



DEPARTMENT OF
HOUSING



CDBG-MIT PROGRAM GUIDELINES

**HOME ENERGY RESILIENCE IMPROVEMENTS AND
INCENTIVE SUBPROGRAMS**

**COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS
PROGRAM – HOUSEHOLD**

This page intentionally left blank.

PUERTO RICO DEPARTMENT OF HOUSING
CDBG-MIT PROGRAM GUIDELINES
HOME ENERGY RESILIENCE IMPROVEMENTS AND INCENTIVE SUBPROGRAMS
COMMUNITY ENERGY AND WATER RESILIENCE INSTALLATIONS PROGRAM - HOUSEHOLD
VERSION CONTROL

| VERSION NUMBER | DATE REVISED | DESCRIPTION OF REVISIONS |
|-----------------------|---------------------|---------------------------------|
| 1 | January 13, 2023 | Original Version. |

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 | 14 |
| 6.1 | Priority | 14 |
| 6.2 | Program Rounds | 15 |
| 6.3 | Application Intake Process..... | 16 |
| 6.4 | Applicant and Household Members Identification | 17 |
| 6.5 | Applicant Citizenship | 18 |
| 7 | Program Eligibility | 19 |
| 7.1 | Property Type | 20 |
| 7.2 | Primary Residence | 20 |
| 7.3 | Income Verification..... | 21 |
| 7.4 | Compliance with National Flood Insurance Reform Act..... | 23 |
| 7.5 | Ownership..... | 23 |
| 8 | Environmental Review | 25 |
| 8.1 | Tiered Environmental Review..... | 26 |
| 8.2 | Lead Safe Work Practice Provisions | 27 |
| 8.3 | Floodplain Management | 28 |
| 9 | Duplication of Benefits (DOB) | 30 |
| 9.1 | Assistance Considered a Duplication of Benefits | 30 |
| 9.2 | Exceptions to Duplication of Benefits | 33 |
| 10 | Project Eligibility | 35 |
| 10.1 | Compliance with Laws, Regulations, and Codes..... | 35 |

| | | |
|-----------|---|-----------|
| 10.2 | Types of Systems | 36 |
| 10.3 | Project Commencement | 36 |
| 10.4 | PVS Capacity | 36 |
| 10.5 | BSS Capacity | 37 |
| 10.6 | PVS Location Requirement | 37 |
| 10.7 | No Portability Requirement | 37 |
| 10.8 | Design Requirements | 37 |
| 10.9 | Permit Requirements | 37 |
| 10.10 | Equipment Requirements | 38 |
| 10.11 | Installation Requirements | 38 |
| 10.12 | Interconnectivity with Power Grid..... | 40 |
| 10.13 | Warranties..... | 40 |
| 10.14 | Cost Reasonableness and Eligible Costs..... | 41 |
| 10.15 | Award Amount Determination | 42 |
| 11 | Award Reservation | 44 |
| 12 | Installation | 45 |
| 13 | Final Inspection & Award Disbursement | 45 |
| 13.1 | Award Disbursement Claim | 46 |
| 13.2 | Final Inspection | 46 |
| 13.3 | Award Disbursement..... | 47 |
| 14 | Application Closeout..... | 48 |
| 15 | Voluntary Withdrawal | 49 |
| 16 | Non-Responsive Applicants..... | 49 |
| 17 | Program-Based Reconsideration and/or Administrative Review | 50 |
| 17.1 | Program-Based Reconsiderations..... | 50 |
| 17.2 | Administrative Reviews | 51 |
| 18 | Fair Housing Act and Affirmatively Furthering Fair Housing..... | 52 |
| 19 | General Provisions | 52 |
| 19.1 | Program Guidelines Scope | 52 |
| 19.2 | Program Guidelines Amendments..... | 53 |

| | | |
|-----------|---|-----------|
| 19.3 | Extension Deadlines | 53 |
| 19.4 | Established Periods of Time | 53 |
| 19.5 | Written Notifications | 53 |
| 19.6 | Conflict of Interest | 54 |
| 19.7 | Citizen Participation | 55 |
| 19.8 | Citizen Complaints | 56 |
| 19.9 | Anti-Fraud, Waste, Abuse or Mismanagement | 57 |
| 19.10 | Related Laws & Regulations | 58 |
| 19.11 | Cross-Cutting Guidelines | 58 |
| 20 | Program Oversight..... | 59 |
| 21 | Severability Clause | 59 |

1 Overview

The Guidelines set forth the requirements under the Community Energy and Water Resilience Installations – Household (**CEWRI-HH**) Program. A program designed to provide assistance to eligible households with a need for alternative, renewable energy installations to mitigate the effects of Energy Lifeline failure or disruption.

The CEWRI-HH Program administers two (2) Subprograms¹ of the Community Energy and Water Resilience Installations Program (**CEWRI**) under one (1) collective effort:

- a) The **Home Energy Resilience Improvements Program (CEWRI-HERI Subprogram)** is designed to fund the installation of Photovoltaic Systems (**PVS**) and Battery Storage Systems (**BSS**) with load capacities to satisfy Low- to Moderate-Income (**LMI**) household needs. LMI households that own or have a proprietary interest in a single-family structure, that is their primary residence, are eligible to receive an award for installation of PVS with a BSS. Assistance shall be provided for up to one hundred percent (100%) of the cost or thirty thousand dollars (\$30,000); whichever is lowest.
- b) The **Incentive Program (CEWRI-IP Subprogram)** designed to fund the installation of PVS with BSS for urgent need households who own or have a proprietary interest in a single-family structure that is their primary residence. These households are eligible to receive an award for installation of PVS with a BSS for up to twenty thousand dollars (\$20,000) or a designated percentage of the cost; whichever is lowest.²

The CEWRI-HH Program implements both subprograms under one (1) collective effort by means of consecutive Program Rounds, distinguished by the amount of financial assistance offered based on annual income.³

As established in the Community Development Block Grant – Mitigation (**CDBG-MIT**) Action Plan,⁴ as amended, it has been historically proven that the legacy power grid infrastructure in Puerto Rico is unreliable and does not meet the needs of citizens. This reality becomes evident every time a disaster event occurs, and prolonged power outages pose health and safety threats that worsen with each passing day as power,

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**).

² The percentage of the cost for awards to be issued under CEWRI-IP Subprogram, will be established in future versions of the Guidelines.

³ The Guidelines set forth provisions for full implementation of the CEWRI-HERI Program Rounds. Provisions for the CEWRI-IP Program Rounds will be established in future versions of the Guidelines.

⁴ The CDBG-MIT Action Plan is available in English and Spanish at <https://cdbg-dr.pr.gov/en/cdbg-mit/> and <https://cdbg-dr.pr.gov/cdbg-mit/>, respectively.

and the services it fuels, remain unavailable to households. Citizens must have options to address this critical need.

Emergency generators are a prevalent solution for backup energy in the event the power grid becomes unstable. However, they are dependent on imported fossil-fuels and a functioning complex supply chain. The fragility in the energy lifeline and backup energy sources leaves households vulnerable to health and safety risks.

To meet the risk-based mitigation need, the Puerto Rico Department of Housing (**PRDOH**) is focusing critical mitigation funds on the resilience of communities and individual households. Thus, furthering the goal set by the Puerto Rico Energy Public Policy Act, Act No. 17-2019, as amended, 22 L.P.R.A. § 1141, *et seq.*, which sets the Island on a path to forty percent (40%) and one hundred percent (100%) renewable energy by 2025 and 2050, respectively. The need for redundant, alternative, and independent power systems, remains an unmet need today, and will continue to represent an unmet need long after Puerto Rico implements the \$2 billion energy system allocation from U.S. Department of Housing and Urban Development (**HUD**).

2 Definitions

- **Applicant:** Person that participates in the CEWRI-HH Program. This is an owner-occupant of the single-family property for which assistance is requested.
- **Award Amount:** The total amount of CEWRI-HH Program funds awarded for the installation of (i) a PVS with a BSS; or (ii) a BSS 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 covert 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).
- **Battery Storage System Reference Cost (BSS-RC):** The maximum acceptable cost per kilowatt-hour (kWh) of BSS Capacity for the CEWRI-HH Program. BSS-RC will take into consideration all required components for the installation of a BSS. BSS-

RC will vary by CEWRI-HH Program Round to keep up with BSS trends. The BSS-RC will be based on reasonable criteria such as national market reports, local market statistics, local limitations, and particular conditions of a specific project site, such as systems for Vieques and Culebra.

- **CEWRI or CEWRI Program:** Refers to the Community Energy and Water Resilience Installations Program under CDBG-MIT.
- **CEWRI-HERI or CEWRI-HERI Subprogram:** Refers to the Home Energy Resilience Improvements Subprogram of the CEWRI Program.
- **CEWRI-HH or CEWRI-HH Program:** Refers to the unified implementation of activities defined in the CEWRI-HERI Subprogram and CEWRI-IP Subprogram.
- **CEWRI-IP or CEWRI-IP Subprogram:** Refers to the Incentive Subprogram of the CEWRI Program.
- **Commissioning:** A process that ensures and documents all building systems perform interactively according to the design intent and the owner's operational needs. The commissioning process includes documentation, equipment startup, control system calibration, balancing, and performance testing.
- **Completed Project:** A project that has finished all installations, is fully operational, commissioned, and in compliance with program requirements and applicable regulations.
- **Expert Electrician:** Refers to a person who is a member of the Puerto Rico College of Expert Electricians and authorized by the Puerto Rico Board of Examiners of Expert Electricians to work on electrical installations and with electrical equipment of high and low voltage, in accordance with Act No. 115 of June 2, 1976, as amended, 20 L.P.R.A. § 2701 *et seq.*, known as the College of Expert Electricians of Puerto Rico Act.
- **Government:** Refers to the Government of Puerto Rico, its agencies, public corporations, offices, and subdivisions, including municipalities.
- **High-Risk Energy Security Household:** Refers to households where at least one (1) household member's life expectancy relies on electricity-dependent durable medical equipment and devices. Equipment and devices include cardiac devices, ventilators, bi-level positive airway pressure devices, oxygen concentrators, enteral feeding tubes, infusion pumps, suction pumps, at-home dialysis machines, motorized wheelchairs and scooters, and electric beds.

