



**GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING
PUERTO RICO PUBLIC HOUSING ADMINISTRATION**

**AGREEMENT FOR TIER 1 ENVIRONMENTAL REVIEW RECORD SERVICES
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
HORNE FEDERAL, LLC**

THIS AGREEMENT FOR TIER 1 ENVIRONMENTAL REVIEW RECORD SERVICES, (hereinafter referred to as the "Agreement") is entered into in San Juan, Puerto Rico, this 15th of January, 2019, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, the "PRDOH"), a public agency created under Law Number 97 dated June 10, 1972, as amended, known as the Department of Housing Organic Act ("Organic Act"), with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by Hon. Fernando A. Gil-Enseñat, in his capacity as Secretary; and **HORNE FEDERAL, LLC** (hereinafter, the "Contractor"), with principal offices in Washington, D.C., United States of America, herein represented by Stephen Neil Forbes in his capacity as Partner in Charge.

WHEREAS, on September 20, 2017, Hurricane María slammed Puerto Rico causing catastrophic island wide damage, knocking out power, water and telecommunications for the entire island and its island municipalities. Hurricane María caused major structure and infrastructure damage to family homes, businesses and government facilities triggering the displacement of thousands of residents of the Island from their homes and jobs.

WHEREAS, under Public Law 115-56, the total initial amount of \$1.5 billion dollars was allocated by the U.S. Department of Housing and Urban Development (HUD) for disaster recovery assistance to the Government of Puerto Rico under the Community Development Block Grant – Disaster Recovery Program (CDBG-DR).

WHEREAS, pursuant to a letter dated February 23, 2018 sent by the Governor of Puerto Rico to the Honorable Benjamin Carson, Secretary of HUD, the PRDOH is the governmental agency designated by the Governor of Puerto Rico as grantee of the CDBG-DR funds awarded to the Commonwealth of Puerto Rico.

WHEREAS, under Public Law 115-56 the awarded funds must be used to address unmet needs for long-term recovery and restoration of infrastructure and housing and economic revitalization in the most impacted and distressed areas of Puerto Rico.

WHEREAS, the PRDOH is interested in contracting Tier 1 Environmental Review Record Services that will support PRDOH objectives in the administration CDBG-DR.

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WHEREAS, on September 19, 2018, the Contractor submitted a proposal (hereinafter collectively referred to as the “PROPOSAL”), which fully complied with the requirements set forth by the PRDOH. After having reviewed and evaluated the Contractor’s Proposal, the PRDOH has determined the Contractor is the best choice to provide the required services at a reasonable proposed cost.

WHEREAS, the PRDOH desires to enter into an agreement with the Contractor to secure its services and accepts the Contractor’s proposal, and the Contractor by its acceptance of the terms and conditions of this Agreement is ready, willing and able to provide the services contemplated under this Agreement.

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Contractor agree as follows:

I. TYPE OF CONTRACT

Contract Type: This is a fixed fee contract. Under this Agreement, Contractor will submit invoices to the PRDOH as the services are rendered pursuant to **Exhibit I Proposal Cost Summary**. Any and all changes and/or modifications to this Agreement shall be in writing and must be signed by both parties.

II. TERM OF AGREEMENT

This Agreement shall be in effect and enforceable between the parties from the date of its execution and shall remain in effect until June 30th, 2019.

III. SCOPE OF SERVICES

The CONTRACTOR will provide environmental services for preparation of Tier I Environmental Review Records in compliance of 24 CFR Part 58 to encompass the entirety of the island from initiation to receipt of the Authority to Use Grant Funds from HUD. The services to be provided will be directed without limitation to the following:

1. Review each project description to ascertain and/or verify the level of environmental review required: Exempt, Categorical Exclusion not Subject to 24 CFR 58.5 (CENST), Categorical Exclusion Subject to 24 CFR 58.5 (CEST), Environmental Assessment (EA), and Environmental Impact Statements (EIS);
2. Prepare and complete tiered environmental reviews and formulate tiering strategies for environmental compliance in accordance with 24 CFR 58.15;
3. Prepare, complete, and submit HUD required forms for environmental review and provide all documentation to support environmental findings;
4. Consult and coordinate with oversight and regulatory agencies to facilitate environmental clearance;

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5. Prepare all responses to comments received during comment phase of the environmental review, including State/Federal Agency requiring further studies and/or comments from public or private entities during public comment period;
6. Prepare and submit public notices for publication including, but not limited to the Notice of Finding of No Significant Impact (FONSI), Notice of Intent to Request Release of Funds, floodplain/wetland early and final notices in required order and sequence;
7. Provide documentation of clearance for Parties Known to be Interested as required by 24 CFR 58.43;
8. Prepare and submit Request for Release of Funds to HUD.

The details of the services will be in accordance with those indicated in the Service Proposal submitted on September 19, 2018, which is identified as **Exhibit II** which is fully incorporated herewith.

IV. COMPENSATION AND PAYMENT

The PRDOH will pay the Contractor, for services performed under the term of this Agreement, a maximum amount not to exceed **One Hundred Seven Thousand Nine Hundred Forty dollars (\$107,940.00)**, account number R01A01ADM-DOH-NA4170-01-0000. The PRDOH will pay the Contractor according to the Payment Schedule described in **Exhibit I**.

Such payment shall be compensation for all services required, performed and accepted under this Contract.

Any additional services requested and related to the scope of work of this contract not included in the term and conditions or other provisions that are justified and necessarily to complete the services requested by the PRDOH will be subject to funds availability and will require an amendment to this Agreement.

The Contractor will submit an invoice to PRDOH once deliverables are completed as set forth in **Exhibit II**. Said invoice must be submitted including all required invoice supporting documents and a detailed report with a breakdown of all tasks completed regarding the services provided under the Contract.

An authorized representative of the PRDOH will review each invoice and, if adequate, will approve and process its payment. Payments to the Contractor shall be made by check or electronic funds transfer (EFT). PRDOH reserves the right to conduct any audit it deems necessary.

The Contractor will adhere to any requirements applicable to the CDBG-DR grant. Unallowable funds under the CDBG-DR grant or program will be disallowed from the fee or payment to the Contractors.

In order for the Contractor to receive payment for any work performed hereunder, the following certification must be included in each application for payment or invoice submitted to the PRDOH for payment:

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"Under penalty of absolute nullity, I certify that no public servant of the government entity is a party to or has an interest in the profits or benefits that are the product of the contract subject of this invoice, and to be a party to or have an interest in the profits or benefits of resulting from the contract, under this invoice a prior dispensation has been issued. The sole consideration to furnish the contracted goods or services subject of the contract is the payment agreed upon with the authorized representative of the parties. The amount that appears in the invoice is fair and correct. The work has been performed, the products have been delivered and the services rendered, and no payment has been received for them."

The Contract will be paid from account R01A01ADM-DOH-NA4170-01-0000.

V. ADDITIONAL SERVICES

Any modification for additional services shall not aggregate costs to the original amount described in Article IV. of this Contract to increase the cost of the purchase more than the threshold for Small Purchases pursuant to Article VIII of the Procurement Manual and Contractual Requirements. Should additional services be needed by the PRDOH, such additional services shall be agreed to by the parties in a written document signed by both parties.

VI. OWNERSHIP AND USE OF DOCUMENTS

- A.** -With the exception of the Contractor's working papers, the Contractor acknowledges the PRDOH's ownership of all information, drafts, documents, reports, papers and other materials developed and prepared by the Contractor, its agents or representatives, for purposes of performing key obligations hereunder. In the event of any termination, the Contractor shall deliver such information, drafts, reports, papers and other materials to the PRDOH, in document form or as computer program data, and the Contractor recognizes the PRDOH's right to request such documentation or computer program data and if the Contractor fails to deliver said information, the PRDOH may seek a judicial order to enforce its rights.
- B.** -Proof of expenditures incurred by the Contractor on behalf of PRDOH shall be made available to PRDOH. The Contractor agrees to maintain accurate records and files of all contract documents, correspondence, book estimates, bills and other information related to the Contractor account. These documents shall be open for the PRDOH examination at all reasonable times during the term of this Agreement, and up to twelve (12) months after termination.

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VII. NON-DISCLOSURE AND CONFIDENTIALITY

1. **Confidential Information; Definition:** The term Confidential Information as used throughout this Section, means any information concerning PRDOH operations and that of its Contractor (e.g., the projects, computer processing systems, object and source codes and other PRDOH business and financial affairs). The term Confidential Information shall also deem to include all notes, analysis, compilation, studies and interpretation or other documents prepared by Contractor, its agents or representatives, in connection with PRDOH operations.
2. **Non-Disclosure:** Contractor agrees to take all reasonable steps or measures to keep confidential all Confidential Information and will not, at any time, present or future, without PRDOH express written authorization, signed by the Secretary of the PRDOH, use or sell, market or disclose any Confidential Information to any third party, Contractor, corporation, or association for any purpose whatsoever. Contractor further agrees that, except as they relate to the normal course of the service, the Contractor will not make copies of the Confidential Information except upon PRDOH express written authorization, signed by an authorized representative of PRDOH, and will not remove any copy or sample of Confidential Information without prior written authorization from PRDOH. Contractor retains the right to control its work papers subject to these confidentiality provisions.
3. **Return Documents:** Upon receipt of written request from the PRDOH, Contractor will return to PRDOH all copies or samples of Confidential Information which, at the time of the notice are in Contractor's or its agent's possession. Contractor reserves the right to retain a set of its work papers.
4. **Equitable Relief:** Contractor acknowledges and agrees that a breach of the provision of subparagraph 2 and 3 of this Section will cause PRDOH to suffer irreparable damage that could not be remedied or compensated adequately only by mere monetary retribution. Contractor further agrees that money damages may not be a sufficient remedy for any breach of this Section. Accordingly, the Contractor agrees that PRDOH shall have the right to seek injunctive relief and the specific performance of the provisions of this Section to enjoin a breach or attempted breach of the provision hereof, such right being in addition to any and all other rights and remedies that are available to PRDOH by law, equity or otherwise.

VIII. TERMINATION

1. **Termination for Cause or Default:** The PRDOH may terminate this Agreement, in whole or in part, because of Contractor's failure to fulfill its obligations. The PRDOH shall terminate this Agreement by delivering to the Contractor a thirty (30) day notice of termination specifying the extent to which the performance of the service under this Agreement is terminated, the reason therefore and the effective date of termination. Upon receipt of such notice the Contractor shall immediately discontinue all services and deliver to the PRDOH all information, notes, drafts, documents, analysis, reports, compilations, studies and other materials accumulated or generated in performing the services contemplated in this Agreement, whether completed or in process. The PRDOH may withhold any payments to the

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Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the PRDOH by the Contractor.

2. **Termination for Convenience:** The PRDOH may terminate this Agreement, in whole or in part, whenever the PRDOH determines that such termination is necessary or convenient to the Agency. The PRDOH will terminate this Agreement by delivering to the Contractor a thirty (30) day notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Contractor shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.
3. **Termination by Unilateral Abandonment:** The PRDOH will consider this Agreement immediately terminated, in the event that the Contractor unilaterally and without prior notice, chooses to abandon (in any shape, form or fashion) cease and desist in the specific performance of its general and particular duties and responsibilities as agreed in this Agreement. Upon the knowledge of such event, the PRDOH will not be held liable and will immediately, automatically and retroactively deduct from any future reimbursement, all funds from the day such unilateral abandonment took place. The PRDOH will not be compelled to continue the performance of the Agreement, should the Contractor breach the Agreement by unilateral abandonment.
4. **Unilateral Termination:** The PRDOH may terminate this Agreement, in whole or in part, at PRDOH's sole discretion, with or without cause, at any time. The PRDOH will terminate this Agreement by delivering to the Contractor a thirty (30) day notice of termination specifying the extent to which the performance of the work under this Agreement is terminated, and the effective date of termination. Upon receipt of such notice, the Contractor shall immediately discontinue all services affected and deliver to the PRDOH all information, studies and other materials property of the PRDOH. In the event of a termination by Notice, the PRDOH shall be liable only for payment of services rendered up to and including the effective date of termination.
5. **Suspension:** The PRDOH may suspend this Agreement in whole or in part at any time for the PRDOH's convenience. The PRDOH shall give the Contractor five days' written notice of such suspension. Upon receipt of said notice the Contractor shall immediately discontinue all Services affected.
6. **Immediate Termination.** In the event the Contractor is subjected to a criminal or civil action, suit, proceeding, inquiry or court of applicable jurisdiction, or any governmental agency, or the Contractor shall be subject to an order, judgment, or opinion, issued by any federal or local authority, a court of applicable jurisdiction, or any governmental agency, in connection with the execution, delivery, and performance by the Contractor of this Agreement or the Contractor of this Agreement has been noncompliant, breach, inaccuracy of any representation, warranties, covenants, or the certifications provided herein, whether the noncompliance,

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breach or inaccuracy takes place before or after the execution of this Agreement, the PRDOH shall have the right to the immediate termination of this Agreement notwithstanding, any provisions to the contrary herein. This section will apply in the event of any judgment that may obligate the PRDOH to terminate the Agreement pursuant to Act Number 2 of January 2, 2018, as amended, known as the Anti-Corruption Code for the New Puerto Rico.

In the event that the grant of funds by HUD under any allocations of the CDBG-DR may be suspended, withdraw or canceled, this Agreement will be immediately terminated.

IX. PENALTIES AND LIQUIDATED DAMAGES

1. Penalties.

- a. In the event the Contractor is determined to have engaged in any proscribed conduct or otherwise is in default as to any applicable term, condition, or requirement of this Contract, at any time following the Effective Date of the Contract, the Contractor agrees that, PRDOH may impose sanctions against the Contractor for any such default. Refer to Procurement Manual and Contract Requirements, Art. XII, Section 2(a.), and all required provisions set forth at 2 CFR 200.326 and 24 CFR 570.489(g).
- b. If the Contractor fails to comply with federal statutes, regulations or the terms and conditions of the Contract, PRDOH may take one or more of the following actions:
 - i. Temporarily withhold cash payments pending correction of the deficiency by the Contractor.
 - ii. Disallow all or part of the cost of the activity or action not in compliance.
 - iii. Initiate suspension or debarment proceedings as authorized under 2 CFR part 180.
 - iv. Withhold further Federal awards for the project or program.
 - v. Take other remedies that may be legally available.

2. **Liquidated damages.** Contractor shall pay to PRDOH, as liquidated damages, \$100.00 for each day that services are not delivered in accordance with **Exhibit II**. Said sum, in view of the difficulty of accurately ascertaining the loss which PRDOH will suffer by reason of delay in the completion of the Work hereunder, is hereby fixed and agreed as the liquidated damages that PRDOH will suffer by reason of such delay. Liquidated damages received hereunder are not intended to be nor shall they be treated as either a partial or full waiver or discharge of the PRDOH's right to indemnification, or the Contractor's obligation to indemnify the PRDOH pursuant to this Agreement, or to any other remedy provided for in this Agreement or by Law. Liquidated damages may be assessed at the sole discretion of PRDOH. For the purpose of calculating such liquidated damages, a grace period of ten (10) days shall be observed. The PRDOH may deduct and retain out of the monies which may become due hereunder, the amount of any such liquidated damages; and in case the amount which may become due hereunder shall be less than the amount of liquidated damages due to the PRDOH per the

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formula above, the Contractor shall be liable to pay the difference.

X. LIABILITY

In no event, the PRDOH shall be liable for any indirect, incidental, special or consequential damages, or damages for loss of profits, revenue, data or use, incurred by either party or any third party, whether in an action in contract or tort, even if the other party or any person has been advised of the possibility of such damages. Third parties operating under this program, with their agency, will have their own general civil and criminal liability imposed by law towards the PRDOH, the Contractor and any citizen.

The Contractor shall carry the insurance as are required by law (if applicable), as set forth below. The Contractor shall furnish PRDOH certificates of insurance.

XI. INSURANCE

1) Required Coverage

The Contractor shall keep in force and effect for the period beginning from the execution of the Agreement and ending at the completion of all services to be provided hereunder, insurance policies in compliance with the PRDOH's requirements.

