

DEPARTMENT OF  
**HOUSING**



# PUERTO RICO DISASTER RECOVERY ACTION PLAN

For the use of CDBG-DR Funds  
in response to 2019-2020  
2019-2020 Earthquakes  
(DR-4473-PR)

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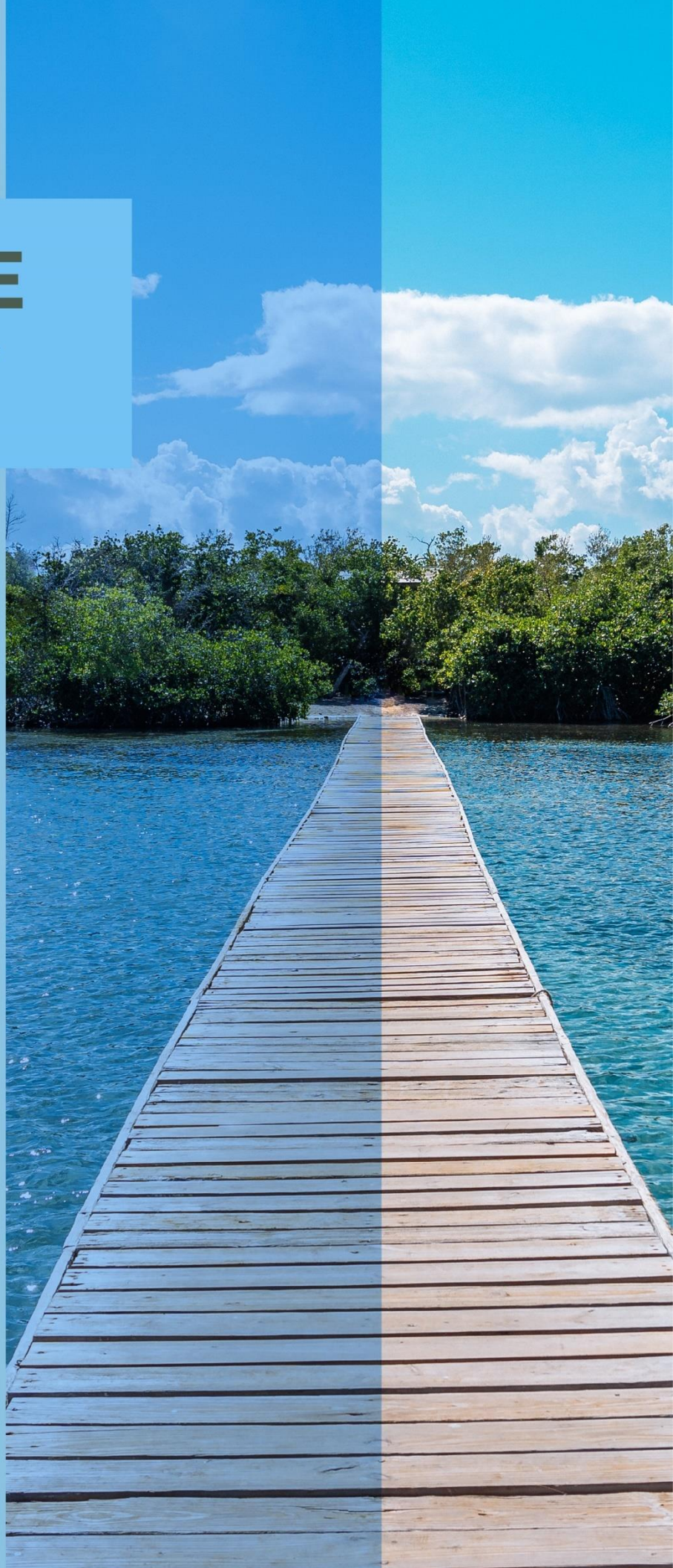
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# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY:

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### The 2020 Southwest Puerto Rico Earthquake Sequence

On December 28, 2019, an increase in seismicity started an earthquake sequence with an event of magnitude 4.7 that shook a population that had never experienced a seismic event of this power before.<sup>1</sup> Although the archipelago of Puerto Rico lies in a tectonically active region, the Island had not been struck by a major earthquake since the year 1918. Earthquakes differ from other natural hazards, such as floods, hurricanes, or wildfires, in that earthquake swarms can last for weeks, years, or decades, rather than occurring as just one event or season. Additionally, earthquakes represent a particularly severe threat due to irregular time intervals between these events, lack of adequate forecasts, and the catastrophic damage that can occur as a result of a significant event of this nature.

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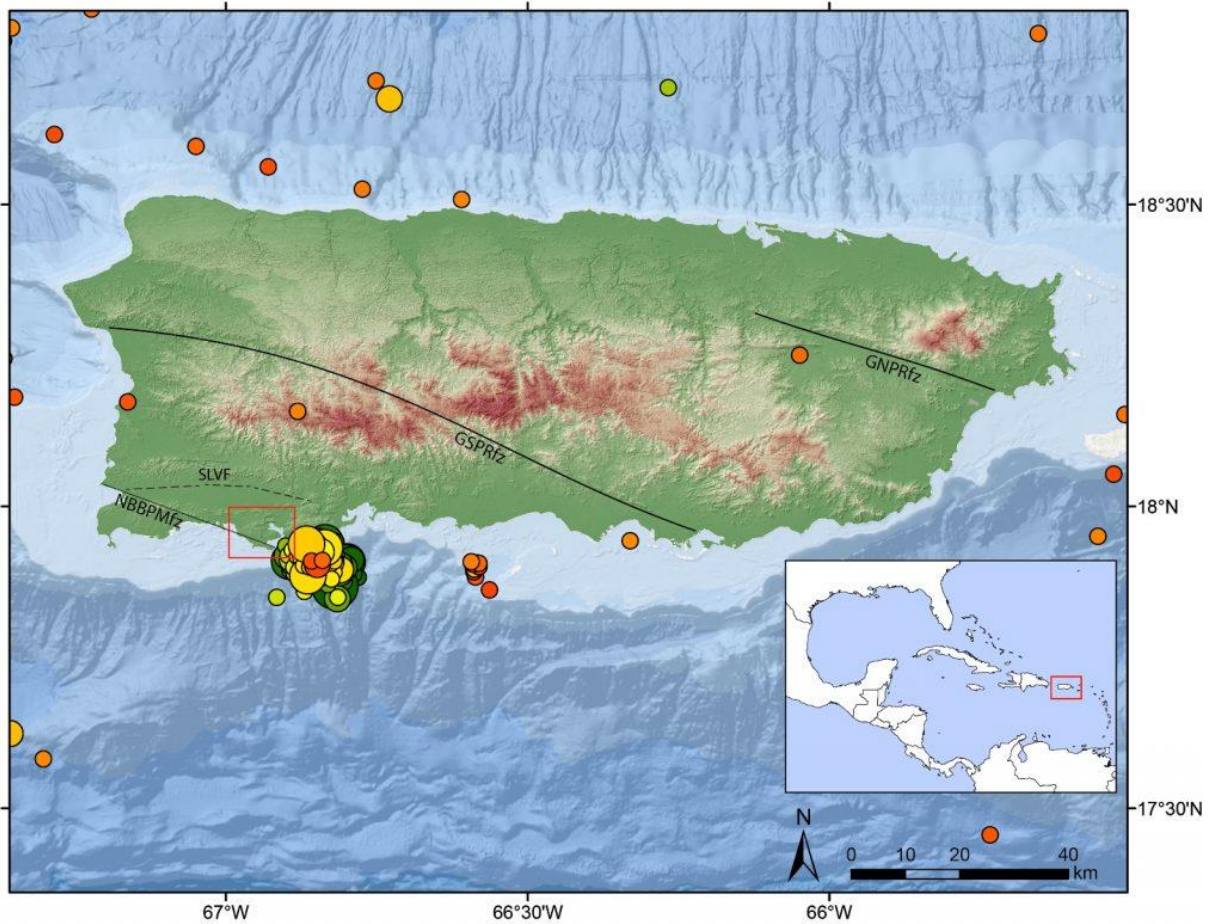
<sup>1</sup> López, A.M., Hughes, K.S., & Vanacore, E. (2020), Puerto Rico's Winter 2019-2020 Seismic Sequence Leaves the Island On Edge, Temblor, <http://doi.org/10.32858/temblor.064>

**DRAFT FOR PUBLIC COMMENTS:**

**PUBLISHED – JUNE 30, 2021**

**REVISED - JULY 2, 2021**





**Figure 1: Events larger than M 2.5 detected by the Puerto Rico Seismic Network between December 8, 2019 to January 7, 2020. Source: Puerto Rico Seismic Network**

An earthquake is caused by the release of stored energy within, or along the edge of, the tectonic plates of the Earth. They are characterized by a sudden shaking of the earth. The severity of an earthquake depends on its place of origin (epicenter) and the amount of energy released. Upon the occurrence of the earthquake, seismic waves radiate from the earthquake source, causing the shaking of the earth. The severity of the tremor increases as energy is released and decreases according to its distance from the epicenter. The tremors can be felt hundreds of miles from its epicenter. The intensity of shaking is the result of several factors, such as: the extent and type of earthquake, the

distance from the epicenter, the area's soil conditions, and the relative orientation of the site with respect to the seismic event.<sup>2</sup>

On January 7, 2020 a 6.4 magnitude earthquake, the mainshock of the 2020 Southwest Puerto Rico earthquake sequence, displaced thousands of Puerto Ricans from their homes and resulted in extensive damage to the Island's built environment including individual homes and critical infrastructure. This early January earthquake led to a confirmed fatality and island-wide power cuts. As of January 10, 2020, three (3) more persons died because of health conditions that local officials indicated might be related to the temblor's effects.<sup>3</sup>



*Figure 2: Damage from 6.4 earthquake on January 7, 2020 in Guayanilla*

## Major Disaster Declaration DR-4773-PR & HUD CDBG-DR Allocation

On January 11, 2020, the Governor of Puerto Rico, Wanda Vázquez Garced, requested that President Trump declare an expedited major disaster as a result of the continuous seismic activity on the Island. The United States President declared an emergency under the Stafford Act on January 7, 2020, which initially authorized assistance for emergency protective measures. On January 16, 2020, President Trump signed the major disaster declaration DR-4773-PR authorizing the Federal Emergency Management Agency (**FEMA**) to provide aid for Individual Assistance (**IA**) and Public Assistance (**PA**) in the designated areas, and Hazard Mitigation throughout Puerto Rico. Additionally, the major

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<sup>2</sup> Puerto Rico Department of Housing, CDBG-MIT Action Plan, effective April 19, 2021. Accessed at: <https://cdbg-dr.pr.gov/en/download/cdbg-mit-action-plan-effective-on-april-19th-2021/>

<sup>3</sup> Mazzei, P., Penn, I., and Robles, F. (2020, January 11). With Earthquakes and Storms, Puerto Rico's Power Grid Can't Catch a Break. *NY Times*. Accessed at: <https://www.nytimes.com/2020/01/10/us/puerto-rico-electricity-power-earthquake.html>

disaster declaration authorized Small Business Administration (**SBA**) Disaster Loans. Responsibility for PA administration was delegated to the Central Office of Recovery, Reconstruction, and Resiliency (**COR3**).

Public Law 116-20 appropriated \$2,431,000,000 through the Community Development Block Grant Disaster Recovery (**CDBG-DR**) program. The funds were to be used to address specific infrastructure needs of select 2017 disasters, remaining unmet disaster recovery needs for disasters in 2018 and 2019, and provide any remaining funds to support mitigation activities for 2018 disasters. On January 2021, HUD published the Federal Register Notice Vol. 86 No. 3 (Wednesday, January 6, 2021), 86 FR 569, which allocated a total of \$85,291,000 in CDBG-DR funds to multiple grantees appropriated by the Additional Supplemental Appropriations for Disaster Relief Act, among which the Commonwealth of Puerto Rico was allocated a total of \$36,424,000.

As per the Federal Register 86 FR 569, the Municipalities of Guánica, Yauco, Guayanilla, and Ponce were the HUD-identified Most Impacted and Distressed (**MID**) areas, and these were required to be given funding priority in the recovery from the disasters caused by the 2019-2020 seismic sequence.

### Unmet Needs Assessment

PRDOH analyzed the unmet needs, considering the preliminary assessments completed to date by the U.S. Federal Government under FEMA response and factors in long-term resilience based on historical methods. Although the grantees receiving an allocation for a 2018 or 2019 disaster may propose the use of funds for unmet economic revitalization and infrastructure needs, the Federal allocation notice and prior notices, require grantees to primarily consider and address its unmet housing recovery needs.<sup>4</sup>

Since data from prior disasters indicates that initial FEMA loss estimates often under-represent the full breadth of impact, either through unit counts or with loss estimates, PRDOH has utilized methodologies, based on HUD frameworks, and applied indicators to extrapolate impact for residents who may not have been fully evaluated in the initial assessments. This has provided an initial assessment of approximately \$1,035,000,000 in housing impact throughout the island, for which \$43,582,442 had been made available until May 2020 from FEMA through the Individual & Households Program (**IHP**) program. Accounting for structural hardening costs needed to withstand continued ground movement, the estimate is an initial \$1,368,156,231 in housing unmet need based on FEMA indicators adjusted for HUD rebuilding estimates.

However, PRDOH recognizes that HUD conducted an analysis that calculated the Serious Unmet Housing Need for the MID Areas, based on best available data from FEMA and SBA. The breakdown of said assessment is shown in **Table 1** below. This assessment was

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<sup>4</sup> 86 FR 569, 570.



taken into consideration for the distribution of the funding set-asides for the CDBG-DR Housing Program.

**Table 1: MID Areas Unmet Housing Need Summary**

<b>HUD-identified Housing Unmet Needs on MID Areas</b>	
<b>MID Area</b>	<b>Serious Unmet Housing Need Estimate</b>
<b>Guayanilla</b>	\$3,607,329
<b>Yauco</b>	\$9,289,370
<b>Ponce</b>	\$3,291,009
<b>Guánica</b>	\$13,561,198
<b>Total Most Impacted Areas</b>	<b>\$29,748,906</b>

It is important to differentiate the needs assessment that was conducted to calculate the \$1,324,284,531 in housing unmet need, which was part of an analysis that is traditionally used to extrapolate impact and account for resiliency, from the HUD-identified serious unmet housing need estimate. Firstly, HUD data extracts the serious damage amounts from SBA and FEMA data for a point in time, whereas the needs assessment estimates hope to account for consequential impact that was not captured and other jurisdictions not identified as MID Areas, even beyond Municipalities that are not within the disaster declaration area.

### Stakeholder Engagement Process

The stakeholder engagement process can be summarized in two phases: the efforts undertaken as part of the Action Plan draft development process, and the outreach and public input activities conducted as part of the Action Plan public comment period. The affected Municipalities in the HUD-identified MID Areas were considered critical stakeholders for the plan preparation, as they would be the partners that would support the implementation of the program. On the other hand, citizens and other affected entities participated and provided valuable feedback on the Action Plan draft, as is shown in the results of the engagement.

