

Public Comments APA7

Preface

We received comments from the public, in Spanish and English, on the Action Plan with the substantial amendment. All comments are available in www.cdbg-dr.pr.gov and in Appendix A of the Action Plan in the language and format that they were filed.

For the convenience of the reader, the comments presented in English and Spanish have been summarized in this document. Comments cited may be paraphrases of the original as a result of the translation process or for purposes of brevity. Personally identifiable information has been removed from the comments to protect the privacy of the commenter. Please refer to the text of the submitted comments for additional information.

You can contact the Puerto Rico Department of Housing to request the full translation of some comment or the alternate means or formats that allow access to the public comments and the responses of the Department of Housing. The requests can be made:

- By phone to 1-833-234-CDBG or 1-833-234-2324
- By e-mail to infoCDBG@vivienda.pr.gov
- Online in <http://www.cdbg-dr.pr.gov/contact/> (English) or in <http://www.cdbgdr.pr.gov/contacto/> (Spanish)
- By mail:
 - Puerto Rico CDBG-DR Program
 - P.O. Box 21365
 - San Juan, PR 00928-1365

Public Comments: Table of Contents

Public Comments APA7	1
Preface.....	1
Comment ID: 08/09/21_E_I_Julia Torres Hernández(1)	4
Response by the Department of Housing:	4
Comment ID: 08/11/21_WP_PS_Pavarini Land Development, LLC_George Pavarini(1)	4
Response by the Department of Housing:	5
Comment ID: 08/11/21_WP_I_Catherine Hernández(1)	5
Response by the Department of Housing:	5
Comment ID: 08/18/21_E_I_Normarie Mirabal(1)	6
Response by the Department of Housing:	6
Comment ID: 08/23/21_WP_I_Katherine(1)	6
Response by the Department of Housing:	6
Comment ID: 08/25/21_WP_I_María Rivera García(1)	7
Response by the Department of Housing:	7
Comment ID: 08/30/21_WP_NGO_Ayuda Legal Puerto Rico_María de L. Vaello Calderón(1)	7
Response by the Department of Housing:	10
Comment ID: 08/31/21_WP_I_Jossie Hernández(1)	11
Response by the Department of Housing:	11
Comment ID: 08/31/21_WP_I_Liz E. Marrero Barbosa(1)	11
Response by the Department of Housing:	11
Comment ID: 09/02/21_WP_NGO_Centro para la Reconstrucción del Hábitat, Inc._Luis Gallardo(1)	12
Response by the Department of Housing:	14
Comment ID: 09/05/21_WP_I_Celines Vega(1)	14
Response by the Department of Housing:	15
Comment ID: 09/05/21_WP_I_Maribel Ortiz Rivas(1)	15
Response by the Department of Housing:	15
Comment ID: 09/05/21_WP_NGO_Asociación de Constructores de Puerto Rico_Alfredo Martínez-Álvarez, Jr.(1)	16
Response by the Department of Housing:	18
Comment ID: 09/06/21_WP_I_Elaine(1)	18
Response by the Department of Housing:	19
Comment ID: 09/03/21_E_GE_PRHFA_Javier E. Trogolo Irizarry(1)	19
Response by the Department of Housing:	20

Comment ID: 09/06/21_E_NGO_FURIA_Nayda Bobonis Cabrera(1)20
 Response by the Department of Housing:23
Comment ID: 09/06/21_E_NGO_Hispanic Federation_Maritere Padilla Rodríguez(1)25
 Response by the Department of Housing:31

Public Comments

Comment ID: 08/09/21_E_I_Julia Torres Hernández(1)

Comment: *"1. Include an assignment of funds for major repairs of houses occupied by families of average economic status with an income of \$24,000.00
2. To consider the assignment of funds for minor or medium repairs to the house to purchase in the financial grant for the purchase of a first home. In PR there is a great inventory of houses available for sale that need some improvements. On the other hand, the demand for houses is high and the opportunities are limited by this criterion.
3. The assignment of funds for the owners of unoccupied houses that need some improvements to put them in the market should be considered, it could be through loans without interest. It would help to increase the inventory of homes."*

Response by the Department of Housing:

Thank you for your comment in response to this seventh amendment to the CDBG-DR Action Plan. The Home Repair, Reconstruction, or Relocation Program's (R3) principal objective is to benefit people of low and moderate income (LMI), criterion that is classified as established in the Modified Income Limits for Puerto Rico. These limits are established by the United States Department of Housing and Urban Development (HUD). The income limit applicable to the Applicant is determined based on the size of their home. For more information, see: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>, under "**FY 2021 Puerto Rico Income Limits**".

The properties that are determined as eligible for purchase under the Homebuyer Assistance Program (HBA) must be properties that are existent in the market and are ready to be occupied. For more information about the criteria and regulations applicable to the program, see its guidelines, available at: <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>.

As to your third point, it is the objective of the HBA Program to assist the buyers that meet the eligibility criteria in the purchase of their primary home. Individuals that require repairs of damages to their primary home caused by Hurricanes Irma or Irma could be eligible to receive assistance under the R3 Program. It should be noted that, as stated in the Action Plan and the R3 Program Guidelines, Applicants classified as LMI shall be given priority.

