these three different strategies, PRDOH aims to address the affordable housing needs for vulnerable populations and low to moderate income families whose housing needs had been exacerbated by the disasters.



Reallocation of CDBG-DR funds to the Economic Development Investment Portfolio for Growth Program may be considered in future action plan amendments based on funds availability and additional consideration of other relevant factors.

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Comment ID: 10/10/20\_E\_NGO\_Hispanic Federation\_Maritere Padilla Rodriguez(1)

**Comment:** "October 10, 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)

Re: Comments from Hispanic Federation on the Fifth Substantial Amendment to the Action Plan for the use of CDBG-DR funds

Dear secretary Fernández Trinchet: On September 10, 2020, the Puerto Rico Department of Housing (PRDOH) published the Fifth Substantial Amendment to the Action Plan for the use of CDBG-DR funds in response to hurricanes Irma and María, henceforth referred to as "Action Plan" I. For this reason, Hispanic Federation opportunely presents its comments on the amendment.

Hispanic Federation is a nonprofit founded in 1990 in New York, United States, with the goal of supporting and empowering Hispanic communities and institutions through initiatives in the areas of education, health, immigration, civic participation, economic development, the environment, among others. Throughout the years, the organization has advocated for the rights of Puerto Ricans and other Hispanic communities at the federal, state, and local levels. Currently, the organization has offices in five states, Washington, D.C., and after Hurricane María, it established permanent operations in Puerto Rico.

To date, Hispanic Federation has pledged over 39 million dollars to 130 initiatives and nonprofits throughout Puerto Rico that are focused on recovery, housing, agriculture, mental health, energy, among others. Regarding housing, it has assigned a budget of over \$4 million to initiatives that include, but are not limited to, rebuilding, legal services, community services, and advocacy. In fact, we are members of the Decent Housing Movement (MVD, for its Spanish acronym), a group of over twenty nonprofit and

community organizations in which task forces have been developed to address current housing subjects, including the subjects of CDBG-DR funds.

The third sector and the communities aspire to be an important part of Puerto Rico's future design and development, led by its people – especially during the process of economic planning and development that will make the country's recovery possible. Regarding housing, Hispanic Federation promotes a holistic public policy that acknowledges and protects the fundamental right to safe, decent, and affordable housing of Puerto Rico's communities. In particular, the right to decent housing requires access to basic services such as a roof, water, electric power, education, health, among others. Hispanic Federation is also committed to defend the basic principles of justice, transparency, real citizen participation, sustainability, and the protection of fundamental rights.

I – Summary of Hispanic Federation's comments on the Action Plan from 2018

On October 19, 2018, Hispanic Federation presented its first comments on the Action Plan. Among other things, it explained that due to the lack of comprehensive public policy regarding the subject of housing in Puerto Rico, it is not only necessary to articulate one for this effort, but also to develop legislative strategies that address the root problems. Some of these problems are: the disparity between the need for affordable housing and what is on offer in the market, the gentrification, urban sprawl, the real estate bubble, inequality, and the proliferation of abandoned properties. In doing so, the temporary or mitigation measures implemented as part of this plan would be accompanied by comprehensive long-term measures.

Hispanic Federation recommended at the time and today reiterates the following:

1. Clearly incentivize through housing redevelopment programs in urban centers using the great inventory of units current vacant, abandoned, or in disuse;
2. Prioritizing real needs over profitability analyses, cost-effectiveness, or the presence of funds allocated to projects from before the disaster;
3. A more aggressive agenda in the affordable housing sector that is not limited to the distribution of Section 8 vouchers and which includes public housing initiatives, rent control, the use of public lands for affordable housing, the introduction of affordability requirements in newly constructed or rehabilitated projects, urban contexts, among other measures already identified by research institutions and expert groups specialized in urban design.
4. Patently demonstrate, in an accessible, transparent way, and through the use of the best available data, the response to the demographics most affected by the disasters, as required by the "Stafford Disaster Relief and Emergency Assistance Act" (henceforth, "Stafford Act");
5. Guarantee the inclusion of the general public at all levels and in all decision-making processes.

II – Summary of Hispanic Federation’s comments on the Fourth Substantial Amendment to the Action Plan; summary of PRDOH’s response to said comments; and update to Hispanic Federation’s comments to be considered in the Fifth Substantial Amendment.

## RECOMMENDATIONS FOR SPECIFIC PROGRAMS

### HOUSING

#### Title Clearance Program

1. It was a mistake to make having a property title a local (not federal) requirement for receiving the available assistance.
  - o PRDOH RESPONSE: “The Repair, Reconstruction, or Relocation (R3) Program has established in its guidelines alternative methods for people who do not have cleared titles. PRDOH understands that there are many people without formal title documentation. In order to ensure that the lack of said documentation does not affect assistance under the R3 Program, a program has been designed that is flexible regarding the evaluation of title documents. Applicants are in no way required to 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. All R3 Program applicants who present informal documents as proof of title ownership are automatically referred to the Title Clearance Program once it has been preliminarily determined that they are eligible for the R3 Program. In most cases, the title clearance services are provided free of charge. The Title Clearance Program’s Guidelines are available at [www.cdbg-dr.pr.gov](http://www.cdbg-dr.pr.gov) 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 R3 are properly cleared with their permits in accordance with the Joint Regulation for the Evaluation and Issuance of Permits related to the Development, Use of Land and Business Operation (Regulation No. 9081 of June 7, 2019).” (emphasis added)
  - o UPDATE TO HISPANIC FEDERATION’S COMMENTS: Among other things, Executive Order 2020-0634 establishes that “it is imperative to make the requirements established in the Joint Regulation more flexible in order to speed up the R3 Program’s reconstruction process.” For this reason, said order recognizes as “sufficient to comply with the verification process to present a Title Certification that includes the time that the applicant lived in the property affected by the disaster and an explanation of the circumstances that prevent the normal verification of its title. Said Title Certification shall include a certification that one of the following circumstances applies: (1) there is no other natural or legal person that has a right to claim the property; (2) the other natural or legal person with a right to claim the property also agrees to jointly participate as an

*applicant in the R3 Program; or (3) the other natural or legal persons with a right to hold a title for the property could not be located after making reasonable efforts to contact them. The Certification shall relieve PRDOH and the Permit Management Office (OGPe, for its Spanish acronym) of any liability related to claims that may arise regarding the property.”<sup>5</sup>*

*September 17, 2020, PRDOH adopted the eighth version of the Repair, Reconstruction, or Relocation (R3) Program<sup>6</sup> to recognize the Title Certification created under the executive order. However, in section 6.2.1 of the guidelines, it is required that the certification be accompanied by additional documents that are not required in the executive order. Specifically, said section establishes that “[T]he Title Certification must be accompanied by alternative title evidence documents. The documents that shall be considered include, but are not limited to, the following:*

- Will authenticated by the Court or will accompanied by a Certificate of Validity;*
- Evidence of having inherited*
- Declaration of heirs;*
- Court Order or Sentence granting the title or any ownership interest in the property;*
- Divorce sentence granting the title or ownership interest in the property;*
- Private Sale Contract: if the applicant acquired the property through a private sale from the owner, the contract must be verified as satisfied with supporting documents;*
- Evidence of usufruct contract;*
- Evidence of 99-year lease;*
- Evidence of “use permit” and/or “construction permit” in accordance with applicable laws and regulations;*
- Death certificate for the owner or birth certificate (to verify that the applicant is the owner’s descendant);*
- Marriage certificate;*
- If the owner of the dwelling affected by the hurricane/s passed away after September 20, 2017, the heirs may meet the title requirements as long as the heirs can provide evidence of their inheritance and a Death Certificate for the deceased owner.*
- Correspondence from FEMA addressed to the applicant that verifies that the applicant requested and received Individual Assistance from FEMA for damages to their property;*
- Mortgage payment book or other mortgage documents;*
- Property insurance that indicates the address of the damaged property;*

- Account statement issued by the Municipal Revenue Collection Center (CRIM, for its Spanish acronym); and/or
- Any other documentation shall be considered and reviewed on a case-by-case basis” 7

Hispanic Federation requests that, at a minimum, PRDOH amends the Action Plan and the guidelines for the Repair, Reconstruction, or Relocation (R3) Program in order to comply with what is established in said executive order, without adding additional requirements that would defeat the purpose of the flexibilization of the active legitimation requirements in the Joint Regulation. This, in accordance with what is demanded by the emergency and safety situation faced by thousands of people who three years after the disaster do not have a decent home to live in.

In turn, the R3 Program guidelines specify that the Title Certification may only be used to “provide active legitimation to the applicant during the permitting process in order to allow the acquisition of the construction permits to continue.” They add that “participants that proceed with the permitting process by signing a Title Certification must continue the required process to clear the title under the Title Clearance Program. The applicant must make all reasonable efforts available to them to cooperate in the process of obtaining a cleared title.” In fact, PRDOH does not clarify whether access to the assistance will always require the acquisition of a property title when it admits the following: “Cases where participants signed a Title Certification and demonstrated an ownership interest during the permitting process but are still unable to obtain a cleared title for reasons outside of their control shall be considered by PRDOH on a case-by-case basis.” For this reason, Hispanic Federation reiterates its original comments.

2. In cases where property titles are obtained, the government must expressly commit to not expropriating or displacing the community.
  - o PRDOH RESPONSE: “PRDOH has adopted policies to minimize displacement in line with the goals and objectives for the assistance activities under the HCDA Act. These policies are contained and published in the “Uniform Relocation Assistance and Relocation and Anti-Displacement Plan Guidelines of the Puerto Rico Department of Housing.” 10
  - o UPDATE TO HISPANIC FEDERATION’S COMMENTS: Upon reviewing the Uniform Relocation and Reviewing the Uniform Relocation Assistance and Relocation and Anti-Displacement Plan Guidelines of the Puerto Rico Department of Housing 11, we did not find an express commitment from the government to not expropriate in cases where property titles are obtained through the Title Clearance Program, which is why the Hispanic Federation reiterates its original comment.

Repair, Reconstruction, or Relocation (R3) Program

3. The uncertainty to which applicants in this program are exposed concerns us.12

- PRDOH RESPONSE: Was not addressed in Public Comments APA4.
- UPDATE TO HISPANIC FEDERATION'S COMMENTS: On June 18, 2020, the governor of Puerto Rico, Hon. Wanda Vázquez Garced, offered her message regarding the situation of the nation's status and budget. Regarding the R3 Program, the governor promised to process 300 to 400 housing units per month. For this reason, on July 20, 2020, Hispanic Federation and twenty-four (24) endorsing agencies sent a letter to PRDOH requesting that it publishes specific information regarding the number of dwellings processed on the program each month.

On August 11, 2020, we received an answer from PRDOH in which, among other information, it indicated that 313 houses were in the process of being constructed, and 43 houses had been finished. In addition, PRDOH confirmed that it would combine efforts to create a platform on which more precise and clear information regarding the implementation of the R3 Program would be published. However, as of today, said platform does not exist.

For this reason, the Hispanic Federation reiterates its original comment and once again requests that PRDOH creates a platform (dashboard) where the following information would be published on a monthly basis:

#### GENERAL APPLICATIONS

- Number of applications submitted by municipality.
- Number of applications approved by municipality.
- Number of applications denied by municipality.
- Number of applications referred to the Title Clearance Program before being able to obtain aid from the R3 Program, by municipality.
- Number of homes at which the repair, reconstruction, or relocation process has begun, by municipality.
- Number of homes at which the repair, reconstruction, or relocation has been completed.
- Number of homes repaired by municipality.
- Number of homes reconstructed by municipality.
- Number of families relocated by municipality.
- Number of families located in high-risk zones that were relocated by municipality.
- Mitigation plans considered for high-risk zones by municipality.