### Stakeholder Engagement Efforts During Plan Preparation

As per HUD guidance found at 83 FR 5844, 5854-5855, PRDOH conducted a series of stakeholder engagement and outreach activities to integrate data, research and stakeholder input as part of the Action Plan development phase. The stakeholder engagement efforts utilized allowed PRDOH to consult with disaster-affected local governments, and local public housing authorities in determining the use of funds.

**DRAFT FOR PUBLIC COMMENTS:  
PUBLISHED – JUNE 30, 2021  
REVISED - JULY 2, 2021**

Additionally, other valuable stakeholders, such as States, , Federal partners, nongovernmental organizations (**NGOs**), the private sector, academic sector and other stakeholders and affected parties in the surrounding geographic area were incorporated into the draft development process to ensure the action plan's effectiveness.

A Presentation and Working Session was held on June 7, 2021 with the MID Area Municipalities: Yauco, Ponce, Guayanilla and Guánica. Presentation included providing an overview of the Earthquake allocation, Program design draft and program budget set aside. Mayors, Municipal Staff and Municipal representatives for all MID Area local governments were present during the Presentation and Working Session. Mayors from the MID Municipalities submitted formal comments to the Action Plan Draft through a signed letter sent on June 15, 2021.

In the month of June 2021, the Public Housing Administration (AVP, for its acronym in Spanish) was contacted and consulted to determine impacts in the MID Area and feedback on the Action Plan design.



## Housing Seismic Rehabilitation and Reconstruction Program

Understanding the allocation requirements to prioritize housing, as well as the MID areas unmet needs identified, and incorporating input from the disaster-impacted

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PUBLISHED – JUNE 30, 2021  
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Municipalities and other stakeholders, PRDOH has developed the Housing Seismic Rehabilitation and Reconstruction Program (**SR2**). This program has been designed to provide assistance to homeowners to repair damaged homes or rebuild substantially damaged homes in place. The reconstruction of substantially damaged homes gives the opportunity for otherwise displaced families to return safely to their homes.

Homes that may not be repaired or rebuilt in place due to legal, engineering, or environmental constraints, may be referred to the Single-Family Housing Mitigation Program under the Puerto Rico Community Development Block Grant – Mitigation Program (**CDBG-MIT**). Thus, providing opportunity to align programs under PRDOH to best serve the citizens of Puerto Rico.

## Conclusion

Since the impact of Hurricanes Irma and María, Puerto Rico has been affected by other unexpected disasters: this alarming seismic activity and the Covid-19 pandemic. As the recovery needs in Puerto Rico increase with each disaster, the need for a coordinated approach between agencies and local governments, as well as the recovery and mitigation programs launched, is ever present. The Government of Puerto Rico has been allocated over \$20 billion in CDBG-MIT and CDBG-DR funding for reconstruction and mitigation activities. While there are limitations due to the CDBG-DR funds allocated for the hurricanes Irma and María requiring tie-back to the storms, other funding such as the CDBG-MIT funds allocated allow for financing long-term planning and risk mitigation activities, with a focus on preventing loss of life and suffering from future hazardous events.

The availability of the CDBG-DR and CDBG-MIT funds is a unique and critical opportunity for the Island. The effective implementation of the outlined recovery and mitigation programs will provide Puerto Rico the potential to rebuild stronger, better, smarter, and in a more sustainable manner. Using the lessons learned from previous events, and building on the capacity acquired through the execution and performance of the variety of economic development, housing, infrastructure and planning programs that are underway, Puerto Rico will achieve its recovery, and more importantly, increase its resilience to future events.





# **UNMET NEEDS ASSESSMENT**

## UNMET NEEDS ASSESSMENT

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### Summary of Earthquake Impact:

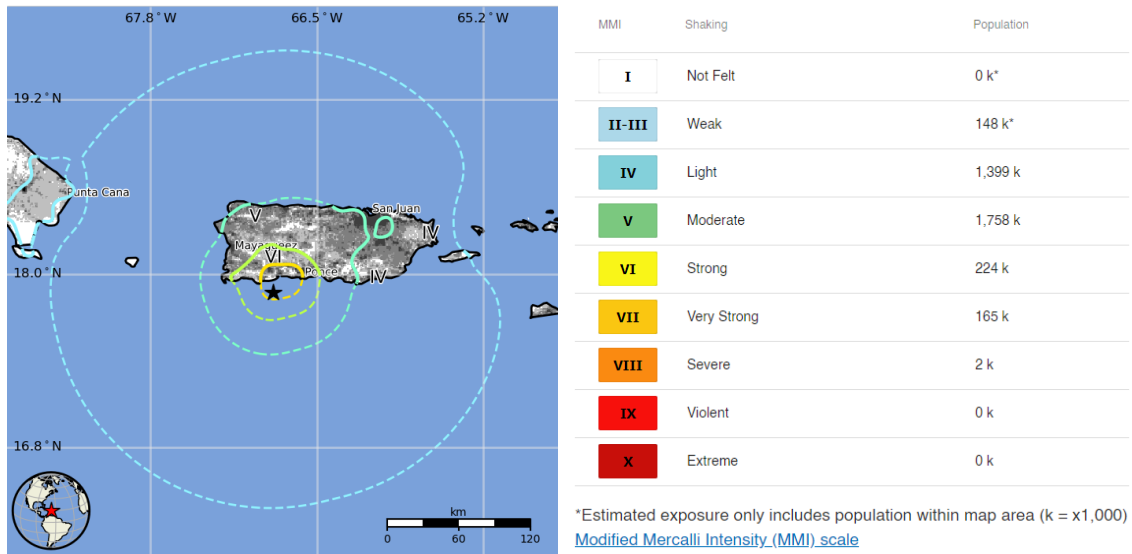
#### *Assessment of 2020 Earthquake and Seismic Activity Long-Term Impact*

On January 7, 2020, a 6.4 magnitude earthquake, the mainshock of the 2020 Southwest Puerto Rico earthquake sequence, displaced thousands of Puerto Ricans from their homes and resulted in extensive damage to the Island's built environment including individual homes and critical infrastructure. Seismic activity has continued to be felt by Puerto Rico citizens in the southwest of the Island. Puerto Rico is located where the Caribbean and the North American tectonic plates meet, with the Island being compressed between the two plates, causing ongoing seismic events of varying scale. Tremors have occurred with a magnitude ranging from an estimated 4.5 to 6.4. Puerto Rico lies in a tectonically active region where earthquakes have occurred for centuries, but events of this magnitude had not occurred in decades.

Recent US Geological Survey (**USGS**) studies have mapped the estimated population exposure to earthquake shaking, based on the Modified Mercalli Intensity (**MMI**) scale which is shown in **Figure 3** and can be further explored in the [USGS Interactive Map](#). Studies conducted by the USGS forecast that aftershocks will continue for years.<sup>5</sup>

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<sup>5</sup> van der Elst, N.J., Hardebeck, J.L., and Michael, A.J., 2020, Potential duration of aftershocks of the 2020 southwestern Puerto Rico earthquake: U.S. Geological Survey Open-File Report 2020-1009, 5 p., <https://doi.org/10.3133/ofr20201009> .

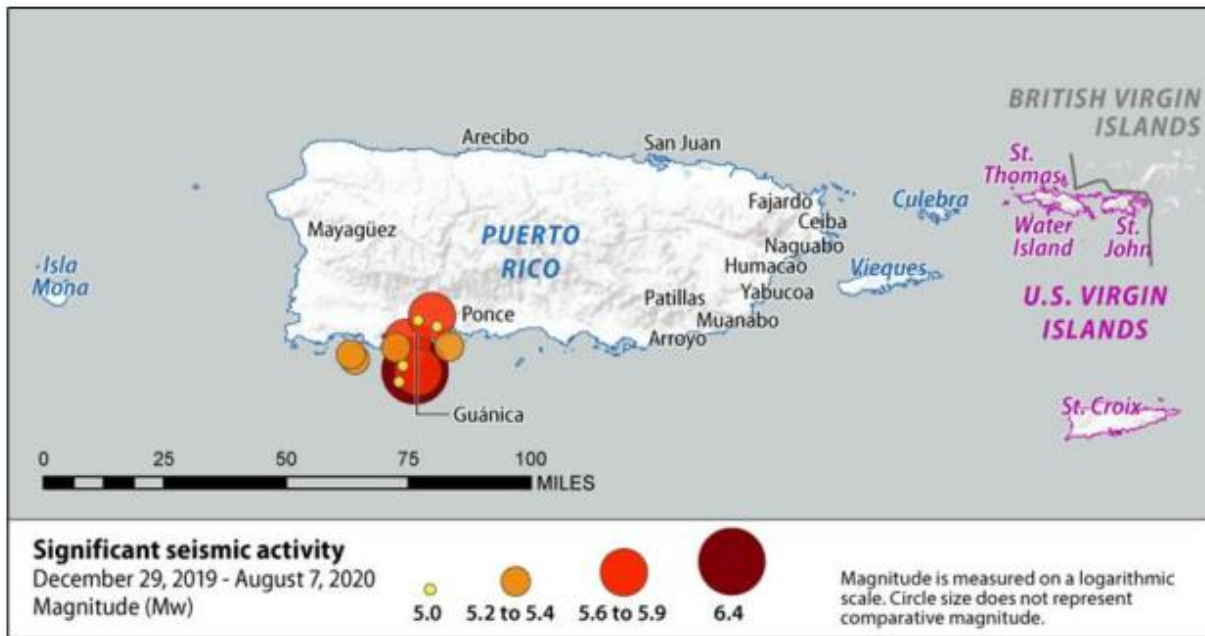


**Figure 3: Estimated Population Exposure to Earthquake Shaking on mainshock occurring on January 7, 2020.**  
**Source: USGS<sup>6</sup>**

<sup>6</sup> Map of Estimated Population Exposure to Earthquake Shaking, contributed by USGS National Earthquake Information Center, last updated on March 31, 2021. Accessed at: <https://earthquake.usgs.gov/earthquakes/eventpage/us70006vll/pager>

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PUBLISHED – JUNE 30, 2021  
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**Figure 4: Significant Seismic Events in Puerto Rico from December 29, 2019 to August 7, 2020.** Source: Congressional Research Service (CRS) Appendix A: Overview of the Earthquakes Affecting Puerto Rico Beginning in 2019<sup>7</sup>

The resultant damage caused by this activity is still a matter of investigation. The assessment contained herein considers the preliminary assessments completed to date by the U.S. Federal Government under the FEMA response and factors in long-term resilience based on historical methods.

Although the grantees receiving an allocation for a 2018 or 2019 disaster may propose the use of funds for unmet economic revitalization and infrastructure needs, the Federal allocation notice and prior notices require grantees to primarily consider and address its unmet housing recovery needs.<sup>8</sup> In consideration of this requirement and the amount of this grant allocation, this CDBG-DR Action Plan addresses the housing unmet needs in the HUD-identified MID area as a priority in the recovery from the disasters caused by the 2019-2020 seismic sequence. The MID areas, as identified by HUD, are the Municipio of Guánica, Yauco, Guayanilla, and Ponce.

### Housing

PRDOH has analyzed best available data, which indicates approximately 33,941 homeowner applicants and 5,916 renter applicants to FEMA for declared disaster FEMA-

<sup>7</sup> Appendix A. Overview of the Earthquakes Affecting Puerto Rico Beginning in 2019, developed by Congressional Research Service. Accessed at: <https://www.hsdl.org/?abstract&did=847372>

<sup>8</sup> 86 FR 569, 570.

4473-DR with an estimate of damages within the Individual & Households Program of \$82,014,417 for homeowners as of April 24, 2021.<sup>9</sup>

Since data from prior disasters indicates that initial FEMA loss estimates often under-represent the full breadth of impact, either through unit counts or with loss estimates, PRDOH has utilized methodologies, based on HUD frameworks, and applied indicators to extrapolate impact for residents who may not have been fully evaluated in the initial assessments. This has provided an initial assessment of approximately \$1,035,000,000 in housing impact, for which \$43,582,442 had been made available until May 2020 from FEMA through the IHP program. Accounting for structural hardening costs needed to withstand continued ground movement, the estimate is an initial \$1,368,156,231 in housing unmet need based on FEMA indicators adjusted for HUD rebuilding estimates.

### *Infrastructure Hybrid Assessment*

A preliminary Hazus loss estimate performed by the FEMA Natural Hazards Risk Assessment Program (**NHRAP**) team, was conducted to assess damage resulting from the January 7, 2020 6.4 magnitude earthquake with an epicenter 8.4 miles west-southwest offshore of Ponce, Puerto Rico. The Hazus model for loss estimation was based on the [USGS ShakeMap](#) version 4<sup>10</sup>. This preliminary loss estimate yielded \$838,000,000 in total economic losses. **Figure 5** illustrates the preliminary estimates of economic loss per municipality. These are the best available estimates on infrastructure damage, based on the Hazus model, which “uses inventory information (buildings, infrastructure, and population), hazard extent and intensity data, and damage functions to estimate the impacts of disasters.”<sup>11</sup>

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<sup>9</sup> Dataset was generated by FEMA's Enterprise Coordination & Information Management (ECIM) reporting team and is primarily composed of data from Housing Assistance Program reporting authority from FEMA registration renters and owners within the state, county, zip where the registration is valid. Accessed at: <https://www.fema.gov/openfema-dataset-individuals-and-households-program-ihp-valid-registrations-on-April-26,2021>.

