



CDBG-DR

PROGRAM GUIDELINES

VACANT PROPERTY RECOVERY PROGRAM



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

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PUERTO RICO DEPARTMENT OF HOUSING
CDBG-DR PROGRAM GUIDELINES
VACANT PROPERTY RECOVERY PROGRAM
VERSION CONTROL

VERSION NUMBER	DATE REVISED	DESCRIPTION OF REVISIONS
1	April 4, 2025	Original Version
2	April 20, 2026	Amendments in Sections 1, 2, 3, 4, 5, 7, and 8 to remove code enforcement from the program phases, add state agencies as an eligible entity and describe the application and selection process for the Participating Entities in Steps 2 and 3. Main content additions have been highlighted in gray.

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1 Overview

The longstanding issue of vacant and abandoned properties in Puerto Rico was significantly aggravated by the destruction caused by Hurricanes Irma and María. Many municipalities continue to face substantial challenges in addressing this problem due to the volume of affected properties and the technical complexity involved in their remediation. Advancing an effective and sustainable recovery strategy requires targeted resources and enhanced local capacity to support community revitalization.

In response, the Puerto Rico Department of Housing (**PRDOH**) launched the Vacant Properties Assessment (**VPA**) initiative, which provides municipalities with a centralized database of vacant properties within their jurisdictions. However, while the VPA focuses on identification, most municipalities lack the technical and operational capacity to address these properties comprehensively. Additional support is needed to transform these vacant and abandoned properties into opportunities for resilience and growth.

The Vacant Property Recovery Program (**VPR Program** or **Program**) supports planning and capacity-building activities related to the management and reuse of vacant and abandoned properties. This support will be provided to municipalities, state agencies, and other organizations with relevant authority or responsibilities, as determined by PRDOH (**Participating Entities**). The Program will offer technical assistance and strategic guidance to facilitate local planning, enhance capacity, and strengthen code enforcement practices aimed at mitigating property vacancy.

As established in the Community Development Block Grant – Disaster Recovery (**CDBG-DR**) Action Plan, the VPR Program will contribute to the reduction of blight and abandonment in deteriorated areas, while also helping to prevent future decline through the strategic integration of code enforcement and planning and capacity-building activities. The Program will be overseen and administered by PRDOH, as the recipient of CDBG-DR funds designated by the U.S. Department of Housing and Urban Development (**HUD**). The VPR Program will build upon data and tools generated through complementary initiatives such as VPA, the Municipal Recovery Planning (**MRP**) Program, and the Whole Community Resilience Planning (**WCRP**) Program.

2 Definitions

- **Action Plan** – Refers to the Puerto Rico Disaster Recovery Action Plan, as amended, which outlines the uses for the CDBG-DR funds allocated to Puerto Rico in response to hurricanes Irma and María.¹
- **Code Enforcement** – For purposes of this Program, this term refers to the process by which municipalities ensure compliance with applicable ordinances and related regulations, including, but not limited to, health and housing codes, zoning and land use ordinances, signage standards, and uniform building and fire codes.
- **CDBG-DR** – Refers to the Community Development Block Grant for Disaster Recovery, a source of federal funding appropriated by the U.S. Congress to address the recovery needs of disaster-affected areas impacted by major disasters.
- **Community** – For the purpose of these Guidelines, community refers to a social unit sharing common experiences or identity, or a population situated within a defined geographic area of a municipality (e.g., municipality, “barrio”, sector, or neighborhood).
- **Eligible Entities** – These may include municipalities, state agencies, and other organizations with authority or responsibilities related to the management and reuse of vacant and abandoned properties, as determined by PRDOH.
- **HUD** – Refers to the United States Department of Housing and Urban Development.
- **Participating Entities** – These are the Eligible Entities that voluntarily participate and meet the participation requirements for Steps 2 and 3. Participating Entities for Step 2 may include all Eligible Entities. Participating Entities for Step 3 are those selected to move forward under a Participation Agreement, as described in Section 8 of these Program Guidelines.
- **Planning and Capacity Building** – Activities may include data collection, studies, analysis, and the preparation of plans to guide community development and implementation efforts. These may encompass comprehensive or functional plans related to housing, land use, economic development, transportation, energy conservation, floodplain management,