- **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 works performed, completed, and related to the project.
- **Licensed Engineer or Professional 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 L.P.R.A. sec. 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 the Puerto Rico Electric Power Authority (**PREPA**).
- **OGPe:** Refers to the Office of Permits Management ("Oficina de Gerencia de Permisos"); the local regulatory agency in charge of permits.
- **Participating Property:** The single-family housing unit where **(i)** a new PVS with a BSS is to be installed, or **(ii)** a BSS is to be installed through the CEWRI-HH Program assistance. The Participating Property must be owned by the Applicant, or the Applicant must have proprietary interest over it. The Participating Property must be the Applicant's primary residence.
- **PEPP:** Refers to the Public Energy Policy Program under the Department of Economic Development and Commerce (**DDEC**) as per Act No. 141-2018, as amended; the local regulatory agency responsible for the development and implementation of 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).
- **Photovoltaic System Reference Cost (PVS-RC):** The maximum acceptable cost per kilowatt (kW) of PVS Capacity for the CEWRI-HH Program. PVS-RC will take into consideration all required components of a PVS without a BSS. PVS-RC will vary by CEWRI-HH Program Round to keep up with PVS market trends. The PVS-RC for each Program Round will be published in the Round Reference Guide. The PVS-RC will be based on reasonable criteria such as national market reports, local market statistics (may be collected by the OEPPE), local limitations, and particular conditions of a specific project site, such as systems for Vieques and Culebra.
- **PREPA:** Refers to the Puerto Rico Electric Power Authority (“Autoridad de Energía Eléctrica de Puerto Rico”); the local power utility provider in the Island.
- **Project or System:** Refers to the PVS and/or BSS to be installed at an eligible Applicant's Participating Property with the aid of a CEWR-HH Program award and in compliance with its terms and conditions.
- **Renewable Energy Installation Company (REIC):** A CEWRI-HH Program-approved company that performs the installation of **(i)** a PVS with a BSS or **(ii)** a BSS for an existing PVS. REICs will be approved following the process established in the Guidelines.
- **Reserve Grant Agreement:** A contract celebrated between an eligible Applicant and PRDOH for the reservation of the awarded CEWRI-HH Program funds. The Reserve Grant Agreement will include the terms, conditions, obligations, and necessary supporting documentation for the Applicant to receive the amount awarded under the CEWRI-HH Program.
- **SHPO:** Refers to the State Historic Preservation Office (“Oficina Estatal de Conservación Histórica”).

- **Total Project Cost:** Refers to the total cost for the System at the Participating Property, in accordance with the fees of the Applicant-selected REIC. Any amount of the Total Project Cost not covered by a CEWRI-HH Program award must be covered by the Applicant.
- **Urgent Need Mitigation (UNM):** A national objective which requires CDBG-MIT funded activities 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-HH Program, UNM refers to the Need for Energy Resilience, and for alternative independent power systems.⁵

3 Program Description

The CEWRI-HH Program provides aid to households for purchasing and installation of renewable solar energy systems comprised of PVS and BSS. This provision represents a direct investment in self-sustaining regenerative systems that could persist and thrive through physical, economic, and social challenges after a hazard event.

Eligible Single-family households will be responsible for initiating contact with CEWRI-HH approved Renewable Energy Installation Company (**REIC**) to obtain an itemized quote estimating the cost of equipment and installation services. This quote will be required at the time of application as part of the intake package. Upon determination of eligibility by the Program and acceptance of the award by the applying household, PRDOH and the eligible Applicant shall execute a Reserve Grant Agreement to secure the award's financial assistance. Thereafter, the Applicant can hire the REIC and install the System.

4 National Objective

Applications served under CEWRI-HH 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 Program will determine national objective compliance through the collection and validation of household information. Program activity will be evaluated according to one (1) of the following national objectives:

- LMI Housing activity (**LMH**) – benefiting 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)).

⁵ UNM national objectives will only be used for CEWRI-IP awards.

- Urgent Need Mitigation (**UNM**)⁶ activity – benefiting households with an AMFI above eighty percent (80%) with a risk-based need for energy security to reduce risk of loss of life and property from future disasters and to yield community development benefits.⁷

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-HH Program include:

- Section 105(a)(4) - Clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements.

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 Program include:

- Staff costs and related expenses required for contract and project management, outreach efforts for marketing of the Program, screening potential applicant households and structures, and other eligible services related to completion of the Program;
- Inspection and monitoring costs of installed systems;
- Costs of design and engineering services for systems;
- Cost of any required permits for the systems;
- Cost of equipment, 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;
- Cost of mounting and anchoring structures such as racking systems and other structures that provide primary support for the system equipment;
- Cost of installation and commissioning of the system;
- Any work cost required to uphold the roof waterproofing warranty at the participating property as related to the installation of PVS and/or BSS; and

⁶ 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.

⁷ 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. UNM national objectives will only be used for CEWRI-IP awards.

- Any power grid interconnection costs related to the typical requirements of a residential unit PVS.

5.3 Ineligible Use of Funds

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

- Reserve 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 improvements to the Participating Property for it to be able to structurally support the PVS and/or BSS;
- Reimbursement of costs associated with PVS, and BSS installed prior to the program launch date;
- Installation of equipment that is not permanent and integral to the structure - as defined by the Puerto Rico Civil Code in Articles 250 and 252;
- Ineligible property types include, but are not limited to travel trailers, campers, houseboats, second homes, vacation residences, and seasonal rental properties;
- Any cost associated with the purchase of equipment or installation permitted under the Program that occurs prior to execution of a Reserve 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 BSS are ineligible; and
- Any activity that directly improves the power grid infrastructure.

6 Program Intake

6.1 Priority

On December 17, 2020, the U.S. Department of Energy's National Renewable Energy Laboratory (**NREL**) issued a report analyzing the rooftop solar potential of LMI households across the island.⁸ It concluded that LMI households spend disproportionately more of their income on energy than higher-income groups, while solar systems have been adopted in greater numbers by higher-income households. Additionally, the report presented the estimated quantity of buildings suitable for rooftop-solar systems by income group, as shown in the table below:

| Income Group | Households <i>(thousands)</i> | PV Suitable Buildings <i>(thousands)</i> |
|----------------------|----------------------------------|---|
| Very Low (0-30% AMI) | 267.8 | 203.6 |

⁸ NREL, *Puerto Rico Low-to-Moderate Income Rooftop PV and Solar Savings Potential*, (December 17, 2020). Available at: <https://www.nrel.gov/docs/fy21osti/78756.pdf>

| Income Group | Households (thousands) | PV Suitable Buildings (thousands) |
|--|-----------------------------------|--|
| Low (31%-50% AMI) | 151.2 | 129.1 |
| Moderate (51%-80% AMI) | 203.3 | 177.4 |
| All LMI Income Groups (0-80% AMI) | 622.3 | 510.1 |

The data reveals that roughly more than two hundred thousand (+200,000) buildings belonging to very-low-income households are suitable for installation of rooftop solar systems.

Since very-low-income households are the most vulnerable, they will be prioritized until PRDOH encounters a patent decline of demand from those households. Also, priority will be given to high-risk energy security households, where at least one (1) member's life expectancy is reliant on electricity-dependent devices. Such households must demonstrate the high-risk priority via a Self-Certification.

6.2 Program Rounds

To manage priorities, application processing capacity, and system installation capacity the CEWRI-HH Program will accept applications through rounds. Each Program Round will establish an eligible income level, using the latest available HUD Modified Income Limits for CDBG-DR Puerto Rico.⁹

Rounds for CEWRI-HERI Subprogram will first be limited to households whose income does not exceed thirty percent (30%) AMFI. When PRDOH encounters a patent decline of demand from households, not exceeding the 30%, the Subprogram will be able to implement rounds for households with incomes not exceeding fifty percent (50%) AMFI and households with incomes not exceeding eighty percent (80%) AMFI.¹⁰

PRDOH will publish and advertise a Round Reference Guide at least **fourteen (14) calendar days** prior to each scheduled round launch date. The Round Reference Guide will set forth:

- The amount of funds to be allocated to the round;
- The quantity of applications that can be accepted for the round;
- The reference costs to be used for the award calculations under the round;
- The maximum award caps for the round;
- The eligible income level for the round;
- The start date for the application intake process of the round; and
- Any other information about the round deemed necessary by PRDOH.

⁹ See HUD website: <https://www.huduser.gov/portal/datasets/cdbg-income-limits.html>.

¹⁰ Program Rounds for the CEWRI-IP Subprogram will be established in future versions of the Guidelines.

Any Application found to be in noncompliance with the income limits of a specific Program Round will be deemed ineligible for assistance under the specific round. This does not preclude the round-specific ineligible Applicant from submitting another Application under a subsequent round.

The determination will be notified through an Ineligibility Determination Notice, which will outline next steps and instructions for submitting a Program based Reconsideration Request and/or an Administrative Review Request.