<sup>10</sup> USGS ShakeMap information can be accessed at: <https://earthquake.usgs.gov/earthquakes/eventpage/us70006vll/pager>

<sup>11</sup> What is Hazus? Accessed on April 30, 2021 at: <https://www.fema.gov/flood-maps/tools-resources/flood-map-products/hazus/about>

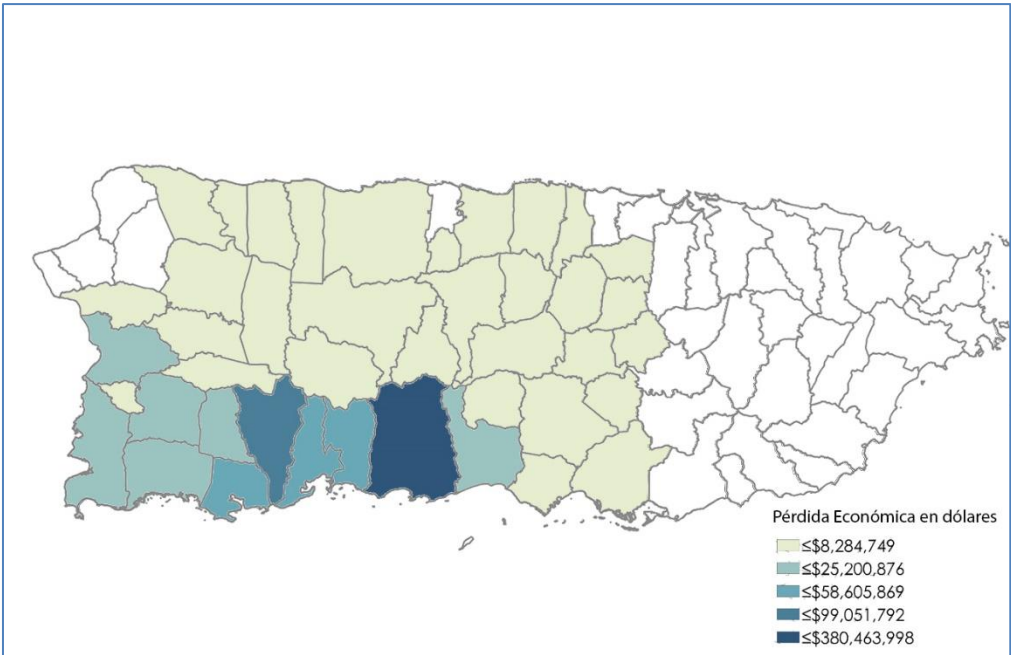
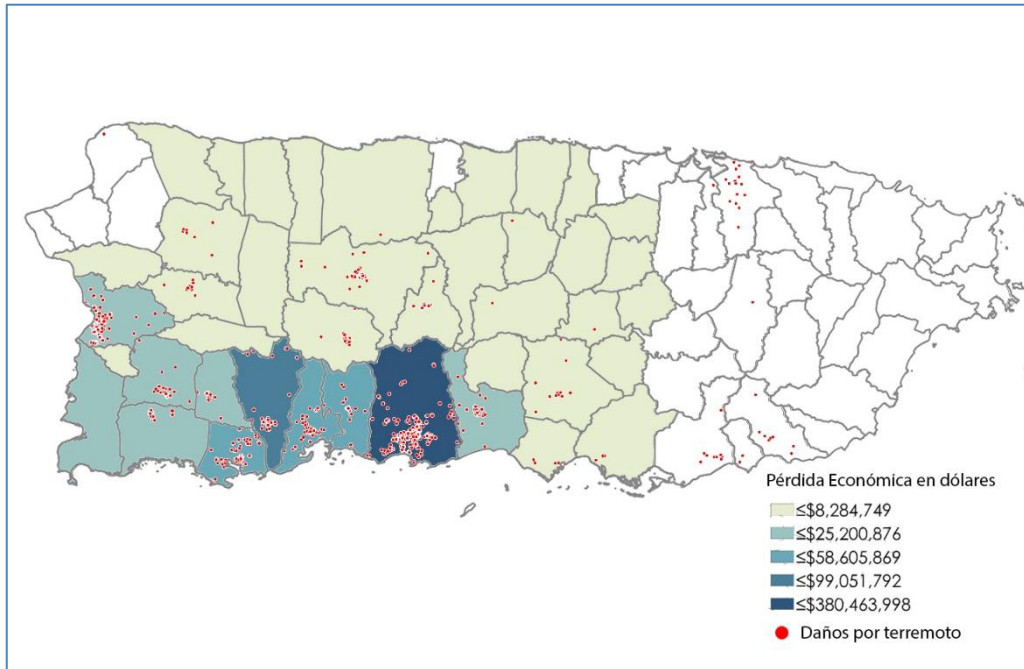


Figure 5 – HAZUS Results for Puerto Rico Earthquake - 01/07/2020

FEMA **PA** damage data was extracted from the FEMA Grants Portal on May 21, 2020. This data identified damages resulting from the earthquake on January 7, 2020 outside of the estimated economic loss areas identified in the NHRAP Hazus model shown in **Figure 5**. The map shown in **Figure 6** identifies the location of said PA damages in relation to the municipalities identified in the NHRAP Hazus model.



**Figure 6 - PA Damages in Relation to the NHRAP Hazus Model**

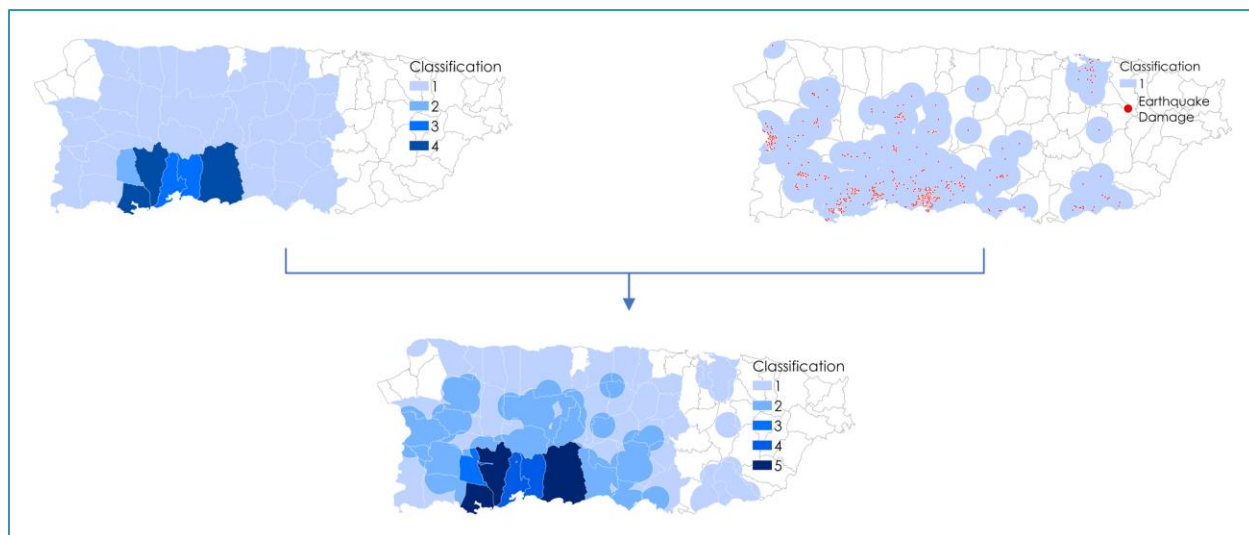


Because

damage from the January 7, 2020 earthquake and/or subsequent events has occurred outside the NHRAP Hazus modeled area, it is reasonable to assume additional damage has occurred in areas surrounding PA damage site locations. It is also reasonable to assume the area surrounding PA damaged site locations have a higher probability of receiving economic damage. In an attempt to improve the NHRAP Hazus economic loss estimates, a hybrid assessment tool combining the NHRAP Hazus model with the area of PA damages was utilized to better understand the potential economic loss resulting from the January 7, 2020 earthquake and/or subsequent events.

To develop the hybrid assessment tool, the NHRAP Hazus model results have been converted to economic loss per capita. Each municipality in Puerto Rico has been scored based on estimated economic loss per capita, from zero (0) to four (4). Areas with a score of zero (0) have a very unlikely chance of receiving economic loss and areas with a score of four (4) have the highest chance of receiving economic loss, consistent with the NHRAP Hazus model. The PA damage areas have been developed by placing a three (3)-mile buffer around each reported PA damage site. Because damages are identified in areas outside NHRAP Hazus model areas, the PA damage areas are given a score of one (1) to capture non-NHRAP Hazus model areas as the lowest estimated economic loss classification. Yet, because PA damage areas include locations of real damage, areas with reported PA damage within the NHRAP Hazus model areas have been scored using the combined score. This has yielded a new hybrid assessment tool with a scoring of zero (0) to five (5). Areas with a score of zero (0) have a very unlikely probability of receiving economic loss and areas with a score of five (5) have the highest probability of receiving

economic loss. **Figure 7** shows the process flow for combining the NHRAP Hazus model areas with the PA damages area and the resulting classification.



*Figure 7: Process Flow of Combined NHRAP Hazus Model Areas and PA Damages Area*

### General Infrastructure

General infrastructure data housed in FEMA’s Hazus loss estimation software has been classified by the geographic extent of losses derived from the hybrid assessment tool described above. The loss assessments include the percent of replacement cost shown in **Table 2**. The list of FEMA Hazus software assets used in the assessment are included in **Table 3**.

**Table 2: Percent of Replacement Cost and Classification for Loss Assessments**

	Class 0	Class 1	Class 2	Class 3	Class 4	Class 5
Percent of Replacement Costs	0%	2.5%	5%	7.5%	10%	12.5%

**Table 3 - General Infrastructure FEMA Hazus Software Assets**

Airports	Bus Stations	Communication Facilities	Electric Power Facilities	Emergency Facilities	Ferry Stations
Hospitals	Ports	Rail Bridges	Schools	Bridges	

Utilizing the hybrid assessment tool, the estimated loss to general infrastructure is \$745,000,000. The analysis of building losses to operational losses from Puerto Rico’s

**DRAFT FOR PUBLIC COMMENTS:  
PUBLISHED – JUNE 30, 2021  
REVISED - JULY 2, 2021**

experience with Hurricane María<sup>12</sup> results in an estimated additional loss of \$1,673,000,000 to business operations from the earthquake. The analysis of building losses to operational losses from Puerto Rico's experience with Hurricane María<sup>13</sup> results in an estimated additional loss of \$569,000,000 to general infrastructure from the earthquake.

### Water and Wastewater Infrastructure

Water and Wastewater Infrastructure data provided by the Puerto Rico Aqueducts and Sewer Authority (**PRASA**) has been classified by the geographic extent of losses derived from the hybrid assessment tool. To estimate the costs for water and wastewater pipe system damage repair, this assessment used installed unit costs for similar pipe replacement and associated works such as pavement repair, valve and manhole replacement based on actual bid costs in the United States. Then it multiplied those unit costs by a factor of one-point-three (1.3) based on cost indices in a HUD study<sup>14</sup> comparing construction costs for public housing units that showed higher construction costs in Puerto Rico compared to the average for all states in the study. Design and surveying costs were also included in the cost estimate and assumed to be twenty percent (20%) of the estimated construction cost. The assessment then developed cost scenarios to create an estimate of water and wastewater pipe system damage repair costs by assigning percent system damage to each of the five (5) impact areas with values greater than zero (0). **Table 4** below shows the percent ranges used, and the resulting estimate of repair/replacement costs.

**Table 4 - Water and Wastewater Cost Estimate – Low Range**

	Class 0	Class 1	Class 2	Class 3	Class 4	Class 5	GRAND TOTAL
<b>Percent Damage</b>	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	
<b>Estimated Water and Sewer Line Replacement Costs</b>	\$0	\$185,937,000	\$119,413,000	\$8,308,000	\$15,804,000	\$123,163,000	<b>\$452,625,000</b>

### Economy

Economic damages have been assessed using methods similar to those employed in the Infrastructure Assessment. The ongoing nature of the earthquakes means that SBA data

<sup>12</sup> CDBG-DR Action Plan Amendment 6 (Nonsubstantial), effective on March 15, 2021. Accessed at: <https://cdbg-dr.pr.gov/en/download/action-plan-amendment-6-nonsubstantial-effective-on-march-15-2021/>.

<sup>13</sup> Id.

<sup>14</sup> Construction Cost Indices HUD Section 202 and 811 Supportive Housing Programs Report prepared by NAHB Research Center, Inc. and Columbia Enterprises, Inc. for U.S. Department of Housing and Urban Development Office of Policy Development and Research Office of Housing, April 2005.

on equipment, furniture, and inventory is not yet available. However, estimating damage to commercial and industrial structures is possible utilizing data housed in FEMA's Hazus loss estimation software. Here, information on the value of commercial and industrial buildings for each census tract has been combined with the geographic extent of losses derived from Hazus and our current state of knowledge on infrastructure impacts. Each census tract was then categorized based on the minimum loss score derived from the combination of Hazus and PA loss estimates. The same loss multipliers utilized in determining potential infrastructure losses were applied to all census tracts to determine estimated losses to commercial and industrial buildings across Puerto Rico (**Table 5**).

**Table 5: Economic Impact Estimation Method**

Damage Class	Value of Commercial and Industrial buildings Exposed	Loss Multipliers	Estimated Losses
5	2009412000	0.125	\$251,176,500
4	32026000	0.100	\$3,202,600
3	79408000	0.075	\$5,955,600
2	1301848000	0.050	\$65,092,400
1	16801734000	0.025	\$420,043,350
0	7321812000	0.000	\$0
Total Economic Sector Estimated Building Losses			\$745,470,450
<b>Estimated Losses Including 38% resilience addition</b>			<b>\$1,028,749,221</b>

This method results in estimated total losses to commercial and industrial buildings of \$745,470,450. Including a thirty eight percent (38%) increase in building costs associated with rebuilding up to code standards so that buildings can better withstand future shocks and stresses drives estimated losses to \$1,028,749,221.

Estimating business operational losses required a slightly different approach because SBA data on business operational losses was not available. Here, applying the ratio of building losses to operational losses from Puerto Rico's experience with hurricane Maria<sup>15</sup> (.35) results in an estimated additional loss of \$261,000,000 to business operations from the earthquake.

**Table 6: Economic Sector Losses from Hurricane María**

Economic Sector	Estimated Losses	Economic Sector	Estimated Losses
Real Estate	\$312,990,105	Furniture	\$19,183,223

<sup>15</sup> CDBG-DR Action Plan Amendment 6 (Nonsubstantial), effective on March 15, 2021. Accessed at: <https://cdbg-dr.pr.gov/en/download/action-plan-amendment-6-nonsubstantial-effective-on-march-15-2021/>.



Reconstruction	\$38,849,868	Machinery	\$77,838,409
Relocation	\$97,576	Inventory	\$25,289,941
Total Building Losses	\$351,937,549	Total Operational Losses	\$122,311,573

Overall, these methods produce a total economic sector estimated loss (buildings and operational) of \$1.3 billion (see Table 7 below). The estimated impacts and unmet needs calculated as part this analysis include estimated damages as part of the assessment conducted in May 2020.

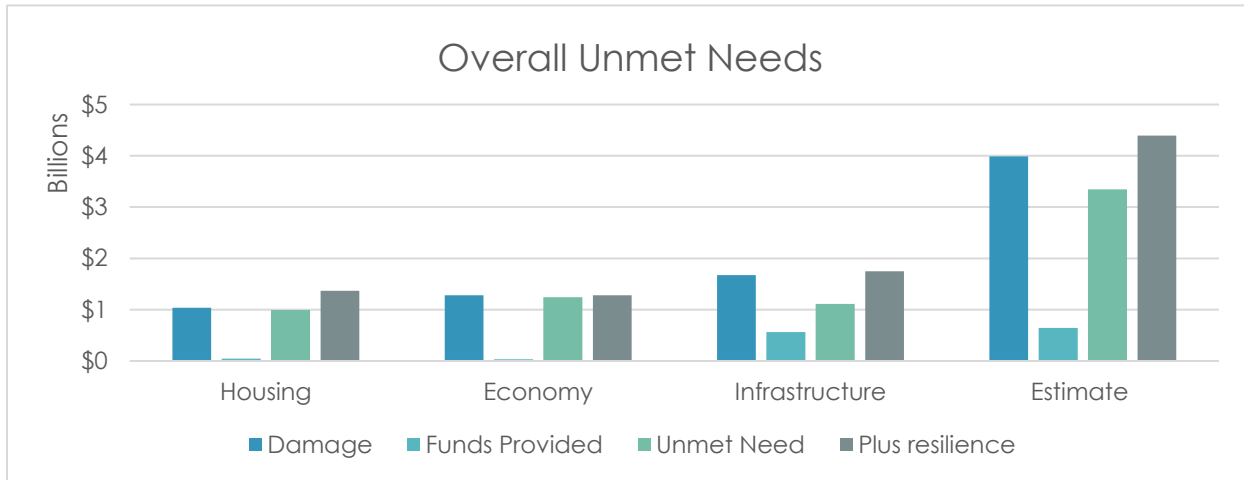
**Table 7: Total Economic Sector Losses from the January 2020 Puerto Rico Earthquake**

Description	Estimate
Total Economic Sector Building Losses	\$745,470,450
Accounting for 38% Resilience addition	\$1,028,749,221
Accounting for 35% of building losses as estimate for operational losses	\$260,914,658
<b>Total Estimated losses to economic sector (Building and Operations)</b>	<b>\$1,289,663,879</b>

Summary of the unmet needs assessed utilizing overall estimates for Puerto Rico, in all three (3) sectors here analyzed is shown in **Table 8**. Additionally, **Figure 8** allows to compare the estimates within the housing, economy, and infrastructure sector in proportion to each other.

