



DEPARTMENT OF
HOUSING



CDBG-MIT PROGRAM GUIDELINES

**Planning and Capacity Building Program
(PCB Program)**

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PUERTO RICO DEPARTMENT OF HOUSING
CDBG-MIT PROGRAM GUIDELINES
PLANNING AND CAPACITY BUILDING PROGRAM
VERSION CONTROL

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1 Overview

The Program Guidelines set forth the requirements for planning and capacity building assistance to state agencies, municipalities, Non-Governmental Organizations (**NGOs**), and regional partnerships to strengthen Food, Water, Shelter, Safety and Security, and other Community Lifelines, by targeted investments such as technical assistance, workshops, and training resources.

The Community Development Block Grant-Mitigation (**CDBG-MIT**) Planning and Capacity Building Program (**PCB Program** or **Program**), aims to increase the adaptive capacities of eligible entities to better prepare for, respond to, and recover from disaster events. Additionally, it intends to reinforce the capacity of state agencies, municipalities, NGOs, and existing regional partnerships. These efforts will be conducted by assisting in the formation, strengthening, and formalizing of regional consortiums¹ to conduct mitigation enhancing activities. The Program will be overseen and implemented by the Puerto Rico Department of Housing (**PRDOH**), as the grantee of the CDBG-MIT funds allocated by the U.S. Department of Housing and Urban Development (**HUD**) for long-term planning and risk mitigation activities.²

As stated in the current Action Plan,³ the PCB Program will build on information and progress made through the Community Development Block Grant – Disaster Recovery (**CDBG-DR**) planning programs. Programs such as the Municipal Recovery Planning (**MRP**) Program, the Whole Community Resilience Planning (**WCRP**) Program, and the Puerto Rico Geospatial Framework (**GeoFrame**) Program. Furthermore, it will use information gathered by the CDBG-MIT Risk and Asset Data (**RAD**) Collection Program to expand stakeholder engagement to develop and implement a regional approach to planning, permitting, and enforcement that supports risk identification and mitigation.

1.1 Program Objectives

The PCB Program will promote the capacity improvement of entities for them to better respond, withstand, and recover from the negative impacts caused by hazardous events. It will provide capacity building resources to equip communities with the appropriate tools, knowledge, and experience to address the impacts.

The Federal Emergency Management Agency (**FEMA**) defines Community Lifelines as components that enable the continuous operation of critical government and business functions. Those components are essential to human health and safety or economic

¹ Municipal Consortiums have specific requirements as per Article 1.008(p) of the Municipal Code, 21 L.P.R.A. § 7013 (*Poderes Municipales*).

² The rules for administering these funds are outline in Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, and Federal Register Vol. 85, No. 17 (January 27, 2020), 85 FR 4676.

³ 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/>.

security.⁴ The Program's design recognizes that stabilizing only one (1) Community Lifeline does not solve the effects of disaster events. Risk is considered regional since threats are not limited by established boundaries and their impacts are comprehensive in nature.

Mitigating future losses by restoring and improving Puerto Rico's systems (social, ecological, and technological) could provide lifeline stability and prevent future disruptions. As identified in the CDBG-MIT Action Plan, as amended, PRDOH has delineated four (4) unifying strategies to align with the coordination of mitigation projects and leverage requirements found at 84 FR 45838, 45847:

- Capacity Building
- Community and Regional Investment
- Lifeline Stability and Strengthening
- Alignment of Capital Investments.⁵

1.2 Risk-Based Mitigation Need

The PCB Program will employ an adaptive capacity framework to guide the integration of these capacity building and coordination efforts. Adaptive capacity is the mobilization of capital (natural, physical, social, human and financial) within a system which enables it to respond to risks and disasters in both small resilient and larger transformational ways.⁶ In simple terms, it refers to the ability of an individual or a community to adjust to hazardous events, take advantage of opportunities, design and implement adaptation strategies, or react to evolving hazards to reduce the likelihood of the occurrence and/or magnitude of the harmful outcome of such events.

⁴ See <https://www.fema.gov/emergency-managers/practitioners/lifelines>.

⁵ Puerto Rico Department of Housing, CDBG-MIT Action Plan, *Unifying Mitigation Strategies*, found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

⁶ PRDOH conducted an extensive literature review for the development of an adaptive capacity framework. Lockwood, Michael, et al. "Measuring the dimensions of adaptive capacity: a psychometric approach." *Ecology and Society* no. 20 (2015). <http://dx.doi.org/10.5751/ES-07203-200137>; Jones, Lindsey et al. "Towards a holistic conceptualization of adaptive capacity at the local level: a framework for analyzing adaptive capacity at the local level." *Overseas Development Institute*, 2010. <https://cdn.odi.org/media/documents/6353.pdf>; Jacobs, B., et al. "An adaptive capacity guidebook: Assessing, building and evaluating the capacity of communities to adapt in a changing climate." *Southern Slopes Climate Change Adaptation Research Partnership (SCARP)*, University of Technology Sydney and University of Tasmania, (2015). https://www.researchgate.net/publication/292615357_An_Adaptive_Capacity_Guide_Book_Assessing_building_and_evaluating_the_capacity_of_communities_to_adapt_in_a_changing_climate; Marshall, Nadine, et al. "Transformational capacity and the influence of place and identity." *Environmental Research Letters* no. 7, 2012. https://www.researchgate.net/publication/241779316_Transformational_capacity_and_the_influence_of_place_and_identity; Romero-Lankao, Patricia, et al. "Scale, urban risk and adaptation capacity in neighborhoods of Latin American cities." *Habitat International* Vol. 42, 2014: 224-235. <https://www.sciencedirect.com/science/article/pii/S0197397513001331>; Mortreux, Colette and Jon Barnett. "Adaptive capacity: exploring the research frontier." *WIREs Climate Change*, No. 8, 2017. <https://doi.org/10.1002/wcc.467>; Quiroz-Ibarra, Ana, et al. "Community Adaptive Capacity in Peri-Urban Natural Protected Areas: A Case Study Near Mexico City." *Sustainability* 12, No. 11 (2020): 4416. <https://doi.org/10.3390/su12114416>; Brooks, Nick and W. Neil Adger. "Assessing and Enhancing Adaptive Capacity." *Adaptation Policy Frameworks for Climate Change: Developing Strategies, Policies and Measures* (2004): 165-181. <https://www4.unfccc.int/sites/NAPC/Country%20Documents/General/apf%20technical%20paper07.pdf>.