#### APPLICATIONS FROM HOMES WITH BLUE TARPS

- Number of homes with blue tarps by municipality.

- Number of homes with blue tarps that requested assistance under the R3 Program, by municipality.
- Number of approved applications from homes with blue tarps.
- Number of homes with blue tarps that were denied.
- Number of homes with blue tarps referred to the Title Clearance Program before being able to receive aid under the R3 Program.
- Number of homes with blue tarps at which the repair, reconstruction, or relocation process has begun, by municipality.
- Number of homes with blue tarps at which the repair, reconstruction, or relocation has been completed, by municipality.

#### APPLICATIONS FROM HOMES WITH VULNERABLE OR HIGH-RISK INDIVIDUALS

- Number of applications from homes with vulnerable or high-risk individuals that requested assistance under the R3 Program, by municipality.
- Number of approved applications from homes with vulnerable or high-risk individuals.
- Number of denied applications from homes with vulnerable or high-risk individuals.
- Number of homes with vulnerable or high-risk individuals that were referred to the Title Clearance Program before being able to obtain assistance under the R3 Program.
- Number of homes with vulnerable or high-risk individuals at which the repair, reconstruction, or relocation process has begun, by municipality.
- Number of homes with vulnerable or high-risk individuals at which the repair, reconstruction, or relocation has been completed, by municipality.

4. Similarly, the great number of contracts issued to promote a program that reached capacity just days after being announced due to the urgent need for services still needs to be justified.

- PRDOH RESPONSE: Was not addressed in Public Comments APA4.
- HISPANIC FEDERATION REITERATES ORIGINAL COMMENTS

5. The communities should not be experiencing any pressure, be it real or perceived, to be displaced. The way in which the R3 Program has defined the requirements for accessing the resources (i.e. estimated damages, property valuation, high-risk zone designation) substantially limits the options offered to many people who still live in a home in unacceptable conditions. These limitations should not be confused with voluntary decisions to relocate.

*For example, the program establishes that if the estimated damages to a property surpass \$60,000 or 50% of the value of the home, and it is located in a flood zone, the only option will be relocation. Said general rule affects people whose homes have the least value on the market, because the lower the value of the home, the greater the probability of the damages surpassing 50% of its value. In addition, the only option offered by the program for these individuals or families is to relocate, which evidently is not a voluntary decision if the individual or family does not have the money to rebuild and remain in their home and/or community.*

- *PRDOH RESPONSE: "PRDOH has adopted policies to minimize displacement in line with the goals and objectives for the assistance activities under the HCDA Act. These policies are contained and published in the "Uniform Relocation Assistance and Relocation and Anti-Displacement Plan Guidelines of the Puerto Rico Department of Housing."*
  - *HISPANIC FEDERATION REITERATES ITS ORIGINAL COMMENTS*
6. *The option to rebuild in high-risk zones should be evaluated responsibly on a case-by-case basis and at a community level. The safety of the families is essential, but in order to achieve said safety, in some cases, relocation is not the only option. Survivors and their communities should know the mitigation options developed in the Municipal Mitigation Plans, the State Mitigation Plan, and/or mitigation projects contained therein. In fact, communities should be encouraged to participate during the design, evaluation, and implementation process of these plans. In addition, the Whole Community Resilience Planning Program should consider said mitigation plans and allow the direct participation of the communities during its development and implementation.*

*Once survivors know the mitigation options in their communities, they will have the full and objective information to be able to voluntarily decide whether to remain (rehabilitate or reconstruct) or relocate. Until said mitigation options are evaluated responsibly, PRDOH cannot impose housing relocation as the only option in high-risk zones.*

- *PRDOH RESPONSE: "Future programs, including those subsidized by mitigation fund appropriations (CDBG-MIT), may consider additional focuses related to reconstruction in high-risk zones. PRDOH recognizes that the planning of mitigation activities is a collective effort. The Paction Plan for the CDBG-MIT funds will be part of the citizen participation process in order to ensure that communities and the general public can evaluate and propose mitigation measures," 14*
- *UPDATE TO HISPANIC FEDERATION'S COMMENTS: PRDOH has publicly promised to consider mitigation alternatives in high-risk zones. In addition to their response to this comment, in the eighth version of the R3 Program guidelines, it is established that: " Participants granted a subsidy for*



relocation who do not wish to relocate immediately may defer the acceptance of the grant under the R3 Program in order to allow the participatory development of the housing mitigation program under the Community Development Block Grant (CDBG-MIT). Participants who opt to defer accepting the grant for relocation under the CDBG-DR R3 Program in order to participate in a future mitigation program will keep the CDBG-DR R3 Program grant on hold until a housing mitigation program is established under CDBG-MIT.”

However, this amendment to the guidelines does not clarify how they will address the temporary housing needs of participants who keep the R3 Program grant on hold while they evaluate mitigation options. In addition, it also does not eliminate the prohibition on reconstruction within these zones once risk mitigation measures are developed. For this reason, Hispanic Federation requests that the temporary housing needs of applicants who wish to remain in their communities while they evaluate mitigation options be addressed. Also, PRDOH must expressly clarify whether reconstruction will be permitted as an alternative to relocation in high-risk zones for cases where mitigation is achieved.

7. On the other hand, this program does not effectively address the reality of people who do not have a property title. It is unclear whether, in the end, it will be necessary to obtain a property title in order to access the program’s benefits. As we have said, it is a mistake to impose the condition of holding a property title to receive aid.
  - o PRDOH RESPONSE: Please refer to the discussion in comment one (1) from Hispanic Federation in this section on pages 3 to 6 of this document.
  - o UPDATE TO HISPANIC FEDERATION’S COMMENTS: Please refer to the discussion in comment one (1) from Hispanic Federation in this section on pages 3 to 6 of this document.

#### HISPANIC FEDERATION’S NEW COMMENTS ON THE FIFTH SUBSTANTIAL AMENDMENT CONCERNING HOUSING PROGRAMS

##### Community Energy and Water Resilience Installations Program

8. We agree that the negative effects of hurricanes Irma and Maria were catastrophic for communities in Puerto Rico and that things have not gotten better in the three years since then. However, we must establish that not everyone in Puerto Rico suffered the same effects. For this reason, it is of the utmost importance that resilience programs be created taking into consideration those who are most vulnerable so that we may achieve social justice. Hispanic Federation therefore recommends:
  - o Beginning the implementation of the program as soon as possible, starting with zones where electric power infrastructure is most vulnerable. Specially those who were reconnected last after hurricane Maria.

- Using the funds for decentralized solar energy systems with batteries installed on roofs that can operate during emergencies and provide the minimum amount of energy to support life.
- Using equipment certified by the Electric Power Authority to take net measurements but leave it at the beneficiary's discretion.
- Creating mechanisms that cover all of the costs for solar power systems for low-income and middle-class families.
- Prioritizing people whose lives depend on machines like artificial ventilators or equivalents.

## PLANNING

### Whole Community Resilience Planning Program

9. *This program represents an opportunity to allow communities in high-risk zones to remain in their communities should they wish to do so instead of being relocated, as we explained in the R3 Program comments. However, the program's guidelines must be reviewed to integrate the recommendations regarding citizen participation discussed further in this document and to consider the mitigation projects contained in the Municipal Mitigation Plans and the State Mitigation Plan. In addition, PRDOH must reappropriate funds to, in addition to planning, implement specific community resilience projects developed by the communities themselves under this program.*
  - *PRDOH RESPONSE: Was not addressed in Public Comments APA4.*
  - *UPDATE TO HISPANIC FEDERATION'S COMMENTS: On July 27, 2020, Hispanic Federation and a group of organizations asked PRDOH how the mitigation projects under the CDBG-MIT relate to the mitigation projects that should be planned with communities under the Whole Community Resilience Planning Program of the Community Resilience Action Plan for CDBG-DR funds. PRDOH replied: "We agree that planning efforts such as the Whole Community Resilience Planning Program (WCRP) and the Municipal Recovery Program (MRP) will be valuable tools for communities and for identifying potential mitigation projects and activities. When the schedule for the CDBG-DR programs allows it, the development of the CDBG-MIT Action Plan and the development of its programs will incorporate the valuable work that is currently being done through CDBG-DR to assist in identifying and organizing potential mitigation projects and activities. Although MRP and WCRP will continue to deliver results throughout the cycle of the mitigation funds, PRDOH will continue to organize the projects and programs funded through the CDBG-DR and CDBG-MIT, increasing the collaborative nature of these two grants." However, there isn't an appropriation of funds specifically for implementing projects developed with communities under the Whole Community Resilience Planning Program. For this reason, Hispanic Federation reiterates its original comment.*

## ECONOMY

### Economic Development Investment Portfolio for Growth Program

10. In our comments from October 2018, we recommended the establishment of limits or maximum allocations for projects and initiatives and this is one of the programs that inspires us to insist on said recommendation. This program has been allocated \$880, which is the largest sum of money allocated to an economic program in the Action Plan. We reiterate that the program should include maximum allocations for projects and initiatives and should establish clear and fair criteria for the distribution of funds that respond to the “unmet needs” of the communities as required by the Stafford Act. We also recommend a moratorium on the implementation of this program until said criteria are established with the appropriate transparency and public participation.

- o PRDOH RESPONSE: “Once the Economic Development Investment Portfolio for Growth Program has been launched, more information will be published at <http://www.cdbg-dr.pr.gov>. Details regarding this program, including the program’s objectives and its results, will also be published on the website.”

- o HISPANIC FEDERATION REITERATES ITS ORIGINAL COMMENTS

#### Tourism and Business Marketing Program

11. As for the Tourism and Business Marketing Program, we acknowledge that it is a step in the right direction that the program has reduced its \$100 million share to \$25 million. We request that the funds be invested in the quality, reestablishment, improvement, and development of our local destinations, especially those that help to preserve the environment, promote endogenous growth, and promote internal tourism.

- o PRDOH RESPONSE: Was not addressed in Public Comments APA4.

- o HISPANIC FEDERATION REITERATES ITS ORIGINAL COMMENTS

#### HISPANIC FEDERATION’S NEW COMMENTS ON THE FIFTH SUBSTANTIAL AMENDMENT CONCERNING HOUSING PROGRAMS

#### Re-Grow Program

12. On August 14, 2020, PRDOH published the Re-Grow PR Guidelines without a citizen participation process in its development and just two weeks before the program opened to receive applications. For this reason, Hispanic Federation presents its recommendations seeking to improve and facilitate fair access to these funds for the agriculture sector.

- o The guidelines acknowledge that 75% of farmers in Puerto Rico have an annual revenue of less than \$10,000.00, which is why around 80% of our farmers fall under LEVEL 1 for grants between \$25,000 and \$50,000. For this reason, in order to ensure a fair distribution that meets the national goal of benefitting low- to mid-income individuals, 75% of this program’s funds should be allocated to the small farmers that make up the majority of the agriculture sector.

- o A definition should be established for what is a small family farm in the context of Puerto Rico and those who must be prioritized to receive these

grants should be identified. According to the 2012 census of agriculture, there are around 13,159 farms in Puerto Rico. Of these, 40% have under 10 acres of land and 20% have just 10 to 20 acres.