¹ The CDBG-DR Action Plan is available in English and Spanish at <https://recuperacion.pr.gov/en/action-plans/action-plan-cdbg-dr/> and <https://recuperacion.pr.gov/planes-de-accion/plan-de-accion-cdbg-dr/>.

and historic preservation. The term also includes neighborhood planning, capital improvement programming, and environmental assessments of properties with potential contamination. In addition to planning, these activities support policy development, regulatory frameworks, and inventory creation. They aim to strengthen the recipient's ability to assess needs, establish goals, develop strategies, monitor progress, and coordinate implementation.² For the VPR Program, these activities focus on data collection, studies, analysis, the development of planning strategies, and the identification of actions necessary to implement such strategies to address vacant and abandoned properties.

- **PRDOH** – Refers to the Puerto Rico Department of Housing.
- **Public Nuisance** – Any abandoned structure or vacant, undeveloped, or uninhabited lot that is unsuitable for human habitation or use due to its dilapidated condition, lack of repair, construction defects, or because it poses a threat to public health or safety. Such conditions may include but are not limited to structural defects that increase the risk of fire or accidents; lack of adequate ventilation or sanitary facilities; lack of electrical power or potable water; and unsanitary conditions.³ This term is distinct from the term vacant and abandoned properties.
- **Service Provider** – Entity or entities contracted to deliver specified goods or services to PRDOH, ensuring the effective implementation and execution of the VPR Program in accordance with established requirements and objectives.
- **Vacant and Abandoned Properties** – Term used in the VPA Initiative to define properties included in the inventory that are uninhabited, in poor condition, and present vegetative, structural, physical, biological, or social risks. This term is distinct from the term public nuisance.

3 National Objective

CDBG-DR funds expended for planning are considered to address the overall national objectives of the grant. As such, planning-designated funds are not required to meet a specific national objective.⁴

² 24 C.F.R. § 570.205

³ 21 LPR § 8351.

⁴ 24 C.F.R. § 570.483(f).

4 Program Description

The VPR Program aims to support Eligible and Participating Entities in addressing the issue of vacant and abandoned properties beyond their identification and inventory, transforming these challenges into opportunities for resilience within Puerto Rico's communities. In coordination with the Service Provider, the VPR Program will provide support to ensure the vacant and abandoned property problem is addressed through the implementation of planning and capacity building activities.

This Program will provide support, training, guidance, best practices, tools, and resources necessary to implement effective and coordinated strategies to address vacant and abandoned properties. This includes assisting entities in the design, development, and optimization of policies and processes required to implement such strategies. The Program will also incorporate feedback to continuously refine and strengthen program implementation and strategic approaches.

It is expected that strengthening institutional knowledge will provide the necessary capacity to address issues related to vacant and abandoned properties, restoring neighborhoods to safe, livable conditions and preventing further decline. In sum, through structured planning and capacity-building initiatives, the Program encourages the reduction of blight, supports revitalization, and strengthens long-term community resilience.

4.1 Program Objectives

The primary objectives of the VPR Program are to:

- Provide training and technical support on vacant and abandoned property-related processes to strengthen institutional knowledge and implementation capacity.
- Develop standardized resources and tools to address vacant and abandoned property issues.
- Assist in the development and implementation of community engagement strategies that convene multiple stakeholders to address vacant and abandoned property issues.
- Develop maps and other geospatial products to support data-driven analysis and decision-making.

- Evaluate the implementation of policies, processes, and the effectiveness of resources provided to identify best practices and areas for improvement.

5 Program Steps

The VPR Program will be implemented through four (4) coordinated steps: (1) Initial Phase; (2) Skill Development and Planning Resources; (3) Implementation Strategies Assessment; and (4) Program Administration and Closeout. Collectively, these steps establish a coordinated framework to address vacant and abandoned properties while supporting long-term community revitalization.

5.1 Step 1: Initial Phase

The Initial Setup includes the essential activities required to formally launch the Program. This step focuses on early outreach and engagement with all Eligible Entities to encourage participation and ensure alignment with Program objectives. Key activities may include:

- Conducting introductory presentations to Eligible Entities outlining the Program's planning and capacity-building components;
- Finalizing and executing contracts with the selected Service Provider(s);
- Hosting a kickoff meeting to initiate coordination and set clear expectations for implementation.

PRDOH will oversee the execution of the Service Provider contracts and monitor the progress and completion of this step.