The Program will use a set of qualitative and quantitative indicators to assess the adaptive capacity of eligible entities participating in the workshops and competitive rounds. These indicators represent a set of available resources for adaptation and are categorized into the following five (5) capacity metrics:

- **Natural:** Ecosystem and natural resources available to sustain the community and enable adaptation, such as land, water, vegetation, etc. Indicators for natural capacity may include access to and dependence on local natural resources and ecosystems.
- **Physical:** Infrastructure, technologies, equipment, and improvements which enable a community to better adapt. Quantitative indicators for physical capacity may include the number of community or regional recovery and infrastructure maintenance projects, as well as the number of homeowners and renters, and the importance of place (sense of belonging, emotional ties, and symbolic meaning) in the community's identity.
- **Social:** Networks, bonds, institutions, structures, and relationships that enable and assist adaptation. Indicators for social capacity may include a number of social groups and local businesses, and the community governance institution's mission, vision, and goals, internal conflict resolution mechanisms, and knowledge of, and collaboration with outside governance authorities.
- **Human:** Health, skills, education, knowledge, and motivation that enable adaptation. Indicators for human capacity may include the number of health and medical centers, mental health resources, education institutions, education levels, level of trust in authority, access to emergency resources, and awareness of disaster response resources.
- **Financial:** Assets, income, and capital which pays for the adaptation or helps secure the other capacities. Indicators for financial capacity may include asset base, gross domestic product (**GDP**), unemployment rate, average income, and distribution of resources.

2 Definitions

- **Adaptive Capacity:** The mobilization of capital (natural, physical, social, human, financial) within a system which enables it to respond to risks and disasters in both small resilient ways and larger transformational ways.
- **Applicant:** The PCB Program defines applicant as any unit of general local government (municipalities, including departments and divisions); Government of Puerto Rico Agency, Authority, Trust, and Board; Community-Based Development Organization, private non-profit; non-governmental organization or not-for-profit

entity; and a consortium of any of the above with the established authority and internal controls necessary to receive federal grant funds.

- **Capacity Building:** The process of developing and strengthening the skills, abilities, processes, and resources that entities and communities need to minimize risk and damage from future hazards, increase resilience and public safety, and promote a culture of preparedness. This will enable recipients to:⁷
 - Determine their needs;
 - Set long-term goals and short-term objectives;
 - Devise programs and activities to meet these goals and objectives;
 - Evaluate the progress of such programs and activities in accomplishing the goals and objectives; and conduct management, coordination, and monitoring activities necessary for effective planning implementation, but excluding the cost necessary to implement such plans (see Ineligible Activities Section).

- **Community Based Development Organization (CBDO):** Generally, refers to non-profit organizations that undertake specific kinds of federal funded activities. A CBDO can also be a for-profit organization, but it cannot be a governmental entity. To be designated as a CBDO or 105(a)(15) organization to implement PRDOH's CDBG-DR/MIT programs, the following criteria must be met:
 - The organization is assembled under state or local law to carry out community development activities which address development needs of the community in question;
 - An integral part of organization's mission is the improvement of the economic environment of its community by performing activities which increase economic opportunity, primarily for low- and moderate-income (**LMI**) persons or that are expected to create or retain businesses or permanent jobs within the community;
 - Any of the organization's monetary profits must be only incidental to its operations;
 - The organization is not an agency or instrumentality of the Government of Puerto Rico and operates with autonomy and is separate from administrative functions of the Government of Puerto Rico, and that the Government of Puerto Rico, itself, does not play a controlling role in the organization; and
 - The organization does not permit more than one-third of the membership of its governing body to be appointed by, or to consist of, elected or other public officials or employees.

⁷ 24 C.F.R. § 570.205 (6)

- All entities interested in being designated as a CBDO should submit a written request to PRDOH, along with the supporting documents to justify they meet the criteria stated above.
- **Comprehensive Economic Development Strategy (CEDS):** Refers to a strategy driven plan for regional economic development which results in a regionally owned planning process designed to guide economic prosperity and resilience of that region.⁸
- **Community Development Block Grant (CDBG):** A federal grant program administered HUD which provides grant funds to local and state governments. The CDBG Program works to ensure decent, affordable housing, to provide services to the most vulnerable in communities, and to create jobs through the expansion and retention of businesses.
- **Community Lifelines:** Construct developed by FEMA to increase effectiveness in disaster operations. Refers to components that enable the continuous operation of critical government and business functions and are essential to human health and safety or economic security. Lifelines are the integrated network of assets, sectors, services, and capabilities that are used day-to-day to support the recurring needs of the community.
- **Department of Housing and Urban Development (HUD):** Federal department through which CDBG, CDBG-DR, and CDBG-MIT program funds are distributed to recipients.
- **Economic Development District (EDD):** An EDD, or District Organization, is a federally designated multi-jurisdictional organization given the responsibility to maintain and implement a CEDS plan. The EDD will help in leading the locally based, regionally driven economic development planning process that leverages the involvement of the public, private, and non-profit sectors to establish the CEDS.⁹
- **Federal Emergency Management Agency (FEMA):** An agency of the United States Department of Homeland Security (DHS), with the primary purpose of coordinating disaster response in support of local and state authorities.
- **FEMA Hazard Mitigation Plans (HMPs):** A document in which state, tribal and local governments develop a long-term strategy to reduce risk and future losses. When applying for certain types of non-emergency disaster assistance, FEMA requires a Hazard Mitigation Plan. It must be updated and re-submitted for FEMA approval every **five (5) years** to maintain eligibility.¹⁰

⁸ U.S. Economic Development Administration. Economic Development Districts. Available at <https://eda.gov/edd/>.

⁹ *Id.*

¹⁰ 44 C.F.R. Part 201.