(a) State Insurance Fund Workmen's Compensation Insurance Policy- Statutory amount

(b) Comprehensive General Liability Insurance: with the limits of liability for bodily injury and/or death of no less than \$1,000,000.00 for bodily injury and/or arising out of any one occurrence and \$2,000,000.00 general aggregate. The limits of liability for property damage shall not be less than \$1,000,000.00 for each occurrence and \$2,000,000.00 in the aggregate. PRDOH shall be named as additional insured on the insurance policy; Worker's Compensation and Employer's Liability is covered under the Comprehensive General Liability Insurance with the same limits. The Comprehensive General Liability shall include the following coverage:

- a. General Aggregate;
- b. Products & Complete Operations;
- c. Personal Injury & Advertising;
- d. Each Occurrence
- e. Fire Damage;
- f. Medical Expense;
- g. Employer's Liability Stop Gap;
- h. Personal Property under care, custody and control;
- i. Garage Liability and Garage Keepers.

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(c) Commercial Crime Coverage: including employee dishonesty, forgery and alteration, theft, disappearance, and destruction, and computer fraud.

(d) Comprehensive Automobile Liability insurance: including hired cars and non-ownership coverage, covering bodily injury, death and property damage, with single and aggregate limits of liability of \$1,000,000.00. PRDOH shall be named as additional insured on the insurance policy.

(e) Umbrella: \$5,000,000.00

2) Endorsements

Each insurance policy maintained by the Contractor must be endorsed as follows:

- a. PRDOH and its officers, agents and employees are named as additional insured (except Worker's Compensation) but only with respect to liability arising out of tasks performed for such insured by or on behalf of the named insured.
- b. To provide waiver of subrogation coverage for all insurance policies provided or herein in favor of PRDOH and its respective officers, agents and employees.
- c. The insurer shall be required to give PRDOH written notice at least ninety (90) days in advance of any cancellation or material change in any such policies.

The Contractor shall furnish to PRDOH, prior to commencement of the work, certificates of insurance from insurers with a rating by the A.M. Best Co. of A and 5 or over on all policies, reflecting policies in force, and shall also provide certificates evidencing all renewals of such policies. Insurers shall retain an A.M. Best Co. rating of A and 5 or over on all policies throughout the term of this Agreement and all policy periods required herein. The insurance company must be authorized to do business in Puerto Rico and be in good standing.

3) Related Requirements

The Contractor shall furnish original Certificates of Insurance evidencing the required coverage to be in force on the Effective Date of Agreement. THE REQUIRED DOCUMENTATION MUST BE RECEIVED PRIOR TO THE CONTRATOR COMMENCING WORK. NO CONTRACTOR OR ITS AUTHORIZED REPRESENTATIVES ARE TO BEGIN THEIR RESPONSIBILITIES UNDER THE AGREEMENT PRIOR TO FULL COMPLIANCE WITH THIS REQUIREMENT AND NOTIFICATION FROM PRDOH TO PROCEED.

Renewal Certificates of Insurance or such similar evidence is to be received by the Procurement Department prior to expiration of insurance coverage. At PRDOH's option, non-compliance will result in one or more of the following actions: (1) The PRDOH will purchase insurance on behalf of the Contractor and will charge back all cost to the Contractor; (2) all payments due the

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Contractor will be held until the Contractor has complied with the contract; and/or (3) The Contractor will be assessed Five Thousand Dollars (\$5,000.00) for every day of non-compliance.

The receipt of any certificate does not constitute agreement by PRDOH that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with the requirements of the Agreement. The insurance policies shall provide for ninety (90) days written notice to be given to PRDOH in the event coverage is substantially changed, cancelled or non-renewed.

The Contractor shall require all subcontractors or consultants to carry the insurance required herein or the Contractor, may provide the coverage for any or all of its subcontractors and if so, the evidence of insurance submitted shall so stipulate and adhere to the same requirements and conditions as outlined above.

The Contractor expressly understands and agrees that whenever the Contractor is covered by other primary, excess, or excess contingent insurance that, any insurance or self-insurance program maintained by PRDOH shall apply in excess of and will not contribute with insurance provided by the Contractor under this Agreement.

XII. HOLD HARMLESS

The Contractor and its affiliates, its successors and assignees will indemnify the PRDOH from any damages and/or losses arising out of personal injuries or property damage resulting from any act of negligence or omission by the Contractor and its affiliates in connection with this Agreement.

XIII. FORCE MAJEURE

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any act of God including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor shall be liable to the other party for nonperformance during the conditions created by such event.


The Contractor shall notify, as soon as possible, the PRDOH of the occurrence of the Force Majeure event and describe in reasonable detail, the nature of the Force Majeure event.

XIV. NOTICES

All notices required or permitted to be given under the Agreement shall be in writing, and shall be deemed given when delivered by hand or sent by registered or certified mail, return receipt requested, to the address as follows:

To: PRDOH

Hon. Fernando Gil-Enseñat
606 Barbosa Ave.
Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

Handwritten signature and initials in the bottom right corner of the page.

To: CONTRACTOR

Stephen Neil Forbes
Horne Federal, LLC
1215 19th Street Northwest
3rd Floor
Washington, DC 20036

XV. THIRD PARTIES

Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action of a third party against either the PRDOH or the Contractor.

XVI. CERTIFICATION OF COMPLIANCE WITH LEGAL REQUIREMENTS

1. **Compliance with Num. OE 1991-24.** Pursuant to Executive Order Number OE-1991-24 of June 18, 1991, the Contractor certifies and guarantees that at the signing of this Agreement it has filed all the necessary and required income tax returns to the Government of Puerto Rico for the last five (5) years. The Contractor further certifies that it has complied and is current with the payment of any and all income taxes that are, or were due, to the Government of Puerto Rico. The Contractor shall hand out, to the satisfaction of the PRDOH, prior to the execution of this Agreement and whenever requested by the PRDOH during the term of this Agreement, the following documentation to support its compliance of this clause: Certification of Filing of Income Tax Returns (Model SC 6088); Debt Certification by the Puerto Rico's Treasury Department (Model SC 6096); copy of the Merchants Registration Certificate (Model (SC 2018); Certification of Filing of Sales and Use Tax Forms-IVU (Model SC 2942); Certification of Sales and Use Tax Debt-IVU (Model SC 2927). The Contractor will be given a specific amount of time by the PRDOH to produce said documents. During the term of this Agreement, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico.
2. **Payment of Unemployment Benefits, Workers' Compensation and Chauffer Benefits:** Pursuant to Executive Order No. 1992-52, dated August 28, 1992, amending OE-1991-24, the Contractor certifies and warrants that it has made all payments required for unemployment benefits, workmen's compensation and social security for chauffeurs, as applicable, or that in lieu thereof, has subscribed a payment plan in connection with any such unpaid items and is in full compliance with the terms thereof. Prior to execution hereof, the Contractor shall provide to the PRDOH, evidence satisfactory to the PRDOH of its compliance with this clause. The Contractor accepts and acknowledges its responsibility for requiring and obtaining a similar warranty and certification from each and every consultant or subcontractor whose service the Contractor has secured in connection with the work to be rendered under this Contract and shall forward evidence to PRDOH as to its compliance with this requirement.

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3. **Social Security and Income Tax Retentions:** The Contractor will be responsible for rendering and paying the Federal Social Security and Income Tax Contributions for any amount owed as a result of the income, from this Agreement.
4. **Municipal Revenue Collection Center (CRIM):** The Contractor certifies and guarantees that as of the execution of this Contract, it has no current debt for property taxes with the Municipal Revenue Collection Center ("CRIM" for its Spanish acronym). The Contractor further certifies to be current with the payment of any and all property taxes that are or were due to the Government of Puerto Rico. Prior to execution hereof, the Contractor shall provide to the PRDOH, evidence satisfactory to the PRDOH of its compliance with this clause. During the term of this Contract, the Contractor agrees to pay and/or to remain current with any repayment plan agreed to by the Contractor with the Government of Puerto Rico with regards to property taxes (real and personal property).
5. **Income Tax Withholding:** The PRDOH will retain the corresponding amount from all payments made to the Contractor hereunder as required by the Puerto Rico Internal Revenue Code. The PRDOH will deliver such withholdings to the Puerto Rico Treasury Department. The PRDOH will adjust such withholdings provided the Contractor produces satisfactory evidence of partial or total exemption from withholding.
6. **Child Support Administration:** The Contractor certifies and warrants that the Contractor does not have an outstanding debt or obligation to the Puerto Rico Child Support Administration ("ASUME", by its Spanish acronym). Prior to execution hereof, the Contractor shall provide to the PRDOH, evidence satisfactory to the PRDOH of its compliance with this clause.
7. **Government of Puerto Rico's Department of State:** The Contractor hereby certifies that it is a business organized or authorized and existing in good standing under the laws of the Government of Puerto Rico. The Contractor shall present, to the satisfaction of PRDOH, and prior to the execution of this Agreement, the following documentation to substantiate the same: Certificate of Good Standing by the Puerto Rico Department of State or Certificate of Authorization to do Business in Puerto Rico, as applicable. The Contractor will be given a specific amount of time by PRDOH to deliver said documents.
8. **Compliance with Act No. 1.** The Contractor hereby certifies that in signing this Agreement it is in compliance with Act No. 1 of January 3, 2012, as amended, known as the Ethics Act of the Government of Puerto Rico, which in connection with the possibility of a conflict of interest, stipulates that, no employee or executive of the Contractor, nor any member of his/her immediate family (spouse, dependent children or other members of his/her household or any individual whose financial affairs are under the control of the employee) shall have any direct or indirect pecuniary interest in the services to be rendered under this Agreement, except as may be expressly authorized by the Governor of Puerto Rico in consultation with the Secretary of Treasury and the Secretary of Justice of the Government.

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9. **Compliance with Act No. 2.** The Contractor hereby certifies that in signing this Agreement it is in compliance with Act No. 2 of January 4, 2018, Chapter III, as amended known as the Code of Ethics for Contractors and Suppliers of the Government of Puerto Rico.
10. **Compliance with Laws.** The Contractor represents and warrants it will comply with all applicable laws and regulations, regardless of whether or not they are specifically mentioned in this Contract.
11. **Consequences of Non-Compliance:** The Contractor expressly agrees that the conditions outlined throughout this Section are essential requirements of this Agreement; thus, should any one of these representations, warrants, and certifications be incorrect, inaccurate or misleading, in whole or in part, there shall be sufficient cause for PRDOH to render this Agreement null and void and the Contractor reimburse to PRDOH all moneys received under this Agreement.

XVII. BYRD ANTI-LOBBYING AMENDMENT

The Contractor certifies, to the best of his or her knowledge, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or Current as of 1-9-17 11 cooperative agreement, the undersigned shall complete and submit Standard Form, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). The Contractor acknowledges that any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.



XVIII. EQUAL OPPORTUNITY

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
3. When applicable, the Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and as supplemented by the rules, regulations, and relevant orders of the United States Secretary of Labor.
5. The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions as may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order

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unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

XIX. SECTION 3

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part

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135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
7. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

XX. CLEAN AIR ACT

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the PRDOH and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

XXI. WATER POLLUTION CONTROL ACT

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the PRDOG and understands and agrees that the PRDOH will, in turn, report each violation as required to assure notification to the Government of Puerto Rico, HUD, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by HUD.

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XXII. SUSPENSION AND DEBARMENT

1. This Contract is a covered transaction for purposes of 2 C.F.R. Part 180 and 2 C.F.R. Part 3000. As such the contractor is required to verify that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
2. The Contractor must comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
3. This certification is a material representation of fact relied upon by PRDOH. If it is later determined that the contractor did not comply with 2 C.F.R. Part 180, subpart C and 2 C.F.R. Part 3000, subpart C, in addition to remedies available to (name of state agency serving as recipient and name of subrecipient), the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
4. The Contractor agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

XXIII. SOLID WASTE DISPOSAL ACT

1. In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired:
 - a. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - b. Meeting contract performance requirements; or
 - c. At a reasonable price.
2. Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

XXIV. ACCESS TO RECORDS

1. The Contractor agrees to provide the Government of Puerto Rico, PRDOH, the Secretary of HUD, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

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2. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

XXV. COMPLIANCE WITH FEDERAL LAW, REGULATIONS & EXECUTIVE ORDERS

The Contractor acknowledges that HUD financial assistance will be used to fund the contract only. Also, the Contractor will comply with all applicable federal laws, regulations, executive orders, HUD policies, procedures, and directives.

XXVI. NO OBLIGATION BY THE FEDERAL GOVERNMENT

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

XXVII. PROGRAM FRAUD & FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

XXVIII. ENTIRE AGREEMENT

This Agreement and all its attachments represent the entire and integrated agreement between PRDOH and the Contractor and supersede all prior negotiations, representations, agreements and/or understandings of any kind. This Agreement may be amended only by written document signed by both PRDOH and the Contractor.

XXIX. MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if written and signed by both parties, and its authorized representatives.

XXX. BINDING EFFECT

This Agreement shall be binding upon and shall inure to the benefit of PRDOH and the Contractor, their successors and assigns.

The Contractor shall not assign this Contract, in whole or in part, without the prior written consent of PRDOH, and any attempted assignment not in accordance herewith shall be null and void and of no force or effect.

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XXXI. ASSIGNMENT OF RIGHTS

The rights of each party hereunder are personal to that party and may not be assigned or otherwise transferred to any other person, Contractor, corporation, or other entity without the prior, express, and written consent of the other party.

XXXII. NON-WAIVER

The failure or delay of either party to insist upon the performance of and/or the compliance with any of the terms and conditions of this Agreement shall not be construed as a waiver of such terms and conditions or the right to enforce compliance with such terms and conditions.

XXXIII. GOVERNING LAW JURISDICTION

This Agreement shall be governed by, interpreted and enforced in accordance with, the laws of the Government of Puerto Rico and any applicable federal laws and regulations. The parties further agree to assert any claims or causes of action that may arise out of this Agreement in the Puerto Rico Court of First Instance, Superior Court of San Juan, Puerto Rico.

XXXIV. SEVERABILITY

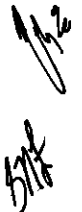
If any provision of this Agreement shall operate or would prospectively operate to invalidate the Agreement in whole or in part, then such provision only shall be deemed severed and the remainder of the Agreement shall remain operative and in full effect.

XXXV. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of whom shall be deemed to be an original, however, all of which together shall constitute one and the same instrument.

XXXVI. ETHICS CLAUSE

- A. No employee or officer of PRDOH as well as any member of their families can have any interest in the earnings or benefits from this contract, according with Anticorruption Code for the New Puerto Rico [Act 2-2018]. Contractor also acknowledges receipt of the Ethics Code for Producers, Suppliers and Applicants of Economic Incentives from the Commonwealth of Puerto Rico Agencies known in Spanish as “*Código de Ética para Contratistas, Suplidores y Solicitantes de Incentivos Económicos de las Agencias Ejecutivas del Estado Libre Asociado de Puerto Rico*”.



XXXVII. CONFLICTS OF INTEREST

The Contractor shall comply with the ethics requirements set forth herein and warrant that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of the work under a PRDOH contract and Contractor's organizational, financial, contractual or other interest are such that:

- a) Award of the contract may result in an unfair competitive advantage; or
- b) The Respondent's objectivity in performing the contract work may be impaired.

The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, it shall make an immediate (within the next 72 hours) and full disclosure in writing to the Contracting Officer, which shall include a description of the action, which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The PRDOH may, however, terminate the Agreement for the convenience of PRDOH if it would be in its best interest.

In the event the Contractor was aware of an organizational conflict of interest before the award of this Agreement and did not disclose the conflict to the Contracting Officer, the PRDOH may terminate the Agreement for default.

The provisions of this clause shall be included in all subcontracts and/or consulting agreements wherein the work to be performed is similar to the services provided by the Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provision to eliminate or neutralize conflicts of interest.

XXXVIII. NON-CONVICTION

The Contractor certifies that it has not been convicted nor accused of a felony or misdemeanor against the government, public faith and function, or that involves public property or funds, either federal or local in origin. Furthermore, Contractor also certifies that:

- A. It has not been convicted, nor has pleaded guilty at a state or federal bar, in any jurisdiction of the United States of America, of crimes consisting of fraud, embezzlement or misappropriation of public funds, as stated in Anticorruption Code for the New Puerto Rico [Law 2-2018] of Puerto Rico, which prohibits the award of Offers or government contracts to those convicted of fraud, misappropriation of public fund.
- B. It understands and accepts that any guilty plea or conviction for any of the crimes specified in Article 3 of said Act, will also result in the immediate cancellation of any contracts in force at the time of conviction, between the undersigned and whichever Government Agencies, Instrumentalities, Public Corporations, Municipalities and the Legislative or Judicial Branches.
- C. It declares under oath the above mentioned in conformity with what is established Anticorruption Code for the New Puerto Rico [Law 2-2018] which prohibits awarding Offers



for government contracts, to those convicted of fraud, embezzlement or misappropriation of public funds.