5.2 Step 2: Skill Development and Planning Resources

The Skill Development and Planning Resources step focuses on providing all eligible Participating Entities with the knowledge, tools, and strategies necessary to strengthen local planning efforts in addressing vacant and abandoned properties. This step includes conducting outreach and engagement efforts, gathering information on existing entities' processes, and assessing available resources and needs. Moreover, a key component of this step is the development of a capacity-building training curriculum and a standardized toolkit to address the management of vacant and abandoned properties.

Key activities to be carried out by the Service Provider(s) during this step include, but are not limited to:

- Assessing needs by reviewing existing processes, staffing capacity, and documentation to identify areas for improvement.
- Facilitating engagement, training, and capacity-building sessions to enhance understanding and readiness for implementation.
- Developing an Outreach and Engagement Plan to guide communication with stakeholders and encourage participation.
- Creating standardized planning strategies, including processes, tools, and template documents to streamline efforts.
- Gathering and incorporating feedback from municipalities and communities through targeted outreach.
- Developing a Toolkit Model to serve as a comprehensive, standardized resource for Participating Entities.

These efforts aim to provide Participating Entities with the necessary resources, guidance, and capacity to implement effective and coordinated strategies for managing vacant and abandoned properties. PRDOH will monitor and evaluate the progress and completion of this step. During this step, selected Participating Entities will execute agreements with PRDOH and proceed with Step 3.

5.3 Step 3: Implementation Strategies Assessment

The Implementation Strategies Assessment step focuses on evaluating and refining strategies in collaboration with the selected Participating Entities. This step involves periodic meetings to review progress, provide technical guidance, and support the effective application of standardized processes related to vacant and abandoned property management—such as property evaluation forms, reporting, notifications, and other implementation activities.

PRDOH, in coordination with the Service Provider(s) and selected Participating Entities, will conduct and monitor key activities to assess the successful completion of this step. Activities for this step may include, but are not limited to:

- **Conduct check-in meetings** to monitor progress, provide guidance and offer technical assistance on the application of standardized tools, processes, and templates developed during the Skill Development and Planning Resources

step. These meetings will support Participating Entities in the effective use of the Toolkit Model, including ordinance and notification templates, property evaluation checklists, and report preparation guidelines. They will also serve as a forum to assess implementation progress, address challenges, and monitor key milestones.⁵

- **Develop the Implementation Strategies Assessment Report**, which will document the adoption of standardized strategies, best practices, and key implementation efforts. The report will also detail the application of templates, the extent of technical assistance provided, and lessons learned throughout the processes to improve strategy execution. The report should serve as a scalable and adaptable reference for future efforts.

Through this step, PRDOH aims to support Participating Entities in finalizing practical, actionable strategies that ensure consistency, effectiveness, and long-term impact in addressing vacant and abandoned properties.

5.4 Step 4: Program Administration and Closeout

The Program Administration and Closeout step focuses on the ongoing management, compliance, and administrative activities required from the Service Provider(s) to support Program implementation and closeout. This step includes contract administration, reporting, document control, and the completion of all requirements necessary for PRDOH to issue final Closeout approval.

Key activities may include but are not limited to:

- Preparing and maintaining a Program workplan outlining schedules, staffing, and resources for all steps, tasks, and subtasks;
- Participating in regular progress meetings with PRDOH;
- Providing periodic progress, performance, and compliance reports, as required by PRDOH;
- Submitting invoices and maintaining accurate financial and administrative records throughout Program implementation;

⁵ PRDOH reserves the right to determine whether meetings with Participating Entities will be held individually or in group settings.

- Ensuring proper storage, archiving, and retrieval of documents in accordance with PRDOH's system of record and applicable HUD documentation requirements;
- Verifying and reconciling all relevant data within PRDOH's system of record to support the closeout process;
- Preparing and submitting a complete closeout documentation package, resolving outstanding issues, and coordinating with PRDOH to facilitate final review and validation.

PRDOH will oversee all Program closeout activities to ensure compliance with applicable requirements.