**Table 8: Overall Impacts and Unmet Needs**

Sector	Estimated Damage	Funds Provided	Unmet Need	Plus resilience
<b>Housing Estimate</b>	\$1,035,000,000	\$43,582,442	\$991,417,558	\$1,368,156,230.04
<b>Economy Estimate</b>	\$1,282,000,000	\$35,700,000	\$1,246,300,000	\$1,719,894,000
<b>Infrastructure Estimate</b>	\$1,673,000,000	\$562,595,296	\$1,110,404,704	\$1,532,358,491.52
<b>Total Estimate</b>	<b>\$3,990,000,000</b>	<b>\$641,877,738</b>	<b>\$3,348,122,262</b>	<b>\$4,620,408,721.56</b>



**Figure 8: Overall Estimated Damage and Unmet Needs**

Updated data on Municipalities that are designated for IA only are shown in **Table 9** below, and **Table 10** identifies the Municipalities where citizens are eligible for IA and the State, local, tribal and territorial governments and certain private-non-profit organizations are eligible for PA. All the eligible Municipalities for listed below are mapped in **Figure 9**, which shows the geographic location of all the FEMA DR-4473-PR disaster-impacted Municipalities, categorized by the type of designated assistance for each.

**Table 9: FEMA DR-4473-PR Designated Municipalities for IA Only**

Designated Municipalities for FEMA IA Only			
1. Aguada	2. Añasco	3. Arecibo	4. Barceloneta
5. Cabo Rojo	6. Ciales	7. Coamo	8. Corozal
9. Hormigueros	10. Lares	11. Maricao	12. Moca
13. Morovis	14. Naranjito	15. Orocovis	16. Rincón
17. Salinas	18. San Sebastián	19. Santa Isabel	20. Villalba

**Table 10: FEMA DR-4473-PR Designated Municipalities for PA & IA**

Designated Municipalities for FEMA PA & IA			
1. Adjuntas	2. Guánica	3. Guayanilla	4. Jayuya
5. Juana Díaz	6. Lajas	7. Las Marías	8. Mayagüez
9. Peñuelas	10. Ponce	11. Sabana Grande	12. San Germán
13. Utuado	14. Yauco		

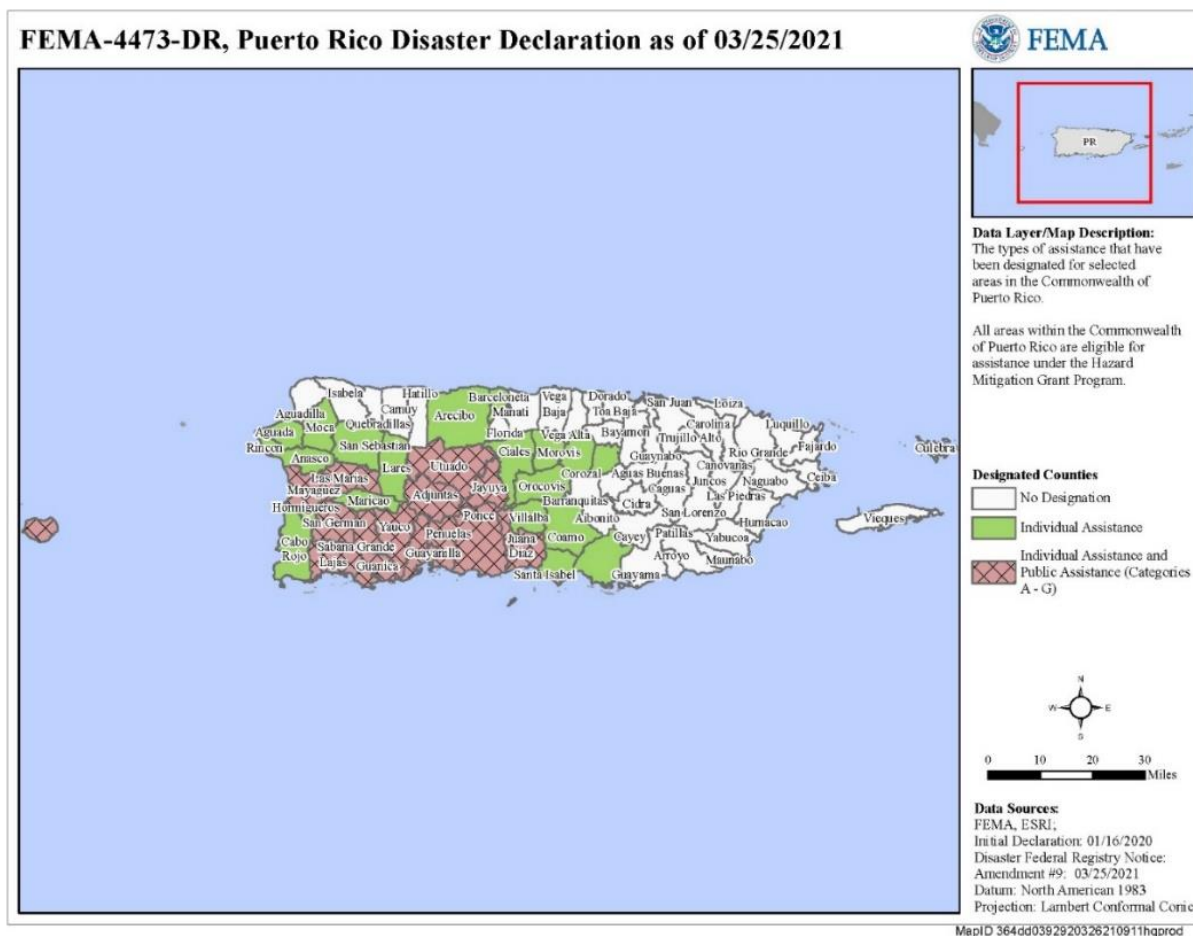
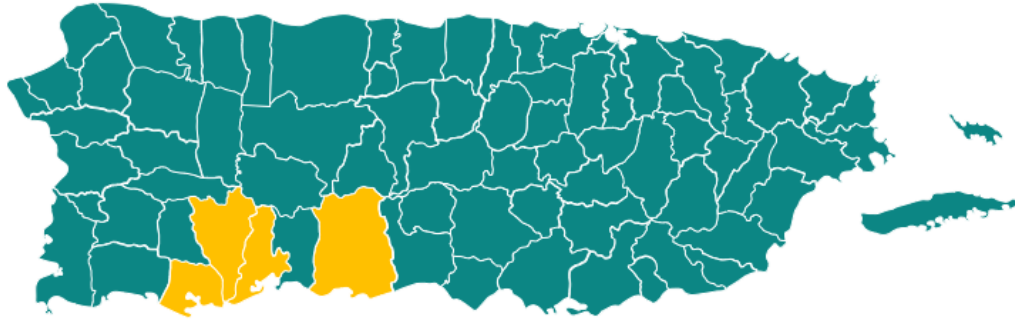


Figure 9: Designated Counties for FEMA Assistance under Puerto Rico Disaster Declaration FEMA-4473-DR as of March 25, 2021. Source: FEMA

### HUD-Identified MID Areas

HUD uses the “best available” data to identify and calculate unmet needs for disaster relief, long-term recovery, restoration of infrastructure, and housing and economic revitalization. For the major disaster declaration DR-4473-PR, the methodology for the identification of the MID areas detailed in 86 FR 570, 575-576 indicated that HUD designation is based on an analysis of FEMA and SBA data. As a result, HUD has identified the Municipality of Guánica, and zip codes within Yauco, Guayanilla, and Ponce Municipalities as the MID areas from this disaster declaration. As per HUD guidance at 86 FR 569, 570, if HUD designates a zip code as a MID area for purposes of allocating funds, the grantee may carry out activities within the whole county (in the case of Puerto Rico, county is equivalent Municipality) as a MID area. For the purposes of this Action Plan, it is

PRDOH's determination to carry out the recovery activities throughout the entire territory of the Municipalities designated as MID.



**Figure 10: HUD-Identified Most Impacted and Distressed Areas. Data Source: 86 FR 569,570**

Based on this assessment, HUD has allocated \$36,424,000 CDBG-DR grant to Puerto Rico to assist in the recovery of the earthquakes that impacted the southern part of the Island in 2019 and its aftershocks early 2020 (DR-4473-PR). From this allocation, no less than \$29,139,200 must be expended for unmet needs recovery in the MID areas, identified in **Figure 10**.

**DEMOGRAPHIC PROFILE OF HUD-IDENTIFIED MID AREAS**

An estimated population of 198,462 persons reside within the four (4) Municipalities that were identified by HUD as the MID areas for the disaster declaration DR-4473-PR. These Municipalities have experienced population decline in the last decade, as indicated by the U.S. Census Bureau population estimates for 2019.<sup>16</sup> **Table 11** shows the total populations by Municipality, including the percent of population change, all of which are significantly higher than the average population percent change for Puerto Rico. Of the HUD-identified MID areas, Guánica has undergone the highest population decline with twenty-point-eight percent (20.8%), closely followed by Ponce, which is estimated to have decreased its population by twenty-point-seven percent (20.7%).

**Table 11: 2019 Population Estimates and Percent Change for HUD-identified MID Municipalities**

Municipality	Population Estimate <small>U.S. Census Bureau, Population Estimates Program (PEP), Population estimates, July 1, 2019, (V2019)</small>	Population percent change <small>April 1, 2010 (estimates base) to July 1, 2019, (V2019)</small>
<b>Ponce</b>	131,881	-20.70%
<b>Guayanilla</b>	17,623	-18.30%

<sup>16</sup> The US Census Bureau produces estimates of the population for the United States, its states, counties, cities, and towns, as well as for the Commonwealth of Puerto Rico and its municipalities. The timing of the release of estimates varies according to the level of geography. US Census Bureau, Population Estimates (July 2, 2019 (V2019)) accessed on April 26, 2021, at: <https://www.census.gov/programs-surveys/popest.html>



<b>Yauco</b>	33,575	-20.00%
<b>Guánica</b>	15,383	-20.80%
<b>Total</b>	<b>198,462</b>	<b>N/A</b>
<b>Estimate for Puerto Rico</b>	<b>3,193,694</b>	<b>-14.30%</b>

Puerto Rico's twenty-one-point three percent (21.3%) population over the age of sixty-five (65) is higher than the U.S. average of sixteen-point five percent (16.5%), as is shown in **Table 12**. This is an important indicator to determine the social vulnerability of an area, as older adults are more vulnerable than other age groups because of the need for special care, the susceptibility to harm, and potential mobility constraints, all of which influence the ability to get out of harm's way.<sup>17</sup> Social imbalances historically tend to reduce women's status in society, their access to resources, opportunities, and power, and subsequently lead to higher female vulnerability to adverse hazard and disaster outcomes.<sup>18</sup> In both indicators, Puerto Rico and the Municipalities within the HUD-identified MID areas have higher percentages than the US average, as shown in **Table 12** below, and those marked in darker blue and bolded, show a higher percentage than the Puerto Rico average.

**Table 12: Vulnerability Indicators for HUD-Identified MID Areas**

Fact	United States	Puerto Rico	Ponce	Guayanilla	Yauco	Guánica
<b>Persons 65 years and over, percent</b>	16.50%	21.30%	<b>22.80%</b>	<b>21.70%</b>	<b>23.20%</b>	<b>25.00%</b>
<b>Female persons, percent</b>	50.80%	52.50%	52.00%	<b>52.60%</b>	52.30%	52.00%

As established by HUD, in the MID under DR-4473-PR, the 2015-2019 Census of the USA' American Community Survey (ACS) will be evaluated to identify the population with disabilities and difficulties. . While persons of differential ability reside in every part of Puerto Rico, some municipalities identified as MID are among the municipalities with greater than twenty percent (20%) of their respective populations categorized as disabled or having difficulty in at least one (1) of the six (6) categories accounted for by the U.S. Census. Those populations are identified in the **Table 13** with bolded text. The Municipality of Guánica had a significant percentage of its population identified as

<sup>17</sup> See Puerto Rico's CDBG-MIT Action Plan Section "Additional Analysis of Demographics and Protected Classes" for detailed assessment on socially vulnerable populations and protected classes. Accessed at: <https://cdbg-dr.pr.gov/cdbg-mit/>

<sup>18</sup> Trieb, Carolin-Anna. *Vulnerability to Natural Hazards: A Gender Perspective in Disasters*, Management Center Innsbruck. Accessed at: [http://www.ibgeographypods.org/uploads/7/6/2/2/7622863/university\\_dissertation\\_ib\\_dp\\_geography.pdf](http://www.ibgeographypods.org/uploads/7/6/2/2/7622863/university_dissertation_ib_dp_geography.pdf)

having vision difficulty (40.1%), ambulatory difficulty (36.7%) and independent living difficulty (24.7%).

**Table 13: Populations with Difficulties from 2015-2019 by Municipality identified as MID Areas**

Municipality	Total Population (2019)	Hearing difficulty	Vision difficulty	Cognitive difficulty	Ambulatory difficulty	Self-care difficulty	Independent living difficulty
Guánica	16,280	1496 (9.19%)	<b>6520 (40.05%)</b>	2594 (15.93%)	<b>5968 (36.66%)</b>	2374 (14.58%)	<b>4020 (24.69%)</b>
Guayanilla	18,447	561 (3.04%)	621 (3.37%)	1154 (6.26%)	1771 (9.6%)	757 (4.1%)	1635 (8.86%)
Ponce	137,042	5204 (3.8%)	6158 (4.49%)	13817 (10.08%)	22549 (16.45%)	10742 (7.84%)	18510 (13.51%)
Yauco	35,264	1838 (5.21%)	<b>7423 (21.05%)</b>	4001 (11.35%)	<b>7587 (21.51%)</b>	3390 (9.61%)	6790 (19.25%)
Puerto Rico	3,293,526	161,868 (4.91%)	233,536 (7.09%)	356,484 (10.82%)	455,396 (13.83%)	196,545 (5.97%)	426,260 (12.94%)

Puerto Rico has high rates of poverty with an average of forty-three-point five percent (43.5%) of people living in poverty according to the United States Census estimates for 2019, which is significantly higher than the United States average at ten-point-five percent (10.5%). **Table 14** displays the HUD-identified MID areas, which all show a higher percentage than the Puerto Rico average, with Guánica being the highest at sixty-three-point four percent (63.4%), followed by Guayanilla with fifty-four-point eight percent (54.8%).

