



CDBG-MIT

PROGRAM GUIDELINES

COMMUNITY INSTALLATIONS SUBPROGRAM

COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

June 23, 2025
V.3

This page was intentionally left blank.

PUERTO RICO DEPARTMENT OF HOUSING
CDBG-MIT PROGRAM GUIDELINES
COMMUNITY INSTALLATIONS SUBPROGRAM
COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM
VERSION CONTROL

VERSION NUMBER	DATE REVISED	DESCRIPTION OF REVISIONS
1	August 11, 2023	Original Version.
2	December 13, 2024	The following changes were incorporated: minor revisions to the Definitions section; new conditions added to the Ineligible Activities section; clarifications to Income Verification, Required Documents, and Environmental Review sections; new descriptions added for PVS packages and system location requirements; included a Pre-Installation Assessment section and clarifying language regarding the preliminary eligibility and award processes, among others. All edits are marked in gray.
3	June 23, 2025	The following revisions were made: outreach activities were expanded to include applicant registration; the preliminary eligibility process was removed; and language was added to clarify project commencement and award execution. Additionally, the language in the Environmental Review and Duplication of Benefits sections was updated. All edits are highlighted in gray.

Table of Contents

1	Overview	7
2	Definitions	8
3	Program Description	12
4	National Objective	12
5	Eligible Activities and Uses of Funds	13
5.1	Eligible Activities	13
5.2	Eligible Use of Funds	13
5.3	Ineligible Use of Funds	14
6	Program Intake	15
6.1	Targeted Outreach	16
6.2	Applicant and Household Members Identification	16
6.3	Applicant Citizenship	17
7	Program Eligibility	18
7.1	Property Type	19
7.2	Primary Residence	20
7.3	Income Verification	22
7.4	Compliance with National Flood Insurance Reform Act	24
7.5	Ownership	24
8	Environmental Review	27
8.1	Environmental Review	27
8.2	Level of Environmental Review	28
8.3	Tiered Environmental Review	29
8.4	Floodplain Management	35
9	Duplication of Benefits (DOB)	36
10	Project Requirements	38

10.1	Compliance with Laws, Regulations, and Codes.....	38
10.2	System Types.....	39
10.3	System Capacity.....	39
10.4	System Location Requirements.....	40
10.5	No Portability Requirement.....	40
10.6	Pre-Installation Assessment and Design Requirements.....	41
10.7	Equipment Requirements.....	42
11	Project Commencement and Award.....	43
11.1	Award Considerations.....	45
12	Installation Requirements.....	46
13	Warranties.....	47
14	Final Inspection.....	48
14.1	Award Disbursement.....	49
15	Application Closeout.....	49
16	Voluntary Withdrawal.....	50
17	Non-responsive Applicants.....	51
18	Program-based Reconsideration and/or Administrative Review.....	52
18.1	Program-based Reconsiderations.....	52
18.2	Administrative Reviews.....	53
19	Fair Housing Act and Affirmatively Furthering Fair Housing.....	54
20	General Provisions.....	55
20.1	Program Guidelines Scope.....	55
20.2	Program Guidelines Amendments.....	55
20.3	Extension Deadlines.....	56
20.4	Established Periods of Time.....	56
20.5	Written Notifications.....	56

20.6	Conflict of Interest	56
20.7	Citizen Participation	58
20.8	Citizen Complaints.....	59
20.9	Anti-Fraud, Waste, Abuse or Mismanagement.....	60
20.10	Related Laws & Regulations	62
20.11	Cross-Cutting Guidelines.....	62
21	Program Oversight.....	63
22	Severability Clause	63

1 Overview

The Guidelines set forth the requirements under the Community Energy and Water Resilience Installations – Community Installations Subprogram (**CEWRI-CI** or **Subprogram**).¹ The Puerto Rico Department of Housing (**PRDOH**) has designed the CEWRI-CI Subprogram to assist eligible households in pre-selected, targeted communities with a need for alternative, renewable energy installations and water storage systems to mitigate the effects of Energy and Water lifeline failures or disruptions.

The existing fragility of the Energy and Water lifelines exposes households to significant health and safety risks. Utility outages often lead to devastating consequences within many communities, including loss of life, population emigration, health distress, and economic instability, among other issues. However, the timely restoration of services in remote, last-mile communities poses considerable challenges due to limited accessibility and the prioritization of repairs in densely populated areas. Recognizing these factors, the CEWRI-CI Subprogram acknowledges that these communities face a delayed recovery, thus amplifying the urgency to mitigate their water and energy vulnerabilities.

Households residing in single-family structures as their primary residence in targeted communities are eligible to receive an award of up to one hundred percent (100%) of the systems' cost or forty thousand dollars (\$40,000), whichever is lower. Exceptions to the maximum award will be evaluated on a case-by-case basis, considering cost reasonableness, unforeseen site conditions, or incidental improvements necessary to fulfill the Subprogram's objective of community resilience. There is no minimum award amount for the CEWRI-CI Subprogram.

The Community Energy and Water Resilience Installations Program (**CEWRI**) allocation is listed in the Community Development Block Grant – Mitigation (**CDBG-MIT**) Action

¹ The CEWRI Program includes three (3) subprograms: (i) the Home Energy Resilience Improvements Program (**CEWRI-HERI**), (ii) the Incentive Program (**CEWRI-IP**), and (iii) the Community Installations Program (**CEWRI-CI**). Household assistance through CEWRI-HERI and CEWRI-IP is administered under one (1) unified structure referred to as the Community Energy and Water Resilience Installations – Household Program (**CEWRI – HH**).

Plan² and is subject to amendments and funding availability. For more information about the CEWRI Program and details of its Subprograms, refer to the CDBG-MIT Action Plan and its subsequent amendments approved by the U.S. Department of Housing and Urban Development (**HUD**).

2 Definitions

- **Applicant:** Individual participating in the CEWRI-CI Subprogram. That is, the occupant of a single-family property, serving as their primary residence, within a targeted community for which assistance is requested.
- **Award Amount:** The total amount of CEWRI-CI Subprogram funds awarded for the installation of renewable energy and/or water storage system(s) as determined by PRDOH or its authorized representatives in compliance with the Guidelines.
- **Battery Storage System(s) (BSS):** A rechargeable energy storage system that absorbs energy, stores it for a period, and thereafter dispatches it. It consists of an arrangement of several components, including lithium-ion batteries to store energy; an islanding device to disconnect from the electrical grid when the power is down; power conversion systems to convert direct current (**DC**) to alternating current (**AC**) and vice versa; and energy management system, like mounting, cabling, and other electrical equipment, to extend the power available to the Participating Property.
- **Battery Storage System Capacity (BSS Capacity):** Shall be the sum of each individual nameplate capacity of batteries within a battery bank for a BSS. BSS Capacity is measured in kilowatt-hours (**kWh**).
- **CEWRI or CEWRI Program:** Refers to the Community Energy and Water Resilience Installations Program under CDBG-MIT.

² The CDBG-MIT Action Plan is available in English and Spanish at <https://recuperacion.pr.gov/en/cdbg-mit/> and <https://recuperacion.pr.gov/cdbg-mit/>, respectively.

- **CEWRI-CI or CEWRI-CI Subprogram or Subprogram:** Refers to the Community Installations Subprogram of the CEWRI Program.
- **Commissioning:** A process that ensures and documents all building systems perform interactively according to the design intent and the operational needs. The commissioning process includes documentation, equipment startup, control system calibration, balancing, and performance testing.
- **Completed Project:** A finished project with all installations fully operational, commissioned, and compliant with the Subprogram's requirements and applicable regulations.
- **Design, Acquisition, and Installation (DAIS) Entity(ies):** One or more entities procured by PRDOH to assess and propose solutions for the implementation of the PVS, BSS, and/or WSS for each Participating Property.
- **Grant Agreement:** A contract celebrated between an eligible Applicant and PRDOH. This contract outlines the specific terms, conditions, obligations, and necessary supporting documentation needed for the Applicant to receive assistance under the CEWRI-CI Subprogram.
- **Government:** Refers to the Government of Puerto Rico, its agencies, public corporations, offices, and subdivisions, including municipalities.
- **Household:** All persons occupying the same unit, regardless of familial status or relationship to one another. Household members include all persons, including minor children and adults, whose current primary residence is the Participating Property.
- **Installation:** Refers to any work performed, completed, and related to the project.
- **Licensed Engineer:** Refers to a person who is a member of the Puerto Rico College of Engineers and Land Surveyors and authorized by the Puerto Rico Board of Examiners of Engineers, Architects, Surveyors and Landscape Architects to practice the profession of engineering, in accordance with Act No.

173 of August 12, 1988, 20 LPRA § 711 *et seq.*, known as the Puerto Rico Board of Examiners of Engineers, Architects, Surveyors and Landscape Architects Act.

- **Low to Moderate Income (LMI) persons:** Refers to the residents of Puerto Rico that are considered low- to moderate-income persons; that is, below eighty percent (80%) of the Area Median Family Income (**AMFI**) as established by HUD.
- **LUMA:** Refers to LUMA Energy, LLC; the operator of the Island’s electric power transmission and distribution system under a public-private partnership agreement with the Puerto Rico Public-Private Partnership Authority (**P3A**) and PREPA.
- **OGPe:** Refers to the Office of Permits Management (“Oficina de Gerencia de Permisos”); the local regulatory agency in charge of permits.
- **Participating Property:** Refers to the single-family housing unit submitted by the Applicant for the potential installation of a PVS, BSS, or WSS. To qualify for assistance under the CEWRI-CI Subprogram, the Participating Property must be the applicant’s primary residence and meet the established eligibility requirements.
- **PEPP:** Refers to the Public Energy Policy Program under the Department of Economic Development and Commerce (**DDEC**, for its Spanish acronym) as per Act No. 141-2018, as amended; which is the local regulatory agency responsible for developing and implementing Puerto Rico’s energy policies. This entity previously had names such as State Office for Energy Public Policy (“Oficina Estatal de Política Pública Energética” or **OEPPE**, for its Spanish acronym) and Energy Affairs Administration (“Administración de Asuntos Energéticos” or **AAE**, for its Spanish acronym). All references to OEPPE and AAE, whether in these Guidelines or in laws and regulations, shall be interpreted to mean PEPP.
- **Photovoltaic System(s) (PVS):** A power system designed to supply power by converting solar energy into DC electricity using semiconducting materials that create voltage or electric current in a material upon exposure to light. It consists of an arrangement of several components, including solar panels to absorb

and convert sunlight into electricity; an inverter to change the electric current from DC to AC; and mounting (racks and others), cabling, metering systems and other electrical accessories to set up a working system.

- **Photovoltaic System Capacity (PVS Capacity):** Shall be the sum of each individual DC nameplate capacity ratings of the Photovoltaic Modules. PVS Capacity is measured in kilowatts (**kW**).
- **PREPA:** Refers to the Puerto Rico Electric Power Authority (“Autoridad de Energía Eléctrica de Puerto Rico”); the local power utility provider on the Island.
- **Project or System(s):** Refers to the PVS, BSS, and/or WSS to be installed at an eligible Applicant’s Participating Property with the aid of a CEWRI-CI Subprogram award and in compliance with its terms and conditions.
- **State Historic Preservation Office (SHPO):** Refers to the State Historic Preservation Office (“Oficina Estatal de Conservación Histórica”).
- **Targeted Community or CEWRI-CI Community:** Group of single-family properties within a targeted geographic area, pre-selected to participate in the CEWRI-CI Subprogram.
- **Transmission and Distribution (T&D) Operator:** Refers to the Island’s electric power transmission and distribution system operator under a public-private partnership agreement with the Puerto Rico Public-Private Partnership Authority (**P3A**) and PREPA.
- **Urgent Need Mitigation (UNM):** A national objective which requires CDBG-MIT funded activities to result in measurable and verifiable reductions in the risk of loss of life and property from future disasters, and also yield community development benefits. For the CEWRI-CI Subprogram, UNM refers to the Need for Energy and Water Resilience and for alternative, independent power and/or WSS.
- **Water Storage System(s) (WSS):** A household system for potable water storage and distribution connected to the water utility’s main water line. It

consists of several components, such as, piping, pump, water storage tank, controls, electrical components, and other accessories.