6.3 Application Intake Process

A complete application for the CEWRI-HH Program requires various documents and data that Applicants may not have readily available at the time a Program Round is opened by PRDOH. Additionally, PRDOH expects a high demand for CEWRI-HH Program assistance. Therefore, application intake for the CEWRI-HH Program will be done through a two-step process.

- **Step 01: Program Application Tickets Distribution:** Each Program Round will have a maximum quantity of Applications that can be assisted. The Application slots will first be distributed to Applicants that pass an initial screening process regarding the Program Round's eligibility criteria. Applicants will provide contact information, physical address, household composition, property ownership, primary residence, citizenship, and household income level, among other minimum requirements. Each Applicant passing the initial screening process will be provided a **CEWRI-HH Program Ticket** which will allow the Applicant to, in a pre-determined amount of time, gather the data and documentation required for the submission of a complete application to the Program.

- **Step 02: Program Applications Intake:** Those with a CEWRI-HH Program Ticket will gather the data and documentation required for the submission of a CEWRI-HH Program Application. The documentation includes the Applicant household's information, the Participating Property's information, and the System Quote from a Program-approved REIC of the Applicant's choosing; among other documents.

By using this two-step approach, PRDOH aims to reduce the burden and uncertainty caused by the combined effects of a duly completed application and the limited application slots to be established in each Program Round. Also, PRDOH aims to ease the administrative burden on Program REICs. Without the two-step approach, REICs would have to provide System Quotes to all prospective Applicants. Whereas, with the two-step approach, REICs can limit their System Quotes to prospective Applicants who obtained a CEWRI-HH Program Ticket.

Interested single-family homeowners may request a CEWRI-HH Program Ticket:¹¹

- Online via the CEWRI-HH Application Portal at <https://nuevaenergia.pr.gov/en/> (English) and <https://nuevaenergia.pr.gov/> (Spanish);
- In person, by visiting a CEWRI-HH Intake Center; or
- By phone, calling 1-833-234-2324.

Once issued, the CEWRI-HH Program Ticket will be valid for a period of **one hundred-twenty days (120)**. All documentation submitted by the Applicant must be complete and valid at the time of submission. Applications may be submitted:

- Through the CEWRI-HH Application Portal at <https://nuevaenergia.pr.gov/en/> (English) and <https://nuevaenergia.pr.gov/> (Spanish); or
- By visiting a CEWRI-HH Intake Center.

As part of the program application process, each Applicant must sign an **Acknowledgement and Consent Statement**. The Acknowledgement and Consent Statement includes the following acknowledgements and authorizations:

- Authorizes the Program to obtain third-party data directly related to determining Program eligibility, Program award, and/or compliance with Program requirements;
- Gives the Program access to the Applicant's property, as needed, to conduct required Program inspections;
- Applicant agrees to cooperate with the Program and not to interfere with the work or inspections, among others;
- Applicant grants subrogation rights to the Program regarding the right to recover any funds to which they may be entitled for the PVS with BSS installation, among others.

6.4 Applicant and Household Members Identification

As part of the Program 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;

¹¹ Additional details for tickets distribution may be included by PRDOH in Round Reference Guides and the Program's outreach campaign.

- o Birth Certificate;¹² or
- Certificate of Naturalization or Permanent Resident Card.

6.5 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. |
| 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; - Aliens in the U.S. who have been abused, subject to battery or extreme cruelty by a spouse or other family/household member, or have been a victim of a severe form of human trafficking; and/or - Aliens whose children have been abused and alien children whose parent has been abused who fit certain criteria. |

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

¹² 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 must submit a photo ID.

- 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-HH 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-HH Program 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

CEWRI-HH Program Applicants will be evaluated to ensure compliance with eligibility requirements. Applicants must provide complete and accurate information regarding their household composition and the program's eligibility criteria. Failure to disclose accurate and complete information may affect eligibility and all such instances will be referred for further action. Applicants may be required to repay PRDOH, administrative fees and other costs, if they are found to have submitted inaccurate or incomplete information to appear to meet eligibility requirements.

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;
- 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 Applicant, or Co-applicant, must own or have a proprietary interest in the property (See alternative methods of verification for informal housing ownership on the Ownership section);
- The Applicant's household income must not exceed the eligible income level for the Program Round under which the application was submitted (See Program Rounds Section).

7.1 Property Type

Only single-family residential units, located in Puerto Rico, will be eligible for the CEWRI-HH Program. 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

- 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 might be banned from participating in the Program, depending on local and/or federal restriction.

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 that is occupied by the applicant for 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 property address showing that services were provided **at least six (6) months preceding** the date of the application (bill must indicate household utility usage);

¹³ The applicant will be required to submit photos of the property to corroborate it is a Single-Family structure and no BSS has been previously installed in it. Photos may include the property's façades, its roof, and general areas.

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.

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

Documents provided to demonstrate primary residency should include the applicant or co-applicant's name, appropriate dates demonstrating residence, and property address. None of the forms of documentation listed above, by itself, necessarily proves primary residence. The Program 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 applicants to the Program bear the burden of proof for providing consistent evidence to prove 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 Program.
- Applicants who were/are temporarily in a nursing home, assisted living, or other medical facility may qualify for the Program.
- Applicants who were incarcerated and/or residing at a law enforcement facility may qualify for the Program.

7.3 Income Verification

All applicants under the CEWRI-HH Program must meet the eligible income level of the Program Round under which the Application was submitted. The Program will use the latest available HUD Modified Income Limits for CDBG-DR Puerto Rico for its Program Round eligible income levels.¹⁵ These income limits apply to all municipalities in Puerto Rico and are amended annually.

7.3.1 Calculating Household Income

¹⁵ The 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>.

Household income shall be calculated based on the adjusted gross income as defined for purposes of reporting under Internal Revenue Service (**IRS**) Form 1040 series for individual Federal annual income tax purposes.¹⁶ When determining the number of household members and annual household income,¹⁷ the following should be taken into consideration:

- Minor children are considered household members. Earned income of minor children is not considered as part of total annual household income.
- Minor children who are 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 calculation of household income, regardless 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. 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 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 Program application. Income types and associated documentation required for income verification may include, but are not limited to:

- Wages: Three (3) recent paystubs within the past three (3) months, W-2 Forms;
- Retirement/Social Security:
 - Three (3) Monthly Bank Statements (Social Security Benefits & Pension only),
 - Current Social Security Benefits letter (including benefits paid to minors),

¹⁶ See <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income>.

¹⁷ Income determination and documentation required for CDBG programs, shall be based upon the provisions contained in 24 CFR § 5.609.

- o Current Pension/Retirement Benefit letter (if applicable), or prior year 1099 form, or
- o Current Annuity Payment letter (if applicable), or prior year 1099 form;
- 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. These household members typically include the unemployed.

Documentation for other less common types of income will be assessed by the Program 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 Program 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 Program 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

Applicants of the CEWRI-HH Program must be owners or persons with proprietary interest over the property for which assistance is requested.

7.5.1 Proof of Ownership or Proprietary Interest

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

- House Deed ("Escritura Pública");
- Certification of the Puerto Rico Property Registry ("Certificación Registral");

- 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 applicant 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 Program; or
 - (c) Any other parties who have a right to claim ownership could not 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:

- Probated Will or Will accompanied with 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 applicant 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 applicant 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 Applicant is an heir of a deceased homeowner);
- Marriage certificate;
- Mortgage payment book or other mortgage documents;
- Real property/Home insurance policy indicating property address;

- o Property tax statements, receipts, or tax bill issued by the Municipal Revenue Collection Center (**CRIM**, for its Spanish acronym); and/or
- o 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 if at least one (1) of the occupants is a current beneficiary of the trust at the time of the application. If the property is not the primary residence for the current beneficiaries or trustee(s), the applicant(s) is(are) not eligible for assistance. The trustee's powers must include the ability to affect the damaged property. If the trustee's powers do not include the ability to affect the damaged property, all beneficiaries with an interest in the damaged property must sign the closing documents along with the trustee.

8 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**), 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 Program 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 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 Program and disallow all costs that were incurred before completion of the environmental review.

All Program awards must have documentation that certifies they comply with NEPA and other environmental requirements. 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 Program will prepare an ERR for each award once the applicant household's compliance with eligibility requirements is confirmed through the Program's 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 Reserve Grant Agreement for the Program'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.¹⁸

8.1 Tiered Environmental Review

To streamline the environmental review process and prevent duplication of efforts, the Program 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: the broad environmental review that focuses on a targeted geographic area (Tier 1), and the unspecified site review (the exact physical location of the project not presently known) (Tier 2).

The Tier 1 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., floodplain, coastal zone, wetlands, aboveground storage tanks, etc.). The Tier 2 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 1 review will include the following:

- A clear statement of all the related activities and funding sources;
- Identification of the targeted geographic area;
- Identification and evaluation of the environmental factors and effects that can be decided upon immediately;
- Publishing and dissemination notice for entire action;
- Submission of a Request for Release of Funds and Certification for the entire action;
- HUD approval of the Tier 1 Review; and
- Documentation of compliance with "Other Requirements" set forth at 24 C.F.R. §58.6.

¹⁸ A change in system capacities or equipment does not constitute a change in the scope of work.

The Tier 2 review will include 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). Tier 2 reviews 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 2 review as a condition for award and disbursement of the award.

Tiered reviews for the Program 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 Program 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-HH Program are publicly available in English and Spanish at <https://cdbg-dr.pr.gov/en/resources/environmental/> and <https://cdbg-dr.pr.gov/recursos/ambiental/>, respectively.