**Table 14: Percent of Persons in Poverty in HUD-identified MID Areas for Puerto Rico**

Fact	United States	Puerto Rico	Ponce	Guayanilla	Yauco	Guánica
Percent of Persons in Poverty	10.50%	43.50%	<b>51.40%</b>	<b>54.80%</b>	<b>49.00%</b>	<b>63.40%</b>

### UNMET NEEDS IN HUD-IDENTIFIED MID AREAS

Using data received from FEMA and SBA on May 11, 2020, HUD updated unmet needs for a select set of disasters in 2018 and 2019. Among the revised unmet needs for

extraordinary circumstances, the Puerto Rico DR-4473-PR major disaster unmet needs summary was updated as shown in **Table 15** below.

**Table 15: HUD-identified MID Areas' Housing Unmet Needs**

<b>HUD-identified Housing Unmet Needs on MID Areas<sup>19</sup> as of May 2020</b>						
<b>Most Impacted Area</b>	<b>Serious Unmet Housing Need Estimate MID</b>	<b>Total Any Damage</b>	<b>Total Serious Damage</b>	<b>Owner Serious Unmet Need</b>	<b>Renter Serious Unmet Need</b>	<b>Total Serious Unmet Need</b>
<b>Guayanilla (Municipio)</b>	\$3,607,329	1,984	92	63	13	76
<b>Yauco (Municipio)</b>	\$9,289,370	3,203	226	124	56	180
<b>Ponce (Municipio)</b>	\$3,291,009	1,657	83	26	48	74
<b>Guánica (Municipio)</b>	\$13,561,198	2,898	254	176	40	216
<b>Total Most Impacted Areas</b>	<b>\$29,748,906</b>	<b>9,742</b>	<b>655</b>	<b>389</b>	<b>157</b>	<b>546</b>

<sup>19</sup> Based on HUD report on unmet needs allocations methodology as of May 11, 2020 "Allocation of CDBG-DR Funds to Most Impacted and Distressed Areas due to 2018 and 2019 Federally Declared Disasters". Information provided by HUD to PRDOH on March 3, 2021.

# METHOD OF DISTRIBUTION





## METHOD OF DISTRIBUTION

PRDOH may utilize two (2) distribution models for its earthquake disaster recovery program as shown in models A and B in the graphic below. These Methods of Distribution (**MODs**) shall be utilized to implement the program as outlined in detail within the program description in the following pages.

Municipalities and stakeholders will play an active role in the program. Although regional collaboration is highly encouraged, for the purposes of duties and operations conducted under these programs, Subrecipients shall perform work only in their programmatic areas. Programs will be administered by PRDOH under one of these models:

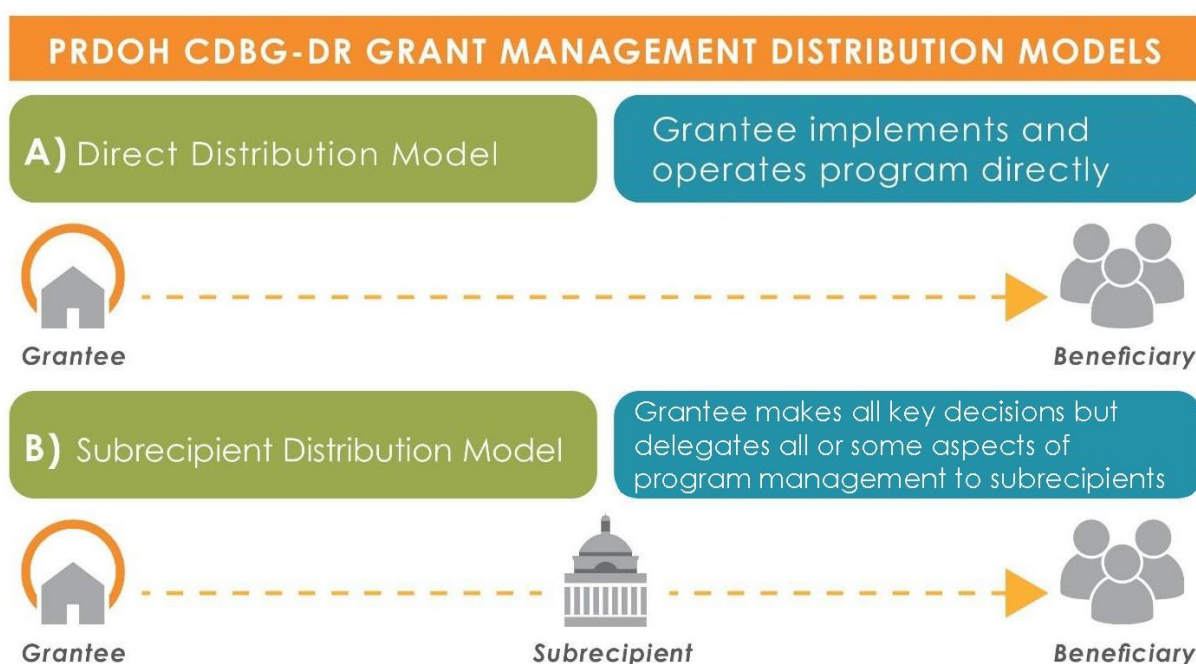


Figure 11: Method of Distribution models for PRDOH CDBG-DR Programs

### Grantee

The Government of Puerto Rico is formally the Grantee for the CDBG-DR funds. The Governor has designated PRDOH as the grantee for purposes of administering the program and executing grant agreements with HUD. Therefore, PRDOH will be referred to as the grantee in this Action Plan and in administrative agreements with HUD.

### Beneficiary

Beneficiaries are the persons to whom assistance, services or benefits are ultimately provided. Eligible beneficiaries are defined for each program in the Action Plan.

## **Subrecipients**

Subrecipients are chosen by the grantee to undertake certain eligible CDBG activities. Subrecipient means a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under 24 C.F.R. §570.201(o), receiving CDBG funds from the recipient or another subrecipient to undertake activities eligible for such assistance. Subrecipients may include public and private organizations, agencies, including nonprofit and for-profit subrecipients, as applicable for the program established in the Action Plan. For-profits may only be included as subrecipients when assisting with economic development and micro-enterprise activities, unless otherwise waived by HUD. Subrecipients will meet the selection criteria outlined in the Action Plan and/or program guidelines and will:

- Carry out specified program on behalf of PRDOH
- Comply with all Federal statutes, regulations and program requirements
- Comply with all terms and conditions of the subrecipient agreement
- Meet all established performance goals

PRDOH is the responsible entity for subrecipient compliance and performance and Environmental Review under 24 C.F.R. § 58. Agreements with subrecipients will comply with 24 C.F.R. § 570.503. Therefore, Subrecipients who fail to meet any of the criteria outlined above, or as specified in their Subrecipient Agreement (**SRA**), may have their ability to carry out program activities rescinded, in which case, activities would be managed by PRDOH or its Subrecipient, or funds redistributed in accordance with the Action Plan.



# PROGRAM REQUIREMENTS



## PROGRAM REQUIREMENTS

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### CDBG-DR PROGRAM REQUIREMENTS

#### *National Objective*

All programs supported by HUD CDBG-DR assistance must demonstrate benefit to individuals and communities by meeting one of the program's three **(3)** National Objectives for all money spent on projects. These are: (1) benefiting low-and moderate income (LMI) persons, (2) aiding in the prevention or elimination of slums or blight, or (3) meeting a need having particular urgency (urgent need).

Low- to moderate- income households are defined as households that do not exceed 80% of the median income for their area, as determined by HUD. These income categories are grouped into the following classifications:

- Extremely Low income – has an annual income at 30% or below the area median income
- Very Low income – has an annual income at 31% to 50% of the area median income; and
- Low income – has an annual income at 51% to 80% of the area median income.

The income limit tables for Puerto Rico<sup>20</sup> are included as Appendix E to this plan.

In compliance with the HCDA, and as announced in 83 FR 5844, the primary objective of the HCDA is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income" (42 U.S.C. § 5301(c)). To carry out this objective, the statute requires that not less than 70% of the aggregate of CDBG program funds be used to support activities benefitting LMI persons. The 70% overall benefit requirement shall remain in effect for this allocation, unless waived pursuant to a request by an individual grantee to authorize a lower overall benefit for its CDBG-DR grant based on a determination by HUD of compelling need for the reduction.

#### *Duplication of Benefit (DOB)*

In accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C.5121–5207), as amended, and CDBG-DR appropriations acts Puerto Rico will implement policies and procedures to ensure no individual receives duplication of benefit for the same purpose and/or effect to recover from the earthquakes. Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which they have received financial assistance under any other program, from private insurance, charitable assistance or any other source. Detailed policies and procedures for assessing DOB will be included in program guidelines. The duplication of benefits guidance included in Federal Register Vol. 84, No. 119 (June 20,

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<sup>20</sup> Retrieved from: <https://www.hudexchange.info/resource/5334/cdbq-income-limits/>



2019), 84 FR 28836, supersedes the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060 for CDBG-DR grants received in response to disasters declared between January 1, 2015 and December 31, 2021. As such, the DOB policy to be outlined in the program guidelines will follow the guidance issued in 84 FR 28836.

### *Pre-agreement Costs*

The provisions of 24 C.F.R. § 570.489(b) and 570.200 (h) permits a grantee to reimburse itself for otherwise allowable costs incurred by itself or its recipients sub grantees or sub recipients on or after the incident of the covered disaster. The provisions at 24 C.F.R. § 570.200(h) and 570.489(b) apply to grantees reimbursing costs incurred by itself or its recipients or subrecipients prior to the execution of a grant agreement with HUD. This includes but is not limited to activities supporting program development, action plan development and stakeholder involvement support, and other qualifying eligible costs incurred in response to an eligible disaster covered under Public Law 116-20.

PRDOH incurred in pre-agreement costs and may seek reimbursement for these costs that are reasonable and allowable under this regulation. PRDOH may recover the pre-agreement costs consistent with the authority cited in this section. These costs include the cost for salary, employer fringe benefits, and direct operating cost for each employee based on their individual percentage of time spent on the planning of the CDBG-DR program during a pay period. Any cost associated with the disaster recovery efforts will be allocated based on the total time spent on CDBG-DR activities versus other duties for a particular month.

The total cost of PRDOH or its awarded contractors or subrecipients to assist with disaster recovery research and analysis to help PRDOH prepare the unmet needs assessment and action plan and other costs associated with meetings, community outreach, and any other direct costs associated with the Action Plan may be reimbursed by this CDBG-DR grant. Additionally, once contracted, PRDOH may allow the drawdown of pre-agreement costs associated with eligible disaster recovery activities dating back to the date of the disaster(s) for subrecipients and PRDOH with appropriate documentation.

### *Program Income*

Puerto Rico does not anticipate it will generate program income as part of the activities allowed under this allocation. Should any funds be generated, recovery of funds including program income, refunds, and rebates will be used before drawing down additional CDBG-DR funds, as per 83 FR 5844, 5853. These amounts will be recorded and tracked in the accounting systems and recorded in the HUD Disaster Recovery Grant Reporting (**DRGR**) system. The DRGR system requires grantees to use program income before drawing additional grant funds and ensures that program income retained will not affect grant draw requests for other subrecipients. Subrecipients will be required to report program income at least quarterly and will be subject to applicable regulations

from PRDOH and HUD directives. Retention of program income will be in compliance with any subrecipient agreements.

### *Minimizing or Addressing Displacement*

PRDOH plans to minimize displacement of persons or entities and assist persons or entities displaced as a result of implementing a project with CDBG-DR funds. This is not intended to limit the ability of PRDOH to conduct buyouts or acquisitions for destroyed and extensively damaged units or units. PRDOH will ensure that every project funded in part or in full by CDBG-DR funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**URA**), as amended,<sup>21</sup> and section 104(d) of the Housing and Community Development Act of 1974 (**HCDA**),<sup>22</sup> except where waivers or alternative requirements have been provided by HUD. The implementing regulations for URA are at 49 C.F.R. § 24, and the regulations for section 104(d) are at 24 C.F.R. § 42, subpart C. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

The Residential Anti-displacement and Relocation Assistance Plan (**RARAP**) will conform to the standards or requirements of 24 C.F.R. § 42.325(a) and (b). Based on the program outlined in the Action Plan, PRDOH plans to minimize displacement by arranging for facilities to house persons who must be relocated temporarily during rehabilitation. Additionally, HUD Approved Housing Counselors may provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

Additional modifications to increase accessibility for applicants or household members of applicants who have access and functional needs is an allowable part of the repair, or reconstruction assistance provided by the Program. Eligible applicants who require additional accessibility accommodations will be provided with accessibility options during the pre-construction meeting (for repair or reconstruction). Additional reasonable permanent accessibility options will be available to applicants if the applicant or a member of the household requires such accommodations. The costs associated with the accommodations may be considered in addition to the Program caps and evaluated for cost reasonableness. The Uniform Relocation Act and Anti-Displacement Policy<sup>23</sup> as well as all General Policies are available in English and Spanish at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

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<sup>21</sup> 49 C.F.R. § 24

<sup>22</sup> 42 U.S.C. 5301 et seq.

<sup>23</sup> The URA and ADP Policy has been developed for CDBG-DR programs and will carry through into implementation of the CDBG-MIT Program.

In addition, HUD requires PRDOH to define “demonstrable hardship” and how it applies to applicants. PRDOH will consider “demonstrable hardship” as exceptions to program policies, including post-assistance affordability requirements for the single-family program, for applicants who demonstrate undue hardship. Applicants in this situation will be reviewed on a case by case basis to determine whether assistance is required to alleviate such hardship. Demonstrable hardship may include, but is not limited to, excessive amounts of debt due to a natural disaster, prolonged job loss, substantial reduction to household income, death of a family member, unexpected and extraordinary medical bills, disability, mental health impacts as a result of the 2019-2020 Southwest Puerto Rico earthquake sequence, among others.

### *Ineligible Activities*

As per the Federal Register Notice 83 FR 5844, 5864, 5865 the following are ineligible activities for this CDBG-DR Program:

- i. Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives. A second home is defined under the Federal Register as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the disaster or at the time of application for assistance.
- ii. Rehabilitation/reconstruction of homes located in the floodway;
- iii. Forced mortgage payoff;
- iv. Rehabilitation/reconstruction of a house in which:
  - a. The combined household income is greater than 120% AMI or the national median; and
  - b. The property was located in a floodplain at the time of the disaster; and
  - c. The property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.
- v. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. § 5154a) states that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. The program may not provide disaster assistance for the repair, replacement, or restoration of a property to a person who has failed to meet

Given that the HUD Income Limits to establish LMI populations are extremely low in Puerto Rico, PRDOH sought a waiver from HUD regarding assistance prohibitions for households with incomes greater than 120% AMI or at a 120% rate adjusted in accordance with Federal Poverty Levels. HUD has approved adjusted income limits, which are posted on the HUD and PRDOH websites. The eligibility criteria for this program will utilize the HUD-approved income limits.