- **Hazard Mitigation:** Any effort to reduce loss of life and property by lessening the impacts of natural hazards.¹¹
- **Low- to Moderate-Income (LMI):** Low- to moderate-income people are those having incomes not more than the 'moderate income' level (80% Area Median Family Income) set by HUD. This income standard changes annually and varies by household size, county, and the metropolitan statistical area.
- **Mitigation Activities:** Through notice 84 FR 45838, HUD 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."
- **Multi-jurisdictional:** PRDOH recognizes Puerto Rico as one (1) jurisdiction, but at the same time, Municipalities and agencies within Puerto Rico's governmental structure have been granted with legal capacities to perform and administer governmental functions throughout the territory. Multi-jurisdictional refers to the interaction of two (2) or more of these political subdivisions.
- **Resilience:** Refers to that which enhances the ability of a community to prepare and plan for, absorb, recover from, and more successfully adapt to actual or potential adverse events in a timely and efficient manner including the restoration and improvement of basic functions and structures.¹²
- **Risk-based Mitigation Need:** Refers to the characteristics and impacts of current and future hazards that threaten the infrastructure and services indispensable to the continuous operation of business and government functions critical in a disaster event, and essential to human health, safety, and economic security.
- **Subrecipient:** An entity, usually but not limited to non-Federal entities, that receives a sub-award from a pass-through entity to carry out part of a federal program. The term does not include an individual that is a beneficiary of a federal program, A Subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.¹³
- **Sustainable Materials Management (SMM):** The Environmental Protection Agency (EPA) defines SMM as a systematic approach to using and reusing materials more productively over their entire life cycles. By examining how materials are used throughout their life cycle, an SMM approach seeks to: use materials in the most productive way with an emphasis on using less, reduce toxic chemicals and

¹¹ See <https://recovery.pr.gov/en/recovery-programs/hazard-mitigation-assistance>.

¹² Cutter, Susan L., et al. The Geographies of Community Disaster Resilience. Science Direct, Global Environmental Change, November 2014. Accessed at: <https://www.sciencedirect.com/science/article/abs/pii/S0959378014001459>.

¹³ 2 C.F.R. §200.1

environmental impacts throughout the material life cycle, and assure we have sufficient resources to meet today's needs and those of the future.¹⁴

- **Workshop:** Organized training with a participatory approach conducted by facilitators providing information and guiding discussions on a specific topic. Workshops are generally aimed at larger groups. For the PCB Program, workshops are grouped into categories.
- **Workshop Category:** A set of one (1) or more workshops organized and grouped under a single subject.
- **Watershed:** A region or land area that channels rainfall and drains to a common waterway (stream, lake, wetland or river).

3 Program Description

The PCB Program intends to reinforce and support the capacity of participants to analyze disaster risks and increase resilience practices by using data and community engagement. The Program will also provide funding to conduct studies, develop plans, and/or assist in the formation and strengthening of consortiums to implement mitigation planning activities utilizing a regional or multi-jurisdictional approach.

Following HUD's vision for the CDBG-MIT allocation, PRDOH will facilitate capacity building planning activities and other planning opportunities, where needed, in support of the **five (5)-year** mitigation planning cycle under FEMA Hazard Mitigation Assistance (**HMA**) and the new FEMA Building Resilient Infrastructure and Communities (**BRIC**) planning.¹⁵ Hazard mitigation planning reduces loss of life and property by minimizing the impact of future disasters.

The PCB Program may offer technical assistance to state agencies, municipalities, NGOs, and other public-serving entities by partnering with qualified and specialized entities with demonstrated experience in capacity building and educational services related to mitigation and resilience. PRDOH aims to increase compliance with code requirements and generate awareness of potential activity impacts.¹⁶ Additionally, technical assistance may promote grant-writing, grant administration, and management capacity

¹⁴ U.S. Environmental Protection Agency (EPA). Sustainable Materials Management Basics (February 24, 2022). Accessed at: <https://www.epa.gov/smm/sustainable-materials-management-basics>.

¹⁵ Formerly known as FEMA's Pre-Disaster Mitigation (PDM) and renamed BRIC as part of implementing Section 1234 of the Disaster Recovery Reform Act of 2018, which amended section 203 of the Stafford Act (42 U.S.C. § 5133). BRIC supports state, local communities, tribes, and territories as they undertake mitigation projects, reducing the risk they face from disasters and natural hazards. <https://www.fema.gov/grants/mitigation/building-resilient-infrastructure-communities>.

¹⁶ Examples of activity impacts include, but are not limited to, air, water, land use and quality in Puerto Rico, water protection measures, land use regulations, septic systems compliance, risks, support and inform emergency preparedness, and response.

of state, federal, and private funding. Capacity building within this Program may also support stability of Lifelines through workforce training.

The PCB Program outcomes will be achieved through two (2) main components: provision of workshops for capacity building and competitive rounds for plan, study, and consortium development. Eligible entities benefiting from the PCB Program, may participate as workshop service providers or workshop participants, and may also be Program applicants during the competitive rounds. However, an entity serving as a workshop service provider cannot be a participant in the workshop they are facilitating. (See **Figure 1: PCB Program Components**).