8.2 Lead Safe Work Practice Provisions

PVS and BSS installation-only projects, as indicated by HUD, are not considered rehabilitation work and, therefore, are not regulated by HUD's Lead Safe Housing Rule (**LSHR**) at 24 C.F.R. §35. The projects are instead regulated by the Environmental Protection Agency's (**EPA**) Renovation, Repair, and Painting (**RRP**) Rule at 40 C.F.R. § 745. Properties built on or after January 1st, 1978, are exempt from compliance under EPA's RRP Rule. For properties built before January 1st, 1978, and in accordance HUD-provided guidance on the RRP Rule's applicability:

- If no paint is to be disturbed or the project is otherwise exempt from the LSHR, the case-specific circumstance is documented, and no further compliance action is needed;
- If paint is to be disturbed:

- If the paint disturbance does not exceed “*de minimis*” levels,¹⁹ then the project is not regulated by the LSHR. For these cases HUD recommends, but does not require, that installation work be done by an RRP-Certified Renovation Firm.
- If the paint disturbance exceeds “*de minimis*” levels but not the RRP Rule’s minor repair and maintenance threshold,²⁰ then HUD requires work to be done by persons that are RRP-Certified Renovators.
- If the paint disturbance exceeds the RRP Rule’s minor repair and maintenance threshold, then a Lead-Based Paint Risk Assessment of the Property is required. Additionally, any lead hazards identified, or lead-based paint found in areas to be disturbed must be abated.

CEWRI-HH Projects are not likely to disturb paint surfaces in excess of the “*de minimis*” thresholds; less likely in excess of the RRP Rule’s minor repair and maintenance threshold. Therefore, it is expected that lead-based paint activities²¹ will not be required in order to accomplish Program’s activities. The Program will document the year the property was built, any exemptions to the LSHR Rule, and the expected amount of paint disturbance through the Environmental Review and Award Disbursement Claim of Applications. REICs will be required to document the amount of paint disturbed prior to installation to assure 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 REICs must adjust the methodology and installation plan as to not impact more than the threshold.

The CEWRI-HH Program will require that REICs be RRP-Certified Renovation Firms. 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. Workers at the job site must receive on-the-job training from the Certified Renovator.

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. 745 Subpart L and 24 C.F.R. 35 Subpart R, do not apply when paint disturbance does not exceed “*de minimis*” levels. The Program 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 Program recommends, but does not require, lead safe work practices to be implemented for paint disturbances below HUD’s “*de minimis*” levels.

8.3 Floodplain Management

¹⁹ A “*de minimis* disturbance” is an activity that does not disrupt more than two (2) square feet of paint per interior room or twenty (20) square feet of paint at the exterior, 24 C.F.R. § 35.1350(d).

²⁰ A “minor repair and maintenance activity” is an activity that disrupts more than the “*de minimis*” level but not more than six (6) square feet of paint per interior room or twenty (20) square feet of paint at the exterior, 40 C.F.R. § 745.83.

²¹ “Lead-based paint activities” means inspection, risk assessment, and abatement, 40 C.F.R. § 745.223.

CEWRI-HH Program will use the most current, approved version of FEMA's Flood Insurance Rate Map (**FIRM**) or Preliminary Flood Insurance Rate Map (**PFIRM**) to identify whether a property is located within or outside of the 100-year floodplain. A 100-year floodplain, as defined by FEMA, includes areas that have a one percent (1%) annual chance of flooding any given year. 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 Program 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 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 for calculating the Substantial Improvement factor of the improvements sponsored by the Program. 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. A Substantial Improvement is not permitted under federal regulations whenever a property is located within a floodplain without elevating the structure two (2) feet above the Base Flood Elevation.²²

There will be no aid given to any applicant whose house is located within a Regulated Floodway. A Regulated Floodway comprises the channel of a river or other watercourse

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/>.

and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. This is the segment of the floodplain that will generally carry flow of flood waters during a flood and is typically the area of greatest risk to structures in the floodplain. As per 24 C.F.R. 55(c), except for the actions listed in 24 C.F.R. § 55.12(c), no HUD financial assistance may be approved to any action located in a floodway, other than a functionally dependent use or floodplain function restoration activity. CEWRI-HH Program activities don't fall under the allowed exceptions for HUD assistance in a floodway.

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 a project where the Applicant has received financial assistance from any other program, from private insurance, charitable assistance, or any other source. As such, PRDOH must consider aid received by Program applicants from any other federal, state, local or other source, and determine if any assistance is duplicative. Any assistance determined to be duplicative must be deducted from the Program's calculation of the applicant's total need prior to awarding assistance.

When possible, PRDOH will electronically verify disaster recovery assistance received through federally and locally maintained datasets, such as FEMA IA and Small Business Administration (**SBA**) disaster home loan datasets.

The applicable duplication of benefits guidance is included in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836, which updates the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060, for CDBG-DR grants received in response to disasters declared between January 1, 2015, and December 31, 2021. 84 FR 45838, 45840, requires CDBG-MIT Grantees to comply with the duplication of benefits requirements of 84 FR 28836. As such, the duplication of benefits policy outlined in the guidelines follows the guidance issued in 84 FR 28836.

For more information, refer to the PRDOH Duplication of Benefits Policy available in English and Spanish, respectively, at: <https://cdbg-dr.pr.gov/en/download/duplication-of-benefits-policy/> and <https://cdbg-dr.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/>.

9.1 Assistance Considered a Duplication of Benefits

To calculate duplication of benefits, the CEWRI-HH Program considers: (1) total assistance received or available to the applicant, (2) assistance considered to be non-duplicative; and (3) mitigation unmet needs of the applicant. Total DOB is calculated by subtracting non-duplicative assistance from total assistance received. Under Federal law, any

duplication of benefit must be deducted from the assistance provided by the CEWRI-HH Program. The following are common sources of assistance that may have been received by applicants.

9.1.1 FEMA Individual Assistance (FEMA IA)

FEMA IA assistance may have been provided to applicants for home repairs. In the cases where applicants have received assistance for home repair, and the property had PVS installed at the time of the storm, such amount will be considered a duplication of benefits by the Program. The FEMA IA assistance will be determined and verified by the Program through FEMA provided datasets or through applicant provided information originating at FEMA such as a FEMA Award letter. If evidence is provided that the FEMA award included assistance for items not related to PVS and BSS, then the amounts unrelated to the PVS and BSS will not be counted as a duplication of benefit.

9.1.2 Small Business Administration (SBA) Loans

Federal regulations deem SBA loans for repair to be a duplication of benefits for federally funded repair Programs. If an applicant has executed a loan with SBA to cover the cost of repairs and such repairs included PVS and BSS, the amount of the approved loan related to PVS, and BSS is considered a duplication of benefits.

However, if an Applicant receives and accepts a subsidized loan made in response to recent disasters, the undisbursed loan amounts are not considered a DOB and will not be considered in the mitigation unmet need calculation when determining the maximum award. Subsidized loans accepted by the applicant and used for a disaster-related loss are not a duplication of benefits.

The Program will collect SBA information provided by the Applicant through the application process. In addition, the Program may obtain a data feed from SBA to verify all approved amounts for SBA loans. The Program will collect specific information from SBA that breaks down the approved SBA loan amounts into the different assistance categories (e.g., real property, personal property, vehicles, etc.).

9.1.3 Declined SBA Loans

Declined loans are loan amounts offered by a lender, but turned down by the applicant, meaning the applicant never signed loan documents to receive loan disbursements. Grantees shall not take into consideration or reduce the amount provided to any applicant for assistance from the grantee where such applicant applied for and was approved, but declined assistance related to such major declared disasters that

occurred in 2014, 2015, 2016, and 2017 from the SBA.²³ Declined subsidized loans, including SBA loans are not to be included in the calculation of DOB.

The CEWRI-HH Program will attempt to verify declined loan amounts using third-party data from SBA. If it cannot be ascertained from the SBA data whether the applicant declined the loan, the loan may still be excluded from DOB calculation if the applicant provides a written certification stating that the applicant did not accept the subsidized loan.

9.1.4 Cancelled SBA Loans

Cancelled loans are loan amounts offered by a lender, accepted by the applicant, but for a variety of reasons, all or a portion of the loan amount was not disbursed and is no longer available to the applicant. Cancelled SBA loans may be excluded from the calculation of DOB, if it can be documented that the undisbursed portion of an accepted loan is cancelled, and no longer available to the applicant.²⁴

To document that an SBA loan is cancelled, the applicant must provide either: written communication from the lender confirming the loan is cancelled and no longer available to the applicant; or a legally binding agreement between PRDOH and the applicant that indicates the period of availability of the loan has passed and the applicant agrees not to take actions to reinstate the loan or draw any additional undisbursed loan amounts. In addition, PRDOH must notify SBA that the applicant has agreed not to take any actions to reinstate the loan or draw additional amounts.

9.1.5 FEMA National Flood Insurance Program (NFIP)

Payments for loss to dwellings under NFIP insurance policies will be deducted from the grant amount to be awarded if such payments included funds for repairs or replacement of solar arrays and BSS. Payments for contents or other expenses are not deducted from the applicant's funding assistance award. The Program will collect NFIP insurance information from the applicant through the application process. In addition, the Program may work directly with NFIP to verify the information provided by the applicant. Flood insurance coverage provided by the Puerto Rico Department of Treasury, through Executive Order, EO-2017-044 issued September 1, 2017, will also be evaluated for duplication of benefits.

9.1.6 Private Insurance

²³ 84 FR 28836, 28842.