Comment ID: 08/11/21_WP_PS_Pavarini Land Development, LLC_George Pavarini(1)

Comment: *"1. We 100% agree to give the families whose homes have suffered more than \$60,000 in damages, the opportunity to relocate if they waive an award of reconstruction and accept a relocation voucher. The cost of reconstruction of a house (\$210,000 for a three-bedroom house) is more expensive than the cost of relocation to a new house in a*

planned housing development (\$170,000 for a three-bedroom house). The quality of the new house in a planned housing development is determined by the market and it is better than the quality of a house in the Reconstruction Program (determined by minimal specifications of the R3 Program).

2. The Program must offer the opportunity to any family that lives in areas at risk of floods and/or landslides, regardless of whether they suffered damages, the alternative to relocate to a new safe and respectable house in a planned housing development."

Response by the Department of Housing:

The Department of Housing appreciates your recommendations for the Home Repair, Reconstruction, or Relocation Program (R3). We agree that zones that are high risk for floods represent a danger for everyone residing within that area. When the relocation services are financed for an Applicant, whose residence is within a high-risk zone, the R3 Program must ensure that the CDBG-DR funds it grants are for the purposes of addressing the damages caused by Hurricanes Irma or María, giving priority to the Applicants of low and moderate income (LMI). The use of the funds must meet the national objectives detailed in the Action Plan and the Program Guidelines available in the following links: <https://cdbg-dr.pr.gov/plan-de-accion/> and <https://cdbg-dr.pr.gov/download/programa-de-reparacion-reconstruccion-o-reubicacion-2/>.

Comment ID: 08/11/21_WP_I_Catherine Hernández(1)

Comment: "I have already been 2 years waiting so they can help me with my home and I already have nerves every time that hurricane season is near and my roof is delicate and leaking and they just tell me I have to wait and I am suffering each time months go by and they only tell me I am waiting and they don't help me if I didn't have needs but I have teenagers and with conditions and I am afraid of becoming homeless I do not have where to go I hope that you can help me thanks"

Response by the Department of Housing:

The Department of Housing is sorry for your situation. Please make sure you applied to the Home Repair, Reconstruction, or Relocation Program (R3) within the period allowed, along with any documentation required.

If you applied and you want to know about the status of your case, visit the following link: <https://www.cdbg-dr.pr.gov/intakestatus>. Also you can request the status of your case and any other pending application under other programs contacting by email at: infoCDBG@vivienda.pr.gov, calling 1-833-234-2324 or TTY 787-522-5950; or by mail at: Puerto Rico CDBG-DR Program, PO Box 21365, San Juan, PR, 00928-1365.

Comment ID: 08/18/21_E_I_Normarie Mirabal(1)

Comment: *"The Action Plan in its page 169, paragraph 1, section Subsidized Mortgage for Crucial Recovery Workers Essential Personnel that are currently owners states: The documented members of the Crucial Recovery Workers Essential Personnel (CRW/Public Order), including but not limited to the emergency services personnel, health professionals, teachers (Prekinder-12) and public order officers, with low and moderate income (under 80% of the AMFI) or with urgent need (below 120% of the AMFI) that are owners of a home could qualify to receive assistance from the subsidized mortgage program. Also, it establishes the limits of the program which will provide up to \$35,000 per family for mortgage grants in the case of the members of critical recovery personnel. NOTE: the portion of the program of the Subsidized Mortgage for Crucial Recovery Workers Essential Personnel that are currently owners may be carried out only if there is confirmation by HUD as an eligible activity. PRDOH is coordinating with HUD to achieve this, which would include an exemption request."*

Response by the Department of Housing:

The portion of the Subsidized Mortgage for Recovery Essential Personnel of the Homebuyer Assistance Program (HBA) is one of the priorities of the Department of Housing. This portion of the Program can only operate after the United States Department of Housing and Urban Development (HUD) confirms the eligibility of the activity. As part of the efforts of advancing this portion of the HBA Program, the Department of Housing has maintained constant communication with HUD and has submitted an exemption request. This request is under consideration by HUD, therefore we are awaiting its approval. PRDOH is ready and willing to launch this anticipated program as soon as it is approved by HUD.

Comment ID: 08/23/21_WP_I_Katherine(1)

Comment: *"I am interested [sic] a house the owner died more than 10 years ago. I spoke with the mayor's office but they have not done anything in the depart. [sic] What would be the next step to follow to see if it can be acquired as public nuisance. I have cadaster number and everything. But I need help and I do not know how [sic].. Thanks"*

Response by the Department of Housing:

The Department of Housing appreciates your comment. PRDOH, as the entity assigned for the administration of CDBG-DR funds, must follow the criteria of the federal regulations governing these funds. Among these criteria, a cost-effectiveness analysis and other logistics are considered to acquire and avoid the creation of public nuisances. However, it must be noted that the Homebuyer Assistance Program, which helps the eligible applicants in the purchase of their primary

residence, must consider as eligible properties those that are available in the market and are capable of being occupied.

Comment ID: 08/25/21_WP_I_Maria Rivera García(1)

Comment: *"Why don't you reduce the time for the buy your home[sic] program? I lost my home after the hurricane [sic], because I never recovered in my small business that I had and now I want to buy a house and cannot apply because the Credit Union says I do not meet the period of years that I do not know what it means. I ask the government to take this into consideration, I do not have a house and I want to buy one so you can give me the money that I need for the house. We have to do this in a flexible way and avoid all the time requirements to qualify."*

Response by the Department of Housing

The Homebuyer Assistance Program (HBA) provides financial aid to buyers of their first home that are eligible. In this Seventh Amendment to the Action Plan the HBA Program has adopted a definition that makes the applicants that are not homeowners at the time of applying to the Program eligible.