- We recommend replacing the term “agriculture business” with farmer or producer and/or fisher. In addition to issuing specific instructions for the fishing sector or providing and maximizing technical assistance to ensure that any farmer may complete the application process, including the business plan and the requirements after being awarded the grant.
- Making required documentation more flexible so that farmers may verify that they possess the land where they maintain their production. This is in line with what has been claimed under the R3 Program. In addition amending the 15-year lease requirement and reducing said term so that it responds to the use of the grant and/or harvest, if permitted by the regulatory framework. Or increasing flexibility regarding the evidence required to verify experience or capacity related to agricultural management, since there are farmers with plenty of experience who have never worked under an employer and/or undergone formal education. Potential indicators of farming experience are:

- Sworn statement from the farmer explaining how they've accrued their experience
- Certifications from clients who have consumed the applicant's product and who can attest to the time they have been consuming it
- Certification from agriculture centers or other markets in which the farmer purchases supplies and materials to operate their farm. The certification could specify the time they have been a client
- Vouchers issued by the Department of Agriculture for the purchase of supplies and materials
- Incentives received from other agencies or non-government agencies
- The farm's registration at the Farm Service Agency ▪ Registration as a bona fide farmer
- Business registration as a farmer or developer or any other category related to agricultural activity.
- Certification from laborers or workers who have worked on production at the farm
- Certification for accounting and management systems and equipment used in their farm
- Record of equipment maintenance and inventory
- Record of sales and purchases
- Evidence of any marketing tool used to promote the sale of their product
- Certification from other farmers who know them and that can attest to the applicant's experience

- *Affiliation to farmers' associations and organizations that may attest to their work as a farmer*

*A combination of one or more of these indicators could verify the applicant's farming experience or capabilities.*

- *Eliminating the credit score requirement, since the island is going through an economic crisis intensified by the hurricanes, earthquakes, and pandemic.*
- *Guaranteeing the inclusion of interested parties in the agriculture and fishing sectors to amend the Program's Guidelines, especially farmers and fishers, so that the program responds to the sector's real needs.*

#### *GENERAL RECOMMENDATIONS REITERATED BY HISPANIC FEDERATION REGARDING THE FIFTH SUBSTANTIAL AMENDMENT*

##### *Maximum allocations in all programs*

*We recommend that all programs have maximum fund allocations for projects and initiatives in order to ensure the responsible use of funds and the competitiveness of local community-based organizations or entities when allocations are made. This, even if the funds are distributed other agencies or agencies. At a minimum, criteria or measures should be established to ensure optimal use of the funds when they are managed by other agencies, entities, or organizations.*

##### *Recovery funds must incentivize the local economy*

*PRDOH must prioritize the selection of local organizations and entities when allocating recovery funds so that the investment remains within Puerto Rico's communities. Another priority is to seek alternatives for eliminating reimbursement requirements imposed by the programs, because local organizations or companies do not have the funds to make the initial investment.*

##### *Unmet Needs*

*PRDOH has an obligation to identify and use "the best available information" in designing and implementing the different programs and public policies contained in this plan. The identification of the entirety of Puerto Rico as a "Most Affected Area" it makes sectors that were disproportionately affected invisible and, in many cases, they do not even taken into account in the Small Business Administration's cases because a loan would not address their needs. The accurate and effective identification of the most affected areas and unmet needs is PRDOH's primary responsibility before developing and implementing this plan.*

*The analysis presented in the Action plan still lacks a necessary spatial component for responsibly developing this characterization of the most affected population and unmet needs. The data provided by FEMA is public information that should be accessible to the public. However, the aggregate data published is organized by zip-code, when said scale is not sufficiently specific for this type of analysis.*

*In this context, more local and community-based scales for data are necessary for the fair distribution of available funds. The data regarding unmet needs must be cross-referenced with the “Demographic Impact” analysis using the Social Vulnerability Index. For this reason, we request that PRDOH demand that FEMA publishes more local and community-based scales that allow for effectively identifying the “Most Affected Areas” and the unmet needs caused by hurricanes Irma and María in Puerto Rico. This is the only way to achieve a fair distribution of recovery funds.*

### *Rejecting the unfair implementation of Opportunity Zones*

*In February 2020, Hispanic Federation endorsed the public comments from the Decent Housing Movement regarding the implementation of Opportunity Zones in Puerto Rico and the Regulation for implementing the provisions of Sections 6070.54 – 6070.69 of Act 60-2019, known as the “Puerto Rico Incentives Code,” presented to the Department of Economic Development and Commerce. Among other things, the comments explain the following deficiencies regarding the implementation of said zones:*

*“95% of Puerto Rico has been designated an Opportunity Zone under the federal parameters. Evidently, this designation does not prioritize directing investment to where it is needed most in the country. On the contrary, this generalized designation guarantees the allocation of incentives to places that are currently not suffering any kind of economic depression.”<sup>17</sup>*

*“The opportunity zones law does not establish transparency and participation mechanisms that respect the rights and interests of impacted communities. On the contrary, as legislated, the list of priority projects is decided behind closed doors by the Priority Projects Committee (Committee) assigned to the Governor’s Office and without having to comply with the LPAU.”<sup>18</sup> “In addition, the law establishes a “fast track” mechanism for approving the permits for said projects at the Permit Management Office (OGPe, for its Spanish acronym). Once again, reducing transparency and public participation.”<sup>19</sup>*

*Despite said deficiencies in the Executive Summary of the Action Plan, on page xvii, PRDOH admits that it supports the implementation of Opportunity Zones. Specifically, it said the following:*

*“The Opportunity Zones legislation is intended to attract investment capital through a special tax incentive opportunity for investing ‘recognized capital earnings’ in Qualified Opportunity Zones. With the Opportunity Zones Program, the states designate low-income communities to be classified as qualified opportunity zones that will be eligible for the tax incentive. In the case of Puerto Rico, 95% of the Island has been designated a qualified opportunity zone.*

*Opportunity zones are designated by the department of treasury of the United States Department of the Treasury and the Internal Revenue Service and they represent a crucial opportunity to revive and revitalize the Island. In line with this focus of the economic and disaster recovery plan, the first substantial amendment*

*includes support for facilitating the successful implementation of these essential zones in order to efficiently leverage private capital and federal funds to stimulate economic recovery. Based on the applicable requirements, said support may be for specific and 'isolated' projects, or to facilitate, in a broader way, economic development incentives, including job creation, the elimination of deteriorated areas, and infrastructure initiatives." (emphasis added)<sup>20</sup>*

*For this reason, we request that PRDOH acknowledge the shortcomings of these opportunity zones and not support their implementation until they are remedied by legislature through a transparent and participatory process.*

#### *Transparency and Access to Information*

*PRDOH has a duty to inform and educate the public concerning the responsible use of available funds for the recovery, evaluated options, and decisions made by the agency. It should also identify effective mechanisms for communication based on the communities' reality and diversity.*

*Among the transparency practices recommended in 2018, we included the following:*

- a. Publishing all contracts, with some information that the Comptroller's Office does not include, such as usage description categories, justification, and product of the funds. If available, a link to the contractor's webpage should be included.*
- b. Publishing all subcontracting, offering the same information provided for contractors.*
- c. The (technical and public policy) documents and criteria used in the selection of partners, proposals, and projects – as well as each decision that affects the process.*
- d. Eligibility criteria guidelines should be published for potential participation in each program or initiative.*
- e. Maintaining a website with all of the information used in the decision-making process, including reports, studies, tables, geographic information layers, inventories, etc. Sources should be identified for this information.*
- f. In the case of Programs whose distribution will use a Society Model, offering details of preliminary models and projections concerning the types of contracts that will be awarded and what the relationship between contractors, partners, and government agencies will be.*
- g. Creating a virtual platform where the progress of projects can be accessed and where comments can be submitted.*
- h. Developing educational videos/clips answering frequently asked questions.*

We recognize the progress that PRDOH has made with regard to maintaining a website with the contracts, approved program guideline, and other information. In addition, we recognize the recent efforts concerning informative webinars and meetings with organizations and communities. However, we urge that transparency efforts continue to be expanded as recommended in these comments.

Based on the experience from these past few years, we wish to add the following recommendations regarding this subject:

- a. Establishing a list of unit costs by category that limits the added costs of making changes to orders.
- b. Imposing percentage limits for order changes. These limits should be implemented at all levels of the regulation (i.e. plan, program definition, guidelines, regulations, etc.)
- c. Establishing percentage limits for the funds allocated to each program for expenses not related to the direct service the program itself intends to provide, including costs related to design, advertising, and management.

#### *Citizen Participation*

Communities are the groups of people who best know their needs and they are the first support group for residents after a natural disaster. For this reason, their knowledge is critical when establishing priorities, objectives, and criteria for developing a recovery plan, such as the Action Plan, the Community Resilience Plans, programs, and implementation guidelines. It is also necessary for communities to take control and integrate themselves in the planning and development processes for programs from their inception so that the investment of public funds is sustainable in the long term.

Each community has a unique composition of interested parties, including residents, businesspeople, nonprofits, municipalities, etc. The people who will be affected by the government's decisions must participate effectively in the decision-making process. Each interested party has a perspective to contribute when solving problems.

The government is responsible for identifying and utilizing the best outreach and communication mechanisms to achieve the timely integration of said parties in the decision-making process. The outreach mechanisms must be ones that facilitate the flow of feedback from the community.

The government must provide the resources and objective technical support that communities need to issue an informed opinion regarding the planning process. When we talk about objective information, we are referring to information that is helpful in understanding the problem, knowing all the options, and the challenges that must be considered for the solution. This may integrate mechanisms such as direct meetings, workshops, field visits, or any other remote mechanism needed to achieve the objective of providing information.



Once the community understands the problem and the options, and expresses its will, the agency must disclose the results and explain how it is analyzing and structuring the information obtained. Communication channels must be persistent and transparent. The community should know what they are a real part of the process.

After absorbing and analyzing the data, the agencies are responsible for applying their expertise and translating said will into technical proposals based on their specialized knowledge and the democratic discussion obtained through the participatory processes. The agency's proposal must be presented to the community once again to verify that the public's needs and concerns were addressed responsibly. The agency's final decision must respond to the community's final validation and the agency's expertise.

On October 1, 2020, the PRDOH published the fourth version of the Citizen Participation Plan<sup>21</sup>, which for the first time integrates a description of the Citizen Advisory Committee for CDBG-DR and CDBG-MIT. Hispanic Federation advises the PRDOH that, in the meetings carried out by the agency to organize said committee, a great number of serious questions have been raised concerning the purpose, structures, powers, and the operation of the group. It is not as simple as the agency establishing the committee's structure unilaterally through an amendment to the Citizen Participation Plan. For this reason, Hispanic Federation requests that the PRDOH immediately address the claims presented by the organizations, institutions, and individuals that have participated in the committee's meetings.

In addition, we request that the PRDOH acknowledge that the committee's members do not replace the voices of all the communities throughout the island. Even though the committee members' voices represent certain groups, it is important that the PRDOH work directly and in collaboration with communities. Hispanic Federation recommends that the committee have the authority to demand that the agency provide forms or processes that achieve direct, effective collaboration with communities.

We also recommend that a mechanism is established so that the committee may request the publication of information, data, and/or analyses for the benefit of all communities, organizations, and institutions at a national level. Recently, the agency published some guidelines or policies to regulate requests for information or public documents submitted by any person or entity. However, there is public information that the public has a right to know and that should not be subject to a person, organization, or entity requesting it. True transparency allows equal access to public information to all. Access to this information facilitates analysis and the country's recovery process.

Additionally, we recommend the establishment of a mechanism for accountability in cases where the agency does not adopt or approve the committee's proposals, requests, and requirements. It should not become a *pro forma* committee with no real impact on the decisions that affect the country.

For this reason, Hispanic Federation requests that the PRDOH amend the Citizen Participation Plan 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 same transparency and citizen participation requirements that are adopted by the PRDOH should be imposed on all of the agencies, organizations, or institutions that manage or intervene with federal disaster funds. Specifically, the requirements should be integrated into the Memorandums of Understanding that exist between the department and said institutions.