3 Program Description

The CEWRI-CI Subprogram aims to support households in selected communities by facilitating the acquisition and installation of Photovoltaic Systems (**PVS**), Battery Storage Systems (**BSS**) and Water Storage System (**WSS**). This initiative represents a direct investment in self-sustaining, regenerative systems that can thrive amidst challenges following hazardous events.

The CEWRI-CI Subprogram will be implemented through the following phases:

- Community Selection;
- Targeted Outreach and Data Gathering Survey;
- Intake and Eligibility;
- Design and Environmental Review;
- Grant Agreement Execution;
- Installation and Final Inspection; and
- Closeout.

4 National Objective

Applications served under the CEWRI-CI Subprogram must demonstrate compliance with a HUD national objective as required by the Housing Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5305, codified at 24 C.F.R. § 570.483. Specifically, the Subprogram will determine national objective compliance by collecting and validating household information. Subprogram activity will be evaluated according to one (1) of the following national objectives:

- Low-to Moderate-Income Housing (**LMH**) which benefits low-to moderate-income (**LMI**) households with Area Median Family Income (**AMFI**) below eighty percent (80%) according to HUD Income Limits for Puerto Rico. (24 C.F.R. § 570.483 (b)(3)).

- Urgent Need Mitigation (**UNM**)³ activity – benefiting households with an AMFI above eighty percent (80%) with a risk-based need for energy and water security to reduce risk of loss of life and property from future disasters and to yield community development benefits.⁴

5 Eligible Activities and Uses of Funds

5.1 Eligible Activities

All projects funded by CDBG-MIT must meet a HUD-eligible activity as defined by Section 105(a) of the HCDA. Eligible use of funds for the CEWRI-CI Subprogram include:

- Section 105(a)(4) - Clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements.
- Section 105 (a)(26)- Lead-based paint hazard evaluation and reduction.

5.2 Eligible Use of Funds

All program costs must adhere to 2 C.F.R. Part 200, Subpart E, Cost Principles. In general, eligible costs for this Subprogram include:

- Staff costs and related expenses required for contract and project management, outreach efforts for marketing of the Subprogram, screening potential Applicant households and structures, and other eligible services related to completion of the Subprogram;
- Inspection and monitoring costs of installed systems;
- Costs of design and engineering services for systems;
- Costs of any required permits for the systems;

³ Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, 45839 requires the Grantee to meet the alternative criteria for the UNM national objective, by documenting that the activity: (i) addresses current and future risks as identified in the grantee's Mitigation Needs Assessment of most impacted and distressed areas; and (ii) will result in a measurable and verifiable reduction in the risk of loss of life and property.

⁴ 84 FR 45838, 45839 states that the UNM national objective requires activities funded with the CDBG-MIT grant to result in measurable and verifiable reductions in the risk of loss of life and property from future disasters and yield community development benefits.

- Costs of equipment for PVS and/or BSS, including photovoltaic modules or charge controllers, transfer switches, solar panels, inverters, metering equipment, balance equipment, batteries, as well as mounting, cabling, and other electrical accessories to set up working systems;
- Costs of equipment for WSS, including piping, pump, water storage tank, controls, electrical components, and other accessories to set up working systems;
- Costs of mounting and anchoring structures such as racking systems and other structures that provide primary support for the system equipment;
- Costs of installation and commissioning of the system;
- Structural improvements to the Property that are deemed cost reasonable⁵ to enable the installation of resiliency measures subject to funds availability;
- Any work costs required to uphold the roof waterproofing warranty at the Participating Property as related to the installation of the Systems; and
- Any power grid interconnection costs related to the typical requirements of a residential unit PVS and BSS.

5.3 Ineligible Use of Funds

Ineligible activities and ineligible use of funds include, but are not limited to:

- Grant Agreements transfers;
- Tampering with, reselling, or exchanging the installed system;
- Use of equipment and services above market value;
- Use of used or refurbished equipment;
- Cost of structural improvements to the Participating Property to enable the installation of resiliency measures in excess of \$40,000;⁶
- Reimbursement of costs associated with systems installed prior to the Subprogram launch date;

⁵ Under no circumstance, may improvement costs exceed the cost of the primary benefit provided.

⁶ These \$40,000 are in addition to the maximum award amount and will be granted on a case-by-case basis. However, under no circumstance, may improvement costs exceed the cost of the primary benefit provided.

- Installation of equipment that is not permanent and integral to the structure – as defined by the Puerto Rico Civil Code in Articles No. 250⁷ and 252;⁸
- Ineligible property types include, but are not limited to, multi-family housing, travel trailers, campers, houseboats, second homes, vacation residences, and seasonal/short-term rental properties;
- Any cost associated with the purchase of equipment or installation permitted under the Subprogram that occurs prior to execution of a Grant Agreement between the Applicant and PRDOH;
- Leases, Power Purchase Agreements, or other financing instruments that delegate, in whole or in part, ownership of the installed PVS and/or WSS are ineligible;
- Any activity that directly improves the power grid infrastructure;
- Communal PVS, BSS, and/or WSS systems that include(s) shared ownership of assets; and
- Activities in the floodway.
- Installations on properties without an official account registered with PREPA/LUMA.
- Installations on properties without an electric meter installed or where multiple households share a single meter.

6 Program Intake

The CEWRI-CI Subprogram conducted targeted outreach efforts to identify potential communities. As part of these efforts, institutions, agencies, and utility providers gathered relevant data on communities that endured prolonged power outages in the aftermath of previous disasters. Using this information, PRDOH selected communities based on an analysis that ranked feeders by the longest average outage duration and the number of affected utility customers.

To ensure direct engagement, targeted communities will be actively involved through community outreach events. The Subprogram will employ various communication methods, including certified mail, email, telephone, site visits, and governmental

⁷ 31 LPRA § 6051.

⁸ 31 LPRA § 6053.

agency platforms, to establish effective contact with potential Applicants.⁹ Through these channels, information will be provided about the Subprogram's overview, objective, description, and participatory and eligibility requirements. Additionally, a Program Manager will assist Applicants in completing the intake process in English or Spanish through the PRDOH Grant Management System of Record.

6.1 Targeted Outreach

Following the initial community outreach efforts, the Subprogram may contact households to arrange property visits and conduct a data-gathering survey. The survey is designed to gather essential information about the households and properties, which will be instrumental in developing the procurement process necessary for implementing resiliency measures within the community. Additional, outreach activities may include inviting residents from targeted areas to participate in the Subprogram by completing a registration form.¹⁰

Once an Applicant expresses interest in participating, the Subprogram will initiate intake and eligibility processes. During the Intake process, Applicants will need to provide supporting documents for identity validation, property ownership and primary residence evaluation, income verification, duplication of benefits review, and other necessary requirements for completing the eligibility review process. All documentation submitted by the Applicant must be valid at the time of submission.

6.2 Applicant and Household Members Identification

As part of the CEWRI-CI Subprogram application, all Applicants and household members must submit documentation to prove their identity. This documentation may include, but is not limited to, the following:

- Government-issued Photo Identification (Federal or State issued);
 - Driver's License;
 - Passport;
 - Military ID Card;

⁹ In cases where the aforementioned communication methods are not feasible, reasonable alternative efforts will be made.

¹⁰ As part of the outreach activities, information such as photos, household composition, existing installed systems, and utility bills may be gathered.

- o Birth Certificate;¹¹ or
- Certificate of Naturalization or Permanent Resident Card.

6.3 Applicant Citizenship

Only U.S. citizens, non-citizen nationals, or qualified aliens, as defined in the following table, are eligible to receive assistance.

Status	Definition
U.S. Citizen	A person born in one of the fifty (50) States, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands; a person born outside of the U.S. to at least one U.S. parent; or a naturalized citizen.
Non-Citizen National	A person born in an outlying possession of the U.S. (e.g., American Samoa or Swain’s Island) on or after the date the U.S. acquired the possession, or a person whose parents are U.S. non-citizen nationals. All U.S. citizens are U.S. nationals; however, not every U.S. national is a U.S. citizen. 8 U.S.C.A. § 1408.
Qualified Alien	<ul style="list-style-type: none"> - Legal permanent resident (“green card” holder), under the Immigration and Nationality Act (INA), 8 U.S.C.A. Chapter 12; - An asylee, refugee, or an alien whose deportation is being withheld, under de INA; - Alien paroled into the U.S. for at least one (1) year, according to INA; - Alien granted conditional, pursuant to section 203(a)(7) of the INA as in effect prior to April 1, 1980; - Cuban/Haitian entrant; as described in section 501(c) and (f) of the Refugee Education Assistance Act of 1980, 8 U.S.C.A. § 1522; - Alien who (or whose child or parent) has been battered or subjected to extreme cruelty in the U.S. and otherwise satisfies the requirements of 8 U.S.C.A. § 1641(c).

¹¹ Birth certificates may only be used as proof of identification for Applicant household members under the age of eighteen (18) years. Adult Applicants or household members eighteen (18) years or older must submit a photo ID.

If an Applicant does not meet any of the above criteria, the household may still apply for and be considered for assistance if:

- Another adult household member meets the citizenship criteria described in the table above; or
- The parent or guardian of a minor child who is a U.S. citizen, non-citizen national, or a qualified alien applies for assistance on behalf of the child, and both live in the same household. The parent or legal guardian must register as the Co-applicant.

As part of the CEWRI-CI application, all Applicants must submit documentation to prove their citizenship. This documentation may include, but is not limited to, the following:

- Passport;
- Birth Certificate;
- Certificate of Naturalization;
- Certificate of Citizenship; or
- Permanent Resident Card (“green card”).

If the Applicant is unable to provide any of the documents listed above, on a case by case basis, the CEWRI-CI Subprogram will accept – as proof of citizenship or legal presence – documentation listed in the Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (**PRWORA**) published by the United States Department of Justice, Federal Register Vol. 62, No. 221 (November 17, 1997), 62 FR 61344.

Temporary tourist visa holders, foreign students, temporary work visa holders, and habitual residents, such as citizens of the Federated States of Micronesia and the Republic of the Marshall Islands, are ineligible for the Program.

7 Program Eligibility

All CEWRI-CI Subprogram Applicants will be evaluated to ensure compliance with eligibility requirements. Applicants must provide complete and accurate information

regarding all eligibility criteria. Failure to disclose accurate and complete information may affect eligibility, and any such instances will be referred for further action. Additionally, if it is discovered that Applicants have submitted inaccurate or incomplete information to falsely meet eligibility requirements, they may be required to repay PRDOH for administrative fees and other associated costs.

Each application will be reviewed for the following eligibility criteria:

- The property must be an eligible single-family structure;
- The Applicant and household members must occupy the property as their primary residence at the time of application;
- For a tenant-occupied residence, the Applicant or Co-applicant must provide information on the Property Owner, who, in turn, must demonstrate ownership or a proprietary interest in the property;
- For an owner-occupied residence, the Applicant or Co-applicant must own or have a proprietary interest in the property.
- At least one (1) member of the household must be a U.S. citizen, non-citizen national, or qualified alien;
- The Applicant and Co-applicant must not have a conflict of interest;
- Duplication of Benefits (See the Duplication of Benefits section);
- The Applicant must comply with the Federal Emergency Management Agency (**FEMA**) National Flood Insurance Reform Act of 1994 (**NFIRA**);
- The household income must not exceed the two hundred percent (200%) AMFI category using the latest available HUD Modified Income Limits for CDBG-DR Puerto Rico.¹²

7.1 Property Type

Only single-family residential units located in Puerto Rico will be eligible for the CEWRI-CI Subprogram. Single-family homes, as defined by HUD, may include one- to four-unit (1-4) dwellings. Single-family units may include, but are not limited to:¹³

¹² See HUD website: <https://www.huduser.gov/portal/datasets/cdbg-income-limits.html>.