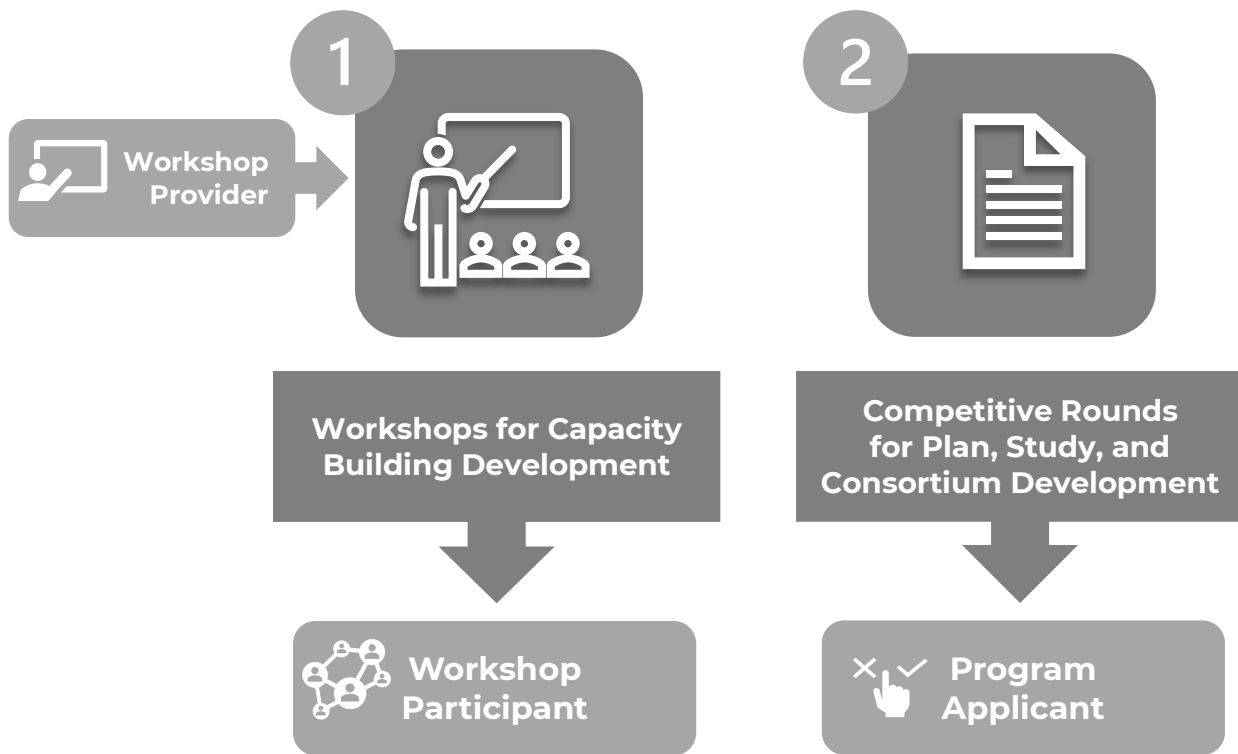


Figure 1: PCB Program Components

4 National Objective

CDBG-MIT funds expended for planning are considered to address the national objectives for the grant as a whole; therefore, no documentation of compliance is required.¹⁷

5 Program Eligibility

Funding must be used as outlined in the Program Guidelines and the current CDBG-MIT Action Plan. All program-funded activities must meet the definition of mitigation and eligibility requirements included in these Guidelines.

5.1 Eligible Entities

Eligible entities who may participate in the Program's components (workshops and competitive rounds) include the following:

- Units of general local government/municipalities (including departments and divisions);

¹⁷ https://www.hud.gov/sites/documents/DOC_16480.PDF. See also 24 C.F.R. § 570.483(f).

- Government of Puerto Rico Agencies, Authorities, Trusts, and Boards;
- Community-Based Development Organizations and private non-profits;
- Non-governmental organization (501(c)(3)) or Not for Profit Entities; and
- A consortium of any of the above with the established authority and internal controls necessary to receive federal grant funds.

5.2 Eligible Activities

The Program is intended to provide funding for planning activities, including funding for Subrecipients or procured program support services providers. PRDOH will provide funding to Subrecipients through reimbursement only. All activities and projects receiving CDBG-MIT funds need to meet a HUD eligible activity, as defined by Section 105(a) of the HCDA, as amended. The CDBG-MIT Action Plan identifies the following eligible activities for the PCB Program:

- Section 105(a)(3) – Code Enforcement
- Section 105(a)(8) – Provision of Public Services
- Section 105(a)(12) – Planning and Capacity Building
- Section 105(a)(14) – Activities Carried Out through Nonprofit Development Organizations
- Section 105 (a)(19) – Assistance to Public or Private Non-profit Entities
- Section 105(a)(21) – Assistance to Institutions of Higher Education.

Eligible planning activities consist of all costs related to data gathering; performing planning studies and analysis of data; development of plans and other planning solutions, and identification of actions that will implement these plans. Other eligible planning cost include, but are not limited to:

- Conducting outreach and coordination with citizens and stakeholders;
- Activities related to consortiums;
- Purchase of tools and software necessary to conduct the planning activities;
- Conduct vendor activities necessary to achieve program outcomes; and
- Any other HUD-eligible planning activity as defined in 84 FR 45838 and 24 C.F.R. §570.205.

5.3 Ineligible Activities

Ineligible activities for the PCB Program include, but are not limited, to:

- Supplanting of funds for inherently governmental staff duties that are not temporary in nature to address mitigation planning surge capacity needs;
- Engineering, architectural, and design costs related to a specific project such as detailed engineering specifications, blueprints, and working drawings;
- Construction or any costs of implementation of projects or plans; and
- Costs not associated with the development of plans, studies, or other planning activities.

6 Provision of Workshops for Capacity Building

PRDOH will provide workshops to promote the capacity of participants to determine their needs, set goals and objectives, and design planning programs and activities to meet the determined goals and objectives. Participants will also be able to coordinate the management and monitoring of planning programs and/or activities, among others. Each workshop will require practical exercises complementing with planning tools, studies, or plans.

The workshops may include one (1) or more of the following categories:

1. Regional Guidance for Communities with Urgent Mitigation Needs;
2. Integrating Sustainable Practices in Hazard Mitigation Activities;
3. Economic Strategies for Local Governments and Entities; and
4. Additional Workshops based on needs identified by PRDOH.

The categories will contribute towards developing regional mitigative strategies, disaster risk analysis, increasing resilience practices, and promoting future updates to hazard mitigation plans.

6.1 Workshop Eligibility

6.1.1 Workshop Provider

For the provision of the capacity building workshops, PRDOH will collaborate and partner with qualified and specialized entities through Subrecipient Agreements (**SRA**)¹⁸ or procurement of services. Entities interested in participating as providers for the PCB Program must meet the entity requirements established in the Eligible Entities section in these Guidelines. However, an entity serving as a workshop service provider cannot be a participant in the workshop they are facilitating.