### *Subrogation Agreement*

Program beneficiaries must agree to a limited subrogation of any future awards related to 2019-2020 earthquakes sequence to ensure compliance with Robert T. Stafford Act duplication of benefits. Funding award is contingent upon execution of this agreement. By this agreement, beneficiaries agree to repay any duplicative assistance if other disaster assistance for the same purpose later is received. For example, insurance proceeds received at a later date for the same damage that is being repaired by CDBG-DR would need to be repaid back to the program if it is determined to be duplicative.

### *Performance Schedule*

Projections for expenditures and outcomes will be submitted to HUD with the Action Plan and will be amended as needed throughout the life of the grant.

### *Application Status*

PRDOH and/or potential subrecipients or partners are required to maintain adequate means of informing applicants on the status of applications for disaster recovery assistance at all phases of program activities. PRDOH employs multiple methods of communications to ensure applicants receive timely and accurate information regarding their applications and will require potential subrecipients to provide applicants with timely and accurate information regarding application status for the Program/s managed by them. Methods of communications may include, but are not limited to the PRDOH CDBG-DR website, email address, telephone, postal address, and letters. For applicant individuals, all communication protects the privacy of the applicant by strictly adhering to privacy procedures pertaining to publicly identifiable information (PII). PRDOH and/or its Subrecipient has established procedures for the protection of PII and require adherence to PII Procedures, as well as mandatory training for all relevant staff and assists all subrecipients and partners as necessary in the implementation of equivalent PII protocols. Safeguards to protect PII are overseen by managers and directors on an ongoing basis for their respective program area and any irregularities are reported to the compliance officer for resolution.

Municipalities who are subrecipients of the CDBG-DR Program are assigned two (2) consistent points of contact from PRDOH. Specific methods for application status updates will be clarified in the Program Guidelines. Subrecipients will be required to provide timely and accurate information to participants about their application status.

**DRAFT FOR PUBLIC COMMENTS:  
PUBLISHED – JUNE 30, 2021  
REVISED - JULY 2, 2021**



Language assistance in the form of translation and/or interpretation services will be provided to applicants who lack sufficient ability to read, speak or understand the English or Spanish language. As needed, PRDOH or its Subrecipient will provide status updates and program materials in accessible formats in accordance with ADA requirements.

In addition to program specific protocol for application status updates as published in Program Guidelines, applicants may contact PRDOH at any time to request information at the contact information below:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (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 Earthquake Allocation 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

### *Language*

CDBG-DR Program implementation included completion of a Language Access Plan (**LAP**) for Puerto Rico.<sup>24</sup> Based on this analysis in the LAP, PRDOH is already taking measures to address these needs such as producing all programmatic documents in both English and Spanish. In accordance with HUD guidance, PRDOH should continue proactively providing “vital documents” in both English and Spanish and will require potential subrecipients to adhere to these policies.

### *Program-based Reconsideration and/or Administrative Review*

Applicants may not challenge a federal statutory requirement. However, based on program policy, applicants may contest program determinations. Applicants will have the opportunity to submit a Reconsideration Request directly with a program or file an Administrative Review Request with PRDOH. The latter, in accordance with Regulation Number 4953, of August 19, 1993, regulates the Formal Adjudication Process for the PRDOH and its Adjunct Agencies (Regulation 4953).

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<sup>24</sup> The Language Access Plan can be accessed at: <https://cdbg-dr.pr.gov/en/download/plan-de-acceso-al-idioma/> (English) and <https://cdbg-dr.pr.gov/download/plan-de-acceso-al-idioma/> (Spanish).

PRDOH may delegate reconsideration process to the subrecipient. If an applicant disagrees with any final written response issued by PRDOH or its Subrecipient, said party may file a Judicial Review petition before the Court of Appeals of Puerto Rico within the timeframe established by law. See Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 LPRA § 24 *et seq.*, and section 4.2 of Act 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 LPRA § 9672.

If the Applicant fails to file a Reconsideration Request directly with a program, or to contest a determination under the Administrative Adjudicative Procedure with PRDOH or its Subrecipient, within the time allotted, the inaction will be deemed as an acceptance of the program determination.

As per 83 FR 5844, 5850-5851, homeowners and small business owners may challenge construction work that does not meet the established standards as outlined in this Action Plan and in program specific guidelines. As part of the Home Seismic Rehabilitation and Reconstruction Program, PRDOH or its Subrecipient will ensure that construction warranties are in place to the extent required by HUD.

Individuals seeking more information regarding this and other issues may contact PRDOH at:

- Via telephone: (787) 274-2527
- Via email at [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov)
- Online at <https://cdbg-dr.pr.gov/en/contact/>
- In writing at:  
Puerto Rico CDBG-DR Program  
P.O. Box 21365  
San Juan, PR 00928-1365

### *Elevation Standards*

Elevation is not a standalone activity in this CDBG-DR program but shall be included as a resiliency measure for structures receiving assistance through the Home Seismic Rehabilitation and Reconstruction Program and shall only be applied when it is required and feasible to mitigate future flood risk and protect federal investment. PRDOH will apply elevation standards for reconstruction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas, such that the lowest floor is at least 2 feet above the one percent (1%) annual floodplain elevation (or ABFE +2), as outlined in the 83 FR 5844, 5865. PRDOH will document when elevation, as opposed to alternative strategies, is cost reasonable to promote a community's long-term recovery as part of the Program.

Elevation and flood insurance requirements will be put into place for all applicable program assistance to structures in the floodplain.

### *Quality Construction Standards*

PRDOH will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All reconstructed and newly constructed homes will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.

Residential construction performed under the program will, at a minimum, adhere to the Puerto Rico Codes 2018, Regulation No. 9049, as adopted on November 15, 2018<sup>25</sup>, and must comply with the federal accessibility requirements. Exceptions may be reviewed on a case-by-case basis. Importantly, the Code includes requirements regarding earthquake loads. This is vital, as Puerto Rico must build structures that are resilient to other potential natural hazards. This is consistent with the goal of protecting people and property from harm; emphasizing high quality, durability, energy efficiency, sustainability, and mold resistance; supporting the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risks, including possible sea level rise, high winds, hurricane storm surge, and flooding, where appropriate; and implementing and ensuring compliance with the Green Building standards as follows.

The Green Building Standard means that PRDOH will require that all applicable construction meets an industry-recognized standard that has achieved certification under at least one (1) of the following programs:

- (i) ENERGY STAR (Certified Homes or Multifamily High-Rise),
- (ii) Enterprise Green Communities,
- (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development),
- (iv) ICC–700 National Green Building Standard,
- (v) EPA Indoor AirPlus (ENERGY STAR prerequisite),
- (vi) the “Permiso Verde,” or
- (vii) any other equivalent comprehensive green building program acceptable to HUD. PRDOH will identify which Green Building Standard will be used in the program policies and procedures, as per HUD requirements.

Where feasible, Puerto Rico will follow best practices such as those provided by the U.S. Department of Energy's Guidelines for Home Energy Professionals. For all reconstructed and newly constructed structures, this may require installed appliances to meet ENERGY STAR certification standards at a minimum.

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<sup>25</sup> Permits Management Office (OGPe, by its Spanish Acronym), Puerto Rico Codes 2018, Regulation No. 9049 (November 15, 2018)  
[https://jp.pr.gov/Portals/0/Construction%20Code/ICC%20Codes/Puerto\\_Rico\\_Codes\\_2018.pdf?ver=2018-11-28-133126-680](https://jp.pr.gov/Portals/0/Construction%20Code/ICC%20Codes/Puerto_Rico_Codes_2018.pdf?ver=2018-11-28-133126-680)

### *Fair Housing*

With this opportunity to rebuild, Puerto Rico will increase housing opportunities and affirmatively promote housing choice throughout the housing market. Program implementation will be conducted in a manner which will not cause discrimination on the basis of race, color, religion, sex, disability, familial status, or national origin.

PRDOH will consider the impact of planning decisions on racial, ethnic, and low-income concentrations. This may include utilizing mapping tools and data to identify racially or ethnically-concentrated areas of poverty for the evaluation of possible impacts to those areas as well as to promote fair housing choice and foster inclusive communities. All of this leveraging geospatial analysis on Puerto Rico Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs), developed as part of the CDBG-MIT assessments.

PRDOH, subrecipients, contractors and other program partners must comply with applicable federal civil rights, fair housing, and equal opportunity laws, statutes and executive orders. PRDOH will conduct regular training sessions for all CDBG-MIT and CDBG-DR staff, subrecipients, and contractors to ensure all parties understand and comply with relevant fair housing and civil rights requirements.

PRDOH is responsible for ensuring that programs are designed and implemented in a manner that complies with the requirements set forth in the Fair Housing and Equal Opportunity (**FHEO**) Policy for CDBG-DR Programs<sup>26</sup>. The FHEO Policy for CDBG-DR Programs as well as all General Policies are available in English and Spanish at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and [https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/.](https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/))

PRDOH is available to provide technical assistance to any program office, subrecipient or contractor requesting support in ensuring that they are sufficiently complying with requirements to affirmatively further fair housing, provide equal opportunity, and comply with all civil rights requirements.

### *Feasibility and Cost Reasonableness*

Puerto Rico will review all projects for feasibility through cost-benefit analysis or comparison of repair costs plus mitigation measures versus reconstruction to the highest resiliency standard. HUD exempts disaster-damaged units that meet the grantee's definition of "not suitable for rehabilitation" from one-for-one replacement requirements. Before carrying out activities that may be subject to the one-for-one replacement requirements, PRDOH must define "not suitable for rehabilitation" in its Action Plan or in policies/procedures governing those activities. PRDOH will define "not suitable for rehabilitation" in its policies/ procedures.

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<sup>26</sup> The PRDOH Fair Housing and Equal Opportunity (FHEO) Policy for CDBG-DR Programs has been developed for previous CDBG-DR programs and will carry through into implementation of the CDBG-DR Earthquake Program.



Procurement procedures pertaining to the acquisition of materials and services will be reviewed for compliance with 2 C.F.R. part 200 Cost Principles including: necessary costs, cost reasonableness standards, allowable costs, and cost allocability.

### *Broadband Infrastructure*

As per requirements of the Federal Register, any substantial rehabilitation, as defined by 24 C.F.R. § 5.100, or new construction of a building with more than four (4) rental units must include installation of broadband infrastructure, except where it is documented that: (a) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

### *Program Budget*

The program budget outlines how funds will be spent. PRDOH will comply with the requirement that not less than eighty percent (80%) of the funds provided under the Notice must address unmet needs within the "most impacted and distressed" counties identified in the 83 FR 5844, 5845 and not less than seventy percent (70%) of the aggregate of CDBG-DR program funds to support activities benefitting LMI persons.

The program budget aligns with the categories identified in the unmet needs assessment, with the majority of funds designated for Housing activities in LMI households within the MID areas. Pursuant to the applicable Federal Register Notices, each grantee receiving an allocation for a 2018 or 2019 disaster is required to primarily consider and address its unmet housing recovery needs. PRDOH may, however, propose the use of funds for unmet economic revitalization and infrastructure needs unrelated to the grantee's unmet housing needs if the grantee demonstrates in its needs assessment that there is no remaining unmet housing need or that the remaining unmet housing need will be addressed by other sources of funds.<sup>27</sup>

Any amendments to the Action Plan will take place in conformity with HUD requirements. Nonsubstantial amendments addressing minor administrative changes will be presented to HUD five (5) days prior to being incorporated into the comprehensive Action Plan. Substantial amendments addressing alterations to the Action Plan such as change to program benefit or eligibility criteria, the addition or deletion of an activity, or the allocation or reallocation of more than 10% of grant funds will be publicly posted for no less than thirty (30) days, or as otherwise indicated in the Citizen Participation Plan, to allow public input before finalizing and incorporating into the comprehensive Action Plan. Amendments to this Action Plan will be incorporated into one comprehensive document and tracked chronologically in a version control log.

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<sup>27</sup> As per the Federal Register Notice 86 FR 569, 570.

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PUBLISHED – JUNE 30, 2021  
REVISED - JULY 2, 2021**

## PROGRAM BUDGET

Program	Budget	% Total Budget	% LMI Goal
<b>HOUSING PROGRAM</b>	<b>\$34,420,680.00</b>	<b>94.5%</b>	<b>100%</b>
Housing Seismic Rehabilitation and Reconstruction			
<b>ADMINISTRATIVE</b>	<b>\$1,821,200.00</b>	<b>5.0%</b>	<b>N/A</b>
Administrative Budget			
<b>PLANNING</b>	<b>\$182,120.00</b>	<b>0.5%</b>	<b>N/A</b>
Program Planning (Internal)			
<b>Total</b>	<b>\$36,424,000.00</b>	<b>100%</b>	

LMI Goal	Total	% Programmatic Budget
Programmatic LMI Goal	<b>\$34,420,680.00</b>	<b>100%</b>

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# HOUSING PROGRAM



## HOME SEISMIC REHABILITATION AND RECONSTRUCTION PROGRAM

PROGRAM BUDGET	ADMINISTERING ENTITY	NATIONAL OBJECTIVE
\$34,420,680.00	PRDOH	100% LMI
MAX AWARD	START – END DATE	ELIGIBLE AREA
\$185K RECONSTRUCTION (\$265,500 FOR CASES OF ELEVATION)  \$60K REHABILITATION	DURATION OF THE GRANT	GUÁNICA, YAUCO, GUAYANILLA, and PONCE (HUD-IDENTIFIED MID)

### EARTHQUAKES IMPACT

On January 16, 2020 the Federal Government determined that the damage in certain areas of the Commonwealth of Puerto Rico resulting from earthquakes beginning on December 28, 2019, and that have continued with aftershocks for the following months, was of sufficient severity and magnitude to warrant a major disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. (the "Stafford Act"). Therefore, the major disaster declaration for Puerto Rico was issued with FEMA-4473-DR. As of May 2020, HUD identified a total serious unmet need of \$29,748,906 for the housing sector in the MID area.

### ELIGIBLE ACTIVITIES

Pursuant to the HCDA, the following are eligible activities:

- Section 105(a)(4) – Housing Reconstruction, Rehabilitation, Clearance, Demolition, Green Building Standards.
- Section 105(a)(11) – Relocation Payments for displaced individuals.

### PROGRAM PRIORITY

- Applicants with significant property damage: At the time of application, if the applicant's home remains significantly damaged, or destroyed, the applicant may qualify for prioritization.<sup>28</sup>

<sup>28</sup> Note: These priorities may be operational for certain time periods as designated in the program guidelines.

## ELIGIBILITY

- Confirmed damage to property due to the earthquakes,
- Ownership of property structure (alternative methods)<sup>29</sup>
- Must qualify as low or moderate income (below 80% Area Median Family Income),
- Must be an eligible single-family structure,
- Must have occupied the property as a primary residence at the time of the earthquakes.

## AWARD

- **Min Award:** Based on cost feasibility analysis.
- **Max Award:** \$60,000 for rehabilitation; \$185,000 for reconstruction; \$265,500 for elevation (to include reconstruction max of \$185,000.00 + elevation costs + demolition and debris removal).