5.5 Roles and Responsibilities

Four (4) primary stakeholder groups will be involved in the implementation of the VPR Program: PRDOH; the Service Provider(s); Eligible Entities; and Participating Entities. The respective roles and responsibilities of each group are outlined below:

- **PRDOH:** As the CDBG-DR grantee, PRDOH responsible for the overall administration and oversight of the VPR Program. This includes developing and publishing all necessary programmatic guidance for the execution and management of activities. PRDOH will oversee contracts and agreements with the selected Service Provider(s), and enter into Participation Agreements with Participating Entities to formalize the collaboration. Additionally, PRDOH is tasked with ensuring program compliance with federal regulations and funding requirements, maintaining transparency, and ensuring that the Program achieves its intended outcomes.
- **Eligible Entities:** Participate in introductory presentations during Step 1 regarding planning and capacity-building frameworks that address vacant and abandoned properties.
- **Participating Entities:** Voluntary collaborators that play a key role in the success of the VPR Program. Their responsibilities include participating in activities led by the Service Provider(s) under Steps 2 and 3 and completing applications and Participation Agreements, as required by the Program.
- **Service Provider(s):** The Service Provider(s) will design and provide planning and capacity-building activities focused on addressing vacant and abandoned property challenges. Their responsibilities include providing

technical assistance, offering guidance on legal and regulatory frameworks, and delivering best practices and standardized tools (e.g., Toolkit Model) to Participating Entities.

In alignment with the Program’s focus on planning and capacity building, the VPR Program has defined specific limitations on activities Service Providers may perform:⁶

- **Customization of Toolkit Model contents:** Service Providers are not permitted to complete or customize the contents of the Toolkit Model (e.g., ordinance and notification templates, property evaluation checklists, reports, and related documents). They may only provide standardized templates and offer guidance on their use; it is the responsibility of the Participating Entities to adapt and complete the templates based on their specific needs and context.
- **Implementation of administrative functions:** Service Providers cannot perform or support general municipal administrative operations or tasks outside the scope of planning and capacity-building efforts. This includes any activities related to day-to-day municipal management or internal operations.

6 Eligible Use of Funds

All program-funded activities must meet the eligibility requirements included in these Guidelines.

6.1 Eligible Activities

The following activities, as authorized under Section 105(a)(12) of the HCDA, are eligible for funding under the VPR Program. In terms of planning and capacity-building efforts⁷, eligible activities include all costs related to, but not limited to, the following:

- Strategies and action programs to implement plans, including the development of codes, ordinances, and regulations;

⁶ These restrictions ensure that Program resources are directed exclusively toward the implementation of standardized strategies to address vacant and abandoned properties, while preserving program integrity and ensuring compliance with funding requirements.

⁷ 24 C.F.R. § 570.205.

- Comprehensive plans;
- Community development plans;
- Functional plans in areas such as: housing, land use and urban environmental design, economic development, open space and recreation, energy use and conservation, floodplain and wetlands management, transportation, utilities, and historic preservation;
- Capital improvement programs;
- Individual project plans (but excluding engineering and design costs related to a specific activity which are activity delivery costs);
- General environmental, urban environmental design and historic preservation studies; and
- General environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination.

There are additional eligible activities for implementing planning and capacity building⁸ which will enable the recipient to:

- Determine its needs;
- Set long-term goals and short-term objectives, including those related to urban environmental design;
- Devise programs and activities to meet these goals and objectives;
- Evaluate the progress of such programs and activities in accomplishing these goals and objectives; and
- Carry out management, coordination and monitoring of activities necessary for effective planning implementation but excluding the costs necessary to implement such plans.

6.2 Ineligible Activities

The following costs are considered not eligible for funding or reimbursement:

- Engineering, architectural and design costs related to a specific project, including detailed engineering specifications and working drawings;
- Political activities;
- Expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance;

⁸ *Id.*

- New housing construction;
- Construction or any costs of implementation of projects or plans;
- Costs not directly associated with providing assistance to Participating Entities in vacant property processes, map development, or other eligible planning activities;
- Any other ineligible activities as defined in 24 C.F.R. § 570.207.

7 Program Eligibility

7.1 Eligible Entities

Eligible entities include:

- Municipal governments of Puerto Rico;
- State agencies; and
- other organizations with authority or responsibilities related to the management and reuse of vacant and abandoned properties, as determined by PRDOH.

7.2 Participating Entities

Entities interested in participating as Participating Entities in the Program must comply with the requirements established in the Eligible Entities section, as well as with the application and selection processes set forth in these Program Guidelines for Steps 2 and 3. Participating Entities may include organizations—such as the Puerto Rico Land Administration and the University of Puerto Rico—with authority or responsibilities related to the management and reuse of vacant and abandoned properties, as determined by PRDOH.