PRDOH may select eligible entities as Subrecipients to execute specific portions of the Program. SRAs may include tasks to identify and define the capacity gaps, develop a workshop curriculum, coordinate, and disseminate the capacity building activities, execute the workshops, and assess the workshop results.

The procurement of the services by PRDOH will follow the requirements set forth in 2 C.F.R. Part 200 and the Procurement Manual for the CDBG-DR Program, Regulation 9205.¹⁹

Applicable requirements, state and local laws and regulations compliance stated in SRAs and vendor's contracts will guide relationship for each participating entity and vendor

¹⁸ PRDOH may enter into Interagency Agreements or Memorandums of Understanding (**MOU**) as part of the Program's implementation.

¹⁹ The CDBG-DR Procurement Manual is currently under review. The document is available in English and Spanish at <https://cdbg-dr.pr.gov/en/download/procurement-manual-cdbg-dr-program/> and <https://cdbg-dr.pr.gov/download/manual-de-adquisiciones-programa-cdbg-dr/>.

with Program. The selected Subrecipient and/or vendor will be subject to performance measures, reporting requirements, and other evaluation standards developed and overseen by PRDOH.

6.1.2 Workshop Participant

Entities interested in participating in the PCB Program workshops must meet the entity requirements established in the Eligible Entities section within the Program Guidelines and the participation requirements to be published before each workshop event.

6.2 Workshop Categories

The PCB Program workshops may be conducted repeatedly over time, to promote and reinforce long-term capacity. Workshop categories may include, but are not limited to:

REGIONAL GUIDANCE FOR COMMUNITIES WITH URGENT MITIGATION NEEDS: This category will cover, but not be limited to, the following topics:

- Best practices for hazard mitigation at the local level to reduce risk of loss of life and property from future disasters and promote community development benefits;²⁰
- Coordination with communities, at the local and regional level to establish partnerships for development of mitigation initiatives to address current and future risks;
- Data gathering to develop maps and other planning tools for risk assessment and promote future hazard mitigation plan updates;
- Developing Evaluation of assets, risks, and needs' inventory to identify opportunities within a community; and
- Development of guides to address community needs through mitigation efforts.

INTEGRATING SUSTAINABLE PRACTICES IN HAZARD MITIGATION ACTIVITIES: This category will cover, but not be limited to, the following topics:

- Promotion of self-sustaining infrastructure alternatives that include green infrastructure, climate-adaptive design, and nature-based solutions (e.g., Flood control, watershed management, and solid waste management);
- Incorporation of sustainable practices such as cleaner energy solutions;
- Identification of barriers (local regulations, policies, etc.) that impede communities from integrating or implementing sustainable practices; and
- Strategies to incentivize public support for sustainable practices.

ECONOMIC STRATEGIES FOR GOVERNMENTS AND ENTITIES: This category will cover, but not limited to, the following topics:

²⁰ 84 FR 45838.

- Creation and promotion of Economic Development Districts (**EDD**)²¹;
- Elaboration of economic development proposals;
- Identification of programs and funds to encourage investment in development projects;
- Grant writing guidance to attract funds and investment; and
- Administration and implementation of funds and programs.

ADDITIONAL WORKSHOPS BASED ON NEEDS IDENTIFIED BY PRDOH: PRDOH may utilize Requests for Information (**RFI**) or Expressions of Interest (**Eoi**) to assess the potential interest in capacity building. PRDOH may identify additional capacity building activities to address CDBG-DR/MIT specific needs through Program implementation.

7 Competitive Rounds for Plan, Study, and Consortium Development

PRDOH may publish one (1) or more competitive rounds to enable the development of plans, studies and/or regional consortiums/partnerships. Competitive rounds may provide funding for eligible entities to conduct mitigation planning activities utilizing a multi-jurisdictional approach. Competitive rounds may be in one (1) or more of the following categories:

1. Design of Innovative Resilience Actions;
2. Regional Solutions Management; and
3. Additional Competitive Rounds Based on needs identified by PRDOH.

7.1 Competitive Rounds Eligibility

Entities interested in participating in the PCB Program competitive rounds must meet the requirements established in the Eligible Entities section within these Program Guidelines and the application requirements to be published in each competitive round.

7.2 Program Funding

PRDOH, as administrator of the PCB Program, will award a minimum of \$100,000 and a maximum award of \$500,000 for the competitive round component of the Program. PRDOH will not consider any maximum award exceptions.²²

7.3 Competitive Rounds

The number of competitive rounds will be subject to program funding availability. Competitive rounds that could be funded by the PCB Program may include, but are not limited to:

²¹ In accordance with EDA, to be designated as an EDD, an applicant must have an EDA-approved CEDS and include a geographic area that complies with 13 C.F.R. §301.3(a). See <https://eda.gov/edd/>.

²² PRDOH reserves the authority to determine higher minimum awards and lower maximum awards per round, if and when the award amounts are within the above-mentioned thresholds.

DESIGN OF INNOVATIVE RESILIENCE ACTIONS: Some examples under this category include, but are not limited to:

- Solid waste management, including, recycling, and composting; and
- Watershed management.

REGIONAL SOLUTIONS MANAGEMENT: Some examples under this category include, but are not limited to:

- Consortiums creation, formalization, and strengthening;
- Consortium alliances;
- Energy Lifeline resilience;
- EDD development;
- Adaptation measures; and
- Critical Infrastructure Management.

ADDITIONAL COMPETITIVE ROUNDS BASED ON NEEDS IDENTIFIED BY PRDOH: PRDOH may employ RFI or EOI processes to assess the creation of additional categories for the development of plans, studies, and consortium creations. PRDOH may also conduct other rounds based on planning needs identified throughout CDBG-DR/MIT Programs implementation. Some examples of additional potential competitive rounds include the following:

- Plans and studies identified in the CDBG-DR WCRP and MRP Programs;
- Planning studies needed for the development of mitigation projects under the Infrastructure Mitigation, Multi-Sector Community Mitigation, and Economic Development Investment Portfolio for Growth - Lifeline Mitigation Programs; and
- Consortium or alliance building for participation in CDBG-DR/MIT Programs.