During the recovery process, the PRDOH must have the will to remain in direct contact with the public. The Action Plan should not be a plan that is removed from the reality lived by the people who, three years after hurricanes Irma and María, have yet to receive the aid they need and have had to endure earthquakes and a pandemic in a vulnerable state.

#### *Public anti-discrimination policy*

Emergencies and recovery processes should not be used to obfuscate discrimination. The PRDOH must establish explicit zero-tolerance public policy regarding all forms of discrimination and adopt mechanisms to implement it. Specifically, no agency, organization, and/or institution receiving and managing public funds to address the recovery should be allowed to discriminate against any person in any way.

#### *Conclusion*

The Action Plan's amendment process is an opportunity for the PRDOH to improve the public policies adopted in said plan. We hope that the comments presented here are used to achieve that.

*Respectfully,*

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**PRDOH response:**

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The PRDOH is grateful for Hispanic Federation's continued commitment to the CDBG-DR Program and to Puerto Rico's recovery. By virtue of Executive Order 2020-063, the R3 Program developed a draft for Title Certification in order to successfully acquire the required building permits in cases where there isn't a formal title, as provided in the Executive Order. We reiterate that participants who proceed with the permitting process by signing a Title Certification must continue the necessary process for clearing the title under the Title Clearance Program. The participant must make all reasonable efforts available to them to cooperate in the process of obtaining a cleared title.

The PRDOH will consider the recommendation to create a platform to publish the requested data concerning the R3 Program on a monthly basis. As the entity managing the CDBG-DR funds and the Program the PRDOH has decided to no longer accept R3 Program applications in order to responsibly manage the available funds and the public's expectations. However, a notification list was establish to inform people in the case that more funds become available for this program because, as vouchers are awarded, we will know with more certainty whether the existing funds will allow for adding more applications to the program after this temporary closure. The R3 Program will continue to address cases where people applied before the closure, until all of the available funds have been allocated to eligible applicants. Cases are addressed in the order in which they are received.

In the 4<sup>th</sup> Amendment to the Action Plan, an option was included so that R3 Program applicants who qualify for relocation can defer their application program under the R3 Program to wait for a housing mitigation program to be developed in a participatory process under the CDBG-MIT Action Plan. The PRDOH is taking your recommendation into consideration and evaluating the possibility of creating a temporary housing program for R3 Program applicants whose homes are not in safe condition and who wish to wait for a housing mitigation program under the CDBG-MIT funds. Without being able to offer any guarantees, and in a very preliminary capacity, should the program be adopted, it would be included in a future substantial amendment to the CDBG-DR action plan.

The Economic Development Investment Portfolio for Growth Program is in its program guideline development stage, which is why we are grateful for your suggestions, which will be considered during the program design process.

The Re-Grow Program utilizes the USDA's minimum definition for addressing this demographic group of farmers. The program's guidelines define the eligible

entities in a manner consistent with the terms and definitions established by the USDA and the federal guidelines concerning agriculture. In addition, part of this Program's goal is to prepare applicants with skills that will allow them to participate in other federal programs in the future. The program intends to help a diverse variety of agricultural businesses that have an impact on the agriculture sector in a variety of ways. This is the reason why the small and mid-sized agricultural businesses are defined broadly in the guidelines. All of the eligible entities will follow uniform criteria to receive a grant through the Program. The administrating entity partnered with the program, the Puerto Rico Science, Technology & Research Trust, offers technical assistance to applicants. Applicants may contact the Trust by email at [Info@regrowpr.org](mailto:Info@regrowpr.org) or by phone: (787) 936-7757 for information and assistance. The program's requirements concerning lease terms is established at a federal level by the HUD CDBG-DR guidelines and regulations. Therefore, the lease terms must be met and cannot be modified for properties financed through the program's grant funds. A credit score is required in order to meet the HUD CDBG-DR underwriting criteria. The program took this into considering by requiring a credit score of 550 as it is a fairly low score according to available statistics. The program is designed to guarantee the inclusion of a wide variety of agricultural businesses and producers and will measure its success based on the provision of services to small and mid-sized agricultural businesses as they are defined by the USDA, then Action Plan, and the program's guidelines.

The formative and normative documents for defining the purpose, structure, powers, and operation of the Citizen Advisory Committee are being drafted. The CDBG-DR Program has adopted Fair Housing and Equal Opportunity Policies for the CDBG-DR Programs that include anti-discrimination policies. To obtain a copy of this policy, following link: <https://www.cdbg-dr.pr.gov/download/politica-de-equidad-de-vivienda-e-igualdad-de-oportunidades-para-los-programas-cdbg-dr/>

The PRDOH is grateful for Hispanic Federation's collaboration in the CDBG-DR Program and will take the recommendations offered into consideration.

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Comment ID: 10/09/20\_E\_NGO\_Mercy Corps\_Karla Pena(1)

**Comment:** "October 9, 2020

*Disaster Recovery Deputy Secretary Office*

*CDBG-DR Program*

*Subject: Amendment 5: Substantial Amendment Action Plan CDBG - DR*

*To whom it may concern:*

*Mercy Corps is a leading international non-profit organization powered by the belief that a better world is possible. Our team of more than 6,000 humanitarians work in over 40*

*countries to help people triumph over adversity and build stronger communities from within. Together with local change-makers, international innovators, and people most affected by crises, Mercy Corps works to help vulnerable communities meet their most urgent needs, while building long-term solutions and forging new paths to prosperity in the face of injustice, instability, and climate change. Mercy Corps began work in Puerto Rico following the devastating impact of Hurricane Maria in 2017.*

*After an initial emergency response to Hurricane Maria, Mercy Corps transitioned to focus on longer-term recovery and community resilience. With generous support from corporate donors, Mercy Corps launched its Resilience Hubs Program, through which we equipped 17 community centers with varying combinations of permanent, high-capacity solar infrastructure, potable water storage, internet connectivity, agricultural resources, and disaster risk reduction expertise that have benefited more than 100K members of Puerto Rico's most vulnerable communities. Three years later, Mercy Corps has been working hand-in-hand with numerous local partners and communities in Puerto Rico, particularly in relation to "Resilience Hubs" which empower communities to support themselves in the aftermath of a natural disaster.*

*Modeled on the 17 established Hubs and lessons learned throughout the program—we provide the comments below aiming to contribute to the CDBG-DR Action Plan and its recent substantial amendment.*

*a. The use of a specific Resilience Approach and Framework to fully operationalize resilience. Mercy Corps defines resilience as the capacity of communities in complex socio-ecological systems to learn, cope, adapt and transform in the face of shocks and stresses. Mercy Corps supports a Resilience Approach that helps communities identify and address underlying vulnerabilities, minimize exposure to risks and strengthen resilience capacities to achieve positive, inclusive change. Through NOFAs, guidelines, and other resources, the CDBG-DR Resilience Centers program area has the opportunity to use and share a defined resilience approach and framework to guide program participants and funding recipients projects. Mercy Corps Puerto Rico Resilience Program approach supports five different programmatic areas.*

*b. Ensuring resources go where most needed and community scale considerations - The CDBG-DR Resilience Centers program area and the funding opportunity guidelines should give the opportunity to local NGOs and other organizations like Mercy Corps with advanced technical and administrative capacity to support smaller local community based organizations and community centers located in the most vulnerable areas on their path to recovery and resilience. Mercy Corps' Resilience Hubs Program was able to support over a dozen of community centers in their transition to become resilience centers. The program delivered results and measurable impact within the communities and regions. All 17 community centers continue to operate successfully on their own after their participation in the Program.*

c. *Building the capacity and strengthening communities connections - Capacity building for community based organizations (CBOs) and community members is critical to the sustainability of the Resilience Hub Model. Mercy Corps proposes that part of the investment be directed to the technical capacity of CBOs managing future Resilience Hubs or Centers, and the communities they serve in order to foster sustainable impact and entrepreneurship in target communities. This program area becomes an opportunity to strength community connections with other communities, organizations and government related agencies. Mercy Corps recommends a comprehensive capacity building program component targeting community leaders, business owners, and vulnerable households in the communities surrounding Resilience Hubs.*

d. *Coordination and internal alignment among CDBG programs - We appreciated CDBG's steps towards internal program coordination. It is important to emphasize that several programs and funding opportunities should be linked and well coordinated with the Resilience Centers program area. Our experience shows it is important to have a comprehensive understanding of the dynamic and systems in place to secure and enhance the impacts of any recovery program.*

*Please do not hesitate to reach out if any further information is needed.*

*Best,*

*Karla Peña*

*Puerto Rico Director Mercy Corps"*

**PRDOH Response:**

PRDOH appreciates your organization's interest in the Community Resilience Centers under the City Revitalization Program. PRDOH encourages all interested parties to monitor the website for any updates of the City Revitalization Program Guidelines and the Program implementation. Application process for the Community Resilience Centers portion under this Program will be published on the website <https://cdbg-dr.pr.gov/en/city-revitalization/>.

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Comment ID: 10/10/20\_E\_NGO\_Programa del Estuario de la Bahía de San Juan\_Maria Gabriela(1)

**Comment:** "October 10, 2020

*Hon. Luis Carlos Fernández Trinchet*

*Secretary*

*Puerto Rico Department of Housing*

*Government of Puerto Rico*

COMMENTS ON THE FIFTH AMENDMENT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT  
DISASTER RECOVERY PROGRAM ACTION PLAN

Honorable secretary Fernández Trinchet,

The San Juan Bay Estuary Program (Estuary) extends you a cordial greeting. We thank you for the opportunity to share our comments regarding the fifth amendment to the Action plan for the funds allocated to Puerto Rico under the Community Development Block Grant Disaster Recovery Program (CDBG-DR).

The Puerto Rico by Design program is inspired by the Department of Housing and Urban Development's (HUD) Hurricane Sandy Design Competition (HSDC). It was established after the impact of Hurricane Sandy revealed a need to innovate in the process of rebuilding our communities after natural disasters to address multiple needs at the same time. The days of rebuilding based on the event and past parameters were left behind. From that point on, we would have to rebuild thinking of the future, considering imminent dangers that we had yet to experience.

Thanks to the HSDC initiative, the city of New York, along with the states of New York, New Jersey, and Connecticut are implementing ten projects that, together, add up to \$930M to protect their communities from flooding, storms, and other impacts of climate change, ensuring the resiliency of an over \$500B economy. In effect, HSDC is ensuring a greater positive impact on communities for a lower cost. The model has been so successful that nine counties in the Bay Area in California launched the Bay Area Challenge, which has produced 19 projects for making their communities and \$900B economy more resilient.

In recent years, Puerto Rico has faced a series of catastrophes that have profoundly altered our reality, and which have only exacerbated the complexity of existing social, economic, and environmental issues. The Estuary has worked and continues to work hand-in-hand with many of the most affected communities. After Hurricane María, we found it necessary to expand our role in order to be able to help address the needs of our communities. We have established resiliency centers with access to solar energy and potable water that serve as shelters and have increased the frequency of water quality monitoring in urban areas in order to safeguard public health.

However, we believe that in order to be as resilient as possible, we must look toward the future and begin to prepare as a community. It is for this reason that we are currently developing the first multijurisdictional Risk Mitigation plan in Puerto Rico, which will be submitted for approval to the Federal Emergency Management Agency (FEMA) and which will coordinate mitigation and adaptation activities in the eight municipalities that make up the Estuary's watershed. We are also developing a Green Infrastructure Master Plan for the Management of Runoff in the watershed, which will complement the Mitigation Plan by using natural strategies for water management.