²⁴ 84 FR 28836, 28841 reads "The amount of a subsidized loan that is declined or cancelled is not a DOB. To exclude declined or cancelled loan amounts from the DOB calculation, the grantee must document that all or a portion of the subsidized loan is cancelled or declined [...]."

All property, flood, or casualty insurance settlement amounts for loss of a PVS or BSS in dwellings are deducted from the applicant's funding assistance award. Private insurance payments for contents or other expenses are not deducted from the applicant's funding assistance award. Insurance proceeds are initially determined by the Program through applicant provided information. Program applicants will authorize the Program to contact third-party private insurance providers to verify information provided by the applicants within their applications. Third-party re-verification will only occur if the applicant self-attests a claim was filed and cannot provide a claim summary.

9.1.7 Other Energy Efficiency Programs

Puerto Rico has many federal funding sources that may be used for energy resilience improvements to homes or businesses. The Government may also use state funding sources for this purpose. For example, American Rescue Plan Act (**ARPA**) funds are being used by the Department of Economic Development and Commerce (**DDEC**, for its Spanish acronym) to implement the Energy Incentive Program. Under this Program, DDEC will provide of up to twenty-five thousand dollars (\$25,000) to businesses for the development of energy conservation initiatives and green energy investments.

Any assistance received by applicants for the installation or improvements to PVS and BSS will need to be analyzed by the CEWRI-HH Program. For instance, an applicant that has received assistance for the installation of a PVS through another program may participate in the CEWRI-HH Program for the installation of a BSS, and the assistance for the PVS may not be considered as duplicative. Nonetheless, a request for additional assistance on the PVS installation in the property may be considered a duplication of benefits. Assistance received by the Applicant for the installation or improvements to PVS and BSS will be considered and analyzed on a case-by-case basis by the CEWRI-HH Program.

9.1.8 Other Funds

Funding received for the same purpose of a Program award, such as funding provided by a non-profit entity, the U.S. Army Corps of Engineers (**USACE**) or FEMA Hazard Mitigation Grant Program (**HMGP**) to assist applicant with rebuilding their home must be reported by the applicant through the application process and be accounted for and verified by the Program. In addition, the supporting documentation related to other duplicative funding sources will be provided by the applicant, verified by the Program, and applied as a duplication of benefits by the Program.

9.2 Exceptions to Duplication of Benefits

Not all assistance received by an applicant is considered a duplication of benefits for the CEWRI-HH Program. Therefore, there are types of assistance received by an applicant which will not constitute a duplication of benefits for PVS with BSS. The Program will allow

for reductions of DOB totals if the applicant can prove that the use or control of the funds meet certain criteria. In accordance with 84 FR 28836, PRDOH may exclude for duplication of benefits purposes “assistance that was: (1) provided for a different purpose; (2) provided for the same purpose (eligible activity), but for a different, allowable use (cost); (3) not available to the applicant; (4) a private loan not guaranteed by SBA; or (5) any other asset or line of credit available to the applicant.” Each of these categories is further described next.

9.2.1 Funds for a Different Purpose

Any assistance provided for a different purpose than the CDBG-MIT eligible activity, or a general, non-specific purpose (e.g., “disaster relief/recovery”), and not used for the same purpose **must be excluded** from total assistance when calculating the amount of the DOB. Funding received for purposes different from the purpose of assistance offered under the CEWRI-HH Program will be excluded for purposes of duplication of benefit determination.

9.2.2 FEMA's Sheltering and Temporary Essential Power (FEMA STEP) or “Tu Hogar Renace”

Assistance received by an applicant from FEMA's Sheltering and Temporary Essential Power (**FEMA STEP**) or “Tu Hogar Renace,” is assistance received for temporary repairs. Assistance used for different costs of the rehabilitation under “Tu Hogar Renace,” which constitute a different allowable use, may be excluded.

9.2.3 Funds for the Same Purpose but for a Different Allowable Use

Funds received for the same purpose as funds provided under the CEWRI-HH Program, but that were used by the Applicant for a different allowable use may be excluded from the final award calculation. In some instances, funds provided for the same general purpose as the CDBG-MIT funds, may have been used by the Applicant for a different allowable use. In these circumstances, if the Applicant can document that the funds received were used for a different – but eligible – use, then the funds are not duplicative. The Applicant may provide documentation, such as receipts or paid invoices, demonstrating funding was spent on a different eligible use. The Program will review documentation submitted on a case-by-case basis.

9.2.4 Funds Not Available to the Applicant

Funds that are not available to an applicant may also be excluded from the final award calculation. Funds are not available to a person or entity if the person/entity does not have legal control of the funds when they are received and are used for a non-duplicative purpose. For example, if a homeowner's mortgage requires any insurance proceeds to be applied to reduce the lien balance, then the bank/mortgage holder (not the homeowner) has legal control over those funds. Therefore, the homeowner is legally

obligated to use insurance proceeds for that purpose and does not have a choice in using them for any other purpose, such as to rehabilitate the house. Under these circumstances, insurance proceeds do not reduce assistance eligibility.

Alternatively, if a disaster-affected homeowner chooses to apply insurance proceeds to reduce an existing mortgage, or requests that the lender demand payment, insurance proceeds reduce the amount of disaster assistance eligibility. In addition, if a mortgage requires insurance proceeds to be used for repairing the property, those proceeds must be considered as assistance for that purpose. A homeowner does not need to possess cash assistance to be considered in legal control over benefits received for a particular purpose.

9.2.5 Private Loans

Unlike SBA loans (or any other subsidized loan or Federal loan guarantee program that provides aid after a major disaster or emergency), private loans not guaranteed by SBA need not be considered duplicative assistance. Private loans are loans that are not provided by or guaranteed by a governmental entity, and that require the applicant to repay the full amount of the loan under typical commercial lending terms. Since private loans are not provided under a government program, they do not need to be considered as potentially duplicative assistance.

9.2.6 Other Assets or Lines of Credit

Other assets or lines of credit available to a homeowner or a business owner need not be included in the award calculation. This includes but is not limited to checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance. Please note that these items may be held in the name of an individual or in the name of a business.

10 Project Eligibility

The following are the project eligibility requirements under the CEWRI-HH Program.

10.1 Compliance with Laws, Regulations, and Codes

All CEWRI-HH Program PVS and BSS must follow applicable laws, regulations, and codes, which include:

- 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. 9233 of December 2, 2020, 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.

- 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 Types of Systems

The CEWRI-HH Program is made possible thanks to the CDBG-MIT funds assigned to Puerto Rico. The funds must be used for mitigation activities. 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.” A PVS without a BSS cannot provide power to households when the power grid is down. Therefore, eligible installations under the CEWRI-HH Program 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-HH Program.

10.3 Project Commencement

Only projects that have not started their PVS and BSS installation process are eligible to receive awards under the Program. A PVS and BSS installation cannot begin until the Applicant and PRDOH execute a Reserve Grant Agreement for the award. The CEWRI-HH Program will not give retroactive awards for PVS and BSS installed prior to application submission or Reserve Grant Agreement execution.

The installation process does not include system design and permitting activities. Therefore, design and permitting activities may start prior to the Reserve Grant Agreement execution.²⁵

10.4 PVS Capacity

The PVS must be of sufficient size to produce enough power to compensate, either partially or totally, the Eligible Applicant's household energy needs. PVS capacities lower than 3.0 kW are not eligible under CEWRI-HH Program. PVS capacities over the Eligible Applicant's household annual energy consumption – based on the **twelve (12) months prior** to application submission – are also not eligible under the CEWRI-HH Program. CEWRI-HH Program may adjust PVS Capacity whenever the PVS Capacity is over the Eligible Applicant's household annual energy consumption for the purpose of calculating the amount to be awarded or disbursed. Maximum PVS Capacity based on annual

²⁵ Design and permitting activities include the itemized quote estimating the cost of equipment and installation services, required for the complete application to the CEWRI-HH Program. See Section 6.3 of Guidelines.

energy consumption will be corroborated by the CEWRI-HH Program using the NREL's PV-Watts Calculator.²⁶ Applicants will be required to submit a copy of their system's simulation in PV-Watts with their application.

10.5 BSS Capacity

The BSS should be of sufficient size so that power may be extended to the critical loads of the Eligible Applicant's household. Eligible Applicants will determine their own BSS Capacity in conjunction with their selected CEWRI-HH approved REIC. However, for the purpose of calculating the award amount, the Program considers 20kWh as the maximum BSS Capacity. Additionally, BSS Capacities of less than 9kWh are not eligible for the CEWRI-HH Program. CEWRI-HH Program may adjust BSS Capacity whenever the BSS Capacity is over the Eligible Applicant's household annual energy consumption for the purpose of calculating the amount to be awarded or disbursed.

10.6 PVS Location Requirement

All PVS with an award under the CEWRI-HH Program will be installed on roofs. PVS meant to be installed on the ground are not eligible for the CEWRI-HH Program.

10.7 No Portability Requirement

All PVS and BSS installations supported by CEWRI-HH Program 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-HH Program.

10.8 Design Requirements

Design of PVS and BSS must be performed by a licensed engineer, in accordance with Act No. 173-1988. Design of PVS and BSSs must be consistent with existing site conditions and in accordance with the requirements set forth in Regulations No. 7796 and No. 9049, as well as any other applicable laws, regulations, and codes. PVS and BSS designed by persons not licensed as engineers are not eligible for the CEWRI-HH Program.