## METHOD OF DISTRIBUTION

Subrecipient Distribution Model

## NATIONAL OBJECTIVE

LMI – 100%

## PROGRAM OBJECTIVE AND DESCRIPTION

The Home Seismic Rehabilitation and Reconstruction Program (**SR2**) provides assistance to homeowners to repair damaged homes or rebuild substantially damaged homes in place. Reconstruction activity returns otherwise displaced families to their homes in their same community. Homes become eligible for reconstruction when the property estimated cost of repair exceeds \$60,000 as confirmed through program inspection, the property is determined to be substantially damaged by an authority having jurisdiction, or a feasibility inspection determines that reconstruction is required. Homes meeting this damage threshold will be reconstructed to include resilient measures in structural materials. Homes that may not be rebuilt in place due to legal, engineering, or environmental constraints (permitting, extraordinary site conditions, etc.) will not be reconstructed. Applicants whose homes cannot be rebuilt due to any of these reasons may be referred to the Single-Family Housing Mitigation Program under the Puerto Rico CDBG-MIT Program for housing alternatives such as voluntary relocation. For more information about this CDBG-MIT Program, please visit the webpage: <https://cdbg-dr.pr.gov/en/cdbg-mit/>

For reconstruction activities, the homeowner must agree to own the home and use it as their primary residence for a period of five (5) years after reconstruction, as secured through a Sworn Grant Agreement in compliance with Rule 35.4 of the Puerto Rico Civil

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<sup>29</sup> Alternative proof of ownership may include a Title Certification (*Certificación de Titularidad*) as defined by Executive Order OE-2020-063.

Procedure Rules, 32 LPRA Ap. V, R.35.4 (Entry of Judgement by Confession). If a homeowner moves, sells, leases, transfers, exchanges, donates, vacates, abandons, or otherwise alienates the property within the first five (5) years, the entire (100%) amount of the benefit received must be repaid in full to PRDOH. If a homeowner moves, sells, leases, transfers, exchanges, donates, vacates, abandons or otherwise alienates the property during the affordability period, the amount of benefit that must be repaid will be determined by the straight-line, linear amortization schedule for the remaining years as established by the Program in the Applicant's Grant Agreement.

For rehabilitation activities only, the ownership and occupancy compliance period will be three (3) years as secured through a Sworn Grant Agreement in compliance with the above-mentioned Rule 35.4, supra. If a homeowner moves, sells, leases, transfers, exchanges, donates, vacates, abandons, or otherwise alienates the property within the first three (3) years, the entire (100%) amount of the benefit received must be repaid in full to PRDOH. Further information about program award requirements, occupancy and residency periods, ongoing monitoring during compliance periods, and/or applicant responsibilities related to acceptance of the Program assistance will be further developed in Program Guidelines that will be published at: <https://cdbg-dr.pr.gov/en/>. Temporary relocation assistance may be available for applicants while program sponsored construction is underway, or on a case-by-case basis as determined by the Program.

### Flood Insurance

As per Federal regulations, a HUD-assisted homeowner of a property located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within a Special Flood Hazard Area. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. This means that a PRDOH may not provide disaster assistance for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement and must implement a process to check and monitor for compliance.<sup>30</sup>

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<sup>30</sup> 83 FR 5844, 5865

## Primary Residence

Applicants must prove primary residency at the time of the 2019-2020 Southwest Puerto Rico earthquake sequence. Secondary or vacation homes are not eligible for assistance through this program. PRDOH or its Subrecipient will work to reasonably accommodate households with non-traditional documentation validating both ownership and residency. Documentation used to verify a primary residence may include a variety of documentation including, but not limited to, tax returns, homestead exemptions, driver's licenses, and utility bills when used in conjunction with other documents. Applicants may be required to prove primary residency by providing documentation validating occupancy for consecutive weeks and/or months leading up the time of the earthquakes. To the extent feasible, PRDOH or its Subrecipient will validate ownership and/or primary residency through electronic verification utilizing locally or federally maintained registries. After conducting a due-diligence process, the Program may also allow alternative methods for documenting ownership, including an affidavit process.

**MID AREAS SET ASIDE:** This Program include four (4) set-asides, one for each Municipality, based on the proportion presented by HUD as Serious Unmet Housing Need Estimate MID Area.<sup>31</sup> To assure distribution of all funds, PRDOH reserves the right to reallocate funds between set-asides.

*Table 16: Set Asides based on HUD-identified MID Areas*

MID MUNICIPALITY SET ASIDE	PROGRAM BUDGET SET-ASIDE	% OF PROGRAM BUDGET ASSIGNED*
<b>Ponce Set Aside</b>	\$3,807,829.70	11.06%
<b>Guayanilla Set Aside</b>	\$4,173,824.65	12.13%
<b>Yauco Set Aside</b>	\$10,748,174.47	31.23%
<b>Guánica Set Aside</b>	\$15,690,851.18	45.59%
<b>TOTAL PROGRAM BUDGET</b>	<b>\$34,420,680.00</b>	<b>100.00%</b>
* The percentages used to distribute the allocation of funds between the HUD MID identified municipalities is the same as used by HUD in their formula.		

## APPLICATION STATUS

For the complete description regarding Applicant Communication and Application Status Updates, please see the section of the same name on this Action Plan. In addition to program specific protocol for application status updates as published in Program

<sup>31</sup> HUD report on unmet needs allocations methodology "Allocation of CDBG-DR Funds to Most Impacted and Distressed Areas due to 2018 and 2019 Federally Declared Disasters". Information provided by HUD to PRDOH on March 3, 2021.



Guidelines, when those become available, applicants may contact PRDOH or the Program Subrecipient to request information. PRDOH may be contacted at the contact information below:

• Via telephone:	1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950) Attention hours: Monday to Friday from 8:00am-5:00pm
• Via email at:	<a href="mailto:infoCDBG@vivienda.pr.gov">infoCDBG@vivienda.pr.gov</a> – for all CDBG-DR inquiries
• Online at:	<a href="https://cdbg-dr.pr.gov/en/contact/">https://cdbg-dr.pr.gov/en/contact/</a> (English version) <a href="https://www.cdbg-dr.pr.gov/contact/">https://www.cdbg-dr.pr.gov/contact/</a> (Spanish version)
• In writing at:	Puerto Rico CDBG-DR Program P.O. Box 21365 San Juan, PR 00928-1365

### **QUALITY CONSTRUCTION AND GREEN BUILDING STANDARDS**

PRDOH will implement construction methods that emphasize quality, durability, energy efficiency, sustainability, and mold resistance. All homes that are reconstructed in place will be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigation against the impact of future shocks and stressors.

The Green Building Standard means that PRDOH will require that all applicable construction meets an industry-recognized standard that has achieved certification under at least one (1) of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC-700 National Green Building Standard, (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite), (vi) the “Permiso Verde,” or (vii) any other equivalent comprehensive green building program acceptable to HUD. PRDOH will identify which Green Building Standard will be used in the program policies and procedures, as per HUD requirements.

Where feasible, Puerto Rico will follow best practices such as those provided by the U.S. Department of Energy’s Guidelines for Home Energy Professionals. For all reconstructed structures, this may require installed appliances to meet ENERGY STAR certification standards at a minimum.

### **ELEVATION STANDARDS**

As required in 83 FR 5844, 5861, PRDOH will apply elevation standards for single family housing structures located in the Advisory 100-year (or one percent (1%) annual chance) floodplain to require that homes elevated, or reconstructed and elevated, raise the

**DRAFT FOR PUBLIC COMMENTS:**  
**PUBLISHED – JUNE 30, 2021**  
**REVISED - JULY 2, 2021**

lowest floor (including the basement) to at least two (2) feet above the base flood elevation (**BFE**).

Homeowners applying for elevation must be aware that the option for elevation will be contingent upon a feasibility analysis to consider, at a minimum:

- Whether elevating a home in place leaves the homeowner vulnerable to limited evacuation routes in the event of a disaster, thereby not removing a homeowner from harm's way;
- Whether the cost of elevating a home is at or below thirty percent (30%) of the cost for a newly constructed home in place for an original home that can be raised;
- Whether or not raising a home to the BFE plus two (2) feet is feasible when considering the potential for transferring flood risk to the surrounding neighborhood; and/or
- Whether the home parcel permits enough space for stair and/or rampway access.

The housing stock in Puerto Rico is generally more resilient to floods when compared to the construction of homes in many floodplain areas of the mainland U.S. Most Puerto Rican homes are poured concrete, slab-on-grade, with concrete roofs, which are sturdier and resistant to structural damage by floodwaters. Several feet of floodwater in a concrete house with no drywall, subfloor, or insulation will effect much less damage than the same height of floodwater in a wooden home with drywall and insulation.<sup>32</sup> This standard of construction, however, and the close proximity of Puerto Rican homes must be taken into consideration as these factors may complicate the potential for elevation options and could create safety concerns at the neighborhood level by adversely impacting flood patterns.

Homes determined eligible at the conclusion of the feasibility analysis will proceed forward with the eligibility process. Poured concrete, slab-on-grade homes will likely require reconstruction of the home to minimize cost and ensure safety of the home structure. Homes located in the floodway will not be eligible for elevation. If elevation is determined to be infeasible, the property owner will be provided an alternative option for relocation.

### Duplication of Benefits (**DOB**)

In accordance with the Robert T. Stafford Act, as amended, Puerto Rico will implement policies and procedures to ensure no individual receives duplication of benefit for the same purpose and/or effect to recover from the earthquakes. Federal law prohibits any person, business concern, or other entity from receiving federal funds for any part of such

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<sup>32</sup> *Residential Flood Insurance in Puerto Rico*, Wharton Risk Center Issue Brief, March 2018. Accessed at: [https://riskcenter.wharton.upenn.edu/wp-content/uploads/2018/03/WRCib2018\\_Flood-Insurance-in-Puerto-Rico.pdf](https://riskcenter.wharton.upenn.edu/wp-content/uploads/2018/03/WRCib2018_Flood-Insurance-in-Puerto-Rico.pdf).

loss as to which he has received financial assistance under any other program, from private insurance, charitable assistance or any other source.

If eligible and awarded, housing assistance award calculations are based on the following factors: damage/scope of project work needed; a review of funding from all sources to ensure no DOB; and availability of DOB funds, if any, for use in the project. Housing assistance awards will be determined after factoring in the inputs listed above, subtracting any unaccounted-for DOB, and then factoring in the pre-determined program caps that apply to the particular housing assistance activities to be used.

Applicant awardees must subrogate any additional funds received for damage caused by the earthquakes back to the housing program. CDBG-DR funds must be funding of last resort and if additional funds are paid to applicant awardees for the same purpose as the housing assistance award they receive through PRDOH assistance (i.e., repair or replacement of the damaged structure) after PRDOH has completed the repair/rehabilitation project, those funds must be returned to PRDOH.

# CITIZEN PARTICIPATION



## CITIZEN PARTICIPATION

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The citizen participation protocols described in this Action Plan are further detailed in the PRDOH Citizen Participation Plan, which provides all Puerto Rican residents with an opportunity to participate in the planning and assessment of the PRDOH's CDBG-DR programs.

### Methods for Citizen Participation

The following paragraphs describe methods that will be used for citizen participation in relation to the CDBG-DR programs. The methods described are not intended to be exclusive of other methods of citizen participation allowed by HUD.

Methods and Opportunities for Citizen Involvement:

- Public Hearings;
- Communication via the Internet;
- Information via the PRDOH Website;
- Citizen Advisory Committee(s);
- Participatory Engagement; and
- Other Methods for Citizen Participation

Through these methods, citizens may receive information about the following:

- The amount of assistance available to impacted communities;
- The range of eligible activities to be undertaken;
- Performance reports;
- Action Plan and Action Plan Amendments and comment periods;
- Program information, including how to request additional information;
- Upcoming Public Hearings, Webinars or other stakeholder sessions;
- The Citizen Advisory Committee, including its Subcommittees;
- Information to request and receive technical assistance;
- How to comment on the Citizen Participation Plan; and
- How to file a complaint.

### *Communication for Individuals with Disabilities*

PRDOH is committed to ensuring that citizens with disabilities also have effective means to participate and communicate with PRDOH. Consequently, PRDOH will also effectively communicate with citizens with disabilities regarding Action Plans, policies and procedures. Interpretation services for sign language will be made available at Public Hearings. Notices for public meetings will include contact information for requesting accessible communication aids or services. Requests for communication aids or services should be requested at least **forty-eight (48) hours** in advance of the public meeting so



that PRDOH has a reasonable opportunity to coordinate the provision of the requested aids or services. PRDOH will make every reasonable effort to honor requests received with less than **forty-eight (48) hours** of advance notice of a public meeting.

The Action Plan and other materials on the PRDOH website are provided in accessible formats, including those readable by screen readers to provide accessibility to the visually impaired. PRDOH will meet communications requirements at 24 C.F.R. 8.6 and other Fair Housing and civil rights requirements, such as the effective communication requirements under the Americans with Disabilities Act of 1990.

The CDBG-DR Fair Housing and Equal Opportunity Policy and its appendices, will be posted along with all CDBG-DR Program policies in English and Spanish at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>. The same Fair Housing and Equal Opportunity Policy shall be adopted for this CDBG-DR Program for earthquake disaster recovery.

Program accessibility for individuals with disabilities may be requested at:

- Via telephone: 1-833-234-CDBG o 1-833-234-2324 (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, or [CDBG-MIT@vivienda.pr.gov](mailto:CDBG-MIT@vivienda.pr.gov) – for all CDBG-MIT 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/CDBG-MIT Program  
P.O. Box 21365  
San Juan, PR 00928-1365

#### *Citizen Involvement in the Original Action Plan*

The original Action Plan will be posted in English and Spanish to the PRDOH program website <https://cdbg-dr.pr.gov/en/> to allow an opportunity for public comment for no less than **thirty (30) calendar days** for CDBG-DR, as required by 86 FR 569, 572 and 83 FR 40318. The posting will also be communicated via e-mail, and/or postal mail, to non-profit organizations who work with vulnerable populations, municipalities, elected officials, and others, and will be announced through the PRDOH social media site on Facebook. PRDOH will consider comments on the Action Plan or substantial amendments received in writing, via email, verbally via the Call Center or expressed in-person or at official public hearing events.

Additionally, in an effort to permit public examination and accountability, PRDOH will make formal comments regarding Action Plans or substantial amendments publicly available at <https://www.cdbg-dr.pr.gov/en/action-plan/> in English and at

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<https://www.cdbg-dr.pr.gov/plan-de-accion/> in Spanish. PRDOH responses to comments regarding Action Plans or substantial amendments will also be posted to the website. PRDOH will submit the summary of these comments or views, and its response to each comment to HUD with the Action Plan or substantial amendment.

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 will be directed to the Action Plan links for public comment as outlined above.