¹³ The Applicant will be required to submit photos of the property to corroborate it is a single-Family structure and existing system(s) previously installed in it, if any. Photos may include the property's façades, its roof, and general areas.

- Duplexes;
- Manufactured Housing Units (**MHU**);
- Detached, stand-alone, stick-built, or concrete residential structures; or
- Attached housing units.

Ineligible property types include but are not limited to travel trailers, campers, houseboats, group homes, and nursing homes. Historical structures may be ineligible to participate in the Subprogram, depending on local and/or federal restrictions.

7.2 Primary Residence

At the time of application, the property must be occupied by the Applicant and the household as their primary residence. Primary residence is defined as the property occupied by the Applicant for the majority of the calendar year.¹⁴ Second homes, vacation residences, and seasonal rental properties are not eligible for assistance.

Documentation used to verify primary residence includes, but is not limited to:

- Latest Federal income tax return listing the property address;
- Latest Puerto Rico income tax return listing the property address;
- Valid driver's license or state-issued ID card showing the property address;
- Utility bills addressed to the Applicant at the property address showing that services were provided **at least six (6) months preceding** the date of the application (bill must indicate household utility usage);
- Utility certification addressed to Applicant at property address showing how long the services have been active;
- Credit card bill or bank statement sent to the Applicant at the property address **six (6) months prior** to the application date;
- Insurance documentation indicating primary residence, such as a homeowner's endorsement;
- Employer's statements, including pay stubs and similar employment documents **within six (6) months** of application;

¹⁴ The majority of the calendar year shall be understood as at least a hundred and eighty-three (183) days out of the calendar year.

- Homestead exemption verified through property tax records (if applicable); and
- Other documentation will be reviewed and considered on a case-by-case basis.

Primary residency documents should include the Applicant's or Co-applicant's name, with appropriate dates demonstrating residence, and physical property address. None of the forms of documentation listed previously, by itself, necessarily prove primary residence. The Subprogram will assess all available documentation together and determine primary residence based on the Applicant's demonstration of consistency across the variety of documentation provided. If inconsistencies in documentation are found, the application may not move forward—in the eligibility process— until the inconsistencies are resolved by the Applicant. All Subprogram Applicants bear the burden of proof in providing consistent evidence to establish primary residency **within six (6) months prior** to application.

Special circumstances related to Primary Residence:

- Applicants in the United States military and deployed outside of Puerto Rico may qualify for the Subprogram.
- Applicants who were/are temporarily in a nursing home, assisted living, or other medical facility may qualify for the Subprogram.
- Applicants who were incarcerated and/or residing at a law enforcement facility may qualify for the Subprogram.

7.2.1 Special Circumstances Related to Applicant-Tenants

A tenant-occupied property that serves as a household's primary residence may be eligible for the Subprogram. However, the tenant's participation in the Subprogram is contingent upon a valid lease agreement, with a renewal option, between the Applicant or Co-applicant and the Property Owner, who must be able to demonstrate ownership or a proprietary interest in the property. In these cases, the tenant must have a completed Owner Consent Certification for Tenants from the Participating Property Owner to participate and apply to the Subprogram. If structural

improvements are required for installation, the tenant must have the Participating Property Owner's written authorization.¹⁵

7.3 Income Verification

All Applicants under the CEWRI-CI Subprogram must meet the eligible income level. To meet the eligible income level the Applicant household's annual income must not exceed the maximum eligible income limit of two hundred percent (200%) AMFI. The Subprogram will use the latest available HUD Modified Income Limits for the Puerto Rico CDBG-DR Program¹⁶ for its eligible income level. HUD income limits apply to all municipalities in Puerto Rico and are amended annually.

7.3.1 Calculating Household Income

Household income shall be calculated based on the adjusted gross income (**AGI**) as defined for purposes of reporting under Internal Revenue Service (**IRS**) Form 1040 series for individual Federal annual income tax purposes.¹⁷

When determining the number of household members and annual household income,¹⁸ the following should be taken into consideration:

- Minor children (under the age of 18) are considered household members. The earned income of minor children is not considered part of the total annual household income.
- Minor children subject to shared custody agreements may be counted as household members if the minor child lives in the residence at least fifty percent (50%) of the time.
- Temporarily absent family members are considered household members, and their income is considered in the calculation of household income, regardless

¹⁵ The lease agreement may have provisions which authorize the tenant to make such improvements. However, if the lease agreement does not authorize the tenant to make structural improvement, the Property Owner must grant approval either through an addendum to the lease agreement or by directly applying for the necessary permits.

¹⁶ HUD Modified Income Limits for CDBG-DR Puerto Rico are available at the HUD website: <https://www.huduser.gov/portal/datasets/cdbg-income-limits.html>.

¹⁷ See <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income>.

¹⁸ Income determination and documentation required for CDBG programs, shall be based upon the provisions contained in 24 C.F.R. § 5.609.

of how much the temporarily absent family member contributes to the household.

- Paid, non-related, live-in aides, whether paid by the family or through a social service program, are not considered household members. The income of live-in aides is not considered in the calculation of household income. Related persons do not qualify as live-in aides.
- Permanently absent family members, such as a spouse who resides permanently in a nursing home, may be considered a household member, at the discretion of the head of household/program applicant. If the head of household opts to include a permanently absent family member in the household, the income of the permanently absent household member will be counted in the calculation of annual household income. If the head of household chooses not to include the permanently absent family member as part of the household, the income of the permanently absent family member will not be considered in the calculation of the annual household income.

7.3.2 Income Verification Required Documentation

Applicants must provide income documentation for all household members aged eighteen (18) years old and older at the time of application. Income types and associated documentation required for income verification may include, but are not limited to:

- Wages: Three most (3) recent paystubs within the past three (3) months, and most recent W-2 Form;
- Retirement/Social Security:
 - Three (3) Monthly Bank Statements (Social Security Benefits & Pension only),
 - Current Social Security Benefits letter showing the gross monthly income payment (including benefits paid to minors),
 - Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or
 - Current Annuity Payment letter (if applicable), or prior year 1099 form showing the gross monthly income payment;

- Self-Employment Income;
 - Most recent tax return (Form 1040 or 1040A), or
 - Profit and loss statement from the year prior to the application;
- Rental Income: Current lease agreements;
- Unemployment Benefits: Current benefit letter with gross benefit amount;
- Court Ordered Alimony/Spousal Maintenance: Copy of court order documentation;
- Taxable Interest and Dividends (including amounts received by, or on behalf of minors);
- No Income: Adult household members who receive no income will be required to submit a Certification of No Income. A household member typically includes the unemployed.

The CEWRI-CI Subprogram will assess documentation for other less common types of income based on the type of income reported.

7.4 Compliance with National Flood Insurance Reform Act

Applicants found to be non-compliant with the requirements under Section 582 of the FEMA National Flood Insurance Reform Act of 1994, 42 U.S.C. § 4001 (**NFIRA**), are not eligible for CEWRI-CI assistance. An Applicant is FEMA non-compliant if they failed to obtain and maintain flood insurance required as a condition to receive federal funding for a previous disaster. The requirement to maintain flood insurance applies during the property's useful life, regardless of the transfer of ownership of said property.

Eligibility is verified by reviewing FEMA Individual Assistance (**IA**) eligibility codes in federal datasets for disaster events. Any records with ineligible code "NCOMP - non-compliant with Flood Insurance Requirement" or "NPND - NFIRA - Noncompliance," are FEMA non-compliant Applicants, and therefore ineligible for CEWRI-CI assistance. FEMA Individual Assistance (**FEMA IA**) datasets for recent disasters will be reviewed for the applicable eligibility code to identify non-compliant households and ensure no ineligible Applicants are served.

7.5 Ownership

The ownership evaluation is based on whether the residence is tenant-occupied or owner-occupied. For tenant-occupied residences, the Applicant or Co-applicant must provide information about the Participating Property Owner. Subsequently, the Owner must demonstrate ownership or a proprietary interest on the property. In contrast, for owner-occupied residences, the Applicant or Co-applicant must establish ownership of the property or have a proprietary interest on the property.

7.5.1 Proof of Ownership or Proprietary Interest

Ownership or proprietary interest in the property can be proven through:

- Certified Copy of the House Deed (“Escritura Pública”);
- Certification of the Puerto Rico Property Registry (“Certificación Registral”), issued **within six (6) months** of application;
- Declaration of Heirship (“Declaratoria de Herederos”) coupled with a House Deed or other document showing the track of the property’s ownership.
 - May include Instance of inscription of heirs (“Instancia”);
- Title Certification (“Certificación de Título del Departamento de la Vivienda”);
- Court Judgment (“Sentencia o Resolución del Tribunal”) expressing a determination from the courts on the ownership of the property.
- An Ownership Certification, executed under penalty of perjury by the owner or person with proprietary interest that includes the (i) length of time the owner has lived at the location; (ii) an explanation of the circumstances that prevent traditional ownership verification; and (iii) a certification towards one the following:
 - (a) There are no other parties who have right to claim ownership;
 - (b) Other parties who have a right to claim ownership have agreed to allow participation of the property in the Subprogram; or
 - (c) Any other parties who have a right to claim ownership cannot be located (after reasonable attempts to contact them).

Ownership Certifications must be accompanied by alternative forms of ownership documentation that evidence the proprietary interest. Documents

that will be considered as evidence of proprietary interest include, but are not limited to:

- Certified Copy of the Probated Will or Will accompanied by a Certificate of Validity;
- Proof of inheritance;
- Declaratory resolution of heirs;
- Court Order or Judgment granting an ownership interest in the property;
- Divorce Judgment granting an ownership interest in the property;
- Private Contract for Sale (If the owner purchased the property in a private owner sale, the contract must be confirmed as satisfied with additional supporting documentation);
- Evidence of a perpetuity usufruct, widow's estate, or usufruct arising from special laws;
- Evidence of 99-year lease;
- Proof that the owner occupies the land with "right of use or enjoyment" and/or "right of construction" in accordance with applicable laws and regulations;
- Death certificate of the homeowner and birth certificate (to prove that owner is an heir of a deceased homeowner);
- Marriage certificate;
- Mortgage payment book or other mortgage documents;
- Certified Real property/Home insurance policy indicating property address;
- Property tax statements, receipts, or tax bill issued by the Municipal Revenue Collection Center (**CRIM**, for its Spanish acronym); and/or
- Other documents will be considered on a case-by-case basis.

7.5.2 Special Circumstances Related to Ownership

Properties held in trust for the benefit of natural persons can be eligible for assistance. The trustee's powers must include the ability to affect the property. If the trustee's powers do not include the ability to affect the property, all beneficiaries with an interest in the property must provide authorization for Subprogram participation.

8 Environmental Review

8.1 Environmental Review

Environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities associated with it, are subject to the provisions of the National Environmental Policy Act of 1969 (**NEPA**), Section 106 of the National Historic Preservation Act of 1966 (**NHPA**), 42 U.S.C. § 4321 *et seq.*, as well as to the HUD environmental review regulations at 24 C.F.R. Part 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Therefore, an environmental review process is required for all awards to be issued under the Subprogram to ensure the proposed activities do not negatively impact the surrounding environment and the property itself will not have an adverse environmental or health effect on end users.