10.9 Permit Requirements

In accordance with Section 9.4.1.3 of Regulation No. 9233, PVS installed on roofs with capacities below one (1) megawatt do not require a construction permit, nor an occupancy permit. All PVS and BSS installations, without consideration of the system capacities, must be certified by a duly licensed engineer or expert electrician to ensure the safety and security of the design and installation.

²⁶ NREL's PV-Watts Calculator is available at <https://pvwatts.nrel.gov/>.

10.10 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 the CEWRI-HH Program. A list of certified equipment is published periodically by the OGPe.

Equipment installed using CEWRI-HH Program funds must be new. Reconstructed, refurbished, or relocated equipment is not eligible for the Program. 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 in 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**).²⁷

10.11 Installation Requirements

Installations must be performed by a Program-approved REIC and 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 REICs not approved by the CEWRI-HH Program or by a person not duly certified under Section III of Regulation No. 7796 are not eligible to receive disbursement of the award. The list of CEWRI-HH approved REICs is available at <https://cdbg-dr.pr.gov/en/programa-nueva-energia/> (English) and <https://cdbg-dr.pr.gov/programa-nueva-energia/> (Spanish). The list of Certified Renewable Electrical Systems Installers is available at <https://oipc.pr.gov/listado-de-instaladores-activos-de-sistemas-de-energia-renovable/>.

Installations must be completed in strict compliance with the drawings and specification requirements set forth in the PVS and/or BSS design documents. Upon completion of the installation process by a Program-approved REIC and a Certified Renewable Electrical Systems Installer, a commissioning of the PVS and BSS shall be performed. The REIC and Certified Renewable Electrical Systems Installer must provide a copy of the PVS and BSS design drawings duly signed and sealed by the designer.

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.

²⁷ Available at: <https://standards.ieee.org/ieee/1547/5915/>.

Commissioning shall be performed following the standards set forth in the International Standard IEC 62446 of the International Electrotechnical Commission (**IEC**).

When applicable, the installation process must consider the Lead Safe Work Practices Provisions for Properties Built Prior to January 1st, 1978, in the Guidelines.

10.11.1 CEWRI-HH REICs Roster Enrollment Process

For a REIC to be approved for CEWRI-HH Program, it must submit a Request for Enrollment into the CEWRI-HH REIC Roster. The following documentation must accompany the request:

- The company's profile including legal name, tax identification number, Unique Entity Identifier (**UEI**), physical address, postal address, contact phone, email, and authorized representative;
- A Commitment of Compliance with the CEWRI-HH Program Terms and Conditions Sworn Statement (PRDOH will provide the Statement's template);
- Evidence of the company's registration with the Puerto Rico Department of Consumer Affairs;
- Evidence of at least one (1) company employee being a Certified Renewable Electrical Systems Installer under Regulation No. 7796, or its subsequent equivalent regulation;
- Evidence of the company's enrollment in the Federal Government's System of Award Management (**SAM**) at <https://sam.gov/content/home>;
- A Certificate of Good Standing, valid at the time of submission, from the Puerto Rico Department of State in the name of the company;
- A Debt Certificate ("Certificación de Deuda"), valid at the time of submission, issued by the Puerto Rico Department of Treasury in the name of the company;
- A Certificate of Income Tax Returns ("Certificación de Radicación de Planillas"), valid at the time of submission, issued by the Puerto Rico Department of Treasury in the name of the company;
- An Account Statement ("Estado de Cuenta"), valid at the time of submission, issued by the CRIM in the name of the company;
- Evidence of Public Liability Insurance to cover damages for their projects in an amount no less than one million dollars (\$1,000,000) by occurrence and one million dollars (\$1,000,000) by aggregate as required under Section 9.5.2.4(e)(2) of Regulation No. 9233;
- A Renovation Firm Certification valid at the time of submission, issued by EPA in the name of the Company;²⁸ and

²⁸ Companies interested in becoming Program-approved REICs may submit Requests for Enrollment into the CEWRI-HH Roster without being an EPA Certified Renovation Firm at the time of the request. If found to comply with all other

- A PRDOH New Vendor Request Form duly completed and accompanied by its associated forms and documentation.

Request for Enrollment into the CEWRI-HH REIC Roster must be submitted through <https://cdbg-dr.pr.gov/iframes/renewable-energy-installation-company-enrollment.html> (English) and <https://cdbg-dr.pr.gov/iframes/registro-empresas-instalacion-sistemas-energia-renovable.html> (Spanish). CEWRI-HH Program Staff will evaluate each Request for Enrollment into the CEWRI-HH REIC Roster and notify companies of their approval or denial for the roster. The list of approved REICs will be published by PRDOH at <https://nuevaenergia.pr.gov/en/> (English) and <https://nuevaenergia.pr.gov/> (Spanish).

10.12 Interconnectivity with Power Grid

All CEWRI-HH Program awarded PVS and/or BSS must submit an Evaluation Request to the Power Grid Operator in accordance with the Regulation to Interconnect Generators with the Electrical Distribution System of the Electric Power Authority and Participate in Net Metering Programs, No. 8915 of February 6, 2017, known in Spanish as the “*Reglamento para Interconectar Generadores con el Sistema de Distribución Eléctrica de la Autoridad de Energía Eléctrica y Participar en los Programas de Medición Neta*”, or its equivalent regulation in place at the time of installation.²⁹ Evaluation Requests must be submitted under the expedited processes available.³⁰

The requirement shall be considered satisfied when the applicant and/or their REIC submit the Evaluation Request to Interconnect to the Power Grid Operator; not when the Power Grid Operator notifies its determination on the Request. The costs associated to supplemental studies or other activities required for the Power Grid Operator to approve the Systems' interconnection are not covered by CEWRI-HH Program awards.

10.13 Warranties

All CEWRI-HH Program PVS and BSS 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.

requirements, the Program may conditionally approve the Company as a REIC, subject on the Company submitting a valid Renovation Firm Certification. A conditionally approved REIC will not be able to work with Program applicants until evidence of it being a Certified Renovation Firm is submitted.

²⁹ Electric Power Authority, Regulation to Interconnect Generators with the Electrical Distribution System of the Electric Power Authority and Participate in Net Metering Programs, No. 8915 (February 6, 2017), <https://aeepr.com/es-pr/Documents/Medici%C3%B3n%20Neta/Reglamento%20GD%20a%20Distribuci%C3%B3n%20-%20Depto%20Estado.pdf>.

³⁰ As provided in Section IV of Regulation No. 8915.

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 REICs to the Applicants who, thereafter, shall submit copy to the Program.

10.14 Cost Reasonableness and Eligible Costs

All awards under federally funded programs must be reasonable; meaning that they do not exceed what a prudent person would incur under similar circumstances as demonstrated by market price for comparable goods and services.³¹ The maximum reasonable cost for CEWRI-HH Program awards will be determined using a PVS Reference Cost (**PVS-RC**) and a BSS Reference Cost (**BSS-RC**) (collectively, “**the Reference Costs**”) coupled with system capacities. The Reference Costs will be based on reasonable criteria such as national market trends, local market statistics, local limitations, and particular conditions of a specific project site (e.g., systems for Vieques and Culebra). PRDOH will determine Reference Costs through a cost per capacity curve for PVS and BSS. Reference Costs will be published in the Round Reference Guide.

The Reference Costs will consider the eligible costs of PVS and BSS components and related services. Eligible costs include:

- The cost of design and engineering services for the system;
- The cost of any required permits for the system;
- The cost of equipment, including photovoltaic modules or solar panels, inverters, metering equipment, balance equipment, batteries, charge controllers, transfer switches, mounting, cabling, and other electrical accessories to set up a working system;
- The cost of mounting and anchoring structures, such as racking systems, and other structures that provide primary support for the system equipment;
- The cost of installation and commissioning of the system;
- The cost of training the end user on PVS and BSS operations and maintenance; and
- Any power grid interconnection costs related to the typical requirements of a residential PVS unit. The CEWRI-HH Program will not consider the cost of

³¹ 2 CFR § 200.404, Reasonable Costs.

improvements needed to the power grid for the interconnection of the system to become feasible.

Applicants will demonstrate eligible costs of their system by submitting a **Project Quote**³² signed by a representative of a Program-approved REIC. Project Quotes will include the list of equipment to be used, including the brand, model number, quantity, and cost; as well as any other fees (design, permits, installation, etc.) necessary and eligible to set up a working system. Applicants may substitute the equipment originally proposed at any time prior to installation, so long as the new equipment is also certified in compliance with Regulation No. 7796.

To facilitate the Program's Environmental Review, Project Quotes must include: the Participating Property's coordinates and a sketch ("croquis") of the location of the Photovoltaic Panels on the roof. Finally, Project Quotes must include both PVS Capacity and BSS Capacity of the system to be installed; the household's annual energy consumption (in kWh); and the required PVS Capacity (in kW) to satisfy such annual energy consumption.

Program Staff will review the Project Quotes for initial compliance with CEWRI-HH Program PVS and BSS requirements. Any additional information or corrections required will be notified to the Applicant via an Initial System Variation Notice. Applicants will be given **thirty (30) calendar days** from notification to provide the additional information or correct deficiencies on the Project Quotes. Failure to submit additional information requested or to correct deficiencies identified within the allotted timeframe will trigger a non-responsive applicant process (refer to Section 12: Non-Responsive Applicants.)

10.15 Award Amount Determination

Awards under the CEWRI-HH Program are as follows:

- LMI Households are eligible to receive an award for installation of a PVS and/or a BSS of one hundred percent (100%) of the Total Eligible System Cost or thirty thousand dollars (\$30,000); whichever is lowest.
- Households with urgent needs will be eligible to receive an award for installation of a PVS and/or a BSS of up to twenty thousand dollars (\$20,000) or a designated percentage of the cost;³³ whichever is lowest.