Opportunities like Puerto Rico by Design make it possible to implement and maintain ambitious interventions that require an unprecedented level of coordination and collaboration that would address multiple priorities simultaneously and which are

necessary to propel our collective resiliency efforts. It is imperative to maximize and expand the resources and capabilities of our communities to develop innovative and comprehensive solutions to complex problems.

We commend the PRDOH's commitment to Puerto Rico's reconstruction after hurricanes Irma and María by expanding the Non-Federal Match Program. Through this program, the PRDOH continues to close the gap between the Federal Emergency Management Agency's (FEMA) reconstruction funds and sub-recipient's contributions to their projects, which advances the country's recovery.

However, we believe that eliminating the Puerto Rico by Design program would be to pass up a tangible and proven opportunity to promote innovation through interdisciplinary collaboration and to put the knowledge, skills, and resources of our island and the world at the disposal of a resilient country's reconstruction.

I'll take this opportunity to request a meeting in order to go into greater detail regarding opportunities for the Estuary to help programs like Puerto Rico by Design succeed. The Estuary has a governing structure and stability in the metropolitan area that allow it to provide support in the resiliency phase of capital improvement projects. This would in turn support [sic]

Should you have any questions or concerns, you may contact me at [btorres@estuario.org](mailto:btorres@estuario.org) or (646) 510-7595.

Respectfully,

Brenda Torres Barreto, MEM, LEED AP

Executive Director"

**PRDOH Response:**

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We at the PRDOH thank you for your suggestions concerning this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan. After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in Puerto Rico's recovery.

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Comment ID: 10/09/20\_E\_NGO\_SESA\_Javier J Rua-Jovet(1)

**Comment:** "October 9th, 2020



To: Hon. Luis C. Fernandez-Trinchet Secretary Department of Housing Commonwealth of Puerto Rico

RE: SESA-PR OBJECTION TO ACTION PLAN SUBSTANTIAL AMENDMENT DELETING SOLAR ENERGY RESILIENCE INCENTIVE PROGRAM

To the Honorable Secretary:

Comes now SESA-PR, the Solar and Energy Storage Association of Puerto Rico, to comment and strongly object to the Puerto Rico Housing Department's (Vivienda) proposal to substantially amend the Action Plan currently in force and delete the critical Community Development Block Grant-Disaster Recovery (CDBG-DR) incentive program, designed for life-saving energy resiliency for all Puerto Ricans, via solar plus storage systems.

CDBG-DR for life saving solar + storage

CDBG funds are specifically authorized by statute to finance certain rehabilitation activities, including: "the conservation of the Nation's scarce energy resources, improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply".<sup>1</sup>

## 2 COMMUNITY

As such, via HR 1892, the Bipartisan Budget Act of 2018, Congress appropriated 28 billion dollars for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major declared disaster that occurred in 2017. Up to \$16,000,000,000 shall be allocated to meet unmet needs for grantees for major declared disasters that occurred in 2017 and no less than \$11,000,000,000 shall be allocated to the States and units of local government affected by Hurricane María, and of such amounts allocated to such grantees affected by Hurricane María, \$2,000,000,000 shall be used to provide enhanced or improved electrical power systems."

The HUD and Vivienda approved Action Plan currently in force pertains to the \$8.2 billion (\$8,220,783,000) "second tranche", which together with the already "granted" \$1.5 "first tranche" total over \$9.7 billion (\$9,727,962,000). The Federal Notice for the allocation of this \$8.2B CDBG-DR second tranche was published on August 14, 2018. As per the Action Plan currently in force, this \$8.2 "tranche" includes around \$300 Million for a critical solar incentive for the people:

"[...] applicants will have the ability to apply for solar panel [...] retrofits for residential structures [...] designed to backfeed the structure to provide sufficient power to run critical household appliances and allow for shelter-in-place options during outages. 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."<sup>2</sup>

*This critical solar plus storage incentive was an apt response to quickly begin tackling the post-María energy humanitarian disaster. We all remember the aftermath of María: highly polluting and strident diesel or gas generators, scarce fuels and price speculation, unbreathable air and darkness;*

*the longest blackout in US history. A blackout that killed thousands, the poorest and the elderly being the hardest hit, simply because of lack of access to basic energy.*

*The CDBG solar plus storage incentive which Vivienda plans to simply delete, was intended to effectively start dealing with the individual energy resilience crisis, and protect Puerto Ricans from similar future situations. If modestly sized rooftop solar installations paired with batteries had been substantially deployed prior to the 2017 storms, Puerto Ricans with these systems, including the hardest hit and last to had grid-power restored in the central mountain region, would simply have not experienced the year-long blackout.<sup>3</sup> With batteries, solar systems are storm-resistant,<sup>4</sup> fuel-less, silent, maintenance free and user-friendly generators - that save lives. If there is an outage, the battery will keep a family powered day and night via self-generated, clean solar energy, running house lights, refrigeration, medical equipment, cistern pump, ventilation, home office, entertainment, internet, smartphones and other appliances. And today's technology even allows for aggregation and coordination of multiple solar and battery systems, enabling communities to share energy and provide services to the grid, creating benefits and savings for all.*

*Despite the awesome need -which recently became again evident after the major, island-wide outages associated to very minor tropical storm Isaias- no monies have yet been disbursed. Science tells us this will continue happening, given climate change. Had these congressionally approved monies been deployed as intended, thousands of Puerto Rican families would have been spared from having to relive, over and over again, the nightmare that was María. We are again at the peak of the 2020 hurricane season, and not only is there zero movement by the federal or local governments on the issue of life-saving energy resilience, now Vivienda proposes we take a gigantic step backwards.*

*Puerto Ricans have been held hostage by politics, bureaucracy and negligence. On the one hand, the federal Housing and Urban Department (HUD), has been foot-fragging to the point that it had to be literally forced by to "publish in the Federal Register the allocations to all eligible grantees, and the necessary administrative requirements applicable to such allocations within 90 days" (H.R.2157; P.L. 116-20). Yet even that date, September 4th, 2019, came and went, as the federal Housing and Urban Department (HUD) simply ignored it, with complete impunity. It was only after the major earthquakes and aftershocks in Puerto Rico since early January 2020, and amid renewed political pressure, that the official notice by HUD was finally emitted for these funds.*

*This federal executive branch attitude of disdain towards Puerto Ricans is not surprising, given the current White House resident. What is a bit dumbfounding is Puerto Rico's current Vivienda Department's actions. On February 2020, instead of finding a way to quickly and responsibly put these funds to work for Puerto Rican families, Vivienda did*

exactly the opposite: it downgraded these solar emergency funds to “a longer-term component of this program”, signaling diminished priority, and worse: it reduced that solar incentive by over a 100 million dollars (initially it was over \$400M), without any relevant notice or discussion, via a so-called 'non-substantial amendment'. Vivienda gave no one a chance to even object this multimillion-dollar downgrade in detriment of Puerto Rican energy resilience.

Now Vivienda simply proposes elimination of this critical solar plus storage incentive via the "substantial amendment" now open for comment.<sup>5</sup> Specifically, Vivienda proposes to: a) erase the requirement to prioritize low-income and the elderly, b) erase the requirement to prioritize communities without electrical power, c) erase the solar plus storage incentive program altogether; d) erase any solar plus storage incentive program that could be open to all Puerto Ricans; e) erase the ability for CDBG funds to be used on renewable energy microgrids; and f) reduce the possibility of any new solar plus battery deployment just to any housing projects to be rebuilt by Vivienda.

Around 20,000 families in Puerto Rico have already become energy-resilient via rooftop solar plus batteries. Yet thousands more systems would have been deployed via the CDBG-DR solar resiliency incentive Vivienda aims to delete. Thousands more, including our neediest, would have kept power through last year's weekly brownouts, through this year's earthquake-related blackouts, and through the ongoing covid19 lockdown, which is now compounded with another highly active hurricane season. Clean solar energy would have been running their house lights, their refrigeration, their medical equipment, their ventilation, their home office, their internet, their remote schooling, their smartphones and myriad other needs. Solar would have secured life and quality of life.

Vivienda must not go forward with its plan to erase the solar plus storage incentive proposed in the current Action Plan Substantial Amendment, and simply move forward to correctly design the specifics of the program and deploy these lifesaving funds before the next hurricane season hits.

#### *The right way forward*

SESA-PR has been, is, and will continue committed to ensure that all Puerto Ricans have viable choices in how they procure and consume electricity. SESA-PR has, for the past two years, been trying to effectively engage local authorities to design and deploy these lifesaving funds correctly, to no avail. SESA-PR, has provided guidance White Papers and communications discussing and sharing correct incentive design suggestions. For example, SESA-PRs first White Paper notes that:

*“CDBG funds should be used to address the credit risk and financial challenges faced in developing solar+storage projects for the broader low and moderate income (LMI) population and municipalities providing critical services. A well-designed loan guaranty program backed with CDBG dollars would also leverage significant new private investment. Government-backed loan guaranty programs are an efficient and proven means of leveraging private investment and scaling community development financing transactions. We proposed a 75% guaranty,*

*which is comparable to other effective loan guaranty programs. The USDA Renewable Energy Systems and Energy Efficiency loan guaranty program that provides an 85% loan guaranty, and the SBA loan guaranty program that provides up to a 75% guaranty on loans over \$150,000 and up to 85% on loans equal to or less than \$150,000. In general, the recommended loan guaranty program would provide a payment guaranty for solar+storage project loans that would backstop up to fifty percent (50%) of the debt service payments allocated to financing the solar+storage portion of the loan, which cumulative prorated payments would not exceed seventy-five percent (75%) of the original amount of the solar+storage portion of the loan."*

*Another best-practice approach could focus on an upfront incentive that would provide the revenue certainty necessary and lower upfront costs necessary to make storage more economic and accessible to all, including the neediest. This would also facilitate a transparent and understandable process for all residential customers, including those seeking clean back up generation options to prepare for prolonged outages similar to those experienced during and since Hurricane María.<sup>6</sup>*

*Attached please find SESA WHITEPAPER v1.5 – (DRAFT FOR CIRCULATION & INPUT), that has been previously sent to Vivienda, for further insights.*

*It is SESA-PR's sincere hope and belief that renewed leadership at the Federal level, will jumpstart disbursement of all these critical energy-resiliency funds, but for that to occur Vivienda must not proceed with the amendments described herein. And hopefully, in September 2021, headlines will read: 'Millions of Puerto Ricans keep their lights on via Solar plus Storage'.*

*Yours,*

*Javier Rúa-Jovet Chief Policy Officer,*

*SESA-PR"*

**PRDOH Response:**

PRDOH appreciates the interest of the Private Sector in this 5<sup>th</sup> Amendment to the CDBG-DR Action Plan (APA5). After much consideration and in consultation with HUD, PRDOH has decided to include the Community Energy and Water Resilience Installations (CEWRI) Program with the Community Installations and the Incentive Program components under the CDBG-MIT Action Plan. The CEWRI program under this APA5 will be used as an add-on to, or potentially integrated within applicable CDBG-DR programs such as the Home Repair, Reconstruction, or Relocation Program, Social Interest Housing Program, and Small Business Incubators, and Accelerators Program. For more information about the CEWRI Program under the CDBG-MIT Action Plan, please access the following link: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan/>

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Comment ID: 10/09/20\_E\_NGO\_Proyecto Enlace Cano Martin Pena\_Mario  
Núñez - Mercado(1)