8 Selection Process

8.1 Service Provider Selection Process

PRDOH will issue a Request for Proposals (**RFP**) to procure one (1) or more qualified planning Service Providers to support the development and implementation of key activities under the VPR Program. All CDBG-DR/MIT-funded projects must comply with the Uniform Guidance procurement requirements outlined in 2 C.F.R. Part 200, Subpart

D. These policies and procedures ensure that Federal funds are spent fairly and encourage open competition at the best level of service and price.⁹

The selected Service Provider(s) must demonstrate expertise in laws and regulations addressing vacant and abandoned structures in Puerto Rico, and possess the technical capacity to support Participating Entities throughout the planning and capacity-building process and the Implementation Strategies Assessment stage. The scope of services and technical requirements will be detailed in the published RFP. Once selected, Service Providers will assist Participating Entities in carrying out Program objectives. PRDOH reserves the right, at its sole discretion, to procure additional Service Providers as needed to address specific requirements identified during Program implementation.

8.2 Participating Entities Application and Selection Process

8.2.1 Step 2 Participating Entities Application and Selection Process

PRDOH will promote the Program and invite Eligible Entities to apply for participation in Step 2. In coordination with the Service Provider(s), PRDOH will establish and provide detailed selection criteria. Selection will be based on readiness and implementation capacity to maximize overall program benefits. Subject to funding availability and implementation timelines, PRDOH may, at its sole discretion, establish additional requirements and limit the number of Participating Entities selected for this step.

Only those entities selected as Participating Entities in this step may proceed to initiate the Participation Agreement process with PRDOH for Step 3. Selection for Step 2 does not guarantee participation in Step 3, as entities may not be selected to advance due to funding limitations or other programmatic constraints. Participating Entities may also elect not to pursue participation in Step 3.

8.2.2 Step 3 Participating Entities Selection Process

PRDOH, in coordination with the Service Provider(s), will establish the criteria for selecting Participating Entities to engage in Step 3 activities. Only Participating Entities that have completed Step 2 will be eligible for consideration. Selection will be based

⁹ In alignment with these requirements, PRDOH has adopted the Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs, Regulation No. 9506, effective on September 25, 2023. See: <https://recuperacion.pr.gov/en/download/procurement-manual-cdbg-dr-mit-program/> (English) and <https://recuperacion.pr.gov/download/manual-de-adquisiciones-programa-cdbg-dr-mit/> (Spanish).

on readiness, implementation capacity, past performance, and anticipated impact to maximize overall program benefits.

Upon execution of the Participation Agreements, PRDOH, in collaboration with the Service Provider(s), will coordinate the initiation of Step 3 activities and clearly define roles, responsibilities, and expectations.

9 Monitoring, evaluation and oversight activities

The VPR Program allocates funding to support the monitoring, evaluation, and oversight of Service Provider activities and deliverables to ensure compliance, quality, and effective implementation. Oversight responsibilities will include, but are not limited to:

- Review of reports and evaluations submitted;
- Verification of invoicing and supporting documentation;
- Coordination, oversight, and management of Service Provider performance;
- Facilitation of communication and alignment stakeholders; and
- Quality Assurance/Quality Control (**QA/QC**) reviews of all deliverables.

10 Duplication of Benefits (DOB)

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (**Stafford Act**), as amended, 42 U.S.C. §5121 *et seq.*, prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss for which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. To comply with DOB provisions and ensure that all costs are necessary and reasonable, PRDOH will verify that each activity provides assistance only to the extent that an unmet need exists.

Grantees must comply with the DOB guidance published in Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836. This notice clarifies that for disasters occurring between 2014 and 2017, grantees must not reduce assistance based on an applicant's decision to decline an approved Small Business Administration (**SBA**) loan. Declined SBA loan amounts cannot be treated as duplicative assistance.

Further, pursuant to the Disaster Recovery Reform Act of 2018 (**DRRA**), Pub. L. 115-254, and guidance from FEMA, a loan is not considered a duplication of benefits when all federal assistance is used to address a loss resulting from a federally declared

disaster or emergency. DRR provisions apply to disasters occurring between 2016 and 2021.¹⁰

PRDOH must review all sources of funding received by, or available to, program applicants—whether from federal, state, local, or private sources—and determine whether 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://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/> and <https://recuperacion.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/>.