The Contractor represents and guarantees that none of its employees, officials or agents have been convicted of a felony or misdemeanor. Moreover, the Contractor agrees to notify PRDOH should any employee, official, or agent is convicted of a felony or misdemeanor after the date of this contract. Said notice shall be made within ten (10) days from the time of the conviction.

XXXIX. DRUG FREE WORKPLACE

The Contractor should establish procedures and policies to promote a Drug-Free workplace. Further, the Contractor should notify all employees of its policy for maintaining a Drug-Free workplace, and the penalties that may be imposed for drug abuse violations occurring in the workplace. Further, the Contractor shall notify the PRDOH if any of its employees is convicted of a criminal drug offense in the workplace no later than ten (10) days after such conviction.

XL. HEADINGS

The titles to the paragraphs of this Agreement are solely for reference purposes and the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Agreement.

XLI. ACT NO. 18 OF OCTOBER 30, 1975

The parties to this Agreement agree that its effective date will be subject to the due registration and remittance to the Office of the Comptroller of Puerto Rico. No rendering or consideration subject matter of this Agreement will be required before its registration at the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The Contractor will be responsible for ensuring that this Agreement has been registered before the rendering of services by requesting a copy of the registered Agreement with its proper number and date of registry. No services under this Agreement will continue to be delivered after its effective date unless at the expiration date, an amendment signed by both parties and duly registered exists. No services performed in violation of this provision will be paid. The party violating this clause will be doing so without any legal authority, this action constituting and ULTRA VIRES.

XLII. MEMORANDUM NO. 2017-001; CIRCULAR LETTER 141-17 OF THE OFFICE OF THE CHIEF OF STAFF OF THE GOVERNOR (SECRETARÍA DE LA GOBERNACIÓN) & THE OFFICE OF MANAGEMENT AND BUDGET (OFICINA DE GERENCIA Y PRESUPUESTO – OGP)

- a) **Interagency Services Clause:** Both contracting parties acknowledge and agree that services retained may be provided to any entity of the Executive Branch with which the contracting entity makes an interagency agreement or by direct provision of the Office of the Chief of Staff of the Governor (*Secretario de la Gobernación*). These services will be performed under the same terms and conditions in terms of hours of work and

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compensation set forth in this contract. For purposes of this clause, the term "Executive Branch entity" includes all agencies of the Government of Puerto Rico, as well as public instrumentalities and corporations and the Office of the Governor.

- b) **Termination Clause:** The Chief of Staff (*Secretario de la Gobernación*) of the Governor shall have the power to terminate this contract at any time.

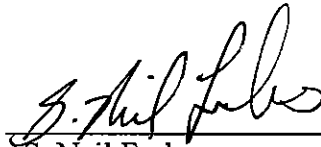
IN WITNESS THEREOF, the parties hereto execute this Agreement in the place and on the date first above written.

DEPARTMENT OF HOUSING



Fernando Arturo Gil Enseñat
Secretary
PO Box 21365
San Juan, PR 00928-1365
TAX Id No: 660-55-8579

CONTRACTOR



S. Neil Forbes
Partner in Charge
Tax ID. Number 37-1850253
HORNE FEDERAL, LLC
1215 19th Street Northwest
3rd Floor
Washington, DC 20036



EXHIBIT I**COST SUMMARY**

CATEGORY	LABOR	SUBCONTRACTS	TRAVEL / ODCS	BUDGET
1st Tier 1	\$25,720	\$2,700	\$2,550	\$30,970
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
TOTAL	\$83,190	\$14,700	\$10,050	\$107,940

EXHIBIT II



September 19, 2018

PUERTO RICO

DEPARTMENT
OF HOUSING

TIER 1 ENVIRONMENTAL REVIEW RECORD PROVIDER

CDBG-DR

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INTRODUCTION

INTRODUCTION

HORNE Federal's (HORNE) disaster recovery subject matter experts are leaders in the industry and we continue to stand ready to work with the Puerto Rico Department of Housing (PRDOH) in your recovery efforts. You have come to know and trust our planning and advisory services team who have worked alongside your staff, community stakeholders and residents since the spring of 2018. We propose to extend our services by offering our equally reputable environmental team to provide the tasks outlined in the Tier I Environmental Review Record Provider request for quote.

The experts on the HORNE team have a proven track-record of rapidly speeding the recovery time while fully complying with environmental requirements. Our team is aware of the potential impact a project can have on the environment and the critical timeframes involved in the environmental review process. We understand the importance of meeting milestones in the environmental review process to enable projects and programs to launch. We commit to meet or exceed compliance requirements with environmental standards at federal, territory and local levels throughout the recovery process, whether it be with housing, infrastructure or economic development projects.

Through collaboration with PRDOH during the development of the Action Plan for \$9,727,962,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) allocations pursuant to Public Law 115-56 and Public Law 115-123, HORNE is intimately knowledgeable of the impacts sustained across the island from Hurricanes Irma and Maria. We have applied our understanding of the existing needs into a realistic approach for addressing the Tier 1 environmental reviews, outlined in this submittal.



EXPERIENCE & QUALIFICATIONS

EXPERIENCE IN 24 CFR 58

For over 12 years, HORNE has been paving the way for successful disaster recovery programs which include performing Tier 1 and 2 environmental reviews in accordance with 24 CFR 58 in the States of Mississippi, Louisiana, Texas, Oklahoma, New York, New Jersey, North Carolina and South Carolina. Our environmental team has performed over 25,000 environmental reviews for HUD-funded activities and is well versed on the requirements of 24 CFR 58.

TIER 1 ENVIRONMENTAL ASSESSMENTS AND TIER 1 ENVIRONMENTAL REVIEW RECORDS FOR SUBMITTAL TO HUD

Preparing and submitting Tier 1 Environmental Assessments and Environmental Review Records to HUD is nothing new to the members of the HORNE team. The below table presents a snapshot of Tier 1 environmental services that the professionals at HORNE have provided to states and local jurisdictions following presidentially declared disasters.

DISASTER	YEAR	JURISDICTION	ENVIRONMENTAL SERVICES PROVIDED
Hurricane Katrina	2005	Mississippi	Tier 1 Environmental Review Records for 9 counties
Hurricanes Ike and Dolly	2008	Texas	Tier 1 Environmental Review Records for 8 counties and municipalities
Hurricane Matthew	2015	South Carolina	Tier 1 Environmental Assessments for 22 counties
Hurricane Matthew	2015	North Carolina	Tier 1 Environmental Assessments for Robeson County

Result: All environmental review assessments were submitted and approved by HUD and the local authorities with no negative comments

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EXPERIENCE & QUALIFICATIONS

PERFORMING ENVIRONMENTAL WORK FOR LARGE HUD CDBG-DR PROGRAMS INCLUDING ALL PHASES OF ENVIRONMENTAL CLEARANCE: EXEMPT, CATEGORICAL EXCLUSIONS, ENVIRONMENTAL ASSESSMENTS.

HORNE's experts have performed all phases of environmental work associated with large-scale CDBG-DR programs representing over \$12 billion. Performing exempt environmental projects, according to 24 CFR 58.34, is applicable to many components of disaster recovery work; however, exempt projects are typically a smaller part of a grantee's disaster recovery portfolio. Categorical Exclusions (CATX Not Subject to 58.5 and CATX Subject to 58.5) and Environmental Assessments make up a far larger portion of projects, especially those with housing components. Of the 25,000+ Environmental Review Records our team has performed, of which most were Tier 2 Site-Specific reviews in connection to a Tier 1 Broad Review, approximately 90% were Environmental Assessments and Categorical Exclusions.

PREVIOUS EXPERIENCE WORKING WITH PRDOH

HORNE is currently providing planning, advisory and support services to the PRDOH in the development of the Action Plan and substantial amendments, corresponding to the \$9,727,982,000 in CDBG-DR funding, allocated under Public Law 115-56 and Public Law 115-123. The HORNE Team's full-spectrum services, under the contract originally executed on April 9, 2018, include: data analysis, stakeholder collaboration, assessment of partner agency capacity, delivery of written content for the Action Plan, substantial amendment and Implementation Plan and Financial Certifications package.

FINANCIAL MANAGEMENT AND GRANT COMPLIANCE CERTIFICATION

Following the enactment of Public Law 115-56 and the release of 83 FR 5844, HORNE developed an Implementation Plan to demonstrate the PRDOH's commitment to transparent financial stewardship and ability to manage the anticipated award of CDBG-DR funding in an efficient and compliant manner. The HORNE Team provided guidance to PRDOH and Puerto Rico Public Housing Administration teams on policies and procedures to ensure the Implementation Plan, submitted to HUD in April 2018, was adequately supported.

HUD, along with other federal agencies, have requested an unforeseen volume of additional supporting materials to PRDOH's Financial Management and Grant Compliance Certification and associated documents. HUD must approve all parts of PRDOH's Financial Management and Grant Compliance Certification before HUD will extend a grant agreement. HORNE has delivered all supplemental requests in rapid time and continues to support PRDOH in the refinement of these documents, as required, for PRDOH to sign the grant agreement with HUD.

EXPERIENCE & QUALIFICATIONS

ACTION PLAN

The HORNE Team prepared PRDOH's initial Action Plan, which was approved by the HUD on July 29, 2018. To complete the initial Action Plan, HORNE performed community outreach, managed stakeholder collaboration and reviewed and responded to hundreds of pages of formal written comments.

Creating the Action Plan required identifying the unmet needs for housing recovery, economic development, planning and infrastructure in the aftermath of a natural disaster. The HORNE Team performed an evaluation of analysis provided by stakeholders including, but not limited to, local municipalities; government entities; the Puerto Rico Planning Board, non-governmental organizations and best-available federal datasets.

The draft Action Plan, available for public comment from May 10, 2018 through May 25, 2018, addressed Puerto Rico's unmet needs for housing, planning, economic recovery and infrastructure. Several hundred comments, comprised of over a thousand written pages, were submitted during the public comment period. All public comments were reviewed, evaluated and responded to by the HORNE Team in conjunction with PRDOH. The Action Plan submitted to the HUD on June 14, 2018, was revised to include additional programs, as well as make modifications for existing ones based on feedback from HUD and other federal stakeholders, prior to its approval on July 29, 2018.

Federal Register 83 FR 40314 was published on August 14, 2018 and requires a Substantial Amendment to the previously approved Action Plan. As part of the Substantial Amendment to the Action Plan, the HORNE Team updated the unmet needs assessment completed for the initial Action Plan to incorporate updated, best-available data. The Action plan was amended to address additional federal requirements including the additional allocation of over \$8 billion in CDBG-DR funds. The draft Substantial Amendment to PRDOH's Action Plan is scheduled to be posted for public comment on September 21, 2018. HORNE looks forward to applying subject matter expertise to deliver a substantial amendment to the Action Plan which addresses the multi-faceted, long-term recovery needs of Puerto Rico.



LEADERSHIP & OVERSIGHT



MICHAEL RICHARDSON P.E., CPM

Mike has over 35 years' experience in designing and managing Department of Housing and Urban Development and Federal Emergency Management Agency programs for disaster recovery operations in Texas, North Carolina, West Virginia, South Carolina, New York, New Jersey, Mississippi and Louisiana. His experience includes environmental review, construction design and oversight, applicant intake and community outreach. Mike leads the Environmental and Inspection Services Team at HORNE.



STEVE SWICK R.P.G., CPM

Steve has over 30 years' experience in managing Department of Housing and Urban Development and Federal Emergency Management Agency programs for disaster recovery operations in Texas, New York, New Jersey, Mississippi and Louisiana. His experience includes program management, operational planning, community outreach, applicant intake, environmental review, damage assessments and construction design and oversight.



KARYN DESSELTE

Karyn has over 12 years' experience in managing federally-funded disaster recovery programs. Her experience includes working with federal, state and local government agencies to ensure compliance with the policies and requirements of the National Environmental Policy Act (NEPA), Federal Emergency Management Agency, Department of Housing and Urban Development and the U.S. Department of Agriculture in the states of Mississippi, Louisiana, Oklahoma, New Jersey, West Virginia, South and North Carolina.

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ENVIRONMENTAL REVIEW

HORNE recommends a Tiered Environmental Assessment (Tier 1 and Tier 2) for any housing programs, that will have several projects scattered over the Commonwealth of Puerto Rico. The other programs can likely be combined based upon program type and HUD compliance.

HORNE recommends six groups to be tiered in accordance with 24 CFR 58.15. HORNE has completed numerous Tier 1 Environmental Review Records and we know the requirements and strategies desired by HUD. HORNE has developed a Tier 1 template for the Group 1 Municipios (See Appendix B). The groups are geographically coordinated and are clustered in such a way that the anticipated number of applicants are similar and in general follow the Puerto Rico Emergency Management Agency regions. The strategic grouping of municipios is below:

- 1** Toa Baja, Bayamón, Cataño, Guaynabo, San Juan, Trujillo Alto, Carolina
- 2** Toa Alta, Dorado, Vega Alta, Vega Baja, Manatí, Florida, Barceloneta, Arecibo, Hatillo, Camuy, Quebradillas
- 3** Isabela, San Sebastián, Aguadilla, Moca, Aguada, Rincón, Añasco, Las Marías, Mayagüez, Maricao, Hormigueros, San Germán, Sabana Grande, Lajas, Cabo Rojo
- 4** Guánica, Yauco, Guayanilla, Peñuelas, Ponce, Juana Díaz, Villalba, Lares, Utuado, Adjuntas, Jayuya, Ciales
- 5** Morovis, Orocovis, Corozal, Naranjito, Comerío, Barranquitas, Aguas Buenas, Caguas, Gurabo, Cidra, Aibonito, Cayey, Coamo, Santa Isabel, Salinas, Guayama, Arroyo, Patillas
- 6** San Lorenzo, Maunabo, Yabucoa, Juncos, Las Piedras, Humacao, Naguabo, Vieques, Culebra, Ceiba, Fajardo, Luquillo, Loíza, Canóvanas, Río Grande

ENVIRONMENTAL REVIEW

We are knowledgeable on all requirements in preparing Tier 1 environmental reviews. From preparing and submitting to HUD all records and documentation for quick approval of the Tier 1, to coordination with PRDOH and other Commonwealth agencies such as the Oficina Estatal De Conservación Histórica, Junta De Calidad Ambiental, Departamento De Recursos Naturales y Ambientales and others, HORNE brings the acumen and expertise to enable exceptional performance and shorten the implementation timeline. Additionally, can quickly respond to any comment or question from HUD, or the Commonwealth agencies, both formally and informally through our HORNE personnel who reside in Puerto Rico.

HORNE recommends preparing and submitting the Finding of No Significant Impact (FONSI) and the Notice of Intent to Request Release of Funds (NOI/RROF) in the same publication(s). Both require 15-day comment periods and allow for any comments to be returned during that same combined period. We also recommend that PRDOH perform a programmatic 8-step process for construction in a floodplain. This would allow Step 2 of the 8-step (a 15-day comment period) and Step 7 of the 8-step (a 7-day comment period) to be published (the Step 2 must be completed, and all comments addressed prior to the next steps continuing) on a programmatic level and not require publication for each individual project. At this point, HORNE will perform an 8-step wetlands process if needed programmatically.

HORNE will provide documentation of clearance to Parties Known to be Interested during the same time period as required for the public notices. In addition to the Parties Known to be Interested, HORNE will provide documentation to parties required to be notified, such as the Federal Emergency Management Agency and the Jacksonville District United State Army Corps of Engineers and the Antilles Area Office in San Juan. At the end of all public comment periods with all comments fully addressed, as required, HORNE will prepare the Request for Release of Funds and Certification (HUD Form 7015.15). HUD will have 15 days to allow for any additional comments or documentation before they can provide the Authority to Use Grant Funds (HUD Form 7015.16). At this point, the Commonwealth of Puerto Rico can begin the site-specific reviews (Tier II) and work on the programs.



