

The background of the page is a photograph of a vast mountain range. The mountains are covered in dense green forest and are set against a sky filled with large, white, fluffy clouds. The lighting suggests a bright day, with some shadows on the mountain slopes.

# **CDBG-DR Program Action Plan for Program Administrative Costs (Earthquakes and Tropical Storm Isaiás)**

Approved by HUD:  
June 14, 2022

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## 1. Purpose

The purpose of this Action Plan for Program Administrative Costs (**PACs**) under the Community Development Block Grant - Disaster Recovery (**CDBG-DR**) (earthquakes and tropical storm Isaiás allocation) is to begin using the funds for allowable administrative activities prior to the submission of the full Program Action Plan to the U.S. Department of Housing and Urban Development (**HUD**).

As a result, the Puerto Rico Department of Housing (**PRDOH**), as a grantee, could start planning activities, coordination with eligible units of local government, and development of procurement documentation for program administrative assistance.

## 2. Background

The Disaster Relief Supplemental Appropriations Act, 2022 (**Appropriations Act**) (Public Law 117-43) allows CDBG-DR grantees receiving an award under the Appropriations Act to access funding for program administrative costs prior to HUD's certification of financial controls and procurement processes, and adequate procedures for the proper grant management. The Federal Register Vol. 87, No. 23 (February 3, 2022), 87 FR 6364, requires PRDOH to first prepare an action plan describing its use of funds for program administrative costs, subject to the five percent (5%) cap on the use of grant funds for such costs. This action plan shall be developed outside HUD's Disaster Recovery Grant Reporting (**DRGR**) System and must include all proposed uses of funds for PACs incurred prior to a final action plan being submitted and approved.

## 3. Public Notices and Comment Period

Grantees must publish the proposed action plan for PACs, and substantial amendments to the plan, for public comment. To permit a more streamlined process, HUD waived the provisions of 42 U.S.C. §5304(a)(2) and (3), 42 U.S.C. §12707, 24 C.F.R. §570.486, 24 C.F.R. §1003.604, 24 C.F.R. §91.105(b) through (d), and 24 C.F.R. §91.115(b) through (d), with respect to citizen participation requirements.

Instead, the manner of publication of the action plan for PACs must include prominent posting on the grantee's official disaster recovery website and must afford residents, affected local governments, and other interested parties a reasonable opportunity to review the contents of the plan or substantial amendment (no less than seven days). Grantees must offer multiple methods (including electronic submission) for receiving comments on the action plan or substantial amendment.

The original Action Plan will be posted in English and Spanish to the PRDOH CDBG-DR Program website (<https://cdbg-dr.pr.gov/en/>) to allow an opportunity for public comment for no less than seven (7) calendar days. PRDOH will consider comments on the Action Plan or substantial amendments received in writing, via email, verbally via the telephone call or expressed in-person.

Citizens accessing information via the CDBG-DR website in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> and who are seeking to comment on the CDBG-DR Action Plan for Program Administrative Costs will be directed to the Action Plan links for public comment as outlined above.

Please contact PRDOH using the following methods:

- Via telephone: (787) 274-2527 ext. 6608 (TTY: 787-522-5950)  
 Attention hours: Monday to Friday from 8:00am-5:00pm
- Via email at: [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov) – for all CDBG-DR inquiries,
- Online at: <https://www.cdbg-dr.pr.gov/en/contact/> (English version)  
<https://www.cdbg-dr.pr.gov/contact/> (Spanish version)
- In writing at: Puerto Rico CDBG-DR Program  
 P.O. Box 21365  
 San Juan, PR 00928-1365

#### 4. Proposed Allocation of Funds

The Appropriations Act makes available \$5,000,000,000 in CDBG–DR funds for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 *et seq.*) (**HCDA**) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the “most impacted and distressed” (**MID**) areas resulting from a qualifying major disaster in 2020 or 2021. HUD allocated to Puerto Rico **\$184,626,000** to disaster recovery activities related to the 2019-2020 earthquakes and tropical storm Isaiás.