**Comment:** "October 9, 2020

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

Luis Carlos Fernandez Trinchet

Secretary

Puerto Rico 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 FIFTH  
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) are submitting comments concurrently to the Puerto Rico Disaster Recovery Action Plan Substantial Amendment 5 (Action Plan) proposed by the Puerto Rico Department of Housing (PRDOH) through this letter. ENLACE, the Fideicomiso, and the Grupo de las Ocho Comunidades aledañas al Caño Martín Peña, Inc. (G-8), as well as the public policy PR Law 489-2004 and the Caño Martín Peña Special Planning District's Comprehensive Development and Land Use Plan (District's Plan) were designed as a result of 700 participatory planning-action-reflection activities carried out over a period of two years, between 2002 and 2004. Our organizations have over sixteen (16) years of experience designing and implementing innovative and sustainable solutions to the challenges faced by the communities surrounding the Caño Martín Peña (CMP). Among these challenges are the growing environmental crisis caused by the conditions of the CMP, avoiding displacement and gentrification of the residents of these communities by ensuring collective land tenure, as well as providing affordable and sustainable housing opportunities for all those who wish to stay in the Caño Martín Peña Special Planning District (District). This work occurs in parallel with the social and economic development of the communities and with citizen participation at the forefront.*

*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 PRDOH include the following:*

1. Allow the construction, rehabilitation and/or reconstruction of homes currently located in flood zones 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. 1

#### Background Information

##### About the Corporación del Proyecto ENLACE del Caño Martín Peña (ENLACE)

ENLACE is a public corporation created under PR Law 489-2004 in charge of the implementation of the public policies and projects contained in the Comprehensive Development and Land Use Plan for the Caño Martín Peña Special Planning District (District Plan). The District Plan includes the Caño Martín Peña Ecosystem Restoration Project (CMP-ERP), which seeks to improve the tidal connection between the San Jose Lagoon and San Juan Bay through the dredging and channelization of the CMP. The CMP-ERP has had congressional authorization since 2007 through Section 5127 of the Water Resources Development Act. Since the approval of the Feasibility Report for the CMP-ERP in 2016, ENLACE and the U.S. Army Corps of Engineers (USA CE) Jacksonville District has been working in the pre-construction, engineering and design (PED) phase for the initial construction contract of the CMP-ERP. PED activities have resulted in the development of the plans and specifications of the initial substantial contract of the CMP-ERP, with the original estimated cost of \$2.5 million already allocated. In addition, the District Plan includes the storm water, sanitary and potable water infrastructure needed to make the CMP-ERP feasible. Finally, the implementation of the District Plan will address public health issues and mitigate flooding, as well as the relocation of families located within projects' footprint into decent, safe and sanitary housing. To make all this possible, ENLACE was created with an institutional design that allows it to work in partnership with the public and private sector, and with a high degree of citizen participation. ENLACE has over 100 partnerships and alliances both in and outside Puerto Rico, and over 400 volunteers. Over 45 new allies and collaborators and over 800 volunteers have joined the efforts immediately after hurricane Maria. This has allowed us to have significant achievements, despite budgetary limitations to accomplish our objectives.

##### About the Fideicomiso de la Tierra del Caño Martín Peña (Fideicomiso)

Winner of the 2016 United Nations World Habitat Award for its innovation in housing, the Fideicomiso is a private, non-profit community land trust, with independent juridical personality, created under Act 489-2004 as an instrument to regularize land tenure through collective land ownership in perpetuity of over 200 acres of land, and through individual surface rights. Such individual property rights over the structure and surface rights, together with the collective property rights to the land, are inheritable and

recognized through deeds that are recorded at the Puerto Rico Property Registry. The Fideicomiso is also an instrument to prevent gentrification and involuntary displacement. Collective land tenure, in turn, prevents the displacement of the residents in these communities and ensures long-term housing affordability. The Fideicomiso is also working towards developing environmentally conscious housing. These housing opportunities are mainly focused on providing options for the families that currently live on the relocation zone related to the CMP dredging and other infrastructure projects.

### About the ENLACE Project

The ENLACE Project, whose main contents are included in the District Plan, is extremely relevant for the development of not only the communities surrounding the CMP but for the entire country. The work carried out by the project is crucial for reducing the vulnerability of thousands of families to recurrent flooding filled with wastewater, and their exposition to diseases related to the environmental degradation of the CMP. It also provides the possibility of transforming the city as we know it. It is an innovative environmental justice and social transformation initiative that pursues a livable, inclusive and resilient city. Some of the ways the project expects to achieve this goal are 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. On the other hand, the ENLACE Project would inject \$587 million into the economy, providing 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.

Despite their central location in the heart of the San Juan Metropolitan Area, the CMP communities have a long history of poverty, urban overcrowding, unsafe living conditions, exposure to environmental and health hazards, and marginalization. The eastern half of the 3.75-mile long CMP, historically between 200 and 400 feet wide and navigable, is currently clogged with sediments, debris, trash, and water polluted with fecal matter. This has affected public health, safety, and increased flood risks for the residents of neighboring communities. Additionally, it compromises critical infrastructure nearby, such as the Luis Muñoz Maín International Airport, which receives close to 9 million visitors per year. Research conducted in the District shows that exposition to flood water leads to an increased risk of gastrointestinal diseases and a higher prevalence of chronic diseases, such as bronchial asthma and atopic dermatitis. "2

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. These events exacerbated the public health and safety hazards highly prevalent in the area. 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.

Another issue of great importance to the CMP communities is the growing housing crisis. Three years after the devastating passage of Hurricanes Irma and Maria, housing conditions in Caño Martín Peña and the surrounding communities have greatly deteriorated. In a recent count of homes that remained with a blue roof, more than 1503 structures were still partially or completely covered with tarps. Even more revealing of the issue is the decline in available housing in compliance with Housing Quality Standards (HQS) in the District. According to the ACS 2013 5 Year Estimates, in 2013 there were approximately 1,741 vacant homes in the District. The most recent data shows that this number has gone up to approximately 1,974 vacant homes in 2018 (ACS 2014-2018). The rental vacancy rate has gone up by 4% in the same period of time.

According to the 2014-2018 American Community Survey , there are approximately 13,236 residents in the District. US Census 2010 data (USCB 2010), U.S. American Community Survey 2014-2018 (ACS 2015) and ENLACE's own studies 4 provide a striking profile of the poverty prevalent in these communities and their pervasive socio-economic needs. The median household income for families living in the CMP District is \$12,925 and 58.72% of the District's residents live under poverty level (ACS 5 Year Estimates)-5,6 Besides, 19.73% of the District's residents are 65 years or older and 45.3% do not have a high school diploma or its equivalent.

The ENLACE Project will address the issues described above while contributing to long-term climate change mitigation, adaptation, and resilience. 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 the community participation.

#### References of public policies and related documents

- PR Law 489-20047
- District Plan8
- Reglamento General para el Funcionamiento del Fideicomiso de la Tierra de! Caño Martín Peña 9
- Final Feasibility Report and Environmental Impact Statement for the CMP-ERP10
- Build Back Better Puerto Rico: Request for Federal Assistance for Disaster Recovery
- RC 118-201912

#### 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 and subsequently on May 29, 2020. Copies of both letters are included as Appendix I and Appendix II respectively as a recommendation that is sustained and that may be taken into consideration for this Fifth Amendment.

Among the main concerns, stand out that many of the changes suggested by this Substantial Fifth Amendment consist of merging programs, the elimination of programs, and the reallocation of monies awarded under other programs. Also noteworthy among the suggested changes is the suggested changes is the elimination of some agencies as allies or co-administrators of the programs without an explanation of the institutional capacity of the PRDOH to manage the remaining programs on their own. Three (3) years after the passage of Hurricanes Inna and Maria, there are still programs that are in their initial phase or for which the guidelines are unfinished or ambiguous. It is urgent that CDBG-DR funds begin to have the expected effect on the economy and community development so that there is a fair recovery.

Furthermore, this amendment to the Action Plan does not establish the criteria used for the reallocation of funds in the programs. Therefore, it remains doubtful whether the funds actually meet the most urgent needs based on the demand of the programs or other considerations associated with increases in estimated costs, etc.

#### Comments to the new Action Plan amendments

##### Housing Programs

1. Multifamily Reconstruction, Repair, and Resilience Program (Multifamily R3). The elimination of this program, assuming that its function will be served by the LIHTC Program, not only confuses the objective of reconstruction and the new construction of houses, but could also imply the involuntary displacement of individuals and families, putting at risk the social fabric and support networks that are created in community. ENLACE suggest that, taking into consideration the necessary adjustments that we have discussed in the previous amendment processes, the program remains and is streamline to meet the needs of citizens.
2. Community Energy and Water Resilience Installations Program. New requirements or eligibility criteria reduce the eligible population that could benefit from this program to only those who participate or have received benefits from other CDBG-DR programs. Consequently, this excludes individuals or organizations from accessing the benefits of this program because, having not participated in any other of the CD BG-DR programs, they could not participate according to the proposed amendments. We understand that if the goal of the program is that individuals, businesses, and public facilities can benefit from energy production and storage and water storage systems to promote health and safety, the

eligibility criteria cannot be exclusive or limited in such a way. We suggest that PRDOH establish other eligibility criteria that allow prioritizing the population and communities most vulnerable to blackouts and lack of clean water.

#### *Economic Recovery Programs*

3. *Construction and Commercial Revolving Loan Program.* The complete elimination of this program, in the post-disaster context and a weakened economy due to another series of factors post Hurricane Irma and Maria such as earthquakes and the COVID-19 pandemic, may be detrimental to what is theoretically intended to achieve with this program. The local construction industry does not necessarily have the capital or credit necessary to assume the costs associated with reconstruction, which in many cases are implemented through reimbursement processes. This puts an advantage on foreign companies, weakens the local industry and concentrates all efforts and resources in external construction industry. We suggest refocusing the program on local industry to ensure a fair recovery. In addition, we recommend that if the elimination of the program persists, the priority in the redistribution of the funds should be given to the Small Business Financing Program instead of the reallocation proposed by this amendment.
4. *Tourism and Business Marketing Program.* The current situation due to the COVID-19 Pandemic casts doubt on whether the monies allocated to this program will in fact have the expected performance according to the current situation of tourism worldwide, especially in the United States jurisdiction. While recognizing the need, we suggest that PRDOH re-focuses this program and reallocates the monies reserved for it under other larger economic development programs with a greater possibility of yielding the expected result.

#### *Multi-Sector Initiatives*

5. *City Revitalization Program.* The PRDOH has decided to merge under this program the Community Resilience Centers Program. As mentioned in comments to previous amendments, the PRDOH must establish priority in allocating funds to places of greater vulnerability. 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. If there are prohibitions on granting these funds in flood zones, PRDOH 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 the Department of Education after the impact of hurricanes.