COST SUMMARY

CATEGORY	LABOR	SUBCONTRACTS	TRAVEL / ODCS	BUDGET
1st Tier 1	\$25,720	\$2,700	\$2,550	\$30,970
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
Subsequent Tier 1	\$11,494	\$2,400	\$1,500	\$15,394
TOTAL	\$83,190	\$14,700	\$10,050	\$107,940

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APPENDIX A

Certification of Absence of Conflict of Interest and Contractor's Code of Ethics (Law 84-2002)

Name of Entity: HORNE Federal LLC

The entity who is or is interested in doing business certifies that:

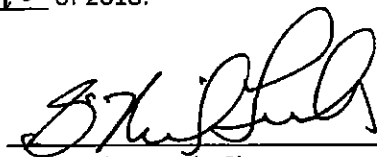
1. No public servant of the Public Housing Administration has a pecuniary interest in this contract, purchase or commercial transaction, and has not had a direct or indirect pecuniary interest in this business in the past four years.
2. No public servant has directly or indirectly requested or accepted, gifts, gratitudes, favors, services, donations, loans or any other thing of monetary value, for himself, for a member of his/her family or for any person.
3. No public servant has accepted or requested anything of economic value as payment to perform the duties and responsibilities of his/her job, linked to this transaction, of any person from my entity.
4. No public servant has directly or indirectly requested anything of economic value, including loans, guarantees, favors or services, for himself, a member of his/her family or any person; in exchange for the influence of said public servant in favor of my entity.
5. I have no kinship relationship within the degree of consanguinity and second by affinity with a public servant that has the power to influence and participated in institutional decisions of the Public Housing Administration.

The Public Housing Administration is an administration highly committed to achieving excellence and promoting the effective use of government resources in benefit of the people of Puerto Rico. We are committed to and support compliance with Law 84-2002, Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives granted by the Executive Agencies of the Free Associated State of Puerto Rico.

The entity who is or is interested in doing business certifies that:

It undertakes to abide by the provisions of Law 84-2002, Code of Ethics for Contractors, Suppliers and Applicants for Economic Incentives granted by the Executive Agencies of the Free Associated State of Puerto Rico. The acceptance of the standards included in said Law is an essential and indispensable condition to carry out transactions or establish agreements with the Public Housing Authority.

THUS, TO MAKE IT PUBLIC, in representation of Horne Federal, LLC, of legal age, S. Neil Forbes, married and a resident of Ridgeland, MS, swear and subscribe this declaration in Mississippi, Ridgeland, this Day the Sworn Statement in completed day of September 18 of 2018.


Partner in Charge

APPENDIX A

SWORN AND SUBSCRIBED before me by S. Neil Forbes with the aforesaid personal
circumstances and whom I have identified by means of a Drivers License
in Mississippi, Ridgeland on this 18th day of September 2018.

Notary Seal

Bethany A. Clack
Notary Public



APPENDIX B

PUERTO RICO HOUSING RECOVERY PROGRAM GROUP 1
TIER I ENVIRONMENTAL REVIEW RECORD

Tier I Environmental Review Record:

Puerto Rico Housing Recovery Program, Group 1

Toa Baja, Cataño, Bayamón, Guaynabo, San Juan, Trujillo Alto, Carolina

Responsible Entity [24 CFR 58.2(a)(7)]	Puerto Rico Department of Housing (PRDOH)
Certifying Officer [24 CFR 58.2(a)(2)]	
Program Name	Community Development Block Grant (CDBG-DR): Puerto Rico Housing Recovery Program
Federal Agency	U.S. Department of Housing and Urban Development (HUD)
Project Locations	Scattered locations throughout this Region
Estimated Total Program Cost	
Grant Recipient	Puerto Rico Department of Housing
Recipient Address	
Program Representative	
Telephone Number	
Conditions for Approval	See Attachment 1 following and Section 4.0
FINDING [58.40(g)]	<input checked="" type="checkbox"/> Finding of No Significant Impact (The project will not result in a significant impact on the quality of the human environment) <input type="checkbox"/> Finding of Significant Impact (The project may significantly affect the quality of the human environment)
Preparer Signature	
Name/Company	Michael J. Richardson, PE [HORNE Federal LLP]
RE Certifying Officer Signature	
Name/Agency	
Publication Date	

APPENDIX B**Attachment 1****Conditions for Approval**

[24 CFR 58.40(d), 40 CFR 1505.2(c)] {List all mitigation measures adopted by the responsible entity to eliminate or minimize adverse environmental impacts. These conditions must be included in the project contracts or other relevant documents as requirements.

The following mitigation measures are required as conditions for approval of the project, as applicable:

General



1. Acquire all required federal, Commonwealth and local permits prior to commencement of construction and comply with all permit conditions.
2. If the scope of work of a proposed activity changes significantly, the application for funding must be revised and resubmitted for re-evaluation under the National Environmental Policy Act.

Historic Preservation

3. All activities must comply with Section 106 of the National Historic Preservation Act per the implementing regulations 36 CFR Part 800. Compliance with Section 106 is achieved through the procedures set forth in the Programmatic Agreement between the Federal Emergency Management Agency, the Puerto Rico State Historic Preservation Officer, and the Puerto Rico Division of Emergency Management and amended on August 16, 2019 to include the Puerto Rico Department of Housing.
4. If archeological deposits, including any stone tools, bones, or human remains, are uncovered, the project shall be halted, and the applicant shall stop all work immediately near the discovery and take reasonable measures to avoid or minimize harm to the finds. All archeological findings will be secured and access to the sensitive area restricted. The applicant will inform the Certifying Officer immediately and consult with SHPO. Work in sensitive areas cannot resume until consultation is completed and appropriate measures have been taken to ensure that the project complies with the National Historic Preservation Act (NHPA).

Floodplain Management and Flood Insurance

5. All proposed reconstruction, repair, elevation and mitigation of substantially damaged structures in the 100-year floodplain will adhere to the most recent elevation requirements in accordance with HUD requirements and/or local codes and Base Flood Elevation.
6. All structures funded by the Puerto Rico CDBG-DR Program, if in, or partially in, the 100-year floodplain shown on the latest FEMA flood maps, will be covered by flood insurance and the flood insurance must be maintained for the economic life of the structure [24 CFR 58.6(a)(1)]. All areas within Puerto Rico are participating in the NFIP.
7. No funding will be provided to any person who previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance but failed to obtain and maintain the insurance [24 CFR 58.6(b)].

APPENDIX B

8. **Duration of Flood Insurance Coverage.** The statutory period for flood insurance coverage may extend beyond project completion. For grants and other non-loan forms of assistance, coverage must be continued for the life of the property, regardless of transfer of ownership of such property. Section 582(c) of the Community Development and Regulatory Improvement Act of 1994 mandates that "The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property." (42 USC 5154a). Such anticipated economic or useful life of the property may vary with the nature of the assisted activity. For example, construction of a new or substantially improved building requires flood insurance coverage for the life of the building, while for minor rehabilitation such as repairing, weatherizing, or roofing of a building, the grantee may require flood insurance coverage ranging from five to fifteen years as deemed feasible. HUD will accept any period within that range that appears reasonable.
9. **Dollar Amount of Flood Insurance Coverage.** For grants and other forms of financial assistance, the amount of flood insurance coverage must be at least equal to the development or project cost (less estimated land cost) or to the maximum limit of coverage made available by the Act with respect to the particular type of building involved (SF-Single Family, OR-Other Residential, NR-Non-Residential, or SB-Small Business), whichever is less. The development or project cost is the total cost for acquiring, constructing, reconstructing, repairing or improving the building. This cost covers both the federally assisted and the non-Federally assisted portion of the cost, including any machinery, equipment, fixtures, and furnishings. If the Federal assistance includes any portion of the cost of any machinery, equipment, fixtures or furnishings, the total cost of such items must also be covered by flood insurance.
10. **Proof of Purchase.** The standard documentation for compliance with Section 102 (a) is the Policy Declarations form issued by the National Flood Insurance Program or issued by any property insurance company offering coverage under the National Flood Insurance Program. The insured has its insurer automatically forward to the grantee in the same manner as to the insured, information copies of the Policy Declarations form for verification of compliance with the Act. Any financially assisted SFHA building lacking a current Policy Declarations form is in Noncompliance.
11. **Grantee's Evidence of Compliance under the Certification.** The grantee must maintain a complete and up-to-date listing of its on-file and current Policy Declarations for all financially assisted SFHA buildings. As a part of the listing, the grantee should identify any such assisted building for which a current Policy Declarations form is lacking and attach a copy of the written request made by the grantee to the owner to obtain a current Policy Declarations form.
12. **In the case of "Coastal High Hazard" areas ("V" or "VE" Zones on the latest (most recent) FEMA-issued Maps),** adhere to construction standards, methods and techniques requiring a registered professional engineer to either develop, review, or approve, per the associated location, specific Applicant elevation plans that demonstrate that the design meets the current standards for V zones in FEMA regulation 44 CFR Part 60.3(e) as required by HUD Regulation 24 CFR Part 55.1 (c)(3).

APPENDIX B**Wind**

13. All reconstruction or new construction must meet the requirements of the Puerto Rico Building Code, Building Planning and Construction for wind design.

Wetlands Protection and Water Quality

14. Implement and maintain erosion and sedimentation control measures sufficient to prevent deposition of sediment and eroded soil in onsite and offsite wetlands and waters and to prevent erosion in onsite and offsite wetlands and waters.
15. Minimize soil compaction by minimizing activities in vegetated areas, including lawns.

Noise

16. Outfit all equipment with operating mufflers.
17. Comply with applicable local noise ordinance.

Air Quality

18. Use water or chemical dust suppressant in exposed areas to control dust.
19. Cover the load compartments of trucks hauling dust-generating materials.
20. Wash heavy trucks and construction vehicles before they leave the site.
21. Employ air pollution control measures on all vehicles and equipment, as required.

Hazardous Materials

22. All activities must comply with applicable federal, commonwealth and local laws and regulations regarding environmental protection and asbestos, including but not limited to the following:
 - Junta de Calidad Ambiental de Puerto Rico rules and regulations
 - National Emission Standard for Asbestos, standard for demolition and renovation, 40 CFR 61.145 and 150
23. Applicant or contractor must comply with all laws and regulations concerning the proper handling, removal and disposal of hazardous materials (e.g. asbestos, lead-based paint) or household waste (e.g. construction and demolition debris, pesticides / herbicides, white goods).
24. All activities must comply with applicable federal, commonwealth and local laws and regulations regarding lead-based paint including, but not limited to, HUD's lead-based paint regulations in 24 CFR Part 35.
25. All residential structures must be treated for mold attributable to Hurricane Irma and Maria in accordance with federal, commonwealth or local guidelines.

Wild and Scenic Rivers

26. There are no Wild and Scenic Rivers in these Municipios de Puerto Rico.

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Change Management

Change No.	Date	Change Description

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Top right: *AP 1/16/14*
Bottom right: *BNF*

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PUERTO RICO HOUSING RECOVERY PROGRAM GROUP 1
TIER I ENVIRONMENTAL REVIEW RECORD

Acronyms and Abbreviations

Acronym	Meaning
ASD	Acceptable Separation Distance
CBRA	Coastal Barrier Resource Act
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CFR	Code of Federal Regulations
CPD	Community Planning and Development
CZMA	Coastal Zone Management Act / Area
EA	Environmental Assessment
EO	Executive Order
EPA	Environmental Protection Agency
ERR	Environmental Review Record
ESA	Endangered Species Act
FEMA	Federal Emergency Management Agency
FONSI	Finding of No Significant Impact
FPPA	Farmland Protection Policy Act
GIS	Geographical Information System
HUD	Housing and Urban Development
LMI	Low to Moderate Income
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act
NFIP	National Flood Insurance Program
NHPA	National Historic Preservation Act
NMFS	National Marine Fisheries Service
NOAA	National Oceanic and Atmospheric Administration
NOI	Notice of Intent
NPIAS	National Plan of Integrated Airport Systems
NPL	National Priorities List
NPS	National Park Service
NRCS	Natural Resources Conservation Service
NRI	Nationwide Rivers Inventory
PA	Programmatic Agreement
PRDOH	Puerto Rico Department of Housing (Departamento De La Vivienda)
RCRA	Resource Conservation and Recovery Act
RE	Responsible Entity
RROF	Request for Release of Funds
SCS	Soil Conservation Service
SFHA	Special Flood Hazard Area
SHPO	State Historic Preservation Office
T&E	Threatened and Endangered Species
US	United States
USACE	United States Army Corps of Engineers
USC	United States Code
USFWS	United States Fish and Wildlife Service

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APPENDIX B

1.0 Project Description

1.1 Background and Statement of Purpose [40 CFR 1508.9(b)]

The 2017 hurricane season brought insurmountable devastation to Puerto Rico (**Appendix A Figure 1**) when in the month of September, the island experienced Category 5 and 4 storms; Hurricane Irma and Hurricane Maria. Hurricane Maria was the most devastating natural disaster to hit Puerto Rico since the San Felipe Segundo hurricane (aka Okeechobee hurricane) made landfall nine decades ago in 1928. Since that time, the population has doubled in size from 1.5 million residents compared to today's population of 3.4 million.

Hurricane Irma made landfall on September 6, 2017 as a Category 5 storm with winds up to 100 miles per hour. The storm cut power to an estimated two-thirds of the main island, leaving communities ravaged. Just two weeks later, Hurricane Maria made landfall on September 20, 2017 as a Category 4 storm measuring 35 miles in width, making direct impact with the 35-mile wide island. Hurricane Maria impacted the entirety of Puerto Rico with recorded winds up to 155 miles an hour, river surges up to 47 feet, massive mudslides, and localized catastrophic flooding reaching up to 38 inches. An estimated 64 lives were immediately lost in the storm with hundreds more lost to secondary conditions caused by lack of power, contaminated water sources, and limited to no access to healthcare services.

The National Oceanic and Atmospheric Administration (NOAA) recorded Hurricane Maria winds (**Appendix A Figure 2**) that reached up to 155 mph in the City of San Juan. Early estimates accurately captured extreme wind and rain threats, and a storm trajectory to impact the island head-on before proceeding northwest to the mainland US. Puerto Rico sustained hurricane force winds sweeping at maximum strength first through the islands of Vieques and Culebra then the northeast coast before sweeping westward across the main island. During Hurricane Maria, most of the island received substantial rainfall (**Appendix A Figure 3**), leading to severe flooding and mudslides in every interior mountainous region of the island. Mudslides and sinkholes left communities unrecognizable and, in many cases, inaccessible. Flooding reached record levels washing away cars, homes and leaving inches of threatening, stagnant water in the aftermath. The most significant flooding occurred immediately around the La Plata River located on the northern coast of the island and continued to build at peak levels around the southern interior of the main island.

Also, the National Hurricane Center recorded storm surge levels (**Appendix A Figure 4**) that reached maximum inundation at 6 to 9 feet above ground level along the coasts of the Humacao, Nagüabo, and Ceiba municipios. The United States Geological Survey (USGS) data suggests maximum inundation level along the immediate eastern shoreline reached as high as 9 feet. Measurements along the southeastern coast reached 4 to 7 feet in the municipios of Yabucoa, Maunabo, Patillas, and Arroyo. Along the northeastern coast in the municipios of Ceiba and Fajardo, and much of the southern coast from Ponce eastward, inundation levels reached three (3) to five (5) feet.




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PUERTO RICO HOUSING RECOVERY PROGRAM GROUP 1 TIER I ENVIRONMENTAL REVIEW RECORD

Owner-occupied single-family homes with repair needs represent the largest group of Maria-impacted properties across Puerto Rico. According to FEMA, 255,633 owner-occupied homes were estimated to sustain damage across the island. More than 728,662 applicants to FEMA housing programs resided in single-family housing. **Appendix A Figure 5** shows FEMA real property loss per housing unit.

Thirty-three (33) of the island's municipios were declared disaster areas for both Hurricanes Irma and Maria (including all 78 municipios for Hurricane Maria). **Appendix A Figures 6 and 7** show the declared disaster areas for each storm. As the entirety of the Puerto Rico islands is an impact zone from these two storms (including the seven municipios, Group 1, covered in this Tier I (Toa Baja, Cataño, Bayamón, Guaynabo, San Juan, Trujillo Alto and Carolina, **Appendix A Figure 8**)), recovery needs have exceeded funding available through FEMA's Disaster Relief Fund, resulting in a special allocation by Congressional Appropriation, awarded through the Department of Housing and Urban Development (HUD) in the form of Community Development Block Grants for Disaster Recovery (CDBG-DR). The first allocation, awarded in the amount of \$1,011,570,050 for housing programs, will be combined with the second allocation of almost \$18,500,000 for the combined effort.