Specifically, 24 C.F.R. § 58.22 on limitations on activities pending clearance prohibits the commitment or spending of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environmental review. Environmental clearance must be obtained for each project prior to the commitment of Federal or non-federal funds. A violation of the requirement may jeopardize Federal funding for the Subprogram and disallow all costs incurred before the completion of the environmental review.

All Subprogram awards must have documentation that certifies they comply with NEPA and other environmental requirements, as applicable. Therefore, all projects shall have an Environmental Review Record (**ERR**) as required by NEPA and related laws. The ERR for the projects shall set forth (a) the impacts on a site, (b) the means to mitigate impacts, (c) alternatives to the project (if needed), and (d) the rejection of the proposed activities if all other options fail and it becomes the most prudent action to take.

The CEWRI-CI Subprogram will prepare an ERR for each award once the Applicant household's compliance with eligibility requirements is confirmed through the eligibility review process. The ERR for each award will be completed prior to the

notification of a favorable eligibility determination and the execution of a Grant Agreement for the Subprogram's assistance.

If the scope of work presented in the ERR changes, a re-evaluation of the environmental review is required. If the Responsible Entity determines the change does not impact the environmental review, the determination is documented, and the project continues. If the change is determined to potentially impact the environmental review, project activities must cease until the re-evaluation is performed.¹⁹

8.2 Level of Environmental Review

To conduct the appropriate level of environmental review the CEWRI-CI Subprogram will need to determine the environmental classification of the project. The term "project" may be defined as an activity or group of activities geographically, functionally, or integrally related, regardless of funding source, to be undertaken by the Subprogram in whole or in part to accomplish a specific objective. The three (3) major environmental classifications for projects and their descriptions are as follows.

8.2.1 Exempt Activities

These are activities that, by their nature, are highly unlikely to have any direct impact on the environment. Accordingly, the activities are not subject to most of the procedural requirements of environmental review. If a project is determined to be exempt, the Subprogram must document in writing that the project is exempt and meets the conditions for exemption spelled in 24 C.F.R. § 58.34. In addition to making the written determination of exemption, the Subprogram must also determine whether any of the requirements of 24 C.F.R. § 58.6 are applicable and addressed as appropriate.

8.2.2 Categorically Excluded Activities

These are activities for which no Environmental Impact Statement or Environmental Assessment and Finding of No Significant Impact (**FONSI**) under NEPA is required. These activities are divided into those that are and those that are not subject to related laws and authorities at 24 C.F.R. § 58.5.

¹⁹ A reduction in system capacities or equipment does not constitute a change in the scope of work.

To complete environmental requirements for categorically excluded activities not subject to 24 C.F.R. § 58.5, the Subprogram must make a finding of categorical exclusion and include such finding in the Environmental Review Record. When these kinds of activities are undertaken, it is not required to issue a public notice or to submit a request for release of funds to HUD. In any case, environmental compliance is required for the items listed in 24 C.F.R. § 58.6.

8.2.3 Activities Requiring an Environmental Assessment

These are activities that are neither exempt nor categorically excluded and, therefore, will require an Environmental Assessment documenting compliance with NEPA, HUD, and the environmental requirements of other applicable federal laws. Once the Environmental Review has been completed and any comments addressed appropriately, the project may be found to not constitute an action that significantly affects the quality of the human environment and, therefore, does not require the preparation of an Environmental Impact Statement; or the project constitutes an action that significantly affects the quality of the human environment and, therefore, requires the preparation of an Environmental Impact Statement. For this Subprogram, any action requiring an Environmental Impact Statement is highly unlikely.

If it is determined that the action does not significantly affect the quality of the environment, then the Subprogram will post a public notice called a Combined/Concurrent Notice of Finding of No Significant Impact (**FONSI**) and Notice of Intent to Request Release of Funds (**NOI/RROF**). The NOI/RROF Environmental Certification must be submitted to HUD no sooner than **fifteen (15) days** after publishing the combined/concurrent notice NOI/RROF and FONSI and HUD will hold the Release of Funds for a **fifteen (15) day** period to allow for public comment on the RROF. If no comments are received during this time, HUD will send a signed Authorization to Use Grant Funds and the project may proceed.

8.3 Tiered Environmental Review

To streamline the environmental review process and prevent duplication of efforts, the CEWRI-CI Subprogram will use a tiered Environmental Assessment approach for environmental compliance. A tiered approach is appropriate when a specific type of activity that will take place in several locations will serve the same function and will

have the same level of environmental impact regardless of the location where it is to be implemented. The tiered approach has two (2) parts: a broad environmental review (**Tier I**), which addresses general environmental factors even with limited site-specific information, and a subsequent site-specific review (**Tier II**), conducted with detailed knowledge of the project's physical location.

The Tier I review will address and analyze those environmental impacts related to the proposed action that might occur on a typical site within the geographic area (e.g., sole source aquifers, air quality, etc.). The Tier II review will identify those environmental impacts that will vary by site and may only be observed when specific project locations are known (e.g., historic preservation, hazardous materials, noise abatement, asbestos removal, etc.).

The components of the Tier I review will include the following:

- A clear statement of all the related activities and funding sources;
- Identification of the targeted area and geographical characteristics;
- Identification and evaluation of the environmental factors and effects that can be decided upon immediately;
- Publishing and dissemination notice for the entire action;
- Submission of a Request for Release of Funds and Certification for the entire action;
- HUD approval of the Tier I Review; and
- Documentation of compliance with "Other Requirements" set forth at 24 C.F.R. § 58.6.

The Tier II review will include site-specific written strategies for addressing the environmental effects that can only be determined when specific sites become known (i.e., site acceptability criteria and standards including mitigation measures, historic preservation, airport clear zones, explosive and flammable operations, toxic/hazardous/radioactive materials, contamination, chemicals, or gases, karst topography, landslide susceptibility). Tier II reviews are subsequent from Tier I reviews and will not require notices or approval from HUD, unless it is determined there are unanticipated impacts or impacts not adequately addressed in the prior tiered review.

There must be written documentation of compliance before funds are committed to specific sites. If any project deviates from the tiered review – and the approved site-specific compliance strategies – then separate environmental reviews must be prepared for those projects.

Applicants will be required to implement strategies for addressing the environmental effects identified in the Tier II review as a condition for award and disbursement of the award.

Tiered reviews for the Subprogram will be valid for up to **five (5) years** unless conditions or circumstances change. To be certain that conditions or circumstances have not changed, the Subprogram will assess the tiered Environmental Review, at least once a year, to ensure the scope of the target area has not changed; ensure the list of activities evaluated for environmental impacts has not changed; and the information contained in the tiered environmental review is still current and relevant to the environmental findings that were made.

The Tier I reports for the CEWRI Program are publicly available in English and Spanish at <https://recuperacion.pr.gov/en/resources/environmental-review/> and <https://recuperacion.pr.gov/recursos/revision-ambiental/>, respectively.

8.3.1 Lead Safe Work Practice Provisions

Most PVS, BSS, and/or WSS installation-only projects, as indicated by HUD, will not require compliance with HUD’s Lead Safe Housing Rule (**LSHR**) at 24 C.F.R. Part 35. However, they will always require compliance with the Environmental Protection Agency’s (**EPA**) Renovation, Repair, and Painting (**RRP**) Rule at 40 C.F.R. Part 745. Properties built on or after January 1st, 1978, are exempt from compliance under HUD’s LSHR and EPA’s RRP Rule. The table below details the compliance requirements for properties built before January 1st, 1978, in accordance with HUD-provided guidance on the rule’s applicability.

Paint Disturbance Level	LSHR and RRP Requirements; and Program Recommendations
No Paint Disturbance	Full exemption. No compliance with LSHR or RRP Rule is necessary. The exemption must be documented.

Paint Disturbance Level	LSHR and RRP Requirements; and Program Recommendations
<p>“De minimis” Disturbance</p> <ul style="list-style-type: none"> ▪ Less than twenty (20) square feet of exterior surface; and ▪ Less than two (2) square feet of surface in any interior room; and ▪ Less than ten percent (10%) of the surface area of an interior/exterior component. 	<p>Requirements:</p> <ul style="list-style-type: none"> • Work by RRP-Certified Renovation Firms. • At least one RRP-Certified Renovator must be present or available when the work is being performed. • Workers at the job site must receive on-the-job training from the RRP-Certified Renovator. <p>Recommendations:</p> <ul style="list-style-type: none"> • Implement Lead Safe Work Practices.
<p>Minor Repair and Maintenance Disturbance</p> <ul style="list-style-type: none"> ▪ Less than twenty (20) square feet of exterior surface; and ▪ More than two (2) but less than six (6) square feet surface in any interior room; and ▪ No prohibited or restricted work practices. 	<p>Requirements:</p> <ul style="list-style-type: none"> • Work by RRP-Certified Renovation Firms. • At least one RRP-Certified Renovator must be present or available when the work is being performed. • Workers at the job site must receive on-the-job training from the RRP-Certified Renovator. • Implement Lead Safe Work Practices.
<p>Significant Paint Disturbance</p> <ul style="list-style-type: none"> ▪ More than twenty (20) square feet of exterior surface; OR ▪ More than six (6) square feet of surface in any interior room; OR ▪ Prohibited or restricted work practices. 	<p>Requirements:</p> <ul style="list-style-type: none"> • Full Property Risk Assessment. • Abatement of all lead-based paint hazards. <p>Recommendation:</p> <ul style="list-style-type: none"> • Installation plans should be adjusted when the quantity of paint to be disturbed is considered “significant”.

CEWRI-CI Projects are not likely to disturb paint surfaces in excess of the “*de minimis*” thresholds and less likely in excess of the RRP Rule’s minor repair and maintenance threshold. Therefore, it is expected that lead-based paint activities²⁰ will not be required in order to accomplish the Subprogram’s activities. The Subprogram will document the year in which the property was built, any exemptions to the LSHR Rule, and the expected amount of paint disturbance through the Environmental Review process. The DAIS entity will be required to document the amount of paint disturbed

²⁰ “Lead-based paint activities” means inspection, risk assessment, and abatement, 40 C.F.R. § 745.223.

prior to installation to ensure it is at levels that do not trigger lead-based paint activities. If the area to be disturbed exceeds the RRP Rule's minor repair and maintenance threshold, the DAIS entity must aim to adjust the methodology and installation plan so as not to impact more than the threshold whenever possible.

The CEWRI-CI Subprogram will require that the DAIS entity be an RRP-Certified Renovation Firm. Additionally, at least one RRP-Certified Renovator must be at the job or available when work is being done at properties built prior to January 1st, 1978. In accordance with 40 C.F.R. § 745.65(d), the applicable certification, occupant protection, and clearance requirements and work practice standards found under 40 C.F.R. Part 745, Subpart L and 24 C.F.R. Part 35 Subpart R, do not apply when paint disturbance does not exceed "de minimis" levels. The Subprogram will require safe lead work practices to be implemented for paint disturbances between HUD's "de minimis" and EPA's minor repair and maintenance thresholds for properties built prior to January 1st, 1978. The Subprogram recommends, but does not require, lead-safe work practices to be implemented for paint disturbances below HUD's "de minimis" levels. Workers at the job site must receive on-the-job training from the Certified Renovator. For properties built prior to January 1st, 1978, with significant paint disturbance, lead hazard assessments and compliance with LSHR requirements is expected.

8.3.2 Asbestos Surveys

Due to its fiber strength and heat resistance, asbestos has been used in a variety of construction materials for insulation and as a fire retardant. Asbestos has also been used in a wide range of manufactured goods, mostly in building materials (roofing shingles, ceiling and floor tiles, paper products, and asbestos cement products), friction products (automobile clutch, brake, and transmission parts), heat-resistant fabrics, packaging, gaskets, and coatings.