This and other eligibility requirements to receive assistance under the HBA Program are detailed in the Program guidelines, available in the following link: <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>. The Department of Housing appreciates your recommendation to this amendment.

Comment ID: 08/30/21_WP_NGO_Ayuda Legal Puerto Rico_María de L. Vaello Calderón(1)

Comment: [Comment summarized]

"R3 Program- Opportunity for relocation for persons without formal title and those with legitimate titles when the reconstruction is valued in more than \$60,000.00"

Presently, a person without a formal title had to "perfect their title" as a condition to obtain a relocation grant.

The Draft establishes that:

[i]n the cases that the property of the property [sic] damaged by the hurricane cannot be transferred to PRDOH, the Program can consider other alternatives to satisfy the eligible activities. The Program will make a relocation decision case by case, as it is possible that the Program is not able to acquire the applicant's property of the R3 Program in some scenarios. The R3 Program, at its discretion, can opt to select other eligible final uses for the property damaged by the hurricane."

We hope that this new language allows more persons, including those without a formal title, to access the relocation assistance. This, of course, if the person voluntarily chooses it.

1. Language must be provided to guarantee a expedite notification to every person in the relocation situations informing them about the possibility of reconsidering their case in view of the new norm.
2. The Department must include unrestricted examples in situations that it is not possible to find the property, clarifying that it can be referred if title cannot be obtained.
3. The uses of the land that the Department acquires must have guarantees related to the community participation to decide on its use and end use in accordance with the applicable federal norm.

R3 Program and others – Uniformity regarding the language of property titles

We recommend standardizing the language concerning the title with regards to the consequences it has in the procedures related to CDBG-DR, which have been established by the Department. Instead of perfected titles, the Draft refers to legitimate titles. We emphasize that the concept of perfect titles was coined by the Department to refer to titles recorded in the Property Registry. The legitimate titles, as are recognized in our legal civil system, are those fair or acquired according to the law that are sufficient for transfer. In other words, a legitimate title does not require a particular legal document or registry recording. In ALPR we agree with this last definition because we believe that formal title should have never been a condition to be able to receive assistance. We are worried that this multiplicity of definitions could be an impediment for applicants.

[...] The new draft proposes a cut of close to 275 million to R3, which raises multiple concerns about the impact that will have in the persons that still have an application pending with R3. At least part of these funds appear to have been assigned to the Blue Roof Repair Program and the Social Interest Housing Program. One year and seven months after the closing of the application period, the Program has only finalized less than 2,000 repair and reconstruction projects. We recognize the importance of reserving funds to address the needs of the persons that still have blue roofs, but with close to 27,000 applicants to the program, we are worried that eliminating funds from R3 leaves these persons without.

Actions Required [...]: Reassign to R3 the funds that have been eliminated. At least, clarify that the division of the Program will suffer the cuts, if any, to have a better idea of how the pending applications are affected.

R3 Program– Mitigation Alternatives

The Department has been modifying the language in the Action Plan as to the constructions in flood zones. Keeping the construction prohibition in the floodplain, it now states that these persons will be offered “elevated reconstruction when reasonable”.

That said, we insist that even though the elevation is a viable alternative to adopt the dwelling, it is not the only mitigation alternative that can make communities and dwellings

safer. The mitigation funds provide a real alternative for the communities that currently face undesirable physical conditions to reduce the risks they face. For this the mitigation activities must be analyzed and evaluated along with the determinations of the R3 housing program. If the person does not want to abandon their dwelling in a flood zone, all the viable mitigation alternatives must be evaluated before beginning a relocation process while they reduce or eliminate the flood condition. [...] Even the Infrastructure Mitigation Program, as described in the mitigation plan suggests this is what is going to happen.

We urge for the coordination and unification of the mitigation efforts with the housing efforts of the R3 Program.

Blue Roof Repair Program

As the eligibility requirements for the applicants indicate, the Draft expressly forbids R3 Program applicants to participate in the blue roof program. The draft as it is written appears to suggest that a person with a R3 pending application whose case has not been addressed, may not go to the Blue Roof Program for their case to be handled in a more expedited manner. It is concerning that a person that has been waiting for assistance for two years to have to keep waiting despite there being a new program that can benefit them. The Department must clarify the order in which it plans to address the applicants coming in the program and those that still await assistance in R3.

[...] Among the eligibility criteria, the Department mentions that the dwellings of the persons that apply, must have "an unsatisfied need related to the hurricane in terms of damages in the roof structure". Under this definition, it is not stated specifically the type of damage that will be considered "structural damage" under the program and if it will have any criteria to limit it. As the draft is written, the margin of eligibility is extremely broad, thus the Department must clarify how it will determine who may receive the assistance of the Blue Roof Repair Program.

As the indicated in the draft regarding the distribution of funds method, the Department of Housing expects "to distribute the funds of this program among the 78 municipal governments of Puerto Rico. PRDOH can select one or more non-for-profit organizations or a consortium of municipalities that can create the municipal governments to carry out the Blue Roof Repair Program in the municipalities where the municipal government has declined to participate as the subrecipient. [...] We must say that some 50 municipalities participate as subrecipients under the R3 Program, therefore we invite the Department to create communication ties among the municipalities that already have projects as subrecipients of these funds and that will be beneficiaries of the Blue Roof Repair Program to harmonize both efforts in the speediest and most expedited way possible.