The purpose of the proposed action is to assist residents in Puerto Rico (specifically Toa Baja, Cataño, Bayamón, Guaynabo, San Juan, Trujillo Alto, and Carolina) whose single-family dwellings and small rental properties (1 to 4 units) were damaged or destroyed by Hurricanes Irma and Maria. The project is needed to help provide adequate housing and support for these residents by repairing and /or reconstructing existing homes (including elevation, if required), relocating homeowners to a new location or constructing new structures in less flood prone areas. Additionally, rental properties damaged by Hurricanes Irma and Maria will be eligible for repair / reconstruction in this program.

1.2 Project Location

Proposed projects actions under this Tiered Environmental Review Record will be limited to the seven (7) municipios in this Group (Toa Baja, Cataño, Bayamón, Guaynabo, San Juan, Trujillo Alto and Carolina) including all municipalities and rural areas therein. While it is not specifically known as to the number of persons that will apply to the program, about 1/3 of the housing stock in the areas were damaged to some extent.

1.3 Project Description

(Include all contemplated actions which logically are either geographically or functionally a composite part of the project, regardless of the source of funding. [24 CFR 58.32, 40 CFR 1508.25])

The Puerto Rico Department of Housing (PRDOH) has initiated housing programs for Puerto Rico municipios to provide financial assistance to homeowners, renters, landlords and developers building affordable small rental housing. The programs and assistance to be provided by each are presented below:

- Homeowner Recovery Program – focused on owner-occupied single-family dwellings (structures and mobile homes) that experienced major to severe damage. Eligible activities include:

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- Single-family homeowner rehabilitation
 - Single-family homeowner reconstruction
 - Single-family homeowner new construction or relocation
 - Homeowner's assistance
 - Temporary rental assistance
 - Home insurance assistance
 - Home energy resilience
 - Elevation of applicant homes
- Small Rental Repair Program – funding activities necessary to restore storm-damaged homes, including rehabilitation, reconstruction, elevation, and/or other mitigation activities within the disturbed area of the previous parcel.

Structures that are within a 100-year floodplain and were substantially damaged (greater than or equal to 50%) will require elevation. Any new construction (as opposed to reconstruction) of structures will not be allowed within a floodplain, unless a site-specific 24 CFR 55.20 decision-making process is performed and is found to be in compliance with minimization plans and approved by the floodplain manager. Additionally, all applicants with proposed actions within a floodplain will be required to obtain and maintain flood insurance, for the ownership life of the property, as part of this program.

The above project activities apply to the overall project. PRDOH, as the Responsible Entity, has determined that the project will be reviewed in a tiered environmental assessment. The specific addresses of homes and other properties to be rehabilitated, reconstructed, newly constructed or elevated are not known at this time because the owner identification process is ongoing. Therefore, under 24 CFR 58.15 (Tiering) and 24 CFR 58.32 (Project Aggregation), PRDOH will use a tiered approach in combining similar work into geographic as well as functional packages for the environmental review.

1.4 Existing and Future Need

(Describe the existing conditions of the project area and its surroundings, and trends likely to continue in the absence of the project. [24 CFR 58.40(a)])

Approximately [insert number] properties within the seven (7) municipios sustained major to severe damage from Hurricanes Irma and Maria. Many homeowners, small rental tenants and landlords, and other potential applicants do not have the resources to repair, reconstruct, newly construct, or elevate their properties. In the absence of the proposed program, the damaged properties will continue to deteriorate doing further harm to the communities in which the properties are located.

1.5 Summary of Findings and Conclusions

Based upon completion of this environmental assessment, environmental review of the proposed project indicates there will be no significant changes to existing environmental conditions across the impact categories implemented by HUD in response to the National Environmental Policy Act of 1969. The following subject areas require analysis in this Tier I document before it can be concluded that a

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specific proposed project activity would have no significant environmental impacts on an individual site. These authorities are referenced under HUD's regulations at 24 CFR 58.5:

- Historic Preservation [36 CFR Part 800]
- Floodplain Management and Flood Insurance [24 CFR 58.5(b) and 24 CFR 58.6]
- Wetlands Protection [Executive Order 11990]
- Coastal Zone Management [Coastal Zone Management Act sections 307(c) & (d)]
- Sole Source Aquifers [40 CFR 149]
- Endangered Species Act [50 CFR 402; 16 USC 1531 et seq.]
- Wild and Scenic Rivers [36 CFR 297]
- Air Quality [40 CFR parts 6, 51, 61, 93]
- Farmland Protection [Farmland Protection Policy Act of 1981 Sections 1504(b) and 1541, 7 CFR 658];
- Environmental Justice [Executive Order 12898]
- Noise Abatement and Control [24 CFR 51 Subpart B]
- Siting of HUD-Assisted Projects near Hazardous Operations [24 CFR 51C];
- Airport Hazards (Runway Protection Zones and Clear Zones/Accident Potential Zones) [24 CFR 51D]
- Toxic Chemicals and Gases, Hazardous Materials, Contamination, and Radioactive Substances [24 CFR 58.5(i)(2)(ii) and Environmental Checklist for Solid Waste]
- Fish and Wildlife Coordination Act [16 USC 661-666c]
- Magnuson-Stevens Fishery Conservation and Management Act [16 USC 1801 et seq]



Proposed Action and Alternatives to the Proposed Action

[24 CFR 58.40(e), 40 CFR 1508.9] (Identify and discuss all reasonable alternative courses of action that were considered and were not selected, such as alternative sites, designs, or other uses of the subject site(s). Describe the benefits and adverse impacts to the human environment of each alternative, in terms of environmental, economic, and design contexts, and the reasons for rejecting each alternative. Also, finally discuss the merits of the alternative selected.)

Proposed Action: Individual actions (repair, reconstruction, new construction and/or elevation) undertaken by the described CDBG-DR program will provide a safe and secure environment for a substantial number of its low, moderate, and middle-income households recovering from Hurricanes Irma and Maria. The CDBG-DR funds will provide a positive financial impact on these households, their damaged neighborhoods, and extended communities, while allowing neighborhoods to be rebuilt and not require mass relocations of people. In this alternative, structures will be rebuilt on existing parcels but rebuilt to standards that will make them safer and more resistant to future adverse weather conditions.

Alternatives to the Proposed Action

No Action: The 'No-Action' alternative would mean that homeowners would not receive funding to provide for new, rehabilitated or reconstructed housing under the PRDOH CDBG-DR program. As a result, these owners may not be able to recover and have affordable housing. Furthermore, the homeowners would not be provided financial assistance to repair their properties and thus their properties would remain potentially unsafe, unsanitary, and more vulnerable to adverse weather

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conditions. Thus, the No-Action alternative would neither address the shortage of safe housing, or the increase in unoccupied, unsafe homes in the project area.

Relocating the Homeowner to Less Vulnerable Locations: This alternative was considered and is not a viable option. Assuming all grant eligibility criteria could be met for relocation, including the need for any gap financing, the availability of new locations appears limited for this to be a successful mass relocation option. In any event, applicants are expected to desire to remain on their current parcels. Also, the economic feasibility of mass relocations would likely not be practical given funding restrictions. Therefore, this alternative is not the most practicable for all the applicants affected by Hurricanes Irma and Maria.

Infrastructure Action or Other Measures There are potential actions that have been used historically to protect housing from vulnerable weather conditions, including drainage, flood protection structures, levees, wind breaks, and the like. These mitigation measures have proven to have some measure of success in protecting communities from flooding and other conditions; however, these actions do not address the housing needs for the homeowners and, in general, are not feasible based on the limited size of most home sites and are far less effective when implemented on individual scattered sites. Additionally, these activities are likely not eligible for funding under the CDBG-DR Program (except on a wider scale case-by-case basis, as appropriate); therefore, this alternative is not practicable.

Evaluation of Effects

As proposed, the described Program activities will improve or replace residential structures on scattered properties throughout damaged neighborhoods, although addresses will remain unknown until applicant eligibility is determined. The desire of PRDOH is to perform a Tiered Environmental Assessment per HUD regulation at 24 CFR Part 58.40 Subpart E. This Tiered Review will be combined with a Site-Specific review and shall be prepared for each construction site as described in **Section 2.0**, the Tiering Plan for ERR. This includes a review of the provisions outlined under Parts 58.5 and 58.6.

1.7 Additional Studies Performed

(Summarize and attach all special studies performed to support the environmental assessment analysis.)

No additional studies were performed for this document.

APPENDIX B**1.8 Finding**

[24 CFR 58.40(g)]

☒ **Finding of No Significant Impact (FONSI)**

(The project will not result in a significant impact on the quality of the human environment.)

☐ **Finding of Significant Impact**

(The project may significantly affect the quality of the human environment.)

Puerto Rico Department of Housing CDBG-DR Program Funding: \$**Environmental Review Preparer's Information****Michael J. Richardson, PE, Director, Government Services, HORNE Federal LLP**



Environmental Preparer's Signature:

Date:**Responsible Entity, Representative's Information / Certification**

Responsible Entity, Representative's name, title, and organization (printed or typed):

PRDOH,

Responsible Entity, Representative's Signature:

Date:


APPENDIX B

2.0 Tiering Plan for Environmental Review

The Proposed Actions under this program will be evaluated under an Environmental Assessment (24 CFR 36). The environmental "Statutory Checklist" contains compliance components related to 24 CFR 58.5, 24 CFR 58.6 and HUD environmental standards in addition to the Environmental Assessment (EA) checklist, intended to compliment findings in the statutory checklist, which would also be part of the ERR. PRDOH will be the responsible entity for all environmental work. The EA, as prepared for PRDOH, is essentially a two-step, tiered process, per 24 CFR 58.15.

The following EA serves as the Tier I environmental compliance document for the proposed CDBG-DR Program for PRDOH Group 1 municipios. Applying the tiering rule gives the Commonwealth the ability to aggregate work on individual project sites into categories of activities having similar geographic and/or functional environmental attributes. Documentation of site-specific environmental issues requiring individual evaluation or additional agency consultation will be compiled separately. Site-specific review is also referred to as "Tier II EA Review." No reconstruction, rehabilitation, elevation, new construction or other choice-limiting options on properties will begin until both the broad and site-specific levels of environmental review have been completed and the proposed work has been found compliant.

Compliance with 24 CFR 58.5

The Statutory Worksheet in **Section 3.0** lists each of the Federal laws and authorities found in HUD's regulations listed at 24 CFR 58.5. It addresses the specific environmental factors for which compliance has been documented regardless of specific site locations within the subject counties.

A Site-Specific Checklist, to be completed for each site, has been developed to assess all environmental statutes, authorities and regulations for which the compliance review has not been completed using the Statutory Worksheet. The Site-Specific Checklist in **Appendix B** will document how those requirements have been met.

Compliance with 24 CFR 58.6

In addition to the duties under the laws and authorities specified in 24 CFR 58.5 for assumption under the laws cited in Section 58.1(b), PRDOH must comply with the requirements listed at 24 CFR 58.6. The information needed for compliance with 24 CFR 58.6 will be included in **Section 3.0** and in the Tier II site-specific reviews in **Appendix B** for those proposed actions that require compliance with both 24 CFR 58.5 and 58.6.

Compliance with 24 CFR 58.36

In addition to the duties under the laws and authorities specified in 24 CFR Part 58.5 and 58.6 for assumption under the laws cited in Section 58.1(b), the PRDOH must comply with the requirements listed at 24 CFR 58.36 (Environmental Assessment) and the EA Checklist (24 CFR 58.40; Ref. 40 CFR



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1508.8 & 1508.27). All EA requirements are addressed in **Section 3.0** of the Tier I Environmental Review Record and further addressed, as necessary, in the Tier II Site-Specific Review in **Appendix B**.

2.1 Tier I Environmental Review Record

This Tier I Environmental Review Record (Tier I ERR) describes the action-area targeted by the PRDOH CDBG-DR program. It provides a basic profile of the proposed rehabilitation, reconstruction, reimbursement, new construction, elevation and other mitigation activities relative to required compliance factors, as presented in the Statutory Checklist, Other Requirements (24 CFR 58.6) and the Environmental Assessment Checklist (**Section 3.0**) This level of review evaluates impacts of the proposed housing activities in an aggregated way as determined by the potential for impacts relative to the protected or regulated resources and HUD Environmental Standards. This level of review has resulted in a finding of compliance certain factors so that further review at the site-specific level (**Appendix B**) is not necessary. PRDOH has also identified the potential for environmental impacts for several compliance factors evaluated during the Tier II Site-specific Environmental Assessment and must be completed before individual projects can be environmentally cleared to proceed. Combined, this has resulted in a FONSI for the overall program. Tables and figures prepared to support the Tier I analysis of environmental compliance factors are presented in Appendices following. A list of sources, figures, Agencies, and Persons consulted in support of the Tier I analysis are presented in **Appendix C**.

Also, as part of this Tier I ERR, the process for decision making at 24 CFR 55.20 (also known as the Eight (8)-step process) is presented as a Programmatic 8-step Compliance Process in **Appendix D**.

The Tier I ERR aids the Commonwealth in understanding the scope of applicable mitigation measures to potentially be selected for projects (**Section 4.0**). The Tier I document includes a Compliance Documentation Checklist per 24 CFR §58.6. Other requirements have been developed as presented in **Section 3.0**. This serves to allow evaluation of the CDBG-DR Program compliance relative to the Flood Disaster Protection Act, the National Flood Insurance Reform Act, the Coastal Barrier Improvement Act, and Runway Clear Zones and Accident Potential Zones. The Tier I ERR of the program is summarized in the Statutory and Environmental Assessment Checklist presented in **Section 3.0** and identifies impact categories, as well as the type and degree of impacts anticipated, and whether proposed housing activities should be evaluated at the site-specific level to determine conditions and what appropriate mitigation or modification measures might need to be required.

Appendix E presents the Combined FONSI and Notice of Intent to Request Release of Funds (NOI/RROF). All public notices, the circulars to which they were published, any comments and responses to those comments will be included in **Appendices D and E**. Publishing the FONSI and the NOI/RROF together on the same date should serve to expedite the periods for public comment on these notices and for objections to be received by HUD. The actual Request for Release of Funds and Authority to Use Grant Funds, which is used to formally authorize the use of CDBG-DR grant funds, will be incorporated into **Appendix E**, once approved by HUD.

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Appendix F presents the Programmatic Agreement for Section 106 of the National Historic Preservation Act of 1966 between the Puerto Rico Historic Preservation Office, any participating tribal communities and the PRDOH. This agreement will address the effects of this Program on historic properties and archaeological findings.

2.2 Tier II ERR or Site-Specific Environmental Review Record

Adverse impact findings cannot be made for all factors in the Tier I ERR, so the Group 1 Municipio CDBG-DR Program compliance cannot be fully achieved at the programmatic level. The Tier II site-specific ERR for the Program will be carried out for each proposed activity to address those environmental compliance factors and HUD standards that remained unresolved by the programmatic level Tier I analysis. A site-specific compliance documentation checklist has been developed for the CDBG-DR program, and is presented in **Appendix B**. The following compliance factors will be analyzed for each site-specific activity:

- Historic Preservation (36 CFR Part 800);
- Floodplain Management and Flood Insurance (24 CFR 58.5(b) and 24 CFR 58.6);
- Wetlands Protection (EO 11990);
- Endangered Species Act (50 CFR.402; 16 USC 1531 et seq.);
- Coastal Zone Management (16 USC 1451-1464, Chapter 33);
- Toxic Chemicals and Gases, Hazardous Materials, Contamination, and Radioactive Substances (24 CFR 58.5(i)(2)(i));
- Siting of HUD-Assisted Projects near Hazardous Operations (24 CFR 51C);
- Airport Hazards (Runway Protection Zones and Clear Zones / Accident Protection Zones) [24 CFR 51D]
- Farmland Protection (Farmland Protection Policy Act of 1981 Sections 1504(b) and 1541, 7 CFR 658); and
- Noise Abatement and Control (24 CFR 51 Subpart B).