The disturbance of asbestos-containing materials during product use, demolition work, building or home maintenance, repair, and remodeling can release asbestos fibers into the air, significantly increases risk of developing lung diseases. Greater exposure to asbestos corresponds to a higher likelihood of experiencing harmful

health effects, and it's important to note that disease symptoms may take many years to manifest following exposure.

To ensure safety and compliance, the Subprogram adheres to the National Emission Standards for Hazardous Air Pollutants (**NESHAP**) regulations under the Clean Air Act, as amended, 42 U.S.C. §7401. These regulations specify work practices for asbestos that must be followed during demolitions and renovations of all structures, installations, and buildings. Compliance entails notifying the pertinent State agency before undertaking any demolition or renovations of buildings that may contain a certain threshold amount of asbestos or asbestos-containing material. As a result, the Subprogram must conduct an asbestos survey before initiating any repair, retrofit or demolition work.

An asbestos survey is critical in identifying and describing asbestos-containing materials within a structure. The Subprogram conducts comprehensive building asbestos surveys by inspecting the properties. All asbestos surveys for the Subprogram are performed by EPA- or DRNA-certified Asbestos Inspectors. During the survey, a visual examination is conducted on the residential property and samples of homogeneous areas identified with suspect asbestos-containing materials are collected for analysis in an EPA-certified laboratory.²¹ Samples from homogeneous areas that result in detection levels at or above the regulatory threshold are considered asbestos-containing materials. Interim controls and abatement measures should take place for all identified friable asbestos-containing materials and abatement for non-friable asbestos-containing materials should take place if the area is expected to be disturbed. The objective of the asbestos survey is to determine the location and extent of asbestos-containing materials that may be disturbed during repair, retrofit or demolition activities. Samples of presumed asbestos-containing materials shall be processed or evaluated by accredited laboratories for testing of asbestos presence in materials. Asbestos content determination will be

²¹ During the collection process, every effort is made to collect the necessary samples in the least destructive manner possible.

performed, as necessary, by utilizing Polarized Light Microscopy, Point Counting, and Transmission Electron Microscopy.

8.4 Floodplain Management

The CEWRI-CI Subprogram will use the most current, approved version of FEMA’s Flood Insurance Rate Map (**FIRM**), Preliminary Flood Insurance Rate Map (**PFIRM**), or Advisory Base Flood Elevation (**ABFE**) Map to identify whether a property is located within or outside of the 100-year floodplain/Special Flood Hazard Area (**SFHA**) or 500-year (or 0.2 percent annual chance) floodplain. Floodplain designation will be determined by the site-specific environmental review.

In accordance with Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, 45867, the Subprogram may aid with the rehabilitation of a house located in a floodplain if:

- (a) The homeowner had flood insurance at the time of the disaster and still has unmet recovery needs; or
- (b) the household earns less than the greater of one hundred twenty percent (120%) Area Median Income (**AMI**) or the national median and has unmet recovery needs.

An appraisal will be conducted when a property is located within a designated floodplain to determine the current market value of the property. The appraiser must be duly licensed and qualified to conduct real estate property appraisals in Puerto Rico. Upon completion of the appraisal, the appraiser must prepare an appraisal report to include:

- A detailed description of the property appraised;
- General market data and comparable properties;
- Separate valuation for structure and land;
- Supporting information for valuation conclusions; and
- Certification of the appraisal, noted by the appraiser’s signature.

The appraisal will be used to calculate the Substantial Improvement factor of the improvements sponsored by the Subprogram. Substantial improvement, as defined

in 24 C.F.R. § 55.2(b)(10), is any repair, reconstruction, modernization or improvement of a structure, the cost of which equals or exceeds fifty percent (50%) of the market value of the structure either: (1) before the improvement or repair is started; or (2) if the structure has been damaged and is being restored, before the damage occurred. Federal Regulations prohibit Substantial Improvement whenever a property is located within a floodplain without elevating the structure above the Base Flood Elevation.²²

A Regulated Floodway comprises the channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. This segment of the floodplain will generally carry flow of flood waters during a flood and is typically the area of greatest risk to structures in the floodplain.

These high-risk zones may also include the Limit of Moderate Wave Action (**LiMWA**)—the inland boundary of the Coastal A Zone where wave heights can range from one and a half (1.5) to three (3) feet during a base flood event, exposing properties to wave impact and storm surge damage. In addition, the Coastal High Hazard Area (**CHHA**) encompasses areas subject to high-velocity water, including but not limited to hurricane wave wash and tsunamis.

No HUD financial assistance will be approved for any activity located within a Regulated Floodway, LiMWA, or CHHA unless an exception under 24 C.F.R. § 55.8 applies.

9 Duplication of Benefits (DOB)

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (**Stafford Act**), as amended, 42 U.S.C. § 5121 *et seq.*, prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss for which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. As such, PRDOH must consider disaster recovery aid received by Program applicants from any other federal, state, local, or other source, and determine if any assistance is duplicative. Any assistance

²² If the project involves Substantial Improvement, National Flood Insurance Program (**NFIP**) regulations require the affected structure(s) be elevated to the base flood elevation. State or local law or program policy may require additional elevation (or “freeboard”) beyond the minimum elevation requirements set by FEMA. See: <https://www.hudexchange.info/programs/environmental-review/floodplain-management/>.

determined to be duplicative must be deducted from the Program's calculation of the Applicant's total need prior to awarding assistance.

To be eligible to receive CDBG-MIT funds under the Program and as part of the application process, all Applicants must confirm and provide assurance that efforts will be made to avoid a "duplication of benefits." PRDOH understands and expects that some projects funded through this Program may also be able to receive other types of Federal funding. Therefore, a DOB analysis will be performed for each funded project.

Program controls to prevent DOB include, but are not limited to:

- Certification that the Applicants will notify PRDOH of all potential DOBs as part of the information submitted in their applications;
- Verification of specific DOBs through various available sources such as FEMA, the Small Business Administration (**SBA**), insurers, and any other sources of funding;
- Requiring Applicants to authorize PRDOH to contact all potentially duplicative funding sources on their behalf to verify all funding sources received and/or approved; and
- Calculation of DOB per Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836.

The DOB guidance included in 84 FR 28836 (**DOB 2019 Notice**), updates the DOB 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. Provisions at 84 FR 45838, 45840, require CDBG-MIT Grantees to comply with the DOB requirements of 84 FR 28836. As such, the DOB policy outlined in these Guidelines follows the guidance issued in the 2019 DOB Notice.²³

²³ The 2019 DOB notice updates the treatment of declined loans. A grantee shall not take into consideration or reduce the amount of assistance provided to an applicant where such applicant applied for and was approved, but declined assistance from the SBA, related to disasters that occurred from 2014 to 2017. FEMA, as per recent amendments to the Disaster Recovery Reform Act of 2018 (**DRRA**), Pub. L. No. 115-254, advises that a loan is not a duplication of other forms of financial assistance, provided that all federal assistance is used toward a loss suffered due to major disaster or

For more information about DOB, refer to the Duplication of Benefits Policy available at <https://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/> (English) and <https://recuperacion.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/> (Spanish).

10 Project Requirements

The following are the project requirements under the CEWRI-CI Subprogram.

10.1 Compliance with Laws, Regulations, and Codes

All CEWRI-CI Subprogram projects are required to follow federal, state, and local codes and regulations. Works must also be performed after the acquisition of required permits and in compliance with other local requirements. The Program Manager and DAIS entity shall ensure compliance with all codes, regulations, permitting, and other requirements for construction works and activities to be undertaken by the Subprogram.

As applicable, requirements to follow include but are not limited to:

- Public Energy Policy Program (**PEPP**) Regulation for the Certification of Systems of Renewable Energy, No. 7796 of January 19, 2010, known in Spanish as *“Reglamento para la Certificación de Sistemas de Energía Renovable,”* or its equivalent regulation in place at the time of installation;
- Joint Regulation for Evaluation and Issuance of Permits Related to Development, Land Use and Business Operations, No. 9473 of June 16, 2023, known in Spanish as *“Reglamento Conjunto para la Evaluación y Expedición de Permisos Relacionados al Desarrollo, Uso de Terrenos y Operación de Negocios,”* of the Puerto Rico Planning Board, or the equivalent regulation in place at the time of installation.

emergency. The DRRRA provisions, which applied to disasters that occurred from 2016 to 2021, expired on October 5, 2023. Therefore, the determining factor for applying the DRRRA amendment is the date the agreement for loan assistance is awarded (signed by all the required parties, made and entered, and final). Subsidized loans awarded after the amendment sunset date are to be included in the DOB evaluation.

- Permit Management Office (**OGPe**, for its Spanish acronym) Regulation No. 9049 of November 15, 2018, known as Puerto Rico Codes 2018, or its equivalent regulation in place at the time of installation.

10.2 System Types

Federal Register 84 FR 45838, 45840 defines mitigation as “those activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.” In accordance with this definition, the CEWRI-CI Subprogram contemplates the following eligible systems:

- Renewable Energy Systems: A PVS without a BSS cannot provide power to households when the power grid is down. Therefore, eligible installations under the CEWRI-CI Subprogram are (i) the installation of a PVS with a BSS; or (ii) the addition of a BSS to an existing PVS. The installation of a PVS without a BSS is not an eligible activity under the CEWRI-CI Subprogram.
- Water Storage Systems: WSS must include a tank to store a maximum capacity of five hundred (500) gallons of water per household, complete with all its necessary accessories and instrumentation for full functionality of water storage and distribution within the home during a disaster scenario. In case the property loses power, the electric pump should be able to work off-grid from the main electrical utility supported by the PVS and BSS granted to the Applicant by the Subprogram, when applicable. The water storage tank shall be connected to the utility’s main water line with a water level control valve and backflow preventer designed to prevent backflow from the water storage tank to the utility’s main water line.

10.3 System Capacity

The CEWRI-CI Subprogram may establish and offer standard system packages for PVS, BSS, and/or WSS for single-family dwelling units based on the Eligible Applicant’s household energy and water needs as determined in the pre-installation assessment visit.

10.3.1 PVS and BSS Packages and Capacities

The CEWRI-CI Subprogram offers three (3) system packages:

- **Package #1:** A system minimum 3 kW DC PV modules, with a minimum battery bank voltage of 48V, and a minimum required battery bank output of 9 kWh. The battery must use Lithium-Ion chemistry.
- **Package #2:** A system minimum of 4.3 kW DC PV modules with a minimum battery bank voltage of 48V and a minimum required battery bank output of a minimum of 12 kWh. The battery must use Lithium-Ion chemistry.
- **Package #3:** A battery bank voltage of 48V and a minimum required battery bank output of a minimum of 9 kWh or 12 kWh. The battery must use Lithium-Ion chemistry.

PVS Capacities lower than 3.0 kW are not eligible for the CEWRI-CI Subprogram.

10.3.2 WSS Capacity

The WSS must be of sufficient size to store enough water to provide resilience based on the Eligible Applicant's household water needs. WSS capacities lower than three hundred (300) gallons are not eligible under CEWRI-CI Subprogram. The Subprogram considers five hundred (500) gallons as the maximum WSS capacity.

10.4 System Location Requirements

Rooftop installations will be conducted as long as the structure is suitable. Where rooftop installations are not feasible, they will be evaluated on a case-by-case scenario to assess alternate locations, as long as they comply with all laws, regulations, and codes. Unforeseen site conditions or incidental improvements required to enable the Subprogram's intent of community resilience will be considered if the cost is reasonable.