11 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. Therefore, an environmental review process is required for all activities 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.

12 Minority and Women-Owned Business Enterprises (M/WBE)

As per regulations at 2 C.F.R. § 200.321, all recipients, subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with CDBG-DR/MIT financial assistance must ensure that, when possible, contracts and other economic opportunities are directed to minority business enterprises (**MBE**), women-owned business enterprises (**WBE**), together M/WBE, and labor surplus area firms. This section highlights some of the key aspects for this area of regulation. PRDOH has provided a

¹⁰ Therefore, the determining factor for applying the DRR amendment is the date the agreement for loan assistance is awarded (signed by all the required parties, made and entered, and final). Subsidized loans awarded after the amendment sunset date are to be included in the DOB evaluation.

full policy guide for M/WBE implementation, available on the PRDOH website. This section does not replace the guidance provided in the policy guide.

Minority Business Enterprise means a business enterprise that is at least fifty-one percent (51%) owned and controlled by one or more minorities or socially and economically disadvantaged persons. Such disadvantages may arise from cultural, racial, chronic economic circumstances, or other similar causes.

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 or contractor is unable to meet M/WBE goals, the subrecipient or contractor 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://recuperacion.pr.gov/en/download/mwbe-policy/> and <https://recuperacion.pr.gov/download/politica-mwbe/>.

13 Program Closeout

Project closeout is the formal process that occurs after all activities under the VPR Program are complete, and PRDOH determines that the Program has been successfully completed, and no work remains. A program is deemed complete upon final review and/or inspection by PRDOH and, when applicable, the submission of proof that all agreed upon performance indicators have been reported as well as performance milestones have been met.

General requirements for Program Closeout are as follows:

- All milestones have been met and deliverables submitted, and each in accordance with Program requirements;
- Final evaluation, review, and final approval of completed documentation in accordance with the required planning activities;

- All eligibility, DOB, and supplanting documentation are found to be in accordance with Program requirements;
- All required forms and reports throughout the entirety of the Program have been duly completed and executed by the corresponding parties;
- All funds used for the Program, whether CDBG-DR or received using a subrogation of funds, have been properly accounted for and reconciled with payments made to the corresponding parties;
- All payments have been issued to Service Providers, including applicable retainages;
- All reporting requirements were completed and submitted;
- Any special conditions were met;
- All audit and monitoring issues affecting the program and/or grant were resolved; and
- Other requirements for closeout as established in a Service Provider's contract.

If further documentation or clarification is required, PRDOH will coordinate directly with the Service Provider or other involved parties to obtain the necessary information. Once all levels of quality control review are passed, the Applicant will receive a VPR Final Closeout Notice, and their individual case will be placed in a closeout complete status.

PRDOH has a standalone Closeout Policy to govern project, program, and grant closeout procedures. The Closeout Policy is available in English and Spanish on the PRDOH CDBG-DR/MIT website at <https://recuperacion.pr.gov/en/download/closeout-policy/> and <https://recuperacion.pr.gov/download/politica-de-cierre/>.

14 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.

14.1 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 **fifteen (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

No. 9618, of November 21, 2024, which regulates the Formal Adjudicative Procedures for PRDOH and its Adjunct Agencies (**Regulation No. 9618**).¹¹

14.2 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 Regulation No. 9618. The Applicant must submit such a 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 Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 LPRA § 24 *et seq.*, and Section 4.2 of Act No. 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 LPRA § 9672.

¹¹ For more details, you can access Regulation No. 9618, effective November 21, 2024, (in Spanish) at: https://docs.pr.gov/files/Vivienda/vivienda.pr.gov/Reglamentos/Administraci%C3%B3n%20de%20Vivienda%20P%C3%BAblica/REGLAMENTO_9618_SOBRE_PROCEDIMIENTOS_ADJUDICATIVOS_FORMALES_DEL_DEPARTAMENTO_DE_LA_VIVIENDA_Y_SUS_AGENCIAS_ADSCRITAS.pdf.

15 General Provisions

15.1 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 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, the 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 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.

15.2 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 situations encountered in the implementation and/or continuance of the Program from the date of its issuance, that is, the date that appearing 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.