PRDOH reserves the right to establish lower award caps than those established herein, under any Program Round. The applicable award caps for each Program Round will be included by PRDOH in the Round Reference Guide.

³² Projects with costs over a hundred thousand dollars (\$100,000) are not eligible for the CEWRI-HH Program.

³³ The percentage of the cost for awards to be issued under CEWRI-IP Subprogram, will be established in future versions of the Guidelines.

The Award Amount Determinations for Eligible Applicants and Projects under the CEWRI-HH Program follow the calculations below:

- The PVS Capacity for Award Calculation [**PVS Capacity (AC)**] is calculated as the minimum between the PVS Capacity of the System [**PVS Capacity (S)**] and the Maximum PVS Capacity Based on Annual Energy Consumption [**PVS Capacity (AEC)**].

$$[PVS\ Capacity\ (AC)] = \mathbf{MIN}([PVS\ Capacity\ (S)], [PVS\ Capacity\ (AEC)])$$

- The [**PVS Capacity (AC)**] is multiplied by the PVS Reference Cost [**PVS-RC**] for the Program Round under which the application was submitted. The resulting amount is the Maximum PVS Program Cost. This is the upper limit of what the CEWRI-HH Program can pay for installation of the PVS.

$$[Max.\ PVS\ Program\ Cost] = [PVS - RC] \times [PVS\ Capacity\ (AC)]$$

- The BSS Capacity for Award Calculation [**BSS Capacity (AC)**] is calculated as the minimum between the BSS Capacity of the System [**BSS Capacity (S)**] and the Program's maximum BSS Capacity [**BSS Capacity (Max)**]. Refer to Section 9.5 BSS Capacity.

$$[BSS\ Capacity\ (AC)] = \mathbf{MIN}([BSS\ Capacity\ (S)], [BSS\ Capacity\ (Max)])$$

- The [**BSS Capacity (AC)**] is multiplied by the BSS Reference Cost [**BSS-RC**] for the Program Round under which the application was submitted. The resulting amount is the Maximum BSS Program Cost. This is the upper limit of what the CEWRI-HH Program can pay for installation of the BSS.

$$[Max.\ BSS\ Program\ Cost] = [BSS - RC] \times [BSS\ Capacity\ (AC)]$$

- The Maximum PVS Program Cost and the Maximum BSS Program Cost are added together to obtain the Maximum System Cost. This is the upper limit of what the CEWRI-HH Program can pay for installation of both the PVS and BSS at the Participating Property.

$$[Max.\ System\ Cost] = [Max.\ PVS\ Program\ Cost] + [Max.\ BSS\ Program\ Cost]$$

- The Total Eligible System Cost is calculated as the minimum between the Eligible Project Quote and the Maximum System Cost. This will be the basis for calculating the Total Award.

$$[Total\ Eligible\ System\ Cost] = \mathbf{MIN}([Eligible\ Project\ Quote], [Max.\ System\ Cost])$$

- The Total Award Amount in an application with an LMI National Objective is calculated as the minimum between the Total Eligible System Cost and thirty thousand dollars (\$30,000), less any duplication of benefits identified by the Program.

$$[Total\ Award\ Amount] = MIN([Total\ Eligible\ System\ Cost], \$30,000) - [DOB]$$

The Reserve Grant Agreement for LMI households will be executed for the amount of thirty thousand dollars (\$30,000) less any duplication of benefits identified by the Program, regardless of the Total Award Amount resulting from the calculation set forth above. However, the actual disbursement of funds to LMI households will follow the Total Award Amount calculation.

11 Award Reservation

Eligible Applicants will be sent an Eligibility and Award Reservation Notice stating the Applicant's favorable eligibility determination, and the amount awarded/reserved for the installation of a PVS with a BSS or a BSS. The Eligibility and Award Reservation Notice will include the Reserve Grant Agreement as an attachment to be signed by the Applicant in acceptance of the CEWRI-HH Program terms and conditions for the award. Applicants will have **twenty (20) calendar days** from the date of the Eligibility and Award Reservation Notice for the submission of the signed Reserve Grant Agreement to the CEWRI-HH Program. Failure to submit the signed Reserve Grant Agreement within **twenty (20) calendar days** will trigger a non-responsive applicant process.³⁴

The Reserve Grant Agreement is the contract between an Eligible Applicant and PRDOH for the reserve of funds awarded under the CEWRI-HH Program. Applicants will have a **twelve (12) month** period to install their PVS and/or BSS and submit an Award Disbursement Claim to PRDOH. The **twelve (12) month period** will commence the date of the Reserve Grant Agreement's execution. The Reserve Grant Agreement will include the terms, conditions, obligations, and necessary support documents for the Applicant to receive the award under the CEWRI-HH Program. These include:

- The maximum amount of CEWRI-HH Program funds reserved for the Applicant's PVS and/or BSS.
- The Applicant's obligation of securing the funds to cover the PVS and/or BSS costs not covered by the Total Award Amount. Including any cost overruns for the installation of the PVS and/or BSS that may arise after the initial quote from a Program-approved REIC.

³⁴ Refer to Section 16 Non-Responsive Applicants.

- The Applicant's obligation of ensuring compliance with all Project Eligibility requirements set forth in the Guidelines. Including design requirements, permit requirements, equipment requirements, installation requirements, no portability requirements, location requirements, interconnection requirements, and any other requirements from federal, state, or local laws and regulations in relation to the PVS and BSS.
- The Applicant's obligation to ensure chosen Renewable Energy Installation Company complies with any environmental mitigation requirements determined necessary through the project's environmental review process.
- The Applicant's obligation to ensure the Renewable Energy Installation Company complete the installation of the PVS and/or BSS within a period of **twelve (12) months**. The installation period will commence the date of the Reserve Grant Agreement's execution.
- The required documentation to submit an Award Disbursement Claim upon completion of the PVS and/or BSS installation by the REIC and the Certified Renewable Electrical Systems Installer.
- PRDOH's obligation, and the Applicant's acceptance thereof, to inspect the PVS and/or BSS installed to assess compliance with the requirements of the Reserve Grant Agreement prior to full disbursement of the award.
- The Applicant's acceptance of PRDOH only issuing payments related to the award directly to the REIC that, after being selected by the Applicant, completed the installation of the PVS and/or BSS.³⁵

Terms and conditions of the Reserve Grant Agreement between an Eligible Applicant and PRDOH will be final. No changes will be allowed to the project eligibility requirements, the project execution period, or the award funds reserved for the Applicant PVS and/or BSS installation.

12 Installation

Installation of PVS and/or BSS under the CEWRI-HH Program is the responsibility of the Applicant. Applicants are responsible for compliance with the project eligibility requirements set forth in the Guidelines and in the Reserve Grant Agreement. Applicants are provided a **twelve (12) month** period to complete the installation of their PVS and/or BSS and submit an Award Disbursement Claim to PRDOH.³⁶

13 Final Inspection & Award Disbursement

³⁵ Refer to Section 13.3 Award Disbursement.

³⁶ The installation period will commence the date of the Reserve Grant Agreement's execution.

Upon successful completion of the installation of the PVS and/or BSS under the Reserve Grant Agreement, the Applicant shall request disbursement of the award to PRDOH via an Award Disbursement Claim.

13.1 Award Disbursement Claim

The final inspection and award disbursement process will begin with the Applicant's submission of the Award Disbursement Claim to PRDOH. The disbursement claim shall include the following documents:

- The design drawings for the installed PVS and/or BSS, duly executed and stamped by the system's designer;
- A **Lead Safe Work Practices Screening Form** for the project;
- Photographic evidence of the installed PVS and/or BSS;
- The Commissioning Report for the installed PVS and/or BSS;
- 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 Power Grid Operator;
- A copy of the PVS and/or BSS warranties package, provided by the Program-approved REIC to the Applicant;
- The **Compliance with Project Eligibility Certification Form** duly executed by the project's Certified Renewable Electrical Systems Installer;
- The **Acknowledgement of Operations and Maintenance Training Form** duly executed by the Applicant and the project's Certified Renewable Electrical Systems Installer;
- Any other document required by PRDOH or the Reserve Grant Agreement.

Upon receipt of an Award Disbursement Claim, the CEWRI-HH Program will assign an Inspector to Applicant. The Inspector will review the Award Disbursement Claim submitted for completeness and compliance with CEWRI-HH Program requirements. Any issues identified in the Award Disbursement Claim will be informed to the Applicant for correction and resubmission to PRDOH. Applicants and their chosen REIC will have a **forty-five (45) calendar day** period to correct deficiencies identified in the Award Disbursement Claim and resubmit a new version to PRDOH.

13.2 Final Inspection

When the Inspector determines an Award Disbursement Claim complies with the CEWRI-HH Program requirements, the Inspector will contact the Applicant to coordinate the site inspection of the PVS and/or BSS installed. Inspections will be performed within a **forty-five (45) calendar day** period from the date the Award Disbursement Claim is found to

be in compliance with CEWRI-HH Program requirements. Applicants must participate in the Program's Final Inspection.

Under the CEWRI-HH Program inspection, the assigned Inspector will:

- Examine the PVS and/or BSS, installed by the Applicant's selected REIC, to verify compliance with the terms and conditions set forth in the Reserve Grant Agreement, and the requirements set forth in these Guidelines;
- Take photographic evidence of the PVS and/or BSS installed; and
- Analyze the results of the inspection and determine the final award amount to be disbursed.