10.5 No Portability Requirement

All system installations supported by CEWRI-CI Subprogram awards must be permanently affixed to the Participating Property. Permanent affixion will be demonstrated by equipment installed on permanent surfaces with fasteners or other industry standard methods. Any installation showing signs of portability (badly tied

equipment, light disconnections, among others) will not be eligible to receive an award disbursement under the CEWRI-CI Subprogram.

10.6 Pre-Installation Assessment and Design Requirements

PRDOH will procure one or more DAIS entities to assess and propose tailored solutions for the implementation of the PVS, BSS, and/or WSS for each Participating Property. These solutions will consider factors such as budget constraints, cost estimates, current site conditions, required property improvements to meet project goals, preliminary environmental reviews, risk mitigation, and any other elements that may affect project implementation.

As part of the outreach efforts, Program Managers may conduct surveys in the targeted communities to assess the current condition of homes. These surveys will generate recommendations on suitable systems to install in each property. Using this data, DAIS entities will perform a Pre-Installation Assessment (**PIA**) to make a final determination on the design and installation for each participating property. The PIA will be used to establish the scope of work that will be included in the award to the Applicant.

10.6.1 PIA Requirements

A PIA must be conducted at the Participating Property for PVS and WSS systems to determine eligibility and the scope of work. This assessment involves evaluating the roof's load capacity, shading analysis, the condition of interior and exterior components and reviewing the available space on the roof in relation to other installed systems. If roof installation is not feasible, the possibility of ground installation will be evaluated. Additionally, a licensed structural engineer must perform a structural analysis to ensure the roof and site elements meet project requirements.

10.6.2 Design Requirements

The information collected from the PIA will enable the DAIS entities to prepare detailed construction documents, including plans and technical specifications. These deliverables, designed to ensure energy and water resilience, will be incorporated into the Design Package. As an essential part of the final design process, an Environmental Review must be completed before submitting the Design Package.

System design must be performed by a licensed Engineer, in accordance with Act No. 173-1988. Additionally, the design must align with existing site conditions and adhere to the requirements set forth in Regulations No. 7796 and No. 9049, as well as any other applicable laws, regulations, and codes. Systems designed by unlicensed Engineers are not eligible for the CEWRI-CI Subprogram.

10.7 Equipment Requirements

All equipment installed using CEWRI-CI Subprogram funds must be new. Reconstructed, refurbished, or relocated equipment is not eligible for program assistance.

10.7.1 PVS and BSS Equipment Requirements

All PVS and BSS equipment must be duly certified in accordance with Section IV of Regulation No. 7796. Equipment that requires certification prior to installation includes photovoltaic modules, inverters, charge controllers, batteries, and any other equipment that will be installed for a renewable energy +generation system in Puerto Rico. Systems with equipment not certified under Section IV are not eligible for CEWRI-CI Subprogram assistance. A list of certified equipment is published periodically by the OGPe.

Batteries used for BSS shall have lithium-ion chemistry, but PRDOH may approve additional battery technologies.

Also, inverters are required to comply with the grid support and communication characteristics and capabilities required by the Institute of Electrical and Electronics Engineers' (IEEE) Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces (IEEE 1547-2018).²⁴

10.7.2 Permit Requirements

In accordance with Section 9.4.1.3 of Regulation No. 9473, PVS installed on roofs with capacities below one (1) megawatt do not require a construction permit nor an occupancy permit. However, PVS that are not installed on roofs and have capacities

²⁴ Available at: <https://standards.ieee.org/ieee/1547/5915/>.

below one (1) megawatt will be evaluated by the OGPe through a consultation process.

All PVS and BSS installations, without consideration of the System Capacities, must be certified by a duly licensed engineer or an expert electrician to ensure the safety and security of the design and installation.

10.7.3 WSS Equipment Requirements

The water storage tank shall be constructed of ultraviolet and corrosion-resistant material, specifically manufactured for potable water use, and approved by the Food and Drug Administration (**FDA**) and the National Safety Foundation (**NSF**). Documentation from the manufacturer affirming that tanks are approved for potable water must be available for inspection.

The water storage system shall have the instrumentation to monitor and control pressure and water level. Other related materials for a complete installation should include, but **are** not limited to:

- Pump: ½ horsepower with pressurized tank;
- Diaphragm-type pressurized tanks sized to provide adequate pressure to meet the water demands of the home;
- Piping: Copper, Cross-linked Polyethylene (**PEX**), and chlorinated polyvinyl chloride (**CPVC**) piping;
- Sediment filter: able to filter at least ten (10) microns of particles;
- Backflow prevention system to prevent cross-connection between the household water system and water main; and
- Watertight water storage tank intended for potable water use.

11 Project Commencement and Award

Applicants who meet the eligibility criteria—including completing the environmental review process, PIA, and final project design—will be issued an Eligibility and Award Notice, outlining the required next steps. This notice will include a copy of the Grant Agreement for the Applicant's review.

Applicants will also receive a DOB Analysis Results Notice with an attached DOB Analysis Acceptance Form. To proceed, Applicants must agree with the DOB Analysis

Results and submit a completed DOB Analysis Acceptance Form within **twenty (20) calendar days** from the date the Eligibility and Award Notice was issued. If the DOB Analysis Acceptance Form is not submitted within the established timeframe, this will trigger the Voluntary Withdrawal process.²⁵

For Applicant-tenants, in addition to completing and returning the DOB Analysis Acceptance Form, the Participating Property Owner must also complete and submit the Owner's Consent for Award Form within **twenty (20) calendar days** from the issuance date of the Eligibility and Award Notice. If the Participating Property Owner fails to submit the Owner's Consent for Award Form within the allotted time frame, it will be understood that the Property Owner does not accept the Subprogram's Final Scope of Work and Award Determination, nor consents to the installation of the project or any related construction activities.

Once the Program receives the DOB Analysis Acceptance Form and the Owner's Consent for Award Form, if applicable, it will coordinate an Award Visit with the Applicant for the execution of the Grant Agreement. During the visit, and prior to the execution of the Grant Agreement, the Program Manager and the Installer will clarify any design-related questions and provide final guidance on the measures being offered for installation in the unit; the work to be performed, as well as the need for permits and endorsements (if applicable), and the terms and conditions of the award. After all questions are clarified, the Applicant will proceed to execute both the Grant Agreement with the Program Manager and the Installer/Applicant Agreement with the Program Installer.

Installation cannot begin until the Applicant and PRDOH have executed the Grant Agreement. The Subprogram will not give retroactive awards for systems installed before application submission or Grant Agreement execution. The installation process does not include system design and permitting activities, as such these activities may start before the execution of the Grant Agreement. After the Grant Agreement has been executed between PRDOH and the Applicant, the Subprogram will issue a Notice to Proceed to the DAIS entity to begin the installation process on the Participating Property.

²⁵ See the Voluntary Withdrawal section of the Program Guidelines.

11.1 Award Considerations

The following conditions will apply if the Applicant dies or no longer resides in the Participating Property during the Subprogram's implementation:

11.1.1 Applicant-Owners

- If the Applicant dies after being deemed eligible but before executing the Grant Agreement, the Subprogram may allow an heir or another household member with a proprietary interest to continue with the application, provided they meet all applicable eligibility requirements, including that the Participating Property as their primary residence.
- If the Applicant dies after signing the Grant Agreement but before construction/installation has begun, then the Grant Agreement will be annulled, and the Project will be halted. PRDOH will determine further actions on a case-by-case basis. The Subprogram may allow an heir or another household member with a proprietary interest to resume the application process, subject to compliance with all eligibility requirements, including that the Participating Property is their primary residence.
- In cases where the Applicant dies after construction or installation has commenced but before completion, the award amount will not be a liquid and enforceable debt. PRDOH will assess the Project's stage and take appropriate actions on a case-by-case basis.

11.1.2 Applicant-tenants

- If the Applicant dies or moves out after being deemed eligible, but before signing the Grant Agreement, the Subprogram may allow the Property Owner or another tenant to continue with the application, provided they meet all applicable eligibility criteria, including income requirements and that the property listed in the application is their primary residence.
- If the Applicant dies or moves out after signing the Grant Agreement but before construction/installation has begun, then the Grant Agreement will be annulled, and the Project will be stopped. Further actions will be determined by PRDOH on a case-by-case basis. The Subprogram may allow the Property Owner or another tenant to resume the application process upon demonstrating

compliance with all eligibility requirements, including that the Participating Property is their primary residence.

- In cases where the Applicant dies or moves out after the commencement of construction or installation but before its completion, the award amount will not be a liquid and enforceable debt. PRDOH will assess the Project's stage and take appropriate actions on a case-by-case basis.
- In cases where the Property Owner dies after the execution of the Grant Agreement, but before construction/installation has begun, the Grant Agreement will be annulled, and the Project will be halted. PRDOH will determine further actions on a case-by-case basis.
- In cases where the Property Owner dies after the commencement of construction/installation but before completion, the Property Owner's heirs must demonstrate proprietary interest, endorse the lease, and ratify consent for the Applicant to participate in the CEWRI-CI Subprogram. Otherwise, the Grant Agreement will be annulled, and the Project will be halted. The award amount will not be a liquid and enforceable debt. PRDOH will assess the Project's stage and take appropriate actions on a case-by-case basis.

12 Installation Requirements

When applicable, the installation process must consider the Lead Safe Work Practices Provisions for properties built prior to January 1st, 1978, in the Guidelines. Installations must also be completed in strict compliance with the drawings and specification requirements set forth in the design documents. The DAIS entities must provide a copy of the design documents duly signed and sealed by the designer.

Upon completion of the installation process, commissioning of the systems shall be performed. The commissioner shall ensure and document in the Commissioning Report that all systems perform interactively according to the intended design and the owner's operational needs. The commissioning process includes documentation, equipment startup, control system calibration, testing, balancing, and performance testing. Commissioning shall be performed following current industry standards.

12.1.1.1 PVS and BSS Installation Requirements

Installations must be performed by a Certified Renewable Electrical Systems Installer in accordance with Article 17 of Regulation No. 7796, or its subsequent equivalent regulation. PVS and BSS installed by a person not duly certified under Section III of Regulation No. 7796 are not eligible CEWRI-CI Subprogram assistance.

12.1.1.2 Interconnectivity with Power Grid

All CEWRI-CI Subprogram awarded PVS and/or BSS must submit a Registration of Distributed Generation System with Capacity of 25 kW or Less (*“Registro de Sistema de Generación Distribuída de 25-kW o Menos”*) to the T&D Operator. The registration must be completed through the expedited process provided by the Puerto Rico Energy Public Policy Act, Act No. 17-2019, as amended, 22 LPRA § 1141 *et seq.*

The requirement shall be considered satisfied when the Applicant and/or the DAIS entities submit the Registration to the T&D Operator; not when the T&D Operator notifies a determination. The costs associated with supplemental studies or other activities required for the T&D Operator to approve the Systems’ interconnection are not covered by CEWRI-CI Subprogram awards.

Residents currently living in off-grid settings will be evaluated on a case-by-case basis, subject to approval by PRDOH.

13 Warranties

All CEWRI-CI Subprogram systems shall, at minimum, be warranted as specified below:

- **Ten (10) years** warranty for the Solar PVS Panels.
- **Twenty-five (25) years** of Linear Performance Guarantee for the solar photovoltaic modules.
- **Ten (10) years** warranty on battery banks and inverters.
- **Five (5) years** warranty on WSS.

The Subprogram will have designated Case Managers to receive and process warranty and construction complaints. All warranty and construction complaint issues must be made in writing and should be logged into the Program’s system of record for follow-up.

All warranties shall include:

- Parts, labor, faulty materials, manufacturing defects, defective items, emergency repairs and installation costs related to the failure of equipment under the warranty period.
- Repair or replacement of all system components.