Contracts executed for the recovery efforts

We urge the oversight of the contracts executed that will be paid with recovery funds, and the performance of the companies carrying out the tasks. The contracts executed for the administration and implementation of the recovery processes tend to present few-or none-accountability controls and mechanisms. The Puerto Rico Department of Housing must oversee that the contractors act honestly with the resources destined to the recovery procedures. The claims for transparency in the award of contracts for recovery are still there and have not been addressed."

Response by the Department of Housing:

Thank you for submitting your comment in response to this seventh amendment to the CDBG-DR Action Plan.

"The participants that are given a relocation grant and do not wish to immediately relocate can defer the acceptance of the grant under the R3 Program thus allowing the participatory development of the housing mitigation program under the Community Development Block Grant Mitigation (CDBG-MIT)." PRDOH recognizes the importance of coordinating its CDBG efforts and providing alternatives of mitigation activities and will consider expanding possible alternatives in the future.

For now, the elevation reconstruction will be offered to Applicants when it is considered financially reasonable and whose properties meet the requirements established in the new amendment to the Action Plan. According to the Plan, "It is expected that the repair with elevation of the structures damaged by the hurricanes is limited to the historic wooden structures". The R3 Program guidelines establish the criteria that a property must satisfy to be classified as a "historic structure". When implementing the Blue Roof Program, it should be noted that the assistance of repair, reconstruction, or relocation under the R3 Program includes the damages to the roof of the Applicant's dwelling, nullifying the need for the services of the Blue Roof Program.

The Blue Roof Program is independent from the R3 Program and its activities, objectives and scope are different to those of the R3 Program. According to the new amendment to the Action Plan, the section of the Blue Roof Program mentions that "The objective of the Blue Roof Repair Program is to identify and fix the blue roofs that remain in Puerto Rico as a result of hurricanes Irma and María".

As to the subrecipients for the Blue Roof Program, the amended Action Plan establishes that "PRDOH will give maximum deference to the subrecipients to design the Blue Roof Repair Program in the way that better serves the unmet recovery needs in the area they serve. By doing so, the subrecipients need to implement the Program and publish the guidelines of the program in accordance with this Action Plan and all the federal and local laws and regulations applicable. PRDOH is committed with its subrecipients and has as a priority to promote the effective collaboration among said entities. These agreements are also subject to all the audits and requirements related to the grant agreement, including an evaluation of costs and additional monitoring by HUD."

Finally, contracts that involve the grant and use of CDBG-DR funds go through a meticulous process to guarantee transparency and avoid the inappropriate use of those funds. The evaluation process of bids, awards, and the creation of the agreement for the award of funds, are all made in compliance with preestablished strict procedures that are monitored both by PRDOH and HUD.

We appreciate your commitment and recommendations in response to this seventh amendment to the Action Plan.

Comment ID: 08/31/21_WP_I_Jossie Hernández(1)

Comment: *"You should increase the flexibility of the requirements that you should not have been owners of a dwelling the last [sic] 3 years. That is discrimination. In my case my property depreciated so much that I had to sell because of the debt of the bank because no bank wanted to refinance or modify the mortgage despite that my husband and I have excellent credit (more than 790). You should see case by case and if they did not have investment earnings (my case) allow them to partake in the funds. Now we do not find a property and due to the COVID problem the banks are requiring a lot of documentation."*

Response of the Department of Housing:

The Homebuyer Assistance Program (HBA) provides financial assistance to buyers of their first home that are eligible. In this Seventh Amendment to the Action Plan the HBA Program has adopted a definition that makes eligible the applicants that are not homeowners at the time of applying to the Program.

This and other eligibility requirements to meet to receive assistance under the HBA Program can be found in the Program guidelines available in the following link: <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>. The Department of Housing appreciates your recommendation and will take it into consideration.

Comment ID: 08/31/21_WP_I_Liz E. Marrero Barbosa(1)

Comment: *"I want to know the status of my case [REDACTED] the manager of my case Mr. Daniel Serrano my address [sic] is [REDACTED]"*

Response by the Department of Housing:

If you want to know about the status of your application to the Home Repair, Reconstruction, or Relocation Program (R3), follow the following link: <https://www.cdbg-dr.pr.gov/intakestatus>. You can also request the status of this case and any other application pending under other programs contacting by email: infoCDBG@vivienda.pr.gov, calling 1-833-234-2324; TTY 787-522-5950 or by mail to: CDBG-DR Program of Puerto Rico, PO Box 21365, San Juan, PR 00928-1365.

The Department of Housing thanks you for your participation in this period of public comments in response to the seventh amendment to the CDBG-DR Actin Plan.

Comment: [Summarized Comment]

“Despite that abandoned and vacant dwellings tend to be public nuisances for the community that surrounds them-with their respective environmental, health and safety risks-CRH sees the potential for these dwellings to be pillars for resilience development. These properties can provide safe housing for families that need them and offer an eco-friendlier alternative to new construction, and it could also provide new opportunities for economic and community development. Converting these spaces not only takes advantage of pre-existing infrastructure but if managed correctly, it could also drastically reduce the housing costs and resilience initiatives. The CRH has detailed its findings and proposals for a series of CDBG-DR programs:

[...] The Home Repair, Reconstruction or Relocation Program includes a relocation component where eligible persons living in a high-risk zone or dwellings in deplorable condition receive a voucher for the purchase of a new dwelling. In exchange for the voucher, the person grants their previous property.