Site-specific reviews will include evaluation of the application, the proposed site activity, and its location relative to the above compliance factors. Reviews will also include direct field observation with photographs, measurements, and notes for the file, as well as possible resource agency consultations. If there are no impacts identified, or if impacts will be fully mitigated through individual site actions, then the proposed project activity planned for a residential site will proceed without further notice to the public. If impacts cannot be identified and mitigated during the site-specific reviews, then that site may be subject to further studies, treated as a separate project, subject to agency consultations, and the ERR process may require the publishing or posting of notices for that individual site. In some isolated cases, the proposed project activity may not be eligible for funding, based up a specific mitigation or environmental issue.

Each completed site-specific checklist and supporting documents will be submitted to PRDOH for review and approval before individual activity site work or construction begins. A notice of environmental clearance will be issued for each project. All steps of the ERR process will be completely documented at the site-specific level before the construction activity proceeds.

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The Responsible Entity (RE) for this program is the Puerto Rico Department of Housing. The Certifying Officer (CO) is [Name and Title].

Written inquiries regarding this Tier I document can be submitted to:

[CO Name]

[CO Title]

[CO Address]



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FEDERAL

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3.0 Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Use this worksheet for projects that are Categorically Excluded Subject to 24 CFR §58.5 listed at 24 CFR §58.35(a), for projects subject to 24 CFR §58.6 and for housing projects that may require an Environmental Assessment.

Project Name: This is the Puerto Rico Department of Housing Hurricanes Irma and Maria Community Development Block Grant Disaster Recovery Program (CDBG-DR), which is being administered under the US Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program for Unspecified Sites in the Municipios of Toa Baja, Cataño, Bayamón, Guaynabo, San Juan, Trujillo Alto and Carolina (Group 1).

The PRDOH is the Responsible Entity (RE) for the required environmental review as indicated in 24 CFR 58, "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities," and will oversee completion of environmental and historic preservation reviews of each applicant's proposed project activity in accordance with HUD regulations and guidance.

A "Yes" answer below means further steps are needed and a Tier II site-specific review is required. A "No" answer indicates that compliance is met at the programmatic level.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and .6	Are formal compliance steps or mitigation required?	COMPLIANCE FINDING
Historic Preservation [36 CFR 800]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>The PRDOH has signed on to the existing Programmatic Agreement (PA), executed on May 6, 2016, between the Federal Emergency Management Agency, the Puerto Rico Emergency Management Agency, and the Puerto Rico State Historic Preservation Office (See Appendix F). The PA exempts from further historic preservation review construction where there are no ground disturbances of archaeological resources. The PA also provides an exemption from further review for the proposed activities on buildings or structures less than 50 years of age, provided the proposed activities substantially conform to the original footprint or are performed in previously disturbed soils, and the buildings or structures are not in or adjacent to a historic district.</p> <p>Consultation with the Puerto Rico State Historic Preservation Office (SHPO) will be required for properties that were built prior to 1978 and properties on which the proposed activities require disturbance of previously undisturbed soil. Additionally, any properties in an Historic District or Individually Historical will require consultation with the SHPO and local Historic District commissions. The consultation process for these properties is set forth in the PA with expedited timelines and allowance for use of Standard Treatment Measures to</p>

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		<p>resolve adverse effects without execution of a project-specific Memorandum of Agreement.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix F for Programmatic Agreement between interested parties including List of Agencies contacted.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>Puerto Rico State Historic Preservation Office</p> <p>Refer to the Tier II: Site-specific Project Review for each individual property for compliance determination.</p>
<p>Floodplain Management</p> <p>[24 CFR 55, Executive Order 11988]</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>For those residential properties located in flood zones in Group 1 (Exhibit 1 Figure 1-1), the Commonwealth has made the decision there is no practicable alternative to providing CDBG-DR assistance to homeowners and owners of rental properties for the reconstruction, rehabilitation, reimbursement and elevation of their properties in these zones.</p> <p>Prior to making this decision, PRDOH completed an 8-step analysis of the long- and short-term adverse impacts associated with the continued occupancy of the floodplain and considered whether there were any practicable alternatives to providing CDBG-DR assistance in the floodplain (refer to Appendix D – Programmatic 8-step Compliance Process).</p> <p>As a condition of receiving CDBG-DR assistance, property owners who rebuild will have to build to the highest available Local, Commonwealth, or HUD elevation level (at least 2 feet above the 100-year floodplain elevation). All proposed reconstruction and improvement or repair of substantially damaged structures [as defined in 44 CFR 59.1 and 24 CFR 55.2(b)(8), “substantial improvement”] in the floodplain must adhere to the most recent elevation requirements in accordance with building codes in Puerto Rico (Exhibit 1 Table 1-1). There will be no new construction or relocation into the floodplain unless a site-specific 24 CFR 55.20 decision-making process is performed and is found to be in compliance with minimization plans and approved by the floodplain manager.</p> <p>Puerto Rico establishes standards for floor elevations for buildings constructed and fill placed in the floodplain through its local codes.</p> <p>All proposed construction in the SFHA must adhere to the latest (most recent) elevation requirements of the local authority or HUD (whichever is stricter) or its successors, whether advisory, preliminary, or final. This applies to both tidal and non-tidal floodplains.</p> <p>In the case of “Coastal High Hazard” areas (“V” or “VE” Zones on the most recent FEMA-issued maps), adhere to construction standards, methods and techniques requiring a registered professional engineer to either develop, review or approve, per the associated location, specific Applicant elevation plans that demonstrate the design meets the current standards for V zones in FEMA regulations 44 CFR 60.3(e) as required by HUD regulations 24 CFR 55.1(c)(3).</p>

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		<p>All areas within Puerto Rico are participating in the National Flood Insurance Program (<i>Source: FEMA National Flood Insurance Program Community Status Book</i>).</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 1.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>Municipio Floodplain Coordinator</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance assessment.</p>
Wetland Protection [24 CFR 55, Executive Order 11990]	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Project activities involving repair, reconstruction, and / or elevation of single-family homes and properties in the disturbed area of the previously developed parcel would most likely not result in permanent direct or indirect impacts to wetlands. Group 1 Municipio wetlands are shown in Exhibit 2 Figure 2-1. However, in the Tier II process, the PRDOH will evaluate available information and, if warranted, a site inspection will be conducted by a trained wetland professional to ensure that wetlands are not impacted by the proposed action. Any activity that would adversely affect wetlands would not be eligible for funding unless a permit was acquired on behalf of the homeowner.</p> <p>If disturbance to wetlands is required, an 8-step analysis of the long- and short-term adverse impacts associated with the temporary impacts to wetlands must be performed to determine whether there are any practicable alternatives to providing CDBG-DR assistance in the wetland. Best management practices for erosion and sediment control will be implemented (see Conditions for Approval). Repair, reconstruction and/or elevation of structures located over waters of the United States require a United States Army Corps of Engineers (USACE) permit under the Rivers and Harbors Appropriation Act of 1899, regardless of whether the project results in discharge of fill to the water. Any project that is not consistent with the Rivers and Harbors Appropriation Act of 1899 would not be funded.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 2.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>US Army Corps of Engineers, Jacksonville District, Antilles Area Office, Puerto Rico</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Coastal Zone Management [Coastal Zone Management Act sections 307(c) & (d)]	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>The Coastal Zone Management Program (CZMP) is authorized by the Coastal Zone Management Act (CZMA) of 1972 and administered at the Federal level by the Coastal Programs Division within the National Oceanic and Atmospheric Administration's (NOAA) Office of Ocean and Coastal Resource Management). Puerto Rico's Coastal Program was approved by NOAA in 1978. Puerto Rico's CZMP is administered by the Department of Natural and Environmental Resources (DNER)</p>

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		<p>and is responsible for managing the maritime zone, coastal waters and submerged lands.</p> <p>The Puerto Rico Planning Board serves as the primary agency for managing coastal development. The CZMP authority applies to new construction, conversion, major rehabilitation, and substantial improvement activities. Projects that can affect the coastal zone must be carried out in a manner consistent with the approved Commonwealth CZMP—under Section 307 of the CZMA of 1972, as amended.</p> <p>In Puerto Rico, there are 44 municipios designated by the Commonwealth as Coastal and are covered by the Coastal Area Management Act (CAMA). Of Group 1, Toa Baja, Cataño, Guaynabo, San Juan, and Carolina are in the Coastal Zone Management Act boundary. The Group 1 municipios not in the zone are Bayamón and Trujillo Alto (Exhibit 3 Figure 3-1). The PRDOH must address all issues with the CZMA, per 24 CFR 58.5(c). Essentially, as this program is federally funded, construction activities that are to be performed within the areas of the identified Coastal Zone must be performed in accordance with the Puerto Rico CZMP.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 3.</p> <p><u>Consultation for Tier II, if Required.</u></p> <p>Department of Natural and Environmental Resources Puerto Rico Planning Board</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Sole Source Aquifers [40 CFR 149]	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<p>According to the US Environmental Protection Agency's Source Water Protection, Sole Source Aquifer Protection Program, there are no Sole Source Aquifers in Puerto Rico (Exhibit 4 Figure 4-1).</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 4.</p> <p>Review regarding Sole Source Aquifers is complete.</p>
Endangered Species [50 CFR 402]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>The Endangered Species Act (ESA), as amended, and its implementing regulations provide federal agencies with a mandate to conserve threatened and endangered (T&E) species and ensure that any action they authorize, fund, or implement is not likely to jeopardize the continued existence of a T&E species in the wild or destroy or adversely modify its critical habitat.</p> <p>The environmental review must consider potential impacts of the HUD-assisted project activities to T&E species and, for animals, critical habitats. The review must evaluate potential impacts not only to any listed, but also to any proposed or candidate, endangered or threatened species and critical habitats. Project activities that affect T&E species or critical habitats require consultation with the</p>




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		<p>Department of the Interior, US Fish and Wildlife Service (USFWS) or the NOAA Fisheries Service/National Marine Fisheries Service (NMFS), in compliance with the procedure of Section 7 of the ESA and the DNER.</p> <p>The US Fish and Wildlife Service, as part of its mission to preserve the biological diversity of the Caribbean Area, maintains an inventory of all known occurrences/locations of rare taxa and serves as the data source of locality information of rare and federal- and Commonwealth-listed animal and plant species, including species that have been proposed for or are candidates for federal listing. The USFWS Environmental Conservation Online System was accessed on August 30, 2018, as a first step in identifying federally- listed Threatened and Endangered species found in Group 1 municipios as a starting point for consultations with the USFWS Field Office and the DNER for federally-listed T&E species. The species identified by the USFWS and the DNER for site-specific review are discussed in Appendix C Exhibit 5.</p> <p>There are no National Wildlife Refuges/National Fish Hatcheries in the Group 1 Municipios. However, there are critical habitats in the Group 1 Municipios; therefore, review is not complete with respect to NOAA topics. Any project activities within a critical habitat may require coordination with the USFWS and NOAA.</p> <p>A determination shall be made as to the potential for impact of any housing activities on habitat of any of the identified species in Appendix C Exhibit 5. If there is no impact on the identified species, the review can continue. If there is the potential for impact, all work shall stop and coordination with the USFWS and DNER shall occur.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 5.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>US Fish and Wildlife Service National Oceanic and Atmospheric Administration Puerto Rico Department of Natural and Environmental Resources</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
<p>Wild and Scenic Rivers [36 CFR 297]</p> <p>North Carolina Natural and Scenic Rivers Act of 1971</p> <p>National Rivers Inventory, Presidential Directive 1979</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The Wild and Scenic Rivers Act created the National Wild and Scenic Rivers System in 1968 to protect selected rivers in a free-flowing condition and to recognize their importance to our cultural and natural heritage (16 USC 1271). The Act prohibits federal support for activities such as construction of dams or other on-stream activities that could harm a designated river's free-flowing condition, water quality or outstanding resource values. Activities require review by the National Park Service only if they would disturb the bed or bank of a designated river.</p> <p>There are no designated wild and scenic rivers in the Group 1 Municipios. The closest are Rio De La Mina and Rio Icacos in the El Yunque National Forest (Exhibit 6 Figure 6-1).</p>







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		<p>Additionally, the Nationwide Rivers Inventory (NRI) is a listing of more than 3,400 free-flowing rivers or river segments in the US that are believed to possess one or more "outstanding remarkable" natural or cultural value. Under a 1979 Presidential Directive, all federal agencies must seek to avoid or mitigate actions that would adversely affect one or more of the NRI segments. There are no rivers on the NRI in the Group 1 Municipios (Exhibit 6 Figure 6-2).</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 6.</p> <p>Review regarding Wild and Scenic Rivers is complete.</p>
<p>Air Quality [40 CFR parts 6, 51, 61, 93]</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The proposed program is in compliance. Emissions associated with the proposed actions are limited to use of residential and small construction equipment and are estimated to be well below the threshold when compared to the federal General Conformity Rule de minimis thresholds.</p> <p><u>General Conformity Clean Air Act Requirements</u></p> <p>Section 176(c) of the Clean Air Act (CAA) requires a federal agency that funds any activity in a nonattainment or maintenance area to conform to the State Implementation Plan (SIP). Conforming to a SIP means that an action will not:</p> <ul style="list-style-type: none"> • Cause or contribute to a new violation of any standard in any area; • Increase the frequency or severity of any existing violation of any standard in any area; or • Delay timely attainment of any standard or any required interim emission reduction or other milestones in any area. <p>EPA's federal General Conformity regulation (40 CFR Part 90) implements the CAA. The General Conformity Rule requires that the direct and indirect air emissions from an action are identified. The identified air emissions in the nonattainment area are compared to the de minimis levels in the regulation to determine compliance. If the emissions from the action are below the de minimis levels, the action complies with the CAA.</p> <p>The General Conformity Rule would apply to this program in the Group 1 Municipios since several of the municipios are in nonattainment for certain National Ambient Air Quality Standards (NAAQS).</p> <p>Several of the Group 1 Municipios (parts of Toa Baja, Cataño, Bayamón, Guaynabo, and San Juan) are in nonattainment for the 2010 Sulfur Dioxide federal standard of 75 parts per billion (ppb). Since these areas are in nonattainment for sulfur dioxide, the requirements of the federal General Conformity regulation would apply to this action.</p> <p>EPA also re-designated Guaynabo to maintenance for the particulate matter (PM₁₀) federal standards. Therefore, the requirements of the federal General Conformity regulation would apply to this action.</p>







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		<p>Data is from the USEPA Green Book; current as of August 31, 2018.</p> <p><u>Assessment of Emission Sources for the Proposed Program</u></p> <p>The direct emissions associated with this action are assumed to be from land-based mobile sources that will be used during the reconstruction, rehabilitation, elevation, and mitigation activities. These sources are assumed to include compactors, loaders, backhoes, cranes, tractors, and excavators. It is assumed there are no, or minimal, indirect emissions associated with the actions.</p> <p><u>Emission Methodology</u></p> <p>The methodology used to estimate the air emissions associated with the proposed activities includes fuel use for residential construction and the average pollutant emission factors for the equipment used for construction from EPA's Nonroad Model. The general methodological approach consists of the steps identified in Exhibit 7 Attachment 1.</p> <p><u>Air Emissions Assessment</u></p> <p>The proposed project is estimated to occur from the end of 2018 to 2021. Annual air emissions were calculated for 2020, as a worst-case scenario, since this is estimated to represent a full year of construction activity. The estimated annual air emissions for 2020 are presented below.</p> <table border="1" data-bbox="649 987 1380 1165"> <thead> <tr> <th></th> <th>Program Emissions (tons/year)</th> <th>Conformity De Minimis Levels (tons/year)</th> </tr> </thead> <tbody> <tr> <td>PM₁₀</td> <td>0.518</td> <td>100</td> </tr> <tr> <td>SO₂</td> <td>0.008</td> <td>100</td> </tr> </tbody> </table> <p>A comparison of the estimated annual air emissions for 2020 associated with the proposed program to the de minimis levels in the General Conformity regulation for PM₁₀ and SO₂ indicates that the estimated annual air emissions are below the de minimis levels. Since the estimated annual air emissions for 2020 are below the de minimis levels, the project is presumed to conform, and a conformity determination is not required.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 7.</p> <p>Review regarding Air Quality is complete.</p>		Program Emissions (tons/year)	Conformity De Minimis Levels (tons/year)	PM ₁₀	0.518	100	SO ₂	0.008	100
	Program Emissions (tons/year)	Conformity De Minimis Levels (tons/year)									
PM ₁₀	0.518	100									
SO ₂	0.008	100									
Farmland Protection [7 CFR 658]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>The Farmland Protection Policy Act (FPPA) of 1981 (7 USC 4201 et seq.) regulates Federal actions with the potential to convert farmland to non-agricultural uses. The purpose of the Act, as regulated in 7 CFR 658, is "to minimize the extent to which Federal programs contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses."</p> <p>"Farmland", in accordance with 7 CFR 658.2(a), is defined as "prime or unique farmlands as defined in section 1540(c)(1) of the Act or</p>									