Full warranty documents for the installations shall be submitted by the DAIS entity to the Applicants and the Subprogram.

14 Final Inspection

Upon completion of the installation, a Program Manager will perform an inspection of the physical installation and all paperwork submitted by the Installer/Contractors to assess overall quality and compliance.

The Program Manager shall ensure that all contractually agreed-upon work was completed and, at a minimum, assess or conduct the evaluation points below:

- Assess materials and/or equipment to ensure compliance with the Subprogram's terms and conditions, set forth in these Guidelines and the Grant Agreement;
- Confirm that the model of the equipment installed is per the DAIS entity's specifications;
- Verify that a high-quality installation of the systems is achieved;
- Provide a brief review of findings compared to the site's initial description, the scope of work, and final invoice;
- Take photographic evidence of the work performed;
- Ensure the warranty package is delivered to both the Applicant and the Subprogram, that warranties are fully executed and active, and that the Applicant has duly approved the completed installation work.
- Collect customer satisfaction surveys from the Applicant at the end of the inspection process and report any findings resulting from the survey; and
- Any other task to ensure a complete and thorough Inspection is performed on site.

During the post-install site inspection, the Program Manager will record any corrections to the installation that need to be made by the DAIS entities. In cases where there are observations or non-compliant systems, the DAIS entities will have **ten (10) calendar days** from the failed inspection date to complete corrective measures.

14.1 Award Disbursement

CEWRI-CI Subprogram awards will be disbursed over two (2) payments:

- **Pre-Inspection Payment:** Ninety percent (90%) of the calculated Award Amount will be disbursed when the Inspector determines that the Pre-Inspection Package complies with Subprogram requirements.
- **Post-Inspection Payment:** The remainder of the calculated Award Amount will be disbursed after the Inspector completes the Final Inspection.

Payment for completed cases will only be transmitted after the following items are delivered to the Subprogram through the Grant Management System of Record, at a minimum:

- Design drawings for the installed systems, duly executed and stamped by the DAIS entity;
- Photographic evidence of the installed systems;
- Lead Safe Work Practices Screening Form, as applicable;
- The Commissioning Report for the installed systems;
- The Photovoltaic System Installation Certificate for the PVS and/or BSS prepared by the Certified Renewable Electrical Systems Installer;
- Evidence of submission of an Interconnection Request for the system to the local T&D Operator;
- A copy of the warranties package, provided by the DAIS entity to the Applicant;
- The Acknowledgement of Operations and Maintenance Training Form duly executed by the Applicant; and
- Any other document required by PRDOH or the Grant Agreement.

15 Application Closeout

Upon completion of installation of the systems, and the corresponding disbursement of the award to the DAIS entity, the CEWRI-CI Subprogram application shall be closed.

This process will consist of assuring all the work performed is compliant with these Guidelines and the Grant Agreement. During this final stage, the Subprogram Staff will conduct a complete review of the application file to ensure all necessary documentation is present and the application is ready for closeout.

Requirements for closeout are as follows:

- All eligibility and DOB review documentation follow the requirements of these Guidelines, and are sufficient to justify the Applicant's participation and subsequent award;
- All Environmental Review documentation, including evidence of environmental mitigation measures, complies with the requirements of these Guidelines and is sufficient to justify the activities performed by the Applicant at the Participating Property;
- All Subprogram Forms required through the application process have been duly completed and executed by the appropriate parties;
- All supporting documents and data are included in the application file for PRDOH's Grant Management System of Record;
- All Subprogram funds used have been properly accounted for and reconciled with disbursements made to the PRDOH-retained contractors;
- Compliance with any other requirements for closeout established by PRDOH in the Grant Agreements.

Outreach will be made to the Applicant in the event any additional information is needed to close the application. Once all levels of quality assurance and control are complete, the Applicant will receive a CEWRI-CI Subprogram **Final Notice** and their application will be assigned a closed status.

16 Voluntary Withdrawal

An Applicant may request to withdraw from the Subprogram at any time before the Grant Agreement is executed. In the event an Applicant requests to withdraw from the Subprogram, the voluntary withdrawal process will be followed.

To begin the process, the Applicant must notify the Subprogram of their desire to withdraw by completing a Voluntary Withdrawal Request Form or sending a written

communication to the Subprogram by e-mail or postal mail. Subsequently, a Voluntary Withdrawal Notice will be sent to the Applicant, and the withdrawal process will commence.

The Subprogram will only approve withdrawal requests for applications where a Grant Agreement has not yet been signed. **Fifteen (15) calendar days** after the issuance of the Voluntary Withdrawal Notice, a Voluntary Withdrawal Confirmation Notification will be sent to the Applicant. This notification will confirm that the withdrawal process has been successfully completed, the Applicant's case status has been updated to "withdrawn," and the case has been closed. At this point, the Applicant will no longer be eligible to participate in the Subprogram.

17 Non-responsive Applicants

The CEWRI-CI Subprogram will make reasonable efforts to contact Applicants to schedule meetings, collect documentation, or obtain other necessary information. Contact attempts should be made using different methods of communication and at different times of the day or week. The following is a list of circumstances under which the CEWRI-CI Subprogram may trigger a Non-responsive Applicant process. This list includes, but is not limited to the following:

- If the CEWRI-CI Subprogram has made **three (3) consecutive unsuccessful attempts** to contact an Applicant with no follow up contact from the Applicant, the Applicant will be sent a Non-responsive Notice.
- If the CEWRI-CI Subprogram sends a Required Documents Notice to an Applicant and no response is received within **thirty (30) calendar days** of the date of the letter, the Applicant will be sent a Non-responsive Notice.

The Non-responsive Notice provides contact information for the CEWRI-CI Subprogram, advises the Applicant of the reasons for the Non-responsive Notice, and notifies the Applicant to contact the Subprogram or complete an action within **fourteen (14) calendar days** of the date of the letter. If the Applicant fails to contact the Subprogram or complete the action within the **fourteen (14) calendar days** allowed, the Applicant will be sent a Non-responsive Confirmation Notice, and the application will be closed.

18 Program-based Reconsideration and/or Administrative Review

Applicants of the CEWRI-CI Subprogram may contest any determination or denial based on program policy. However, Applicants may not challenge a federal statutory requirement. Applicants have the right to request a Program-based Reconsideration with the Subprogram or request an Administrative Review directly with PRDOH, as stated below. If the Applicant fails to contest a determination within the allotted time, the inaction will be deemed as an acceptance of the determination.

18.1 Program-based Reconsiderations

Applicants who wish to contest a CEWRI-CI Subprogram determination may file a Program-based Reconsideration Request directly with the Program by submitting a written request via electronic or postal mail within **twenty (20) calendar days** from the date a copy of the notice was filed in the record of the agency. However, if the date on which the copy of the notice is filed in the records of the agency differs from the postal or electronic mail date of said notice, the **twenty (20) calendar day-term** shall be calculated from the postal or electronic mail date. Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be the one sent first. Program notices will include the electronic and postal information where these will be received, as these may vary.

Applicants who file a Program-based Reconsideration Request are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their petition. In the Reconsideration Request process, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new documentation. The Program has the discretion to accept or reject new documentation based on its relevance to the Program-based Reconsideration Request.

The Program will review and address the Reconsideration Request within **fifteen (15) calendar days** of its receipt. Applicants will be notified of the reconsideration

determination via a Reconsideration Request Approved or a Reconsideration Request Denied notification.

Filing a Program-based Reconsideration Request does not substitute, negate, or preclude any legal right that an Applicant has to challenge a determination made by the Program. Therefore, Applicants who believe the initial determination of the Program to be erroneous may submit, at their discretion, either a Program-based Reconsideration Request or a petition for review of the decision made by the Program by filing an Administrative Review Request at PRDOH in accordance with Regulation No. 9618, of November 21, 2024, which regulates the Formal Adjudicative Procedures for PRDOH and its Adjunct Agencies (**Regulation No. 9618**).²⁶

18.2 Administrative Reviews

If an Applicant disagrees with a Subprogram CEWRI-CI determination, or with the Reconsideration Request Denial determination, said party may file directly to PRDOH, an Administrative Review Request in accordance with Regulation No. 9618. The Applicant must submit such request, in writing, within **twenty (20) calendar days** from the date a copy of the Program determination or a Reconsideration Request Denial determination notice was filed in the record of the agency. However, if the date on which the copy of the notice is filed in the records of the agency differs from the postal or electronic mail date, the **twenty (20) calendar day-term** shall be calculated from the postal or electronic mail date. Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be the one sent beforehand. The request may be submitted via email to: LegalCDBG@vivienda.pr.gov; via postal mail to: CDBG-DR/MIT Legal Division, P.O. Box 21365, San Juan, PR 00928-1365; or in person at PRDOH's Headquarters at: CDBG-DR/MIT Legal Division, 606 Barbosa Avenue, Juan C. Cordero Dávila Building, Río Piedras, PR 00918.

If the Applicant disagrees with any final written determination on an Administrative Review Request notified by PRDOH after completing the Administrative Adjudicative

²⁶ For more details, you can access Regulation No. 9618 (in Spanish) at: <https://www.vivienda.pr.gov/wp-content/uploads/2024/11/REGLAMENTO-9618-SOBRE-PROCEDIMIENTOS-ADJUDICATIVOS-FORMALES-DEL-DEPARTAMENTO-DE-LA-VIVIENDA-Y-SUS-AGENCIAS-ADSCRITAS.pdf>

Procedure, said party may file a Judicial Review petition before the Court of Appeals of Puerto Rico within **thirty (30) calendar days** after a copy of the notice has been filed. See Act No. 201-2003, as amended, 4 LPRA § 24 *et seq.*, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, and Section 4.2 of Act No. 38-2017, as amended, 3 LPRA § 9672, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico.

19 Fair Housing Act and Affirmatively Furthering Fair Housing

The Fair Housing Act, 42 U.S.C. §3601 *et seq.*, prohibits discrimination in the sale, rental, and financing of housing, and in other housing-related activities based on: race, color, religion, sex, familial status,²⁷ national origin, or disabilities. The Act requires HUD and its grantees to administer their programs in a manner that affirmatively furthers fair housing.

In compliance with the aforementioned Act, as well as other applicable laws,²⁸ the CEWRI-CI Subprogram implementation will be conducted avoiding discrimination and/or discriminatory practices. Accordingly, no person shall be excluded from participation in, denied program benefits of, or be subjected to discrimination under any program or activity receiving CDBG-DR/MIT funds on the basis of race, color, national origin, religion, sex, age, disability, familial status, sexual orientation (in employment and in HUD-funded or insured housing programs) or marital status (in HUD-funded or insured housing programs). Additionally, the CEWRI-CI Subprogram

²⁷ Exceptions exist for housing covered under the Housing for Older Persons Act of 1995, 42 U.S.C. § 3607(b).

²⁸ Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000(d) *et seq.*; Title VIII of the Civil Rights Act of 1968, as amended (Fair Housing Act), 42 U.S.C. § 3601 *et seq.*; Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 *et seq.*; Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 *et seq.*; Section 109 of the Housing and Community Development Act of 1974 (HCDA), as amended, 42 U.S.C. § 5309; Housing for Older Persons Act of 1995 (HOPA), Pub. L. 104-76; Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 *et seq.*; Executive Order No. 11063 (1962), Federal Register, Vol. 27, No. 228 (November 24, 1962), 27 FR 11527; General HUD Program Requirements: Equal Access to HUD-assisted or Insured Housing (24 C.F.R. § 5.106); Act No. 131 of May 13, 1943, 1 LPRA § 13, known as the "Puerto Rico Civil Rights Act" – Discrimination in Public Places, Businesses, Transportation, and Housing; Act No. 238-2004, as amended, 1 LPRA § 512(a), known as the "Bill of Rights of Persons with Disabilities"; Constitution of the Commonwealth of Puerto Rico-1952, 1 LPRA Constitution of the Commonwealth of Puerto Rico; Act. No. 44 of July 2, 1985, as amended, 1 LPRA § 501 *et seq.*, known as the "Act to Prohibit Discrimination Against People with Physical, Mental, or Sensory Impairments"; and Act No. 22-2013, Law to Prohibit Discrimination for Sexual Orientation and Gender Identity.

will ensure that all activities are conducted in a manner that will affirmatively further fair housing.