The following municipalities were identified as MID areas:

Disaster Declaration No.	MID Area/Municipality
4473 (Earthquakes)	Guánica
	Ponce
	Yauco
	Peñuelas
	Guayanilla

	Lajas
4560 (Tropical Storm Isaiás)	Mayagüez

Up to 5% of the total allocation may be used for the administration of the program. Under this Action Plan for Program Administrative Costs, PRDOH is proposing to use up to **\$9,231,300** for administrative activities including, but not limited to, the following:

- Staff time associated with the coordination and meeting with eligible units of local governments, state agencies and departments, and other interested stakeholders during the development of the full program Action Plan.
- Staff time associated with identifying and cataloguing unmet recovery needs under the qualifying disasters.
- Staff time associated with the development of procurement processes related to the administration of the grant program. Advertising and publication costs associated with procurement processes may be included.
- Eligible planning activities associated with the recovery from the qualified disasters and/or the mitigation of future disasters.

## 5. Criteria for Eligibility

The following are eligible uses of CDBG funds under the HCDA and the Code of Federal Regulations:

- **Section 105(a)(12):** Activities necessary:
  - (A) to develop a comprehensive community development plan, and
  - (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively
    - (i) determine its needs,
    - (ii) set long-term goals and short-term objectives,
    - (iii) devise programs and activities to meet these goals and objectives,
    - (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and
    - (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation.
- **Section 105(a)(13):** payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to
  - (A)[...]

(B) the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities.

- **24 C.F.R. §570.205:** Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans.
- **24 C.F.R. §570.206:** Payment of reasonable program administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing covered in the recipient's housing assistance plan.

## 6. Certifications

The Puerto Rico Department of Housing acknowledges that it must make all certifications included in Section III.F.7. of the Consolidated Notice (87 FR 6364) and submit them to HUD when it submits its Public Action Plan to the DRGR, which means that some certification statements will be submitted twice.

For purposes of this Action Plan for Program Administrative Costs, the Puerto Rico Department of Housing follows HUD's guidance and certifies:

- a. The Puerto Rico Department of Housing certifies its compliance with restrictions on lobbying required by 24 C.F.R. Part 87, together with disclosure forms, if required by Part 87.
- b. The Puerto Rico Department of Housing certifies that the action plan for disaster recovery is authorized under state and local law (as applicable) and that PRDOH, and any entity or entities designated by PRDOH, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and notice 87 FR 6364.
- c. The Puerto Rico Department of Housing certifies that activities to be undertaken with CDBG-DR funds are consistent with its action plan.
- d. The Puerto Rico Department of Housing certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 C.F.R. §91.115 or §91.105 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from PRDOH must follow a detailed citizen

participation plan that satisfies the requirements of 24 C.F.R. §570.486 (except as provided for in notices providing waivers and alternative requirements).

- e. The Puerto Rico Department of Housing certifies that it is complying with each of the following criteria:
  - i. Funds will be used solely 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 for which the President declared a major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. §5121 *et seq.*).
  - ii. With respect to activities expected to be assisted with CDBG-DR funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
  - iii. The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70% (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons.
  - iv. The Puerto Rico Department of Housing will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, certifies to HUD's Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- f. The Puerto Rico Department of Housing certifies that the grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d), the Fair Housing Act (42 U.S.C. §§3601-3619), and implementing regulations, and that it will affirmatively further fair housing.
- g. The Puerto Rico Department of Housing certifies that it has adopted and is

enforcing the following policies, and, in addition, certifies that will require local governments that receive its grant funds to certify that they have adopted and are enforcing:

- i. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
  - ii. A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- h. The Puerto Rico Department of Housing certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that PRDOH has reviewed the requirements of notice 87 FR 6364.
- i. The Puerto Rico Department of Housing certifies that it will comply with environmental requirements at 24 C.F.R. Part 58.
- j. The Puerto Rico Department of Housing certifies that it will comply with the provisions of Title I of the HCDA and with other applicable laws.

**Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. §287, §1001, and 31 U.S.C. §3729.**

Signature,

  
William O. Rodriguez Rodríguez, Esq.  
Secretary  
Puerto Rico Department of Housing