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		<p>farmland that is determined by the appropriate ... government agency ... to be farmland of statewide or local importance." The definition further explains that farmland does not include land already in or committed to urban development or water storage, and that farmland already in urban development includes all land with a density of 30 structures per 40-acre area.</p> <p>The Department of Agriculture Natural Resources Conservation Service (NRCS) makes determinations of prime and unique farmlands in Puerto Rico, and consultation with the NRCS is required if farmland that is protected under the FPPA is to be converted to nonagricultural uses.</p> <p>The NRCS uses Form AD-1006 ("Farmland Conversion Impact Rating") to make determinations regarding the relative value of land deemed as farmland. Form AD-1006 involves scoring of the relative value of the site for preservation and is completed by both the PRDOH and the NRCS. Total scores below 160 require no further analysis. Scores between 160 and 200 may have potential impacts and require further consideration of alternatives that would avoid this loss.</p> <p>Most of the project activities associated with this program would not trigger a Tier II review for farmlands. However, the project activity associated with "New Construction on a Previously Undisturbed Parcel" would require a Tier II review.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 8.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>US Department of Agriculture, Natural Resources Conservation Service Department of Agriculture of Puerto Rico</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Environmental Justice [Executive Order 12898]	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>The proposed activities would encourage people in the areas most affected by Hurricanes Irma and Maria to continue living where they live now. In general, those areas have proven vulnerable to adverse weather conditions. Other pre-existing environmental conditions would continue under the proposed program. However, the primary effects of the proposed program would be to improve the condition of the housing, making it more durable, energy-efficient, safe from mold, asbestos, lead based paint, and other health and safety impacts. The program would also enhance health and safety by making many homes less vulnerable to adverse weather conditions in accordance with program requirements.</p> <p>Low- to moderate-income (LMI) households would receive significant benefits from this program. Based upon the Program, there should be no environmental issues that would disproportionately affect LMI and/or minority populations. However, as it is HUD's preference to determine environmental justice impacts after environmental</p>

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		<p>conditions are identified, a determination of the impact will be made at the conclusion of the Environmental Review.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 9.</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
HUD Environmental Standards 24 CFR Part 51		Summary of consultations, supporting documentation, determinations and mitigation measures
Noise Control and Abatement [24 CFR 51B]	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>The PRDOH has considered noise criteria and standards according to the provision at 24 CFR 51.101(a)(2), which states that "responsible entities under 24 CFR 58 must take into consideration the noise criteria and standards in the environmental review process and consider ameliorative actions when noise sensitive land development is proposed in noise exposed areas."</p> <p>The provision at 24 CFR 51.101(a)(3) addresses new construction (not to be confused with rehabilitation or reconstruction) and states that "HUD assistance for the construction of new noise sensitive uses is prohibited generally for projects with unacceptable noise exposures and is discouraged for projects with normally unacceptable noise exposure."</p> <p>This provision also addresses reconstruction, rehabilitation, elevation and mitigation that meets the exclusion for this regulation. The regulation states that HUD noise policy does not apply to "assistance that has the effect of restoring facilities substantially as they existed prior to the disaster." The proposed housing activities of reconstruction, rehabilitation, reimbursement, elevation and mitigation without substantially increasing the existing footprint would restore housing substantially as it existed prior to Hurricanes Irma and Maria. Therefore, these activities would be exempt from this section. (Refer to email correspondence from Danielle Schopp (Exhibit 10 Attachment 10-1))</p> <p>However, the provision at 24 CFR 51.101(a)(5) addresses rehabilitation (including reconstruction) and states for major or substantial rehabilitation projects in the Normally Unacceptable and Unacceptable noise zones, HUD actively shall seek project sponsors to incorporate noise attenuation features, given the extent and nature of the rehabilitation being undertaken and the level of exterior noise exposure. Where possible, proposed activities in these areas will be reviewed for inclusion of noise attenuation features. New construction or relocation in these Normally Unacceptable and Unacceptable areas will not be allowable.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 10.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>HUD, Region IV</p>



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Siting of HUD-Assisted Projects Near Hazardous Operations [24 CFR 51C]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p> <p>The definition of "HUD-assisted project" at 24 CFR 51.201 is predicated on whether the project increases the number of people exposed to hazardous operations. Therefore, the environmental review for activities to reconstruct, rehabilitate, elevate, or reimburse for housing that existed prior to the disaster is not required to apply the acceptable separation distance (ASD) standards in 24 CFR Part 51C where the number of dwelling units is not increased, and the activities are limited to the general area of the pre-existing footprint. (Refer to email correspondence from Danielle Schopp (Exhibit 11 Attachment 11-1). An ASD analysis is required if the number of dwelling units increases and / or the building footprint changes substantially, potentially bringing the structure (and number of residents) closer to an aboveground tank containing a flammable or explosive substance. Therefore, new construction will require a site-specific review.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 11.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>HUD, Region IV</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Airport Hazards (Runway Protection Zones and Clear Zones/Accident Potential Zones) [24 CFR 51D]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>The restrictions on construction and major rehabilitation of structures in runway protection zones (formerly called runway clear zones) apply to civil airports (24 CFR 51.303). Civil airports are defined as commercial service airports designated in the Federal Aviation Administration's National Plan of Integrated Airport Systems (NPIAS) (24 CFR 51.301(c)).</p> <p>The Luis Muñoz Marín International Airport is a joint civil-military Primary Medium Hub airport located in Carolina, Puerto Rico. Additionally, the Fernando Luis Ribas Dominicci Airport is a Primary Non-Hub airport located in San Juan. Therefore, this regulation is applicable for runway protection zones for these airports. Runway protection zones extend up to 2,500 feet from the ends of the runways along flight paths and become wider as the distance from the runway increases.</p> <p>If the site is within 2,500 feet of either airport, a determination must be made to evaluate if the site is within a Runway Protection Zone or Military Clear Zone (although in the case of the Luis Muñoz Marín International Airport, the two are the same). If the site is in a designated RPZ/CZ, a written assurance from the airport operator is required that there are no plans to purchase the land as part of an expansion program. Also, reconstruction or major rehabilitation may make the applicant ineligible for HUD assistance. New construction will not be allowed in such a zone.</p> <p>HUD regulations also include restrictions on construction and major rehabilitation in clear zones and accident potential zones associated with runways at military airfields (24 CFR 51.303). The Luis Muñoz</p>

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		<p>Marin International Airport is a joint civil-military airport. If the site is within 15,000 feet of the airport, you must determine if the site is within a Clear Zone or Accident Potential Zone. If the site is within the APZ, you must document that the usage will be consistent with the DOD Land Use Compatibility Guidelines.</p> <p><u>Regulatory Agency and Review Parties</u></p> <p>See Appendix C Exhibit 12.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>Luis Muñoz Marin International Airport Administrator Puerto Rico Air National Guard Fernando Luis Ribas Dominicci Airport Coordinator</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
<p>Toxic Chemicals and Gases, Hazardous Materials, Contamination, and Radioactive Substances [24 CFR 58.5(i)(2)]</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p><u>Hazardous Materials</u></p> <p>HUD policy requires that the proposed site and adjacent areas be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants of the property or conflict with the intended utilization of the property. To identify sites near the proposed project location that have hazardous materials, contamination, toxic chemicals, gases and radioactive substances as specified in 24 CFR 58.5(i), a review of web-based data information will be conducted for each site; including EPA's Geographic Information System (GIS) database. The review includes an examination of EPA's Superfund List, National Priorities List (NPL), Toxics Release Inventory, Brownfields, Air Facility Systems, and Hazardous Waste (RCRA) databases, including NEPAassist. We will also review information from the Puerto Rico Environmental Quality Board. Based upon these reviews, the PRDOH will determine as to whether the homeowner's property lies within a distance (3,000 feet) of a facility that handles or otherwise disposes of a hazardous material or toxic substance.</p> <p><u>Radon</u></p> <p>Also, indications are that Puerto Rico radon concentrations in the Group 1 Municipios are less than 4 picocuries per liter of air as potentially existing in the subsurface, which is the EPA action level for radon (Source:). (Exhibit 13 Figure 13-1).</p> <p><u>Asbestos, Lead-Based Paint, and Mold</u></p> <p>It is HUD policy that all occupied structures proposed for inclusion in HUD-funded programs be free of hazardous materials that could affect the health of the occupants. Structures to be reconstructed or rehabilitated in the CDBG-DR Program may include lead-based paint and materials containing asbestos. These are hazardous materials that could affect the health of residents. All activities must comply with applicable federal, state, and local laws and regulations regarding asbestos, including but not limited to the following:</p>

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PUERTO RICO HOUSING RECOVERY PROGRAM GROUP 1
TIER I ENVIRONMENTAL REVIEW RECORD



		<ul style="list-style-type: none"> National Emission Standard for Asbestos, standard for demolition and renovation, 40 CFR 61.145; National Emission Standard for Asbestos, standard for waste disposal for manufacturing, fabricating, demolition, and spraying operations, 40 CFR 61.150; All regulations governing actions under the Puerto Rico Environmental Quality Board. <p>All activities must comply with applicable federal, state, and local laws and regulations regarding lead-based paint, including but not limited to, HUD's lead-based paint regulations in 24 CFR Part 35 Subparts B, H, and J. These regulations apply to housing constructed prior to January 1, 1978.</p> <p>Mold can also have an adverse effect on human health and is a very common problem in houses that have been flooded or damaged by adverse weather. Mold should not be a problem in houses that are demolished and reconstructed but could remain in rehabilitated housing if steps are not taken to eliminate mold during the rehabilitation. All residential structures funded under the CDBG-DR Program must be remediated for mold attributable to Hurricanes Irma and Maria in accordance with Commonwealth requirements.</p> <p><u>Regulatory Agency and Source Review</u></p> <p>See Appendix C Exhibit 13.</p> <p><u>Consultation for Tier II, if Required</u></p> <p>US Environmental Protection Agency, Region II Puerto Rico Environmental Quality Board</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
ADDITIONAL STATUTORY AUTHORITIES NOT LISTED IN 24 CFR 58.5		
Fish and Wildlife Coordination Act [16 USC 661-666c]	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<p>The Fish and Wildlife Coordination Act applies to impounding, diverting, deepening, or otherwise controlling or modifying a stream or other body of water. The proposed activities in this program would be limited to work on residential structures. No activities are allowed for modifying any stream or body of water. Therefore, the Fish and Wildlife Coordination Act does not apply to the proposed program.</p> <p><i>Review regarding Fish and Wildlife Coordination Act is complete.</i></p>
Magnuson-Stevens Fishery Conservation and Management Act [16 USC 1801 et seq]	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<p>The Magnuson-Stevens Fishery Conservation and Management Act applies to ocean fish, including ocean fish that spawn in fresh water or in estuaries (anadromous fish). The act requires protection of "essential fish habitat," defined as habitat fish need for spawning, breeding, feeding, or growth to maturity. Puerto Rico contains numerous streams and estuaries used for spawning by various anadromous fish.</p> <p>This program, however, is not intended for use in modifying or disturbing any fresh water spawning areas or estuaries in any fashion.</p>



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PUERTO RICO HOUSING RECOVERY PROGRAM GROUP 1
TIER I ENVIRONMENTAL REVIEW RECORD

		Therefore, the Magnuson-Stevens Fishery Conservation and Management Act does not apply to the proposed program. <i>Review regarding Magnuson-Stevens Act is complete.</i>
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>There are two (2) civil airports with runway protection zones (the Luis Muñoz Marín International Airport and the Fernando Luis Ribas Dominicci Airport) in Group 1 Municipios. Additionally, the Luis Muñoz Marín International Airport is a joint military airfield with clear zones and accident potential zones in the referenced area.</p> <p>In accordance with 24 CFR 51.303(a)(3), a notice must be given to anyone interested in using HUD assistance to buy an existing property which is in either a Runway Protection Zone at a Civil airport or a Clear Zone at a Military airfield.</p> <p><u>Regulatory Agency and Source Review</u> See Appendix C Exhibit 12.</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>There is one (1) designated unit of the Coastal Barrier Resource System in the Group 1 area (PR-86P) off the coast of Toa Baja (Exhibit 14 Figure 14-1). With very limited exceptions, federal assistance is not allowed for projects in a CBRS unit. Therefore, all locations will be checked to determine if they are within the CBRS unit.</p> <p>See Appendix C Exhibit 14.</p> <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a] and 24 CFR 55	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<p>Puerto Rico has several areas that are in a Special Flood Hazard Area (SFHA) (100-year floodplain). Because of that, site-specific determinations must be made to determine the need for flood insurance as part of this citation. There are several items to be checked for this topic:</p> <ul style="list-style-type: none"> • Is the project located within a Special Flood Hazard Area? • Is the community participating in the National Flood Insurance Program or has less than one year passed since FEMA notification of Special Flood Hazards? • Did the applicant previously receive federal assistance that was conditioned on obtaining and maintaining flood insurance? • Did the applicant obtain and maintain flood insurance? <p>Refer to Tier II: Site-Specific Project Review form for each individual property for compliance documentation.</p>

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Environmental Assessment Checklist (ref.: Environmental Review Guide HUD CPD 782, 24 CFR 58.40, 40 CFR 1508.8 & 1508.27)

(Evaluate the significance of the effects of the proposal on the character, features, and resources of the project area. Enter relevant base data and verifiable source documentation to support the finding. Then enter the appropriate impact code from the following list to make a finding of impact. Impact Codes: (1) – Minor beneficial impact; (2) No impact anticipated; (3) Minor impact anticipated – may require mitigation; (4) – Significant or potentially significant impact anticipated. Note names, dates of contact, telephone numbers, and page references. Attach additional materials as needed.)

Land Development	Code	Summary of consultations, supporting documentation, determinations, and mitigation measures
Conformance with Comprehensive Plans and Zoning	2	The proposed action would demolish, repair, replace and/or construct homes consistent with current local plans and zoning ordinances. If it is determined that permits are needed, the contractor will obtain them from the appropriate department prior to construction activities. (Refer to Tier II: Site-Specific Project Review form for each individual property documentation)
Land Use Compatibility and Urban Impact	2	The proposed action sites would maintain current land use and would therefore be compatible with surrounding and existing land uses. Most of the proposed actions will consist of replacement or reconstruction of an existing home. Though there is an option for new construction, the number of applicants who will chose this proposed action is not anticipated to increase urban sprawl.
Slope and Erosion	2	Most of the proposed actions under the CDBG-DR program will be repair or reconstruction of homes on previously disturbed parcels where erosion controls are expected to have been put in place during the initial establishment of the home site. For these actions, the placement of fill or creation of bare soil will be minimized and therefore will not cause significant erosion. Furthermore, on sites adjacent to wetlands, best management practices will be implemented to protect wetlands from sedimentation caused by erosion. For proposed activities that include new construction or elevation, the parcel will be evaluated prior to construction activities and best management practices will be implemented to reduce possible erosion impacts where slope conditions may exist.
Soil Suitability	2	Unsuitable soils are not expected to affect the proposed projects. Any soil issues that may have posed issues on previously disturbed parcels should have been addressed during initial construction activities. In the instance where the proposed action includes new construction, soil suitability will be assessed prior to construction and will be addressed during local permitting processes.
Hazards and Nuisances and Site Safety	3	Hazards, nuisances and site safety will be assessed on a site-by-site basis during the CDBG-DR program. Contractors will be required to provide health and safety plans and monitoring during construction. Refer to Tier II: Site-Specific Project Review Form for each individual property for applicable information.