7.3.1 Period of Performance

Each awardee will execute an agreement with PRDOH with a period of performance no longer than **two (2) years**. This term will begin on the date that the Subrecipient and PRDOH sign the complete SRA. The SRA establishes the applicable CDBG-MIT award requirements, as well as state and local laws that the Subrecipient must meet. It includes provisions to reduce risk of noncompliance and to ensure that PRDOH meets its own responsibility to HUD for performance and financial reporting.

7.4 Application

For each competitive round, PRDOH will publish and announce awards and threshold amounts on the CDBG-DR/MIT website and in other forms of communication. PRDOH will evaluate each submitted proposal and supporting documentation to validate eligibility before awarding any funds. Application period, requirements, and evaluation criteria will be specified in the application instructions and forms for each competitive round that will be made publicly available. Program applicants may be required to submit

additional information to validate feasibility, sustainability, and operability of the proposal. Eligible Applicants will be expected to meet the following overall conditions:

1. Complete application submission;
2. Meet mandatory requirements;
3. Comply with organizational capacity qualifications; and
4. Submit proposal documentation in accordance with application requirements.

Additional information and specifications related to the conditions will be described in the application and instructions forms included in each competitive round.

7.5 Evaluation of Proposals

7.5.1 Criteria for Evaluation of Proposals

PRDOH may evaluate proposals submitted on each competitive round using the following general (basic proposal components) and technical (planning-related components) evaluation criteria:

1. Proposal objectives (General);
2. Proposal benefits and/or beneficiaries (General);
3. Estimated cost and/or budget proposal (General);
4. Work plan and expected timeline (General);
5. Alignment with Lifeline resilience (Technical); and
6. Level of multi-jurisdictional impact (Technical).

PRDOH reserves the right to include and apply additional evaluation criteria for proposals in the application and instructions form, included in each competitive round. Technical criteria such as alignment with lifeline resilience and level of multi-jurisdictional impact are further described in the following subsections.

7.5.2 Alignment with Lifeline Resilience

As explained in the CDBG-MIT Action Plan's Risk-Based Mitigation Need Assessment, PRDOH identified the greatest needs by evaluating contributors and mitigators of instability within each of the lifelines in Puerto Rico. Lifelines are the most fundamental services in a community and when stabilized, enable all aspects of society. Thus, in order to achieve resilience, mitigation efforts should reduce lifeline instability. For each competitive round, the PCB Program may incorporate the following resilience concepts identified by the U.S. Department of Homeland Security, Office of Infrastructure

Protection²³ into the evaluation criteria. The mitigation concepts descriptions may be adapted based on the competitive round requirement.

- **Redundancy:** The application considers multiple connections or duplications to Lifeline systems that prevent potential loss of services through a single connection and allow continuity of Lifeline services.
- **Alternatives:** The application creates or involves a diverse set of infrastructure types and locations that reduce the risk of over-reliance on infrastructure assets that could become single points of failure during emergencies.
- **Independence:** The application creates or involves local control and management of assets and Lifeline infrastructure that can reduce the possibility of systemic failure, which has proven to be a significant concern of communities across the Island.
- **Coordination:** The application included collaboration between communities, industry, government, and other entities related to Lifeline sectors, which will yield more successful outcomes and increase the likelihood of solutions that meet the needs of communities.
- **Confidence:** The application promotes reliability and predictable costs associated with Lifeline system.

7.5.3 Level of Multi-Jurisdictional Impact

Competitive round evaluation of technical criteria may require information to measure the level of multi-jurisdictional impact of the proposal contained in application, as evidenced by one (1) or more of the following:

- **Demonstration of multi-jurisdictional collaboration:** Evidence of one (1) or more of the following agreement types, as applicable:
 - Memorandums of Understanding (**MOUs**)
 - Interagency Agreements
 - Public-Private Partnerships
 - Intermunicipal alliances, consortiums, and agreements duly created in accordance with Act 107-2020, as amended, 21 L.P.R.A. § 7001 *et seq.* known as the Puerto Rico Municipal Code²⁴

²³ PRDOH's CDBG-MIT Action Plan considers the themes identified from the U.S. Department of Homeland Security (DHS), Office of Infrastructure Protection's Report called "Infrastructure Interdependency Assessment - Puerto Rico", which used various case studies related to critical infrastructure and lifeline resilience in Puerto Rico. The CDBG-MIT Action Plan can be found in English and Spanish at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

²⁴ The organization of the intermunicipal alliance or consortiums will be carried as a written agreement, duly signed by the mayors, with the approval of an absolute majority of the members of each of the Municipal Legislatures concerned, 21 L.P.R.A. § 7013(p), based on requirements of Act 107-2020, as amended, 21 LPRA § 7001 *et seq.* known as the Puerto Rico Municipal Code enumerates the following vested municipal powers:

- CBDO approval letter issued by PRDOH or an equivalent designation
- Other forms of agreement as determined by the competitive round requirements
- **Demonstration of multi-jurisdictional support:** Letters of endorsements from the agencies, municipalities, communities, and entities to be impacted by the application proposal, as applicable.
- **Demonstration of Regional Impact:** Identification of the proposed region to be impacted by the plan, study or consortium or an evaluation of the percentage (%) of the population within the geographic area to be impacted.
- **Other multi-jurisdictional impact evaluation criteria as determined by Program needs:** PRDOH reserves the right to include any other additional evaluation criteria within the competitive round application that demonstrates level of impact.

8 Monitoring, evaluation, and oversight activities

The Program is also intended to provide funding for the monitoring, evaluation, and oversight of vendor activities and deliverables, such as:

- Reports and evaluations;
- Invoicing and documentation;
- Coordination, oversight, and management of vendors;
- Coordination with PRDOH and PCB Program vendors; and
- QA/QC reviews of deliverables.