The most current version of the approved Action Plan, including any substantial amendments, will be posted as a single document and located at: <https://www.cdbg-dr.pr.gov/en/action-plan/> in English and <https://www.cdbg-dr.pr.gov/plan-de-accion/> in Spanish. Posting the Action Plan and any amendments as a single document allows the public to view the Action Plan as a whole, rather than the public having to view and cross-reference changes among multiple amendments. Citizens who cannot access the Action Plan or proposed substantial amendments through the website may request assistance from PRDOH:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (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

#### *Citizen Involvement in the Substantial Amendment Process*

Substantial amendments are subject to a **thirty (30) calendar day** public comment period, and shall be posted to the PRDOH website where citizens will also be able to submit electronic comments, or follow instructions for submitted written comments, by alternative means listed on the website.

Citizen participation for substantial amendments to the Action Plan will follow this PRDOH Citizen Participation Plan. Changes made via substantial amendments to the Action Plan will be highlighted or otherwise identified within the context of the entire Action Plan. As required by 83 FR 5844, 5852 every substantial amendment will include the following:

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- A section that identifies what content is being added, deleted or changed;
- Chart or table that clearly illustrates where funds are coming from and where they are moving to; and
- Revised budget allocation table that reflects all funds.

A substantial amendment is defined as an amendment that contemplates one (1) or more of the following:

- Change in a program benefit or eligibility criteria;
- Addition or deletion of an activity; and
- Allocation or reallocation of more than ten percent (10%) of grant funds.

Non-substantial Amendments to this Action Plan are not subject to a public comment period and will, therefore, follow HUD procedure requiring PRDOH to notify HUD at least **five (5) business days** before the amendment becomes effective. All non-substantial amendments will be posted to the PRDOH public website with changes to the text highlighted in grey.

#### *Consideration of Public Comments*

PRDOH will consider comments on the Action Plan or substantial amendments received in writing, via email or verbally via the Call Center.. Additionally, in an effort to permit public examination and accountability, PRDOH will make formal comments regarding Action Plans or substantial amendments publicly available at [www.cdbg-dr.pr.gov/en/action-plan/](http://www.cdbg-dr.pr.gov/en/action-plan/) in English and at <https://www.cdbg-dr.pr.gov/plan-de-accion/> in Spanish. PRDOH responses to comments regarding Action Plans, or substantial amendments, will also be posted to the website.

#### *Communication via the internet*

Public information for CDBG-DR Earthquake allocation during Action Plan development can be found on a dedicated page within the CDBG-DR Program website in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively. From this page, entity and private citizen stakeholders can find more information, register for program-related notifications, and find a formal announcement for the opening of the CDBG-DR Action Plan public comment period.

The CDBG-DR Action Plan will be posted in its entirety to the CDBG-DR Action Plan and amendments page where all versions of the CDBG-DR Action Plan are currently located and future CDBG-DR Action Plan and amendments will reside in English and Spanish at: <https://cdbg-dr.pr.gov/en/action-plan/> and <https://www.cdbg-dr.pr.gov/plan-de-accion/>, respectively.

Once the CDBG-DR Action Plan is approved by HUD and additional program becomes available, all information will be integrated into the current CDBG-DR site for the Earthquake allocation.

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Interested individuals are encouraged to comment at any time by sending an email to [infoCDBG@vivienda.pr.gov](mailto:infoCDBG@vivienda.pr.gov) for CDBG-DR Earthquake allocation inquiries. Additionally, citizens may comment by using the “Contact Us” tool included in PRDOH’s disaster recovery website. The “Contact Us” tool can be accessed directly at <https://cdbg-dr.pr.gov/en/contact-us/> in English and <https://cdbg-dr.pr.gov/contactanos/> in Spanish.

As part of the implementation of CDBG-DR Programs, PRDOH will regularly interact with municipalities, NGOs and the citizens of Puerto Rico. These methods may include but are not limited to:

- Web-based surveys
- Coordination with municipalities, non-profit or community organizations, faith-based or other organizations
- Focus groups or interviews
- Other in-person meetings as requested by individuals or organizations.

This Citizen Participation Plan will continue to be updated as programs progress. Citizen comment is welcome on this Plan throughout the duration of this grant. Please contact PRDOH using the following methods:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (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

#### *Performance Report*

Program performance reports, such as Quarterly Performance Reports (**QPR**), will be posted at <https://www.cdbg-dr.pr.gov/en/reports/> prior to submission to HUD. Citizens will be provided **fifteen (15) calendar** days to comment on performance reports, as required by 2 C.F.R. § 91.115.

Please contact PRDOH using the following methods:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)  
Attention hours: Monday to Friday from 8:00am-5:00pm

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- 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

#### *Individuals with Limited English Proficiency*

Program materials, including plans and program guidelines, will be available in Spanish and English at <https://cdbg-dr.pr.gov/en/> and Spanish <https://cdbg-dr.pr.gov/>. For access to language access services in languages other than English or Spanish, citizens may contact PRDOH at:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (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

Materials will also be disseminated among program partners, including municipalities, government agencies, non-profit organizations, and NGOs to ensure that these materials are accessible locally.

The CDBG-DR Language Access Plan will be posted, along with all CDBG-DR Program policies, in both English and Spanish languages at URL: <https://cdbg-dr.pr.gov/en/resources/policies/> and at <https://cdbg-dr.pr.gov/recursos/politicas/>.

#### *Technical Assistance*

PRDOH will provide technical assistance in order to facilitate public participation regarding CDBG-DR Programs, upon request. Technical assistance provided will be

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determined based on the needs of the community or individual requesting assistance. This technical assistance may be requested at:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (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/CDBG-MIT Program  
P.O. Box 21365  
San Juan, PR 00928-1365

#### *Accessibility of Information*

Information related to PRDOH's CDBG-DR, including Action Plans, Action Plan amendments, program policies and procedures, performance reports, citizen participation requirements, program information, and details of contracts and ongoing procurement policies will be publicly available in English and Spanish at <https://www.cdbg-dr.pr.gov/en/> and <https://www.cdbg-dr.pr.gov/>, respectively. Program information posted to the website will be accessible and available in both Spanish and English and will be made available in accessible formats, including those readable by screen readers. PRDOH will make information available in alternate formats as needed and upon request, to ensure effective communication to persons with disabilities.

PRDOH may use a variety of communication methods to notify the public of information regarding the CDBG-DR Programs. The methods listed have been used by PRDOH prior to the disaster to communicate information across the Island. The use of these methods varies based on region and municipality. In addition to these methods of outreach and an active online presence, PRDOH regularly provides CDBG-DR written outreach materials for all municipalities to use and communicate to their constituents. These methods may include, but are not limited to:

- Print media, such as the newspaper;
- Social media;
- Radio or television advertisements;
- Letters or emails to municipalities, government agencies, non-profit organizations and NGOs;
- Notices posted to internet sites, including PRDOH's CDBG-DR and CDBG-MIT websites;

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- Ads on billboards and bus stops;
- “Tumba coco” (a popular local method for communication which includes a vehicle with speakers used for promotion);
- Brochures and printed materials;
- Direct mail;
- Outbound call campaigns (live or automated);
- Email announcements;
- Community events or fairs;
- Webinars or web conferences;
- Web-based surveys;
- Focus groups or interviews;
- Community meetings;
- Press releases;
- Media events or interviews; and
- Other forms of communication accepted by HUD.

PRDOH will continue to coordinate outreach meetings with municipalities, government agencies, non-profit and community organizations, and other interested stakeholders to disseminate information related to the PRDOH Action Plan or substantial Action Plan amendments.

To promote access to information among LMI citizens, PRDOH will organize special orientation events throughout the Island or use broad-band media campaigns, once the launch of the first CDBG-DR fund program is completed, and dissemination initiatives begin. The use of direct communication with municipalities, government agencies, non-profit organizations and NGOs as partners is intended to increase residents' access to information and is supplemental to communication between PRDOH and residents. In addition to citizen involvement, PRDOH encourages the participation of regional and Island-wide institutions.

Simultaneously with the abovementioned efforts, PRDOH will distribute informational material through its regional offices and public residential administrators and strengthen the distribution of news information on the programs through regional media that operate in areas where CDBG-DR funds will intervene. This is in accordance with the Plan's initiatives aimed to strengthen access to information among LMI citizens and members of minority or disabled groups.

### *Citizen Complaints*

As part of addressing Puerto Rico's long-term recovery needs, citizen complaints on any issues related to the general administration of CDBG-DR funds are welcome throughout the duration of the grant. PRDOH aims to provide an opportunity to address all complaints received. Addressing these complaints is an essential responsibility for PRDOH, as it establishes the importance of open communication regarding citizens' concerns about the programs.

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It is PRDOH's responsibility, as grantee, to ensure that all complaints are dealt with promptly and consistently and at a minimum, to provide a timely, substantive written response to every **written** complaint within **fifteen (15) business days**, where practicable, as a CDBG grant recipient. See 24 C.F.R. § 570.486(a) (7).

PRDOH aims to provide an opportunity to address all complaints received, either formally or informally. An informal complaint refers to those complaints that are verbally communicated through PRDOH program personnel. These are not subject to 24 C.F.R. § 570.486(a) (7), unless the complainant requests for it to be filed as a formal complaint. A formal complaint is a written statement of grievance. All formal complaints will be documented, processed, filed, and answered. Complaints with insufficient data or submitted by a third party with no standing in the matter being submitted need not be accepted or reviewed.

Citizens who wish to submit formal complaints related to the CDBG-DR funded activities may do so through any of the following means:

- Via email at: [LegalCDBG@vivienda.pr.gov](mailto:LegalCDBG@vivienda.pr.gov)
- Online at: <https://cdbg-dr.pr.gov/en/complaints/> (English)  
<https://cdbg-dr.pr.gov/quejas/> (Spanish)
- In writing at: Puerto Rico CDBG-DR Program/CDBG-MIT Program  
Attn: CDBG-DR/MIT Legal Division- Complaints  
P.O. Box 21365  
San Juan, PR 00928-1365

Although formal complaints are required to be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when PRDOH determines that the citizen's particular circumstances do not allow the complainant to submit a written complaint. However, in these instances, PRDOH shall convert these complaints into written form. These alternate methods include, but are not limited to:

- Via telephone: 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)  
Attention hours: Monday to Friday from 8:00am-5:00pm
- In-person at: PRDOH Headquarters Office or Program Intake Centers

The Citizen Complaints Policy and all CDBG-DR and CDBG-MIT Program policies are posted in both English and Spanish languages at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>. All policies that pertain to the CDBG-DR program carry over to CDBG-MIT unless otherwise clarified in the document.

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*Citizen Complaints for Anti-Fraud, Waste, Abuse or Mismanagement*

PRDOH, as grantee, is committed to the responsible management of CDBG-DR and CDBG-MIT funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 83 FR 40314 for CDBG-DR and Special Conditions in 85 FR 4676<sup>33</sup> for CDBG-MIT, PRDOH implements adequate measures to detect and prevent fraud, waste, abuse, or mismanagement in all Programs administered with CDBG-DR or CDBG-MIT funds. It also encourages any individual who is aware, or suspects, any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR or CDBG-MIT Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

The Anti-Fraud, Waste, Abuse, or Mismanagement Policy (**AFWAM Policy**) is established to prevent, detect and report any acts, known or suspected, of fraud, waste, abuse, or mismanagement of CDBG-DR and CDBG-MIT funds. This Policy applies to any allegations or irregularities, either known or suspected, that could be considered acts of fraud, waste, abuse, or mismanagement, involving any citizen, previous, current or potential applicant, beneficiary, consultant, contractor, employee, partner, provider, subrecipient, supplier, and/or vendor under the CDBG-DR and CDBG-MIT Programs.

<b>REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH</b>	
CDBG-DR Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR Internal Audit Office P.O. BOX 21355 San Juan, PR 00928-1355
Email	<a href="mailto:hotlineCDBG@vivienda.pr.gov">hotlineCDBG@vivienda.pr.gov</a>
Internet	<a href="https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud">https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud</a> <a href="https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud">https://cdbg-dr.pr.gov/app/cdbgdrpublic/Fraud</a>

<sup>33</sup> As amended by the letter *Grant Conditions in Federal Register Notice, "Allocations, Common Application, Waivers, and Alternative Requirements for Community Development Block Grant Mitigation Grantees; Commonwealth of Puerto Rico Allocation,"* issued on January 27, 2020 (85 FR 4676) sent by HUD on March 26, 2021.

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In person	Request a meeting with the Deputy Audit Director of the CDBG-DR Internal Audit Office located at PRDOH's Headquarters at 606 Barbosa Avenue, Building Juan C. Cordero Dávila, Río Piedras, PR 00918.
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<b>REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY TO HUD OIG</b>	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 787-766-5868 (Spanish)
Postal Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	<a href="mailto:HOTLINE@hudoig.gov">HOTLINE@hudoig.gov</a>
Internet	<a href="https://www.hudoig.gov/hotline">https://www.hudoig.gov/hotline</a>

The AFWAM Policy and all CDBG-DR Program policies are posted in English and Spanish at <https://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

# CERTIFICATIONS



## CERTIFICATIONS

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The Puerto Rico Department of Housing acknowledges HUD guidance as outlined in the February 9, 2018 notice at 83 FR 5844, 5867, 5868, to make the following certifications with its action plan:

- a) The Puerto Rico Department of Housing certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b) The Puerto Rico Department of Housing certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c) 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 the grantee, and any entity or entities designated by the grantee, 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 this Notice. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.
- d) The Puerto Rico Department of Housing certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this Notice.
- e) The Puerto Rico Department of Housing certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 75.
- f) The Puerto Rico Department of Housing certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105 or 91.115, as applicable (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g) The Puerto Rico Department of Housing certifies, as a State receiving a direct award under this Notice, that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.
- h) The Puerto Rico Department of Housing certifies that it is complying with each of the following criteria:

- (1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in 2018 and 2019 pursuant to the Robert T. Stafford Disaster Relief and emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.).
- (2) With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
- (3) The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the grant amount is expended for activities that benefit such persons.
- (4) 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, the Puerto Rico Department of Housing certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
  - i) The Puerto Rico Department of Housing certifies that it grant will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601–3619) and implementing regulations, and that it will affirmatively further fair housing.
  - j) The Puerto Rico Department of Housing certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require UGLGs that receive grant funds to certify that they have adopted and are enforcing:
    - (1) 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
    - (2) 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.
  - k) The Puerto Rico Department of Housing certifies, as a State receiving a direct award under this Notice, 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 the grantee has reviewed the requirements of this notice. The grantee certifies to the accuracy of its Financial Management and Grant Compliance certification checklist (Public Law 115-56) or Public Law 116-20 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a under Section VI and its Implementation Plan and Capacity Assessment and related submission to HUD referenced at A.1.b under Section VI.

- l) The Puerto Rico Department of Housing will not use grant funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a special flood hazard area (or 100-year floodplain) in FEMA's most recent flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local and tribal government land use regulations and hazard mitigation plan and the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.
- m) The Puerto Rico Department of Housing certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- n) The Puerto Rico Department of Housing certifies that it will comply with environmental requirements at 24 CFR Part 58.
- o) The Puerto Rico Department of Housing certifies that it will comply with 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.*



DEPARTMENT OF  
**HOUSING**



# **PUERTO RICO DISASTER RECOVERY ACTION PLAN**

For the use of CDBG-DR Funds  
2019-2020 Earthquakes  
(DR-4473-PR)