PVS and/or BSS installations found in compliance with the terms and conditions of the Reserve Grant Agreement and the requirements set forth in the Guidelines, will be recommended for final disbursement and closeout by the assigned Inspector.

In cases of non-compliance, the Applicant will have the opportunity to modify/recertify the installation and request a re-inspection to the Program. The Applicant will not have the opportunity to modify/rectify non-compliance with PVS Capacity or BSS Capacity requirements. Applicants will be given a period of **ninety (90) calendar days** from the date of the failed inspection to submit a new Award Disbursement Claim for a re-inspection.

13.3 Award Disbursement

Projects where the installed PVS and BSS capacities match those considered during the initial project eligibility review, will receive a disbursement equal to the reserved amount stated in the Reserve Grant Agreement. Projects where the installed PVS or BSS capacities vary from those considered during the initial project eligibility review will receive a disbursement equal to the lesser of: (A) the amount reserved in the Reserve Grant Agreement or (B) the re-calculated award amount based on the PVS, and BSS capacities corroborated on site. The CEWRI-HH Program must never disburse more than the amount reserved in the Reserve Grant Agreement.³⁷

To limit any adverse effects on the cashflow of REICs, while maintaining adequate controls for compliance of program activities, CEWRI-HH Program awards will be disbursed over two (2) payments:

- **Project Completion Payment:** A payment of ninety percent (90%) of the re-calculated Award Amount based on PVS and BSS capacities identified through the Award Disbursement Claim documents. This payment will start its processing

³⁷ Refer to Section 9.15 Award Amount Determination.

when the Inspector determines the Award Disbursement Claim complies with Program requirements.

- **Project Validation Payment:** A payment of the remainder of the re-calculated Award Amount based on PVS and BSS capacities corroborated during the Final Inspection. This payment will start its processing after completion of the Final Inspection by the Inspector.

Articles 1120 and 1125 of the Puerto Rico Civil Code of 2020, 31 L.P.R.A. §9151-9163, allow any person to pay a creditor on behalf of the debtor in good faith. Under the CEWRI-HH Program, PRDOH reserves the awarded funds of the Applicant, who becomes the debtor to the REIC when the installation is completed. The payment by PRDOH directly to the REICs offsets the Applicant's debt and the awarded amount in the Reserve Grant Agreement.³⁸ Since direct payments significantly reduce the risk of misuse and misplacement of funds, the CEWRI-HH Program will only issue payments directly to the REICs up to the Award Amount confirmed through the Final Inspection. Direct payment to REICs will be a condition for assistance in the Reserve Grant Agreement executed between the Applicant and PRDOH. PRDOH will issue the two (2) payments within **thirty (30) calendar days** of each payment process being activated.

14 Application Closeout

Upon completion of installation of the PVS and/or BSS, and the corresponding disbursement of the award, the CEWRI-HH Program application shall be closed. This process will consist of assuring all the work performed is compliant with these Guidelines and the Reserve Grant Agreement. The Program 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 duplication of benefits documentation is in compliance with requirements of these Guidelines, and sufficient to justify the Applicant's participation and subsequent award;
- All environmental review documentation, including evidence of environmental mitigation measures, complies with requirements of these Guidelines and is sufficient to justify the activities performed by the Applicant at the Participating Property;
- All CEWRI-HH Program Forms required through the application process have been duly completed and executed by the appropriate parties;

³⁸ The offsetting of debts occurs automatically under Article 1144, of the Puerto Rico Civil Code of 2020, 31 L.P.R.A. § 9221.

- All supporting documents and data is included in the application file for PRDOH's Grant Management System of Record;
- All CEWRI-HH Program funds used have been properly accounted for and reconciled with disbursements made to the PRDOH-retained contractors and the Program Applicants;
- Compliance with other requirements for closeout established by PRDOH in the Reserve Grant Agreements.

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

15 Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before disbursement of the award is initiated. In the event an Applicant requests to withdraw from the Program, the voluntary withdrawal process will be followed.

To withdraw, the Applicant will notify the Case Manager in writing their desire to withdraw from the Program. After, the Case Manager will then provide a Voluntary Withdrawal Notice to the Applicant. Applicants may withdraw by sending a letter to the Case Manager via postal mail or email. The Program status will be officially updated to withdrawn after **fifteen (15) calendar days** from the date of the Voluntary Withdrawal Notice. Upon completion of the withdrawal request and receipt of Applicant signature on any required forms, a Withdrawal Confirmation Notification will be sent to the Applicant notifying the application status has been updated to "Withdrawn" and the case has been closed, so the Applicant will no longer be able to participate in the Program.

16 Non-Responsive Applicants

The CEWRI-HH Program will make reasonable efforts to contact Applicants in order 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-HH Program may trigger a Non-Responsive Applicant process. This list includes, but is not limited to the following:

- If the CEWRI-HH Program 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-HH Program 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.
- If the CEWRI-HH Program issued an Eligibility and Award Reservation Notice to an Applicant and the Applicant fails to return the Reserve Grant Agreement signed within **thirty (30) calendar days** of the date of the letter, the Applicant will be sent a Non-Responsive Notice.
- If the CEWRI-HH Program and the Applicant execute a Reserve Grant Agreement and the Applicant fails to submit the Award Disbursement Package within the **twelve (12) month** installation period, the Applicant will be sent a Non-Responsive Notice.

The Non-Responsive Notice provides contact information for the CEWRI-HH Program, advises the Applicant of the reasons for the Non-Responsive Notice, and notifies the Applicant to contact the Program or complete an action within **fourteen (14) calendar days** of the date of the letter. If the Applicant fails to contact the Program 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.

17 Program-Based Reconsideration and/or Administrative Review

Applicants of the CEWRI-HH Program 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 Program 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.

17.1 Program-Based Reconsiderations

Applicants who wish to contest a CEWRI-HH 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 upon 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. 4953, of August 19, 1993, which regulates the Formal Adjudication Process for PRDOH and its Adjunct Agencies (**Regulation 4953**).³⁹

17.2 Administrative Reviews

If an Applicant disagrees with a Program determination, or with the Reconsideration Request Denial determination, said party may file directly to PRDOH, an Administrative Review Request in accordance with Regulation No. 4953. 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 Davila 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 Procedure, said party may file a Judicial Review petition before the Court of Appeals of

³⁹ For more details, you can access Regulation 4953 (in Spanish) at: <https://www.vivienda.pr.gov/wp-content/uploads/2015/09/4953-Reglamenta-los-procedimientos-de-adjudicacion-formal..pdf>

Puerto Rico within **thirty (30) calendar days** after a copy of the notice has been filed. See Act No. 201-2003, as amended, 4 L.P.R.A. § 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 L.P.R.A. § 9672, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico.

18 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,⁴⁰ 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,⁴¹ the CEWRI-HH Program 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-HH Program 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://www.cdbg-dr.pr.gov/en/resources/policies/general-policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/politicas-generales/>.

19 General Provisions

19.1 Program Guidelines Scope

⁴⁰ Exceptions exist for housing covered under the Housing for Older Persons Act of 1995, 42 U.S.C. § 3607(b).

⁴¹ 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.*; CDBG-DR Program Fair Housing and Equal Opportunity for All Programs July 29, 2020 (V.1) Page 20 / 40 • Executive Order No. 11063 (1962), Federal Register, Vol. 27, No. 228, p.11527, 27 FR 11527 (November 24, 1962); • 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 L.P.R.A. § 13, known as the "Puerto Rico Civil Rights Act" – Discrimination in Public Places, Businesses, Transportation, and Housing • Act No. 238-2004, as amended, 1 L.P.R.A. § 512(a), known as the "Bill of Rights of Persons with Disabilities" • Constitution of the Commonwealth of Puerto Rico-1952, 1 L.P.R.A. Constitution of the Commonwealth of Puerto Rico • Act. No. 44 of July 2, 1985, as amended, 1 L.P.R.A. § 501 *et seq.*, known as the "Act to Prohibit Discrimination Against People with Physical, Mental, or Sensory Impairments" • Act No. 22-2013, Law to Prohibit Discrimination for Sexual Orientation and Gender Identity.

This document sets forth the policy governing the CEWRI-HH Program. 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.

19.2 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.

19.3 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.

19.4 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 L.P.R.A. Ap. V, R. 68.1.

19.5 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.

19.6 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 L.P.R.A. § 441 *et seq.*;
- The Anti-Corruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 L.P.R.A. § 1881 *et seq.*; and
- The Puerto Rico Government Ethics Act of 2011, Act No. 1-2012, as amended, 3 L.P.R.A. § 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 L.P.R.A. § 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 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://www.cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

19.7 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://www.cdbg-dr.pr.gov/en/contact/> (English)
<https://www.cdbg-dr.pr.gov/contact/> (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://www.cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>. For more information on how to contact PRDOH, please refer to www.cdbg-dr.pr.gov.

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

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

- **Via telephone:** * 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
- **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.⁴²

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

19.9 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) |

⁴² Hours may vary due to COVID-19. PRDOH recommends calling ahead prior to arrival to corroborate.

| | |
|-------------|--|
| 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 www.cdbg-dr.pr.gov or https://cdbg-dr.pr.gov/app/cdbgdpublic/Fraud |
| 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://www.cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

19.10 Related Laws & Regulations

The guidelines are referencing the provisions of certain laws applying to the CEWRI-HH Program. However, the regulation and applicable laws mentioned in the Guidelines are not an exhaustive list of all regulations applicable to Program. The lack of mention does not negate or preclude the CEWRI-HH Program 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 Program.

19.11 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://cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

20 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.

21 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