The current plan establishes that the properties obtained by the Department will be demolished and preserved as ‘greenspace’. The proposed amendment to the Plan eliminates demolition and ‘greenspace’ from its management of dwellings acquired after the relocation. As it is, the Department and the Plan lack a formal strategy to prevent these unused spaces from becoming public nuisances. If these lots and ruins remain without use, they will easily become public nuisances.

For example, in the R3 eligible community of San Isidro, Canóvanas, a survey of abandoned properties carried out by CRH revealed that 16% of these lots were being used as places of illegal waste and 69% showed high contagion of mosquitoes’ nests. Without a reutilization plan in effect, these properties owned by the Department after the R3 services will easily become nuisances; decreasing even more the quality of life of residents that still live in high-risk communities.

Proposal: Demolition and preservation of the ‘greenspace’ within the Action Plan must remain intact. Additionally, the CRH suggests the Department to contemplate and finance reutilization activities to prevent future public nuisances. These reutilization activities can be low cost and can even contribute to the mitigation of natural disasters and floods in the communities surrounding the project. Additionally, priority must be given to the proposals submitted by municipalities, not-for-profit organizations and businesses under other CDBG-DR programs that propose the reutilization of properties after R3.

[...] Relocation vouchers have been limited to \$185,000. Page 43 of the amendment establishes that housing counselors will [sic] give priority to vacant housings. However, many of these properties are not even available in the market due to title complications, tax debts or physical conditions. Additionally, meetings with CDBG-DR and R3 personnel have confirmed that the Department does not contemplate the using of voucher funds for repairs. As is, the Program does very little to eliminate ruined

areas and has an inherent structural preference for new construction. As a result, the Plan fails in aligning the R3 Program with the objective of the program of revitalizing aged and weakened housing.

Proposal: The vouchers must be flexible enough to cover the expenses related to the title, tax debts and most importantly, repairs, all within the current budgetary limit. Additionally, the Department must contemplate the use of vouchers for the purchase of properties of municipalities on sale as part of a program of reduction of nuisances or through judicial sales that result from a declaration of nuisance. Even though the Department would have to evaluate if those expenses are allowable under the CDBG-DR program, at least the repairs must be allowed up to a reasonable amount. The grants of the Title Clearance Program must be considered to cover the legal expenses related to complications in the title for the purchase of a nuisance property.

[...] The Title Clearance Program was created with the hope that citizens can solve their title complications to facilitate more access to recovery funds and to promote self-sufficiency in the long term, among other purposes. However, the Program is aimed towards individual property titles and does not contemplate other ways to ensure possession, and the models of collective title.

Proposal: The Program must be amended to allow the use of CDBG-DR funds for the creation of Community Land Trusts, that provide collective title and promote affordability in the long-term. The trust model may be especially useful for informal establishments where the land is owned publicly or where the scale and cost of granting individual titles is too expensive. A leaflet of one page explaining more[sic] in detail the trust model has been included for your reference

[...] Currently, the City Revitalization Program requires the municipalities to submit eligible projects to the Department for approval and eventually, financing.

However, the process of submitting projects has been one relatively private and has lacked community contributions or publicity. The CRH has asked what projects have been selected by the municipalities only to receive the wrong answers by the personnel of the Department that such information does not exist, is confidential or that it must be directly requested to the Municipalities. This raises serious concerns about the transparency and efficiency of the Program.

Proposal: Contents of the Plan of the Program must create mechanisms to ensure public dissemination and review projects submitted by the municipalities and public hearings (as is done with the standard CDBG-DR program). Proposed and selected programs must be accessible to the public through the web page of the Department.

Currently, the City Revitalization Program provides a clear mandate to fight the deterioration within the urban centers in Puerto Rico. Among the eligible costs include the authorization and demolition of unoccupied structures. However, CRH has observed a great number of municipalities financing unretrievable demolition costs and high acquisition costs. If you combine this with public nuisance programs, the demolition costs turned into liens and the acquisitions can be carried out by a significantly reduced rate. Like this, the City Revitalization Program can promote unnecessary costs for the municipalities.

Proposal: The municipalities must be willing to create and implement code application programs and exhaust efforts to reduce public nuisances prior to purchasing or condemning properties to the appraisal of the market.

Response by the Department of Housing:

The Department of Housing thanks you for your participation. PRDOH agrees that it is of great importance to make efforts for the reutilization and development of abandoned properties, to prevent them from becoming public nuisances. According to the Action Plan: “[t]he R3 Program, at its discretion, can opt to select other eligible final uses for the property damaged by the hurricane. More information about the eligible activities for the relocation and final uses will be available in the Guidelines of the Program.” PRDOH appreciates your recommendations and will take them into consideration when evaluating possible eligible activities to address this matter.

The relocation services are for the purchase of properties capable of being occupied and available in the market, and that satisfy the minimum housing standards established by the Program. Applicants that are deemed eligible for the relocation have as a first option the purchase of an eligible dwelling under the R3 Program. As a second option, the Applicant would be given the opportunity to purchase a vacant lot and build a new house in it.

The purpose of the Title Clearance Program is to assist the Applicants in acquiring a formal title for their property. The process includes providing documentation that evidences the title rights of the Applicant over that property. The evidence provided may vary among applications, and therefore, each case must be individually evaluated.

The projects are submitted by the Municipality and evaluated by PRDOH in accordance with the criteria and regulations of the Program and any applicable provision in accordance with the federal, state and local regulations. The information about projects and their financing will be available to the public through the transparency CDBG-DR portal.