The Fair Housing and Equal Opportunity Policy and all CDBG-DR/MIT Program policies are available, in English and Spanish, at <https://recuperacion.pr.gov/en/download/fair-housing-and-equal-opportunity-fheo-policy-for-cdbg-dr-programs/> and <https://recuperacion.pr.gov/download/politica-de-equidad-de-vivienda-e-igualdad-de-opportunidades-para-los-programas-cdbg-dr/>.

20 General Provisions

20.1 Program Guidelines Scope

This document sets forth the policy governing the CEWRI-CI Subprogram. These Guidelines are intended to aid and provide program activity guidance in program implementation and closeout and should not be construed as exhaustive instructions. All Program activities must comply with the policies hereby stated. In addition, all program staff must adhere to established program procedures and all federal and state laws and regulations in effect, as applicable, in the execution of program activities.

However, PRDOH reserves the faculty to authorize, in its sole discretion, the granting of Program benefits to any Applicant, only when exceptional circumstances, not contemplated in the Guidelines, justify it. Such faculty will be exercised on a case-by-case basis in compliance with local, state, and federal requirements. PRDOH is in no way obligated to grant the Program benefits in said cases.

20.2 Program Guidelines Amendments

PRDOH reserves the right to modify the policies established in the Guidelines if the Program Guidelines, as written, do not reflect the intended policy or cause procedures to be impracticable, among any other circumstances. If an amended version of these Guidelines is approved, the amended version fully supersedes all other previous versions and should be used as the basis when evaluating any situation encountered in the implementation and/or continuance of the Program from the date of its

issuance, that is, the date appearing on the cover of the Guidelines. Each version of the Program Guidelines will contain a detailed version control log that outlines any substantive amendment, inclusions and/or changes.

20.3 Extension Deadlines

The Program could extend deadlines on a case-by-case basis. The Program may decline to extend a deadline if such extension will jeopardize the Program's completion schedule or the schedule of an individual project. This strictly applies to program deadlines or established program terms. Under no circumstance(s) does the faculty to extend deadlines apply to the established terms of time in these Guidelines or any applicable federal or state law or regulation, or to the terms of times established in these Guidelines to request a Program-based Reconsideration, Administrative Review and/or judicial review.

20.4 Established Periods of Time

Unless otherwise specified, all established periods of time addressed in this, and all CDBG-DR and CDBG-MIT Program Guidelines will be considered calendar days. On this matter, PRDOH, as grantee, will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 LPRA Ap. V, R. 68.1.

20.5 Written Notifications

All determinations made by the Program will be notified in writing. If an Applicant believes that any determination was made without being written, the Applicant may request that such decision be made in writing and duly substantiated.

20.6 Conflict of Interest

As stated in 84 FR 45838, 45845, Federal regulations require that State grantees, in the direct Grant administration and means of carrying out eligible activities, be responsible with program administrative requirements, including those established in 24 C.F.R. § 570.489(h) related to conflicts of interest.

Several federal and state conflict of interest laws can govern CDBG-MIT assisted activities. Therefore, PRDOH has enacted the Conflict of Interest and Standards of Conduct Policy (**COI Policy**) in conformity with the following applicable federal and state regulations:

- HUD conflict of interest regulations, 24 C.F.R. § 570.611;
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 at § 200.112 and § 200.318 (c)(1);
- Puerto Rico Department of Housing Organic Act, Act No. 97 of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*;
- The Anti-Corruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 LPRA § 1881 *et seq.*; and
- The Puerto Rico Government Ethics Act of 2011, Act No. 1-2012, as amended, 3 LPRA § 1854 *et seq.*

The COI Policy outlines PRDOH's responsibility, in its role as grantee, to identify, evaluate, disclose, and manage apparent, potential, or actual conflicts of interest related to CDBG-DR/MIT funded projects, activities and/or operations. Said Policy is intended to serve as guidance for the identification of apparent, potential, or actual conflicts of interest in all CDBG-DR/MIT assisted activities and/or operations. In accordance with 24 C.F.R. § 570.489, the COI Policy also includes standards of conduct governing employees engaged in the award or administration of contracts.

As defined in the COI Policy, a conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of PRDOH, or of any designated public agencies, or of subrecipients that are receiving funds under the CDBG-DR/MIT Programs may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves, or with those whom they have business, or an organization which employs or is about to employ any of the parties indicated herein, or a member of their family unit during their tenure or for **two (2) years** after.

Such conflicts of interests will not be tolerated by PRDOH. Program officials, their employees, agents and/or designees are subject to state ethic laws and regulations, including, but not limited to Puerto Rico Government Ethics Act of 2011, Act No. 1-2012, as amended, 3 LPRA § 1854, regarding their conduct in the administration, granting of awards and program activities.

According to the Act, no public servant shall intervene, either directly or indirectly, in any matter in which they have a conflict of interests that may result in their benefit. No public servant shall intervene, directly or indirectly, in any matter in which any member of their family unit, relative, partner or household member has a conflict of interest that may result in benefit for any of the abovementioned. In the case that any of the abovementioned relationships have ended during the **two (2) years** preceding the appointment of the public servant, they shall not intervene, either directly or indirectly, in any matter related to them until **two (2) years** have elapsed after their appointment. This prohibition shall remain in effect insofar as the beneficial ties with the public servant exist. Once the beneficial ties end, the public servant shall not intervene, either directly or indirectly, in such matter until **two (2) years** have elapsed.

The above conflict of interest statement does not necessarily preclude PRDOH Program officials, their employees, agents and/or designees from receiving assistance from the Program. On a case-by-case basis, PRDOH Program officials, their employees, agents and/or designees may still be eligible to apply and to receive assistance from the Program if the Applicant meets all Program eligibility criteria as stated in these Guidelines. PRDOH Program officials, their employees, agents and/or designees should disclose their relationship with PRDOH at the time of their application.

The COI Policy and all CDBG-DR/MIT Program policies are available in English and Spanish, on the PRDOH website at <https://recuperacion.pr.gov/en/download/conflict-of-interest-and-standards-of-conduct-policy/> and <https://recuperacion.pr.gov/download/politica-de-conflictos-de-interes-y-estandares-de-conducta/>.

20.7 Citizen Participation

Throughout the duration of the grant, all citizen comments on PRDOH's published Action Plan, any substantial amendments to the Action Plan, performance reports and/or other issues related to the general administration of CDBG-DR/MIT funds, including all programs funded by this grant, are welcomed.

Citizen comments may be submitted through any of the following means:

- **Via phone:** 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
Attention hours: Monday through Friday from 8:00am-5:00pm
- **Via email at:** infoCDBG@vivienda.pr.gov
- **Online at:** <https://recuperacion.pr.gov/en/contact-us/> (English)
<https://recuperacion.pr.gov/contactanos/> (Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
P.O. Box 21365
San Juan, PR 00928-1365

The Citizen Participation Plan and all CDBG-DR/MIT Program policies are available, in English and Spanish, on the PRDOH website at <https://recuperacion.pr.gov/en/resources/policias/program-policias/> and <https://recuperacion.pr.gov/recursos/politicas/politicas-de-programas/>. For more information on how to contact PRDOH, please refer to <https://recuperacion.pr.gov/en/contact-us/>.

20.8 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/MIT funds are welcome throughout the duration of the grant. It is PRDOH's responsibility, as a CDBG 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. § 91.115 (h) and 24 C.F.R. § 570.486(a)(7).

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

- **Vía e-mail at:** CDBGResponde@vivienda.pr.gov

- **Online at:** <https://recuperacion.pr.gov/en/contact-us/complaints/>
(English)
<https://recuperacion.pr.gov/contactanos/quejas/> (Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
Public and Community Affairs 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)
- **In-person at:** PRDOH Headquarters Office or Program-Specific Intake Centers

*Attention hours: Monday – Friday from 8:00 a.m. to 5:00 p.m.

The Citizen Complaints Policy and all CDBG-DR/MIT Program policies are available, in English and Spanish, on the PRDOH website at <https://recuperacion.pr.gov/en/resources/policias/general-policias/> and <https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

20.9 Anti-Fraud, Waste, Abuse or Mismanagement

PRDOH, as grantee, is committed to the responsible management of CDBG-DR/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 84 FR 45838, 45845, PRDOH implements adequate measures to detect and prevent fraud, waste, abuse, or mismanagement in all programs administered with

CDBG-MIT funds. Additionally, PRDOH 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-MIT Program, to report such acts to the CDBG-DR/MIT 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, or suspected acts, of fraud, waste, abuse, or mismanagement of CDBG-DR/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/MIT Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH CDBG-DR/MIT	
CDBG-DR/MIT Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR/MIT Internal Audit Office P.O. BOX 21355 San Juan, PR 00928-1355
Email	hotlineCDBG@vivienda.pr.gov
Online	Filling out the AFWAM Submission Form available in English and Spanish at https://recuperacion.pr.gov/en/download/afwam-policy/ or https://recuperacion.pr.gov/download/politica-afwam/
In person	Request a meeting with the Deputy Audit Director of the CDBG-DR/MIT Internal Audit Office located at PRDOH's Headquarters at 606 Barbosa Avenue, Building Juan C. Cordero Davila, Río Piedras, PR 00918.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY TO HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 787-766-5868 (Spanish)
Postal Mail	HUD Office of Inspector General Hotline 451 7th Street SW Washington, D.C. 20410
Email	HOTLINE@hudoig.gov
Online	https://www.hudoig.gov/hotline

The AFWAM Policy and all CDBG-DR/MIT Program policies are available, in English and Spanish, respectively, on the PRDOH website at <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> and <https://recuperacion.pr.gov/download/guias-intersectoriales/>.

20.10 Related Laws & Regulations

These Guidelines reference the provisions of certain laws applying to the CEWRI-CI Subprogram. However, the regulations and applicable laws mentioned in the Guidelines are not an exhaustive list of all regulations applicable to the Subprogram. The lack of mention does not negate or preclude the CEWRI-CI Subprogram from applying the provisions of those laws, nor an Applicant from receiving services, when applicable. If there are any discrepancies between the Guidelines and the applicable laws and/or regulations, then the latter will prevail. If at any time the applicable laws and/or regulations are amended, the new provisions will apply to the Subprogram.

20.11 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR/MIT. The Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; civil rights; fair housing; among others. The requirements described in the above-referenced Cross-Cutting Guidelines apply to all programs described in PRDOH’s CDBG-DR and CDBG-MIT Action Plans and their amendments.

The Cross-Cutting Guidelines and all CDBG-DR/MIT Program policies are available, in English and Spanish, on the PRDOH website at <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> and <https://recuperacion.pr.gov/download/guias-intersectoriales/>.

21 Program Oversight

Nothing contained within these Guidelines is intended to limit the role of PRDOH, HUD, and/or corresponding authorities from exercising oversight and monitoring activities of the Program.

22 Severability Clause

If any provision of the Guidelines, or the application thereof to any person, partnership, or corporation, or circumstance, is deemed invalid, illegal, or incapable of being enforced to any extent by a competent court, the remainder of the Guidelines, and the application of such provisions, will not be affected. All valid applications of the Guidelines shall be severed from any applications deemed invalid, leaving the valid applications in full force.

END OF GUIDELINES