#### *Infrastructure Coordination Programs*

6. *Non-Federal Cost Share Match.* According to the action plan, the main goal is to provide a source of matching funds for recovery projects with FEMA being the priority in these funds. The guides for this program were published on September

11, 2019. In the case of public agencies as of August 4, 2019, only 48 out of 89 public agencies had been registered. The Action Plan proposes to increase the funds allocated to this program and also to expand its scope. Consequently, we understand the PR-DOH has to clarify how the proposed amendments will maintain consistency with already selected projects. The proposed amendment incorporates new language stating the following:

*"First, PRDOH will only match 25% of the final HMGP amount approved by FEMA, and secondly, the primary program for HMGP Global Match project implementation will be the CD BG-MIT program. The NFMP will be used as a secondary source of funds should project finding be necessary and eligible for disbursement ahead of CD BG-MIT finding availability. " (P. 183)*

*This poses a substantial challenge to mitigation projects that have been pre-selected by COR3 under the Hazard Mitigation Grant Program (HMGP) and that already have a defined schedule. Changing the non-federal cost share match funding source from CDBG-DR to CDBG-MIT to be the primary source of matching funds for FEMA's Hazard Mitigation Grant Program projects, may result in serious consequences to projects already submitted to the HMGP. The PRDOH must clarify how it will guarantee that all funds will be available under the Non-Federal Match Program (NFMP) so that it will not result in project implementation delays as the process for CDBG-MIT funding availability is just beginning. The PRDOH must also clarify if projects receiving matching funds from CDBG-MIT will be required to comply with any additional requirements that this funding source may have.*

*On the other hand, among the problems that have already been pointed out to this program is the poor coordination between COR3, FEMA and PRHOD. As established in the guidelines and the action plan for this program: "Applicants must have been accepted into a Federal agency disaster recovery program and have been determined by the lead Federal agency to have eligible work to participate in this program." (p.183 ). However, the federal Grants application program processes require entities to certify that they have matching funds before they are accepted by the Federal agency. For example, applicants for HMGP-FEMA projects pre-selected by COR3 have been required to certify funds without necessarily having any guarantee that they will receive an allocation of funds under this CDBG-DR program.*

*Sincerely,*

*Mario Núñez Mercado*

*ENLACE*

*Sarah J. Delgado Brayfield, Esq.*

*Fideicomiso "*

## PRDOH Response:

Thank you for these comments, we will take them into consideration. PRDOH has decided to address the affordable housing need through the CDBG-DR Gap to Low Income Housing Tax Credits Program (LIHTC), the Social Interest Housing Program (SIH) and the Rental Assistance Program (RA). Through these three different strategies, PRDOH aims to address the affordable housing needs for vulnerable populations and low to moderate income families whose housing needs had been exacerbated by the disasters.

After much consideration and in consultation with HUD, PRDOH has decided to include the Community Energy and Water Resilience Installations (CEWRI) Program with the Community Installations and the Incentive Program components under the CDBG-MIT Action Plan. The CEWRI program under this APA5 will be used as an add-on to, or potentially integrated within applicable CDBG-DR programs such as the Home Repair, Reconstruction, or Relocation Program, Social Interest Housing Program, and Small Business Incubators, and Accelerators Program. For more information about the CEWRI Program under the CDBG-MIT Action Plan, please access the following link: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan/>

PRDOH decided to eliminate the Construction and Commercial Revolving Loan (CCRL) Program and to reallocate funds into Workforce Training Program and Small Business Incubators and Accelerator Program. PRDOH has been able to procure Construction Managers with enough capacity to quickly undertake construction activities for disaster recovery sooner than waiting for full implementation of the CCRL program. Assistance to businesses is then focused in these two streams of funding: grants through Small Business Financing Program and loans through Economic Development Investment Portfolio for Growth (IPG) Program. This Program max award will be determined upon evaluation of projects presented. Detailed information for the IPG Program will be included in the Program Guidelines which will be published, when available, in the following website: <https://www.cdbg-dr.pr.gov/en/download/economic-development-investment-portfolio-for-growth-program/>.

To streamline program implantation and expedite delivery, Community Resilience Centers (CRC) Program has been merged into the City Revitalization Program but the applicant eligibility criteria are being kept the same. Additionally, City Revitalization Program now includes a set-aside budget to be distributed among eligible entities with enough capacity to implement CRCs that are compliant with the program guidelines. PRDOH appreciates NGO participation in this CDBG-DR Program and looks forward to continuing this collaboration throughout the grant.

**Comment:** *"Mitchelle Méndez Castañeda*

*Director of Disaster Recovery*

*Puerto Rico Department of Housing*

*Puerto Rico CDBG-DR Program*

*P.O. Box 21365*

*San Juan, PR 00928-1365*

*RE: EPA Feedback to the CDBG-DR Substantial Amendment DRAFT of Action Plan 5*

*Dear Ms. Méndez Castañeda:*

*Thank you for your commitment and work assisting disaster survivors 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 the 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.*

*The federal government and local governments, for more than 45 years since the creation of the EPA, share the responsibility of protecting human health and the environment. This shared responsibility facilitates exchanges of best practices, expertise, and much more. An effective environmental protection between the federal and local governments is best achieved when they work together with communities in a spirit of trust, collaboration and partnership. To this end, we want to thank you for the opportunity provided to submit our feedback on the CDBG-DR Substantial Amendment DRAFT of Action Plan 5 that proposes changes to streamline the Puerto Rico Community Development Block Grant-Disaster Recovery (CDBG-DR) program portfolio, and provides clarification and expansion of activities and description of programs.*

*EPA's Caribbean Division hereby provides comments to the CDBG-DR Substantial Amendment DRAFT of Action Plan 5, addressing public health, environmental, housing, infrastructure and economic development issues for the Puerto Rico Department of Housing's (PRDOH) consideration in developing the final Amended Action Plan 5 for the approval of the U.S. Department of Housing and Urban Development (HUD).*

- 1. Opportunities for improvements to solid waste infrastructure – A strong infrastructure is needed for management of materials, debris and solid waste to*

bring resiliency and sustainability to communities. Possible assistance for solid waste infrastructure through FEMA funds is limited due to programmatic constraints and disaster-related damages that were not claimed or properly substantiated before FEMA. In 2018, EPA found that at least 31 municipalities in Puerto Rico had possible damages related to solid waste that were not claimed due to limited capacity in assessing solid waste infrastructure after Hurricanes Irma and Maria. The Critical Infrastructure Program provides great opportunities for municipalities to address solid waste infrastructure needs as the 2016 Puerto Rico Hazard Mitigation Plan considers landfills as critical infrastructure<sup>1</sup>. However, EPA also values reducing the administrative burden for entities to implement faster, and more efficient activities that support a stronger and more robust infrastructure.

EPA's Caribbean Division recommends, for your consideration, further expanding the City Revitalization Program to allow municipalities to implement solid waste activities eligible under the CDBG-DR program. Comparable to the proposed expansion to create opportunities to establish Community Resilience Centers, eligible activities for solid waste improvements could have a dedicated budget under the City Revitalization Program. Since this program has already been deployed, further expansion to solid waste would expedite the implementation of solid waste activities. Investing in solid waste planning, infrastructure and economic development can help prevent or reduce the negative impacts of solid waste and debris before and after a disaster.

Through a FEMA Mission Assignment, EPA and the Puerto Rico Department of Natural and Environmental Resources (DNER) collected robust technical and budget information about the condition of solid waste landfills in Puerto Rico after Hurricanes Irma and Maria, which has been shared with the Puerto Rico Department of Housing. Also, a professional organization has documented detailed information about the status of solid waste in Puerto Rico<sup>2</sup>. EPA recommends considering this information to update the unmet needs assessment to assist the scoping of the CDBG-DR programs.

2. Transforming communities through creativity and innovation – Locally led partnerships are the driving force to revitalize economies and improve environmental and human health outcomes across Puerto Rico. Embarking into a multi-stage, holistic rebuilding that looks across government services and considers the connections and interdependencies between infrastructure, social and economic systems at a regional scale is a challenging task. Nonetheless, the long-term benefits of such rebuilding approach are undeniable. In 2013, HUD launched a ground-breaking approach – the Rebuild by Design Competition – to promote innovation and creativity by developing regionally-scalable but locally-contextual solutions that increase resilience in the regions impacted by Hurricane Sandy. The competition model aimed to strengthen understanding of regional interdependencies, fostering coordination and resilience both at the local level and across regions. It also built the local capacity to a long-term endeavor,

resulting in tangible opportunities for local job creation and reducing migration to other jurisdictions.

The Puerto Rico by Design Program provides a unique opportunity to rebuild alleviating long-term stressors (e.g., pollution, unemployment, lack of open space) from the bottom-up while other programs in the CDBG-DR portfolio increase resilience of existing infrastructure using a top-down approach. Traditional disaster recovery programs (such as FEMA Public Assistance and Hazard Mitigation) are currently evolving to support rebuilding rather than restoring communities as they were before a disaster. PRDOH can provide today a bottom-up, multi-sectorial planning, design and implementation opportunity to rebuild using innovation and creativity while spurring partnerships with local academia, private sector and communities to achieve everyday social, environmental and economic benefits. EPA's Caribbean Division recommends, for your consideration, keeping the Puerto Rico by Design Program in the PRDOH's CDBG-DR portfolio.

3. Comprehensive mapping tool and replicable framework – Spatial data management (SDM) is a critical element for striving for environmental excellence. SDM can integrate regulatory and non-regulatory programs, guide resource planners, conserve program resources, highlight multiple environmental benefits, maximize watershed benefits, and is transparent and predictable to ensure resilience, sustainability and recovery.

A Watershed Resources Registry (WRR) is a tool that integrates multiple Sections of the Clean Water Act (CWA). The objective of the WRR is to map natural resource areas that are a priority for preservation or restoration. A major effort of the WRR process is a set of desirability analyses developed with sound science and the best professional judgment of regional experts, which will be used as a screening tool to target opportunity sites for the protection of high quality resources, restoration of impaired resources, and improvement of water resources.

The WRR can transform mitigation targeting away from a piecemeal approach, towards site selection based on the highest priority resource areas, those that offer the greatest benefit if preserved or restored. Each jurisdiction decides what qualities or factors are most desirable for each of the spatial analyses. For example, most jurisdictions would wish to encourage riparian restoration near impaired streams. Some jurisdictions would allow wetland restoration in forested areas while other jurisdictions would not. In this way, a WRR reflects each jurisdiction's priorities and values. A WRR also promotes collaboration between regulatory agencies at the jurisdiction and federal level, as well as between regulatory and non-regulatory agencies, and between the permit issuing body and the regulated agency or public. Federal and local partners are working on a variety of SDM efforts and approaches under the recovery efforts. The PRDOH's CDBG-DR portfolio includes the Geospatial Program to work on SDM and other priorities. EPA's Caribbean Division recommends considering WRR to help

*enhancing collaboration by integrating SDM efforts and approaches between federal and local partners to protect human health and the environment.*

*4. Working to address an environmental and human health legacy issue – Over 40 percent of the population living in Puerto Rico relies upon septic systems to dispose of domestic wastewaters. The prevalence of the septic systems is due to limited resources, soil conditions, and the lack of wastewater systems, including sewage piping and wastewater treatment plants. Septic systems are used to treat and dispose of relatively small volumes of wastewater, usually from houses and businesses located in suburban and rural locations not served by the centralized public sewer system (the Puerto Rico Aqueduct and Sewer Authority – PRASA).*

*Septic systems that are properly planned, designed, sited, installed, operated and maintained can provide excellent wastewater treatment. However, systems that are sited in densities that exceed the treatment capacity of regional soils and systems that are poorly designed, installed, operated or maintained can cause problems, which is the issue in Puerto Rico.*

*The PRDOH's CDBG-DR portfolio includes: the Home Resilience Innovation Competition Program, City Revitalization Program, Municipal Recovery Planning, Home Repair, Reconstruction, or Relocation Program, and Puerto Rico Geospatial Framework (GEOFRAME), to help affected communities, municipalities and local agencies to ensure resilience, sustainability, and recovery. EPA's Caribbean Division recommends considering septic systems as an unmet need and an area of improvement under the CDBG-DR portfolio.*

*EPA is committed to continue working with our federal and local partners in providing support to the Government of Puerto Rico in assuring that all disaster response and recovery efforts result in resilient, sustainable and transformative solutions for Puerto Rico. If you have any questions or need any additional information regarding our feedback, please do not hesitate to contact me 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.*

*Sincerely,*

*Carmen Guerrero Perez*

*Director"*

**PRDOH Response:**

Thank you for your comments. The City Revitalization Program Guidelines allow to maximize available funding use by combining funding from eligible sources as EPA, it will be very positive to include funds that are aligned with this program objectives.