The purposes of the funds granted and eligible activities under the City Revitalization Program are listed in the Program Guidelines. Taking care of ruined properties or areas are allowed activities as part of the development of the Program. Consequently, the actual objective of the Program promotes the reduction of nuisances or ruined structures and is aligned with the applicable laws and codes.

Comment ID: 09/05/21_WP_I_Celines Vega(1)

Comment: *“Requirements for the purchase of a house”*

Response by the Department of Housing:

The Department of Housing appreciates your participation. To receive assistance under the Homebuyer Assistance Program (HBA) the applicant must meet the following criteria:

“(1) The applicant must comply with the first buyer requirement.

(2) The applicant must satisfy the verification of family income calculation process and verification of citizen condition, as detailed in these Guidelines.

(3) The applicant must be able to obtain the approval of a first mortgage in a financial institution.

(4) The applicant must take an education course for purchasers of homes given by counselors certified by HUD of the Housing Counseling Program and must present a certificate of completion of the course.

(5) The applicant must complete and send all the documents that this Program requires.

(6) The applicant must select a property that meets the environmental eligibility and evaluation requirements described in these Guidelines.”

This and every other information relevant to the Program is detailed in the Program Guidelines available in: <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>.

Comment ID: 09/05/21_WP_I_Maribel Ortiz Rivas(1)

Comment: *“I want to buy my first house”*

Response by the Department of Housing:

According to the Guidelines of the Homebuyer Assistance Program (HBA), the following requirements must be met to receive assistance under the Program:

“(1) The applicant must comply with the first buyer requirement.

(2) The applicant must satisfy the verification of family income calculation process and verification of citizen condition, as detailed in these Guidelines.

(3) The applicant must be able to obtain the approval of a first mortgage in a financial institution.

(4) The applicant must take an education course for purchasers of homes given by counselors certified by HUD of the Housing Counseling Program and must present a certificate of completion of the course.

(5) The applicant must complete and send all the documents that this Program requires.

(6) The applicant must select a property that meets the environmental eligibility and evaluation requirements described in these Guidelines."

For more information about the Program and the procedures to follow, see Program Guidelines, available in: <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>. We appreciate your participation in response to this Seventh amendment to the Action Plan.

Comment ID: 09/05/21_WP_NGO_Asociación de Constructores de Puerto Rico_Alfredo Martínez-Álvarez, Jr.(1)

Comment: [Summarized Comment]

"In this historic moment, we would like to present our recommendations suggested for the Seventh Amendment of the Community Development Block Grant-Puerto Rico Disaster Recovery Action Plan (Action Plan), published for public comments in August 6, 2021. Due to the enormous long term and short-term housing impact on the economy of Puerto Rico, we recommend more investment and programs to be implemented to promote effective planning of development of resilient and economic dwellings.

In the Situation Study of the Housing Industry in Puerto Rico, commissioned by the PRBA in 2018, two significant facts are apparent:

- 1. PRDOH contributes to the economic growth, the investment of construction and consumer expenses, through the increase of housing, maintenance and associate supply chains. Consumer expenses related to housing (including utilities) represented 27.5% personal consumption expenses in the fiscal year 2016. This does not include construction activity.*
- 2. PRDOH also contributes to the riches in housing and accumulation of assets.*

The development of safe and affordable housing also significantly and positively impacts the health of the home, success in school and increased economic potential through all the income classes. It also impacts the job market, as all the workers need some type of housing to carry out their work effectively.

Given the importance of the Housing Sector, we recognize many possible areas of opportunity. These areas of opportunity are presented as follows.

In the housing sector, there are opportunities for inclusion of programs/initiatives that are already supported by the United States Department of Housing and Urban Development (HUD). An excellent example would be the 'Choice Neighborhoods Program'. The 'Choice Neighborhoods Program' takes advantage of a significant amount of public dollars to support strategies for the locality the communities affected with deplorable housing address through a comprehensive focus towards the transformation of the neighborhood. This program helps the communities transform the neighborhood, revitalizing, dwellings in development and catalyzing critical improvements in the neighborhood, including vacant

properties, dwellings, businesses, services, and schools. With the integration of this type of initiative, PRDOH, along with private developers will address the great need for affordable dwelling and dwelling for all types of income through the transformation and redevelopment of the neighborhood. This is a great contribution that depends on the transformative effect of mixing income classes within a community. In accordance with this, we recommend PRDOH to identify funds to be reassigned to make this effort of redevelopment of dwelling and community viable.

From the eight (8) programs under the CDBG-DR housing portfolio, none currently incentivizes the development of housing projects of mixed income, concentrating poverty and leaving many neighborhoods and communities disadvantaged as to health and long-term success. We recommend PRDOH to incentivize mixed income housing under the current programs and to identify additional funds to finance additional housing transformation that focus on mixed income, mixed financing and investments related to the infrastructure of dwellings. This way, we will continue addressing unsatisfied needs and the many communities impacted by the disaster are developed again.