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Energy Consumption	2	Though some energy will be consumed in implementing the Program, additional energy consumption due to the project activities will be minimal as the program is not anticipated to significantly expand the housing stock. All proposed actions will be carried out in accordance with HUD standards and local codes.
Noise – Contribution to community noise levels	3	The proposed activities would cause temporary increases in noise levels at nearby residences. Noise impacts would be mitigated to the extent feasible. The proposed project actions themselves will not impact noise levels. See Conditions for Approval.
Air Quality – Effects of ambient air quality on project and contribution to community pollution levels	3	There would be temporary, unavoidable increases in community air pollution levels during the proposed activities. Air quality impacts would be mitigated to the extent feasible (see Conditions for Approval). The completed project would not have an adverse impact on air quality in the affected communities. Existing ambient air quality would have no effect on the proposed project.
Environmental Design – Visual quality – coherence, diversity, compatible use & scale	1	The proposed project would provide reconstruction, rehabilitation, and elevation and mitigation of existing or recently demolished homes. The proposed work would improve visual quality relative to current conditions and would have little effect relative to conditions before the storm. The proposed project would not have significant impacts on visual coherence, diversity, or compatibility of use or scale.
Socioeconomic Factors	Code	Summary of consultations, supporting documentation, determinations, and mitigation measures
Demographic Character Changes	2	<p>The proposed project will not significantly alter the demographic characteristics of the communities involved. Most of the proposed activities will allow for displaced community members to return to their previous residences and communities. The number of actions that include new construction would not significantly alter the demographics of chosen communities and would allow for a better quality of life for the families involved.</p> <p>Residential, commercial or industrial uses will not be altered because of the project as proposed activities will be carried out on parcels that have already been designated for residential use.</p> <p>There is no potential to destroy or harm community institutions. Proposed actions that include demolition will involve homes that have previously been inhabited or managed by program applicants.</p>
Displacement	1	The proposed project involves the rehabilitation or reconstruction of damaged homes. Homeowners currently living in homes may be displaced for a period during construction activities but will be allowed to move back into their homes immediately following construction. Furthermore, persons participating in the program that have been displaced due to hurricane





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		damage will be able to return home after construction is complete, leading to a decrease in displaced citizens due to the proposed project.
Employment and Income Patterns	1	The proposed project will aid in restoring homeowners to their previous communities, employment and income patterns; thus, leading to favorable developments to commercial, industrial and institutional operations in the project area. Additionally, the proposed program would help to alleviate some of the financial burden from homeowners for the repair / reconstruction of their home.
Community Facilities and Services	Code	Summary of consultations, supporting documentation, determinations, and mitigation measures
Educational Facilities	2	The proposed action would allow previous residents to return to their homes. Local educational facilities were able to accommodate student levels prior to Hurricanes Irma and Maria and should therefore be able to accommodate returning students. The number of applicants moving to new areas via new construction is not expected to be substantial and would therefore not cause a need for additional facilities.
Commercial Facilities	2	The proposed action would allow previous residents to return to their homes which would in turn increase the demand for local commercial services. Though local retail services will be available, the increase in demand may lead to shorter supplies for some businesses while the commercial sector adjusts to the returned homeowners. The number of applicants moving to new areas via the new construction program is not expected to be substantial and would therefore not cause a need for additional commercial facilities.
Health Care	2	The return of residents to their homes would increase the demand for health care services in the affected neighborhoods, and there maybe be a period of adjustment during which the demand for some health care services in some neighborhoods exceed the supply. The proposed project would have little effect on regional health care facilities, which should be able to return to providing services at the same level as before Hurricanes Irma and Maria. The number of applicants moving to new areas via the new construction program is not expected to be substantial and would therefore not cause a need for additional health care facilities.
Social Services	2	Social services in the area are provided by city-level, municipio-level or Commonwealth-level organizations. The proposed project would facilitate a return to pre-storm population levels in certain neighborhoods in the municipios, but this would not cause a significant increase in the demand for social services at the city or Commonwealth level.
Solid Waste	2	The proposed action would result in generation of substantial quantities of remodeling, demolition and construction wastes. These activities may cause increases in short-term generation of municipal solid wastes; however, it is

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		not anticipated that the project will overload design capacities of local facilities.
Waste Water	2	The returning homeowners will cause increases in the number of households generating wastewater in the target area; however, the number of homes contributing to wastewater will be approximately those that existed pre-Irma and Maria. The existing or planned waste water systems are believed to be adequate and available to service the proposed project.
Storm Water	2	Existing storm water disposal and treatment systems are anticipated to adequately service the proposed projects. Best management practices will be implemented during construction activities to prevent erosion and sedimentation at sites, especially those near wetlands. Best management practices would be implemented to prevent erosion and sedimentation at sites near wetlands (see Conditions of Approval). Proximity of wetlands would be determined on a site-by-site basis.
Water Supply	2	The returning homeowners will cause increases in the demand for water in the target area; however, the number of homes contributing to water supply demand will be similar to those that existed pre-Irma and Maria. The existing or planned municipal water utility or supplies are therefore believed to be adequate and available to service the proposed project.
Public Safety - Police	2	Most of the homes included in the program are currently occupied and the residents are receiving local police services as needed. Though the returning homeowners will also receive the services described above, it is not anticipated that the increase in community members will cause a strain on the effectiveness of these local services.
Public Safety - Fire	1	The proposed project activities would replace, repair, elevate, mitigate or provide for new construction of damaged homes. Unrepaired structures pose a potential fire risk and the program would assist in removing the potential hazards.
Public Safety - Emergency Medical	2	Most of the proposed actions will be rehabilitation or reconstruction of currently occupied homes where the residents are currently able to obtain emergency medical services. Though rehabilitation of unoccupied homes and new construction on previously undeveloped parcels will cause some increases in the population eligible to receive medical services in certain areas, this impact is not anticipated to overload the current emergency medical services available.
Open Space, Recreation, and Cultural Facilities	2	The proposed project activities take place on properties that previously contained housing structures. These activities would have no impact on open space or recreational facilities. The project activities would also have no impact on cultural facilities.
Transportation	2	The proposed project would help people return to their homes and would therefore cause a slight increase in traffic levels and demand for public





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		transportation services relative to current conditions but would not increase levels or demand relative to conditions prior to Hurricanes Irma and Maria. Proposed projects which include the option of new construction are anticipated to be minimal and would not cause a significant impact to the availability of transportation facilities and services in the project area.
Natural Features	Code	Summary of consultations, supporting documentation, determinations, and mitigation measures
Water Resources	2	The proposed project is not anticipated to cause water quality issues in or around construction sites. Construction activities will implement best management practices and will not involve discharge or sewage effluent into surface water bodies.
Unique and Natural Features and Agricultural Lands	2	Construction activities will occur primarily on previously developed parcels where homes currently reside. The projects that include new construction will be on parcels designated for residential use. Therefore, unique and natural features are not anticipated to be impacted or cause impacts to the proposed project. Please refer to Tier 2: Site-Specific Project Review form for each individual property for compliance documentation with farmlands for new construction.
Vegetation and Wildlife	2	Construction activities will occur primarily on previously developed parcels where homes currently reside. The projects that include new construction will be on parcels designated for residential use, and it is not anticipated that trees, vegetation or native plant community habitats will be negatively affected.

Determination – the Statutory Checklist requires Site-Specific Reviews including further consultation, mitigation, and potential permit requirements or approvals and cannot revert to Exempt per 24 CFR 58.34 (a) (12). The Responsible Entity must complete pertinent compliance requirement(s), publish a combined FONSI and NOI/RROF, request release of funds, and obtain HUD's Authority to Use Grant Funds per §58.70 and §58.71 before committing funds for any choice-limiting project activities.

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4.0 Applicable Mitigation Measures

As presented in **Appendix B**, the Tier II ERR employs a site-specific checklist to assess several NEPA compliance factors in accordance with 24 CFR Part 58.36 and HUD Environmental Standards. This assessment helps determine whether environmental mitigation measures would be required for the proposed housing activity to achieve NEPA compliance on a specific construction site.

Conditions encountered during the site inspection and environmental screening of a proposed construction site will typically determine whether mitigation measures will be required. Following a review of the property inspection report and photographs, a Tier II Environmental Assessment will be completed and will describe both the project and required mitigation measures. This assessment will be packaged with supporting documentation into a site-specific file for the Group 1 Municipio's review. After the PRDOH issues environmental clearance for the proposed construction project, thus receiving authority to use grant funds, the file becomes available for the assigned construction contractor to review in support of site planning activities, in the PRDOH CDBG-DR program system of record and in the ERR maintained by the municipios.

This Tier I ER for the program indicates that environmental mitigation measures may be required for several compliance factors, including:

- Historic Preservation
- Floodplain Management and Flood Insurance
- Wetlands Protection and Water Quality
- Threatened and Endangered Species
- Noise
- Air Quality
- Hazardous Materials (including mold and lead-based paint)
- Airports

While specific mitigation measures cannot be fully defined upon Tier I ERR publication, they are summarized below. These will support Tier II site-specific standard environmental assessment procedures approved by PRDOH to help define the measures applicable to most sites. The construction contractor will note what the specific mitigation measures are required for the assigned project by the Tier II checklist and incorporate these into their construction plans and document how compliance was achieved.

Conditions for Mitigation

The following are conditions for mitigation for environmental items that need additional actions either prior or during the proposed project activities.

/s/ [Signature]

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General

1. Acquire all required federal, commonwealth and local permits prior to commencement of construction and comply with all permit conditions.
2. If the scope of work of a proposed activity changes significantly, the application for funding must be revised and resubmitted for re-evaluation under the National Environmental Policy Act.

Historic Preservation

3. All activities must comply with Section 106 of the National Historic Preservation Act per the implementing regulations 36 CFR Part 800. Compliance with Section 106 is achieved through the procedures set forth in the Programmatic Agreement between the Federal Emergency Management Agency, the Puerto Rico State Historic Preservation Officer, and the Puerto Rico Division of Emergency Management and amended on August 16, 2019 to include the Puerto Rico Department of Housing.
4. If archeological deposits, including any stone tools, bones, or human remains, are uncovered, the project shall be halted, and the applicant shall stop all work immediately near the discovery and take reasonable measures to avoid or minimize harm to the finds. All archeological findings will be secured and access to the sensitive area restricted. The applicant will inform the Certifying Officer immediately and consult with SHPO. Work in sensitive areas cannot resume until consultation is completed and appropriate measures have been taken to ensure that the project complies with the National Historic Preservation Act (NHPA).

Floodplain Management and Flood Insurance

5. All proposed reconstruction, repair, elevation and mitigation of substantially damaged structures in the 100-year floodplain will adhere to the most recent elevation requirements in accordance with HUD requirements and/or local codes and Base Flood Elevation.
6. All structures funded by the Puerto Rico CDBG-DR Program, if in, or partially in, the 100-year floodplain shown on the latest FEMA flood maps, will be covered by flood insurance and the flood insurance must be maintained for the economic life of the structure [24 CFR 58.6(a)(1)]. All areas within Puerto Rico are participating in the NFIP.
7. No funding will be provided to any person who previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance but failed to obtain and maintain the insurance [24 CFR 58.6(b)].
8. Duration of Flood Insurance Coverage. The statutory period for flood insurance coverage may extend beyond project completion. For grants and other non-loan forms of assistance, coverage must be continued for the life of the property, regardless of transfer of ownership of such property. Section 582(c) of the Community Development and Regulatory Improvement Act of 1994 mandates that "The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property." (42 USC 5154a). Such anticipated economic or useful life of the property may vary with the nature of the assisted activity. For example, construction of a new or substantially improved building requires flood

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insurance coverage for the life of the building, while for minor rehabilitation such as repairing, weatherizing, or roofing of a building, the grantee may require flood insurance coverage ranging from five to fifteen years as deemed feasible. HUD will accept any period within that range that appears reasonable.

9. Dollar Amount of Flood Insurance Coverage. For grants and other forms of financial assistance, the amount of flood insurance coverage must be at least equal to the development or project cost (less estimated land cost) or to the maximum limit of coverage made available by the Act with respect to the particular type of building involved (SF-Single Family, OR-Other Residential, NR-Non-Residential, or SB-Small Business), whichever is less. The development or project cost is the total cost for acquiring, constructing, reconstructing, repairing or improving the building. This cost covers both the federally assisted and the non-Federally assisted portion of the cost, including any machinery, equipment, fixtures, and furnishings. If the Federal assistance includes any portion of the cost of any machinery, equipment, fixtures or furnishings, the total cost of such items must also be covered by flood insurance.
10. Proof of Purchase. The standard documentation for compliance with Section 102 (a) is the Policy Declarations form issued by the National Flood Insurance Program or issued by any property insurance company offering coverage under the National Flood Insurance Program. The insured has its insurer automatically forward to the grantee in the same manner as to the insured, information copies of the Policy Declarations form for verification of compliance with the Act. Any financially assisted SFHA building lacking a current Policy Declarations form is in Noncompliance.
11. Grantee's Evidence of Compliance under the Certification. The grantee must maintain a complete and up-to-date listing of its on-file and current Policy Declarations for all financially assisted SFHA buildings. As a part of the listing, the grantee should identify any such assisted building for which a current Policy Declarations form is lacking and attach a copy of the written request made by the grantee to the owner to obtain a current Policy Declarations form.
12. In the case of "Coastal High Hazard" areas ("V" or "VE" Zones on the latest (most recent) FEMA-issued Maps), adhere to construction standards, methods and techniques requiring a registered professional engineer to either develop, review, or approve, per the associated location, specific Applicant elevation plans that demonstrate that the design meets the current standards for V zones in FEMA regulation 44 CFR Part 60.3(e) as required by HUD Regulation 24 CFR Part 55.1 (c)(3).

Wind

14. All reconstruction or new construction must meet the requirements of the Puerto Rico Building Code, Building Planning and Construction for wind design.

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14. Implement and maintain erosion and sedimentation control measures sufficient to prevent deposition of sediment and eroded soil in onsite and offsite wetlands and waters and to prevent erosion in onsite and offsite wetlands and waters.
15. Minimize soil compaction by minimizing activities in vegetated areas, including lawns.

Noise

16. Outfit all equipment with operating mufflers.
17. Comply with applicable local noise ordinance.

Air Quality

18. Use water or chemical dust suppressant in exposed areas to control dust.
19. Cover the load compartments of trucks hauling dust-generating materials.
20. Wash heavy trucks and construction vehicles before they leave the site.
21. Employ air pollution control measures on all vehicles and equipment, as required.

Hazardous Materials

22. All activities must comply with applicable federal, commonwealth and local laws and regulations regarding environmental protection and asbestos, including but not limited to the following:
 - Junta de Calidad Ambiental de Puerto Rico rules and regulations
 - National Emission Standard for Asbestos, standard for demolition and renovation, 40 CFR 61.145 and 150
23. Applicant or contractor must comply with all laws and regulations concerning the proper handling, removal and disposal of hazardous materials (e.g. asbestos, lead-based paint) or household waste (e.g. construction and demolition debris, pesticides / herbicides, white goods).
24. All activities must comply with applicable federal, commonwealth and local laws and regulations regarding lead-based paint including, but not limited to, HUD's lead-based paint regulations in 24 CFR Part 35.
25. All residential structures must be treated for mold attributable to Hurricane Irma and Maria in accordance with federal, commonwealth or local guidelines.

Wild and Scenic Rivers

26. There are no Wild and Scenic Rivers in these Group 1 Municipios de Puerto Rico.

Appendix A

Figures

Figure 1 – Puerto Rico Location

Figure 2 – Wind Speeds for Hurricane Maria

Figure 3 – Rainfall Totals for Hurricane Maria

Figure 4 – Storm Surge for Hurricane Maria in Puerto Rico

Figure 5 – FEMA Real Property Loss

Figure 6 – Declared Disaster Areas for Hurricane Irma

Figure 7 – Declared Disaster Areas for Hurricane Maria

Figure 8 – Group 1 Municipios Location






1215 19TH STREET NORTHWEST, 3RD FLOOR
WASHINGTON DC 20036



GOVERNMENT OF PUERTO RICO
Department of Housing

FORM

“Anti-Corruption Code for the New Puerto Rico”
Act Number 2 of January 4, 2018

I certify that I have received a copy of the “Anti-Corruption Code
for the New Puerto Rico”, Act Number 2 of January 4, 2018 on
10 JAN 19.

Horne Federal, LLC
CONTRACTOR'S NAME

[Signature]
CONTRACTOR'S SIGNATURE