15.3 Disaster Impacted Areas

As described in the initial Action Plan, and its amendments, the Government of Puerto Rico will use CDBG-DR funds solely for necessary expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure, and economic revitalization in the impacted and distressed areas in Puerto Rico as identified in disaster declaration numbers DR-4336 and 4339. Through the Federal Register Vol. 83, No. 157 (August 14, 2018), 83 FR 40314, HUD identified that, for Puerto Rico, all components of

the Island are considered “most impacted and distressed” areas. Therefore, these Guidelines apply to all seventy-eight (78) municipalities of Puerto Rico.

15.4 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 jeopardizes 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.

15.5 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.

15.6 Written Notifications

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

15.7 Conflict of Interest

As stated in the Federal Register Vol. 83, No. 28 (February 9, 2018), 83 FR 5844, 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-DR/MIT assisted activities. Therefore, PRDOH has enacted the Conflict of Interest Policy and Standards of Conduct Policy (**COI Policy**) in conformity with the following applicable federal and state regulations:

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

The COI Policy outlines PRDOH's responsibility, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential or actual conflicts of interest related to CDBG-DR/MIT funded projects, activities and/or operations. Said Policy is intended to serve as guidance for the identification of apparent, potential, or actual conflicts of interest in all CDBG-DR/MIT assisted activities and/or operations. In accordance with 24 CFR § 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 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, 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** thereafter.

Such conflicts of interest 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 the 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 he/she has a conflict of interest 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 has ended during the **two (2) years** preceding the appointment of the public servant, they shall not intervene, either directly or indirectly, in any matter related to them until **two (2) years** have elapsed after their appointment. This prohibition shall remain in effect insofar as the beneficial ties with the public servant exist. Once the beneficial ties end, the public servant shall not intervene, either directly or indirectly, in such matter until **two (2) years** have elapsed.

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

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

15.8 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 funds, including all programs funded by this grant, are welcomed.

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

- **Via phone:** 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
Attention hours Monday through Friday from 8:00am-5:00pm
- **Via email at:** infoCDBG@vivienda.pr.gov

- **Online at:** <https://recuperacion.pr.gov/en/contact-us/contact/>
(English)
<https://recuperacion.pr.gov/contactanos/contacto/>
(Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
P.O. Box 21365
San Juan, PR 00928-1365

The Citizen Participation Plan and all CDBG-DR/MIT Program policies, are available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/citizen-participation/> and <https://recuperacion.pr.gov/participacion-ciudadana/>. For more information on how to contact PRDOH, please refer to <https://recuperacion.pr.gov/welcome/home/>.

15.9 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, provide a timely, substantive **written** response to every written complaint within **fifteen (15) business days**, where practicable, as a CDBG grant recipient. See 24 C.F.R. § 91.115(h) and 24 C.F.R. § 570.486(a)(7).

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

- **Via email at:** CDBGresponde@vivienda.pr.gov
- **Online at:** <https://recuperacion.pr.gov/en/contact-us/complaints/>
(English)
<https://recuperacion.pr.gov/contactanos/quejas/>
(Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
Attn: Public and Community Affairs Division: Complaints
P.O. Box 21365 San Juan, PR 00928-1365

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

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

In-person at*: PRDOH Headquarters Office or Program-Specific Intake Centers

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

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

15.10 Fraud, Waste, Abuse or Mismanagement

PRDOH, as grantee, is committed to the responsible management of CDBG-DR/MIT funds by advocating strongly for the allocated 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 Service Provider under the CDBG-DR/MIT Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH CDBG-DR/MIT	
CDBG-DR/MIT Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR/MIT Internal Audit Office P.O. BOX 21355 San Juan, PR 00928-1355
Email	hotlineCDBG@vivienda.pr.gov
Online	Filling out the AFWAM Submission Form available in English and Spanish at https://recuperacion.pr.gov/app/cdbgdrpublic/Fraud?culture=en-US or https://recuperacion.pr.gov/app/cdbgdrpublic/Fraud?culture=es-ES .
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
Internet	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://recuperacion.pr.gov/en/resources/policies/> and <https://recuperacion.pr.gov/recursos/politicas/>.

15.11 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.

15.12 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://recuperacion.pr.gov/en/resources/policies/> and <https://recuperacion.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 its 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.