In addition to the opportunities in the Housing sector, there are also economic development and multisector opportunities. We will particularly focus on the Economic Development Investment Portfolio for Growth Program (IPG) and the City Revitalization Program (CRP). Like the Programs under the housing sector, the IPG and CRP programs support the recovery and the development of our communities. As detailed in the guidelines of the IPG Program, the program will promote community based mixed financing and development activities that will help the economic revitalization in Puerto Rico. The development of mixed-use projects will support companies and other economic developments in support of housing. Due to the complications involved in the planning and the design of this type of project, it is recommended for PRDOH to extend the applications period, or to identify additional funds to launch a new round to allow more projects to benefit, and, therefore, more communities will be served. It is also recommended not to eliminate housing from this program, to be able to have mixed financing economic development and have more housing available for low- and moderate-income persons (LMI).

Similarly, but not less important the City Revitalization Program (CRP) is another great opportunity for the redevelopment of our local communities. The guidelines of the CRP Program establish that the Program [sic] would provide grants to municipal governments and other eligible entities to allow a variety of critical recovery activities with the objective of reinvigorating central areas of the city, urban centers, and key corridors of the community, as much as addressing the critical increase in price of affordable housing within or close to urban centers and downtown centers. Also, the initiative of development of affordable housing must be included and briefly described. This initiative is a first-class effort which will help the neediest first-hand. As is established, this initiative would promote the creation of affordable housing as this is a factor for the holistic and successful development of the economy, strategic investment funds will be committed to show the unsatisfied needs through empiric data. We recommend the advancement of this Program to support the municipalities in collaboration with the private industry to transform communities and revitalize the urban centers.

We want to emphasize our commitment with the recovery of Puerto Rico. We respectfully submit our comments and recommendations in response to the Action Plan for your consideration. However, it is our position that these recommendations warrant an additional

detailed analysis. As we have done from the beginning of disaster recovery, we put the invaluable group of professionals that we represent at the full disposal of PRDOH to continue the development of the proposals included here, until they are implemented. PRBA focuses in contributing, along with the Government, private entities and not-for-profit organizations to the planned and safe redevelopment of our communities."

Response by the Department of Housing:

The Department of Housing appreciates your comments and agrees that promoting mixed income opportunities with CDBG-DR funds is of great importance.

The Evaluating Committee approved an extension to the application period from August 31, 2021 to September 20, 2021, to provide more time for people to submit an application to the Economic Development Investment Portfolio for Growth Program (IPG). Any additional extension will require the review and approval of the Evaluating Committee.

PRDOH currently establishes affordable housing development projects in urban areas of municipalities as eligible activities in the City Revitalization Program (CRP). Currently, PRDOH is updating the Program Guidelines to clarify and advise the subrecipients interested in implementing affordable housing projects including renting and/or sale units. Commercial and PRDOH mixed-use projects will be eligible for the CRP Program after showing compliance with the viability and sustainability requirements. Therefore, the stipulations of the CRP Program will remain unchanged as to the affordable housing activities, but the Program Guidelines will be amended to provide details more in depth that must be considered for the grant applications.

Programs like the LIHTC Program promote the integration of mixed-income projects. According to the Guidelines of the Program, "the national objective of this Program is to benefit low- or moderate-income persons (LMI) (under eighty percent (80%) del Area Median Family Income (AMFI) in accordance with the modified income limits of HUD for CDBGDR Puerto Rico). See 24 C.F.R. §570.483(b)(3). The objective will be reached when each project is affordable and is occupied at least by fifty-one (51%) of the LMI dwellings, as defined by the adjusted income limits for Puerto Rico." This objective promotes opportunities for low- and moderate-income persons to acquire properties in neighborhoods that could be of mixed income, and the opportunity for economic growth.

It must be noted that, as described in the guidelines: "If the family income increases after moving to the property, the family is not disqualified to remain in the unit, even when the increase exceeds the income requirements of the unit." This allows to provide priority to LMI participants without concentrating one type of income in the neighborhoods used for services of the Program.

Comment ID: 09/06/21_WP_I_Elaine(1)

Comment: *"I am interested in information."*

Response by the Department of Housing:

The Department of Housing appreciates your interest in the CDBG-DR Program. All the information about the CDBG-DR Program, including the Action Plan, its amendments, program guidelines can be found in the CDBG-DR webpage through the following link: <https://cdbg-dr.pr.gov/>.

Comment ID: 09/03/21_E_GE_PRHFA_Javier E. Trogolo Irizarry(1)

Comment: *"The Community Development Block Grant-Disaster Recovery (CDBG-DR) Gap to Low-Income Housing Tax Credits (LIHTC) Program is managed by the Puerto Rico Housing Finance Authority (PRHFA). As notified in the Notice of Funding Availability (NOFA-2020), published on September 24, 2020, the CDBG-DR and LIHTC funds will be distributed in accordance with the selection and evaluation criteria of proposals established in the Qualified Allocation Plan-2020 (QAP-2020). The process of evaluation and adjudication is done in stages. The first is the Basic Threshold Review (BTR) where we determine that the applications filed have the required basic documentation to receive CDBG-DR and LIHTC funds. This process was completed on July 1st, 2021, with sending notifications to the projects that met with all the BTR requirements. In summary, of the 33 applications evaluated only 25 passed the BTR. These 25 applications passed to the following stage, Point Ranking Evaluation (ranking). Each application must include the 2020 Ranking Self-Evaluation Checklist along with all the documentation required in that checklist. The ranking process consists in reviewing, validating the received documentation and adjudicating the points corresponding to each application. The QAP-2020 provides that the projects must accumulate a minimum of 30 points to receive CDBG-DR and LIHTC funds. Under the NOFA-2020 only LIHTC-4% attached to the Bond Volume Cap will be awarded for which there is NO limitations in the amount to award and CDBGDR funds. However, there is a limit for the CDBG-DR funds: \$577,792,300. Therefore, the ranking establishes the order in which the CDGB-DR funds will be distributed. The BTR was completed on August 31, 2021 and the results are summarized as follows:*

- *24 of the 25 applications accumulated the minimum score required (30 points or more).*
- *1 project only accumulated 20 points and is not entitled to CDBG-DR or LIHTC funds.*
- *The CDBG-DR funds only cover the first 17 applications (\$546,816,094).*

The remaining 7 applications, despite having 30 points, or more, cannot receive CDBG-DR funds. In this step the seven applications will require an additional award of CDBG-DR funds of \$459,429,865.