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.*, establishes the requirements for DOB analysis.²⁵ The Stafford Act prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. To comply with DOB provisions and the requirement that all costs are necessary and reasonable, PRDOH will ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a mitigation need that has not been fully met.²⁶

"Create inter-municipal alliances or Consortiums that allow two (2) or more municipalities to identify common problems, plan and develop activities or services jointly [...]", 21 LPRC § 7013(p);

"Enter into agreements and contracts with the federal government, agencies, departments, public corporations, instrumentalities of the Government of Puerto Rico and municipalities [...]", 21 LPRC § 7013(q);

"The constitution of trusts for the administration of assets [...]", 21 LPRC § 7013 (cc);

"The creation of Public-Private Partnerships to carry out those functions that the municipal governments consider pertinent, which may be administered through the establishment of trusts [...]", 21 LPRC § 7013 (dd).

²⁵ Also, see 42 U.S.C. § 5155.

²⁶ 84 FR 45838, 45860.

Grantees must comply with the DOB guidance included in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836. DOB requirements on CDBG-DR funds will equally apply to CDBG-MIT funds. The 2019 DOB Notice updates the treatment of declines loans where a grantee shall not take into consideration or reduce the amount of assistance provided to an applicant, where such applicant applied for and was approved, but declined assistance from the Small Business Administration (**SBA**), related to disasters that occurred from 2014 to 2017. The 2019 DOB Notice also includes requirements applicable only to CDBG-MIT funds. FEMA, as per recent amendments to the Disaster Recovery Reform Act of 2018 (**DRRA**), Pub. L. 115-254, advises that a loan is not a duplication of other forms of financial assistance, provided that all federal assistance is used toward a loss suffered, as a result of a major disaster or emergency. The DRRA provisions applies to disasters occurred from 2016 to 2021.

PRDOH must consider funds received by, or available to, Program applicants from any other federal, state, local, or other source and determine if any assistance is duplicative.

For more information on Duplication of Benefits, please see the Duplication of Benefits Policy available in English and Spanish in the PRDOH CDBG-DR/MIT website 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 Supplanting of Funds

Supplanting of funds occurs when a state, or local government reduces state or local funds for an activity specifically because federal funds are available (or expected to become available) to fund the same activity. Additionally, CDBG-MIT funds may not replace state or local funding that is required by law.

Applicants must disclose all federal funding sources available for the project. CDBG-MIT funds cannot be used to fund activities funded by other sources. Eligible entities and potential partners may use federal funds to supplement existing funds from program activities, but may not replace non-federal funds that have been appropriated for the same purpose.

10 Environmental Review

An 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 such project, are subject to the provisions of the National Environmental Policy Act of 1969 (**NEPA**), as amended, 42 U.S.C. § 4321 *et seq.*, as well as to the HUD's 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 that the proposed activities do not negatively impact the surrounding environment and that the geographical area itself will not have an adverse environmental or health effect on end users.

10.1 Exemption

PCB planning activities under 24 C.F.R. Part 58 are Exempt. According to 24 C.F.R. § 58.34:

(a) Except for the applicable requirements of § 58.6, the responsible entity does not have to comply with the requirements of this part or undertake any environmental review, consultation or other action under NEPA and the other provisions of law or authorities cited in § 58.5 for the activities exempt by this section or projects consisting solely of the following exempt activities:

1. Environmental and other studies, resource identification and the development of plans and strategies;
2. Information and financial services;
3. Administrative and management activities;
4. Public services that will not have a physical impact or result in any physical changes, including but not limited to services concerned with employment, crime prevention, childcare, health, drug abuse, education, counseling, energy conservation and welfare or recreational needs;
5. Inspections and testing of properties for hazards or defects;
6. Purchase of insurance;
7. Purchase of tools;
8. Engineering or design costs;
9. Technical assistance and training;
10. Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;
11. Payment of principal and interest on loans made or obligations guaranteed by HUD;
12. Any of the categorical exclusions listed in § 58.35(a) provided that there are no circumstances which require compliance with any other Federal laws and authorities cited in § 58.5.

11 Minority Owned Business

2 C.F.R. § 200.321 requires the Non-Federal entity to take necessary steps to ensure that all recipients, Subrecipients, contractors, subcontractors, and/or developers funded in

whole or in part with CDBG-MIT financial assistance ensure that, when possible, contracts and other economic opportunities are directed to minority business enterprises (**MBE**), women-owned business enterprises (**WBE**), together M/WBE small and minority firms, women-owned business enterprises, and labor surplus area firms.

Compliance is ensured by requiring, as applicable, Subrecipients, program partners and contractors to make best efforts to achieve an overall M/WBE participation goal of twenty percent (20%) of the entire contract value consisting of ten percent (10%) percent for MBE and ten percent (10%) for WBE.

If, after making good faith efforts, a Subrecipient is unable to meet M/WBE goals, Subrecipients may submit a request for a M/WBE Waiver for their overall goal. The request must set forth the reasons for the inability to meet any or all the participation requirements together with an explanation of the good faith efforts undertaken.

For more information on Minority Owned Businesses, please see the M/WBE Policy available in English and Spanish in the PRDOH CDBG-DR/MIT website at <https://cdbg-dr.pr.gov/en/download/mwbe-policy/> and <https://cdbg-dr.pr.gov/download/politica-mwbe/>.

12 Program Closeout

PRDOH has a standalone Closeout Policy to govern project, program, and grant closeout procedures.

Project closeout is the process that occurs after a project in the Program is complete, and PRDOH determines that project has been successfully completed and no work remains. For projects comprised of multiple funding sources, closeout occurs when all funds are spent, not just the CDBG-MIT funded portions. PRDOH will perform a complete review of the application and the project file to ensure all necessary documentation is present and to ensure the grant is ready for Program Closeout.

General requirements for Program Closeout are as follows:

- All milestones have been met and deliverables submitted, and each in accordance with all requirements of this Program;
- All eligibility, DOB, and supplanting documentation are found to be in accordance with all requirements of this Program;
- All Program forms required throughout the entirety of the application process have been duly completed and executed by the appropriate parties, which may include program staff, the vendor, and the Applicant or Subrecipient;
- Grant funds allocated to the project were expended on necessary and reasonable costs

- All funds used for the Program, whether CDBG-MIT or received using a subrogation of funds, have been properly accounted for and reconciled with payments made to the corresponding parties, such as Subrecipient and procurement vendors;
- All payments have been issued to the Vendor, including applicable retainages;
- All reporting requirements were completed and submitted;
- Any special conditions were met;
- All audit and monitoring issues affecting the project and/or grant were resolved; and
- Other requirements for closeout as established in the Subrecipient Agreement.