After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH value EPA's recommendations and will take them into consideration. We look forward to continuing this collaboration with EPA.

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Comment ID: 10/09/20\_E\_GE\_Municipio de Bayamon\_Japhet Cruz Diaz(1)

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

*This is the text and comments that our Municipality would like to have noted:*

*Any strategy that simplifies and expedites the receipt of CDBG-DR (2017) funds is welcomed. After three years since Hurricanes Irma and María, we must concur that urgency is an important matter. The delay has made the recovery slow and much more expensive.*

*However, from our point of view, the Action Plan from the beginning presented a problem of atomization, where several programs were created to attend the same unmet needs from slightly different angles. It would have been a more successful strategy, we think, to create a limited number of programs directed specifically to the catalog of unmet needs (most with estimated costs) presented by the municipalities and the central government to the PRDOH in early 2018.*

*That is why we have no qualms about the consolidation of programs, and the redistribution of the allocations of eliminated programs to activities that are already running. As the proposed amendment says, those changes will speed up the receipt and use of funds.*

*We support the new design and content of the Puerto Rico Geospatial Framework Program (Geoframe). It is something that Puerto Rico needs to be able to make intelligent and informed decisions on matters of public policy and public administration.*

*We support the allocation of resources of the Non Federal Match Program that will provide the necessary resources for the recovery using FEMA and CDBG-DR Resources.*

*We support the allocation of resources to the Economic Development Portfolio that will provide resources to small and medium businesses affected by Maria. We encourage the state to expedite and streamline the EDP program.*

We do not support the allocation of \$300 million to the LIHTC program. The per unit cost of this program is not reasonable and the program will encounter problems in the future when the rental subsidy is depleted.

We support the reallocation of the integration of the Community Resiliency Centers into the City Revitalization Program.

We recommend that the scope of the MRP program is expanded to allow municipalities to work with the Fiscal Plans required by the FOMB. The state must remember that all CDBG-DR actions must be consistent with the Economic and Disaster Recovery Plan and that the economic recovery will be driven by the actions established in the Municipal Fiscal plans that must be developed as required by the FOMB. Municipalities must be allowed to develop its own strategies independently of the use of external consultants for the preparation of the Recovery Plans.

However, we believe that a step that has not been taken is very important: decentralize the Plan's programs and give a greater and more significant part to the municipalities as sub-recipients (as defined by federal regulations and the Federal Grant and Cooperative Agreement Act 1977). After all, CDBG is a municipal program. We hope that if a sixth amendment is necessary or appropriate, that will be its primary focus."

**PRDOH Response:**

PRDOH appreciates your feedback and comments and will take them into consideration. We value the participation of the municipalities we look forward to continuing this collaboration throughout the CDBG-DR Grant.

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Comment ID: 10/09/20\_E\_NGO\_Rebuild by Design\_Amy Chester  
<achester@rebuildbydesign.org>(1)

**Comment:** "October 9, 2020

Puerto Rico CDBG-DR Program

P.O. Box 21365

San Juan, PR 00928-1365

Re: Puerto Rico Disaster Recovery Action Plan Amendment

Dear Sir or Madam:

I am writing to voice our concern for the omission of the Puerto Rico by Design initiative within the Puerto Rico Disaster Recovery Fifth Action Plan Amendment. This initiative is based on the Hurricane Sandy Rebuild by Design Competition that we carried out in 2013 and 2014.

We understand that building back from a devastating storm is of utmost importance. Much like in Puerto Rico, the New York Metropolitan Area became starkly aware of its

vulnerabilities to climate change and rising sea levels in the wake of a devastating hurricane. The Hurricane Sandy Design Competition called for interdisciplinary expertise to work with local communities on rebuilding for the future. The result was truly remarkable. In nine months we went from research to having actual designs that envisioned a totally different future than one that would have been built back under regular governmental programs.

The initiative was successful in generating innovative solutions that addressed water management, green infrastructure, ecology, mobility, recreation and workforce development. During the process, the two-step methodology created true collaboration, as we worked with 535 community organizations, 181 government entities and 25 universities throughout the region. The solutions created by this collaboration are now being implemented in New York City, Long Island, New Jersey and Connecticut, utilizing over \$1 billion CDBG-DR funding and have attracted additional local funding.

The program had two stages — collaborative research and collaborative design. The purpose of the research stage was for the international experts to develop a comprehensive understanding of the social and physical vulnerabilities facing the entire region, while the design stage utilized the research discoveries to develop innovative, implementable solutions with the stakeholders and community members who would use the infrastructure.

The Rebuild by Design process has subsequently been deployed in both disaster and predisaster settings. The Bay Area Resilient by Design Challenge, which was a replication of the process in a pre-disaster setting, mobilized international talent to work with San Francisco Bay Area governments and communities to create nine large scale proposals to address sea level rise, transportation, housing and equity.

The framework generated from the process has been used in eleven other cities in the US and abroad on smaller scales. In Puerto Rico (2015-2016), Rebuild introduced the framework to create a community driven resilience plan, collaborating with the University of Puerto Rico Architecture School, the City of San Juan, local architects and 100 Resilient Cities in Playita, San Juan. We are also currently working on a National Science Foundation funded project for western Puerto Rico with the University of Puerto Rico, the City University of New York, Arizona State University and New York University. Our role is to ensure local stakeholder voices are incorporated into this science-centric project.

There are several key characteristics of the Rebuild model that are critical to a successful process that we want to highlight:

- **ADAPTABILITY:** This framework is highly-adaptable and can work on virtually any scale and timeline. We scope each engagement according to the government's goals and stick to our timelines. This ensures that the government gets exactly the knowledge and assistance it is looking for within a time-bound deeply collaborative process.
- **TIME BOUND:** While we use extensive stakeholder engagement to help shape the program and ideas, the engagement is time bound so we get to solutions fast. The

*collaboration generates better designs and ultimately provides critical local support and legitimacy for building the projects.*

- *BUILDS LOCAL CAPACITY: The work is locally led which keeps the dollars local and builds capacity with local NGOs and professional offices who are then educated on these issues, which will help in future projects.*
- *INNOVATIVE: We drive innovation and create solutions that no government would have created on their own. The outcome of the process generates solutions that are implementable and take a multi-benefit approach, providing benefits during nondisaster times such as addressing public health, cleaner water, improved transportation, economic development and more.*
- *LEVERAGE: We work in public-private partnership, to leverage relationships and align goals.*
- *INTERDISCIPLINARY: We call for a diverse expertise to ensure our work addresses multiple issues, not just increased severity of storms.*

*We hope you will reconsider this omission. The opportunity to build Puerto Rico back better and align community and local government planning is an opportunity too great to miss. The experience of Rebuild by Design is that when you align interests upfront, the process is shorter, the projects are better, and the stakeholders provide the support to ensure they are built. It also leaves a legacy of hundreds of individuals who feel included in the building back of their own communities.*

*Rebuild by Design offers our expertise to you to assist in any way developing the details of the initiative, and in any other efforts that call for strong collaboration and innovation. We believe it is the only way forward.*

*Sincerely,*

*Amy Chester*

*Managing Director, Rebuild by Design (Private Non-Profit)*

*[achester@rebuildbydesign.org](mailto:achester@rebuildbydesign.org) "*

**PRDOH Response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

**Comment:** "CDBG-DR 5<sup>th</sup> Substantial Amendment to the Plan Supplemental Comments  
Pg 151 Homebuyer Assistance Program

Utilizing the Table from the CDBG-DR Website for a four (4) person household the Adjusted 120% Percent Income Limit is \$62,900.

If so utilizing HUD's 25% gross income mortgage payment underwriting guideline; the family would be able to afford approximately  $\$62,900/12 \times 25\% = \$1,310.42$  Principal and Interest payment assuming the household qualifies under all the underwriting parameters such as credit rating, etc..

Under this example the household could easily afford the mortgage principal and interest payment on a \$185,000 purchase price housing unit less the \$25,000 award for on a 30 year 3% income mortgage which would be \$527.01.

In other words; in order for a household of four (4) to qualify for a \$185,000 housing unit purchase it would need income of a minimum of \$25,296.24.

Can PRDOH verify that our examples are correct; and if not provide correct examples?

Is there a limit on the purchase price of the housing unit?

Are solar energy savings going to be counted as additional discretionary income for qualification purposes if the COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM is combined with the Home Buyer Assistance Program?"

**PRDOH Response:**

Thank you for your comments. Income limits are dependent on various factors and are updated annually by HUD; these can be found in the following webpage: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>. Family income limits, maximum award amounts, along with all other relevant information regarding the Homebuyer Assistance (HBA) Program can be found in the following website: <https://cdbg-dr.pr.gov/en/homebuyer-assistance-program/>. You may also receive more information on how to apply by sending an email to the following address: [HBA-info@afv.pr.gov](mailto:HBA-info@afv.pr.gov). At this moment, Community Energy and Water Resilience Installations are not included for HBA applicants. We encourage all interested parties to monitor the CDBG-DR webpage for updated information as it becomes available.

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Comment ID: 10/08/20\_WP\_GE\_Escuela Graduada de Planificación  
Universidad de Puerto Rico, Río Piedras\_Doris S Medina Hernandez(1)

**Comment:** "Hello.

I believe it is important to reconsider the elimination of the Puerto Rico by Design Program and its \$700,000 million. It is a very good initiative that produces results, many of which we

have been able to see in the states of New York and New Jersey after they went through their competition influenced by the disaster caused by Hurricane Sandy. This opportunity would provide a space for local and foreign individuals (brilliant minds) to help solve the problems we're currently facing by working together. --

Doris S. Medina Hernández  
Graduate Student | Graduate School of Planning  
University of Puerto Rico, Río Piedras"

**PRDOH Response:**

After the initial Action Plan for Disaster Recovery, PRDOH has been able to note that the reconstruction of infrastructure requires additional funding for a comprehensive recovery. Being infrastructure the backbone of a resilient Puerto Rico and the economic development, PRDOH takes the Non-Federal Match Program as one of the priorities from the infrastructure sector. This program has a long list of potential infrastructure projects, requiring reallocation of additional funds into the program. By doing this, PRDOH is to broaden the possibilities of assistance under the Non-Federal Match Program. PRDOH appreciates your genuine interest in this CDBG-DR program and in the recovery of Puerto Rico.

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Comment ID: 09/18/20\_E\_I\_Cristian E. Martinez Medina  
<crismartinez95@gmail.com>(1)

**Comment:** *"In the case of communities and community-based organizations, these often do not have sufficient resources to seek the technical counsel needed to develop and present a mitigation plan. To ensure the effective participation of the community that would ultimately be directly affected by execution of the plans, what technical support will be provided to them so that they may present their proposals before the evaluation and decision-making process begins for mitigation proposals?"*

**PRDOH Response:**

The PRDOH thanks you for your comments concerning this 5<sup>th</sup> (substantial) Amendment to the CDBG-DR Action Plan. Activities focused on mitigation are addressed in the CDBG-MIT Plan. The PRDOH recognizes that recovery and mitigation efforts are complex. For this reason, the Whole Community Resilience Planning Program, the Municipal Recovery Planning Program, and the updates to the state and local mitigation plans provide a basis for learning the needs of communities. In addition, there are a great variety of resources through which federal agencies can provide technical support to our communities. For more information about the Mitigation Action Plan, follow this link: <https://cdbg-dr.pr.gov/cdbg-mit/>.