Outreach will be made to the Subrecipient, or any other party involved, if any additional information is necessary for Program Closeout. Once all levels of quality control review are passed, the Applicant will receive a PCB Final Closeout Notice, and their individual case will be placed in a closeout complete status.

The Closeout Policy is available in English and Spanish on the PRDOH CDBG-DR/MIT website at <https://cdbg-dr.pr.gov/en/download/closeout-policy/> and <https://cdbg-dr.pr.gov/download/politica-de-cierre/>

13 Program-Based Reconsideration and/or Administrative Review

Program Applicants may contest any determinations or denials based on Program policy. However, an Applicant 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.

13.1 Program-based Reconsideration Request

Applicants who wish to contest a Program 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. Provided that, if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or electronic) of said notice, the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). 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. 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 document 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 **fifty (15) calendar days** of its receipt. Applicants will be notified of the reconsideration determination via a Program-based Reconsideration Request Approved or a Program-based 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 Number 4953, of August 19, 1993, which regulates the Formal Adjudication Process for PRDOH and its Adjunct Agencies (Regulation 4953)²⁷.

13.2 Administrative Review Request

If an Applicant disagrees with a Program determination, or with the Program-based Reconsideration Request Denial determination, said party may file directly to PRDOH, as grantee, an Administrative Review Request in accordance with the aforementioned Regulation 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. Provided, that if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or electronic), the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). 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. Submit the request 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, P.R. 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 Puerto Rico within **thirty (30) calendar days** after a copy of the notice has been filed. See

²⁷ 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-adiudicacion-formal.pdf>

Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 L.P.R.A. § 24 *et seq.*, and Section 4.2 of Act 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 L.P.R.A. § 9672.

14 General Provisions

14.1 Program Guidelines Scope

This document sets forth the policy governing the Program. The program guidelines are intended to aid and provide program activity guidance in Program's 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 these, 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.

14.2 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 for the evaluation of all situations encountered in the implementation and/or continuance of the Program from the date of its issuance, that is, the date that appears on the cover of these Guidelines. Each version of the Program Guidelines will contain a detailed version control log that outlines any substantive amendment, inclusions, and/or changes.

14.3 Extension of Deadlines

The Program could extend deadlines on a case-by-case basis. The Program may decline to extend a deadline if such extension jeopardize the Program's completion schedule or an individual construction project schedule. The aforementioned 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.

14.4 Established Periods of Time

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

14.5 Conflict of Interest

As stated in the Federal Register Vol. 84, No. 169 (August 30, 2019), 84 FR 45838, Federal regulations require that State grantees, in the direct Grant administration and means of carrying out eligible activities, to comply with administrative program 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-DR/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 personal or economic interest is or could be reasonably in struggle with the public interest. A COI situation arises when a public servant, employee, agent, consultant, officer, or elected official or appointed official of the PRDOH, or of any designated public agencies, or of Subrecipients that are receiving funds under the CDBG-DR/MIT Program may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest. The personal or financial interest can be either for themselves, or those with whom they do 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.

PRDOH will not tolerate such conflicts of interest. Program officials, their employees, agents, and/or designees are subject to state ethics laws and regulations, including, but not limited to Puerto Rico Government Ethics Act of 2011, Act 1-2012, as amended, regarding their conduct in the administration, granting of awards, and program activities.

According to the aforementioned 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 housemate 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/>.

14.6 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/citizen-participation/> and <https://www.cdbg-dr.pr.gov/participacion-ciudadana/>. For more information on how to contact PRDOH, please refer to www.cdbg-dr.pr.gov.

14.7 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 grantee, to ensure that all complaints are dealt with promptly and consistently. Likewise, shall, 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:

Via email 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.²⁸

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/>.

14.8 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 83 FR 40314, PRDOH implements adequate measures to detect and prevent fraud, waste, abuse, or mismanagement in all programs administered with CDBG-DR/MIT funds. Additionally, PRDOH encourages any individual who is aware or suspects any conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR/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 known or suspected acts of fraud, waste, abuse, or mismanagement of CDBG-DR/MIT funds. This Policy applies to any allegations or irregularities, either known or suspected, that could be considered acts of fraud, waste, abuse, or mismanagement, involving any citizen, previous, current or potential applicant, beneficiary, consultant, contractor, employee, partner, provider, Subrecipient, supplier, and/or vendor under the CDBG-DR/MIT Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH CDBG-DR/MIT	
CDBG-DR/MIT Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR/MIT Internal Audit Office P.O. BOX 21355 San Juan, PR 00928-1355
Email	hotlineCDBG@vivienda.pr.gov

²⁸ Hours may vary due to COVID-19. PRDOH recommends calling ahead prior to arrival to corroborate.

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/cdbgdrpublic/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 (OIG) 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 on the PRDOH website at <https://www.cdbg-dr.pr.gov/en/resources/policies/> and <https://www.cdbg-dr.pr.gov/recursos/politicas/>.

14.9 Related Laws and Regulations

These guidelines refer as to how the provisions of certain laws apply to the Program. However, other related laws may exist which are not included in these Guidelines. This does not negate or preclude the Program from applying the provisions of those laws, nor an applicant from receiving services, when applicable. Moreover, PRDOH can enact, or may have enacted, regulations that address how the laws mentioned in these guidelines are managed. If there are any discrepancies between these guidelines and the laws and/or regulations mentioned in them, then the latter will prevail over the guidelines. If at any time the laws and/or the applicable regulations mentioned in these guidelines are amended, the new provisions will apply to the Program without the need to amend these guidelines.

15 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR/MIT. These 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/MIT Action Plans, as amended.

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/>.

16 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.

17 Severability Clause

If any provision of these 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 these guidelines, and the application of such provisions, will not be affected. All valid applications of these guidelines shall be severed from any applications deemed invalid, leaving the valid applications in full force.

END OF GUIDELINES.