- *Note there is a balance of \$30,976,206 of CDBG-DR funds without reservation. These funds must not be reserved at this time as during the next step of the evaluation and award process there are generally changes in the estimates of sources and use of funds that will be necessary to cover.*

The following stage would be the underwriting & subsidy layering review, that already began. This stage consists of validating the development budgets, sources of funds, operational budget, cash flow during the construction and operation, among others. In this stage deficiencies in estimates and reasonability of costs are identified and clarified and the corresponding adjustments are made (costs and/or items are eliminated or added). We make sure that the agreements between agencies, banks and investors, as appropriate, are correctly considered in the development and operation budgets, among many other things. The doubts that arise during this process are directly discussed with the representatives of each project. Other matters that must be addressed prior to each closing are:

- Subscription y analysis [sic] of combination of grants;
- Environmental authorization for the project, detailed in Part 58 of 24 CFR (Environmental Review Procedures) and Part 55 of 24 CFR (Floodplain Management) is final;
- Confirmation of compliance with the Uniform Relocation Laws (URA), when applicable;
- Request for Release of Funds (RROF)' is received and approved
- A Finding of No Significant Impact (FONSI) is issued
- The Section 3 Plan is approved
- Inspector of PRHFA issues the study of the technical viability and the evaluation of costs;
- Confirmation of compliance with all the other crosscutting CDBG-DR requirements applicable
- Approval by the Financial Oversight and Management Board for Puerto Rico

Finally, with NOFA-2020 it will also be necessary to incorporate the exempt financing award requirements. Once these processes are completed the closings of LIHTC, CDBG-DR and exempt financing can take place."

Response by the Department of Housing

The Department of Housing appreciates your participation in this period of public comments for the seventh substantial amendment to the CDBG-DR Action Plan. Considering the need to cover the gap in LIHTC projects, PRDOH will evaluate the possibility of a greater award of funds for this Program in the future.

For more information about the criteria and regulations applicable to the LIHTC Program, see its guidelines available in: <https://cdbg-dr.pr.gov/en/download/cdbg-dr-gap-to-low-income-housing-tax-credits-program-lihtc/>.

Comment: [Summarized Comment]

“Firmes, Unidos y Resilientes con la Abogacía (FURIA, Inc.) is a not-for-profit organization which main objective is to promote community resilience through participatory legal profession. This is achieved by offering educational services and accompaniment to the communities throughout the archipelago of Puerto Rico. FURIA, since 2018 has worked hand in hand with the group of community leaders of Puerto Rico por el Derecho a una Vivienda Digna (PRODEV), which these days is constituted by more than 100 community leaders representative of more than 70 communities. Its objective is to fight for the human right to a decent dwelling along all its ramifications, and to stop eminent domain without adequate citizen participation.

Almost four years since hurricanes Irma and María, we recognize the importance of the recovery process for improvement of the life conditions of the hundreds of thousands of persons that reside in the communities which we work with. Despite the time that has gone by, the reality is that we still have people living in deplorable conditions, for which the post-disaster recovery funds are of great importance. This means there are still blue roofs, they still don't have resilient centers, they still don't feel stability in their lives.

Among many residents and community leaders there is still the frustration of not having been able to address the problems after so much time, but they continue vigilant to the governmental actions regarding this process. Perfecting the strategies and considering diverse points of view we understand that we can support in speeding up, facilitating, and making sure the funds reach the affected population and are used adequately and promptly. In consideration of this, FURIA hereby presents its comments to the Seventh Substantial Amendment to the Disaster Recovery Action Plan for the use of CDBG-DR funds in response to hurricanes Irma and María (2017). [...]

About the Blue Roofs Repair Program

The new amendment incorporates a program that is directed towards working the blue roofs exclusively. This is an acknowledgement to the regrettable situation that presently almost 20,000 are living, as estimated and shown by the Plan itself. They still have not had adequate access to assistance for the repair of their homes, which is why almost 4 years after the natural disasters and amid a new hurricane season, many do not have a safe roof.

We understand that program is of great importance and an excellent initiative to contain this matter, in consideration that the programs that presently exist under the Plan have proven to be insufficient. Either for lack of swiftness or obstacles in the procedures, there are still persons with blue roofs without a decent dwelling to reside in. Making sure that this new Program works quickly and is accessible to the population are elements of great importance to consider, especially in the development of its guidelines.

We find it is important to point out one concern. The Plan mentions that it “...is aimed at providing the municipalities with the resources to develop single family housing solutions to provide aid in the medium or long term so the damaged dwellings with blue roofs (blue tents) can be occupied” (page xxvii of the Plan). In the section where it is elaborated, however, it includes the Government and not-for-profit organizations among those that are eligible.

For us it is important to highlight that it is important for the first option to be the reconstruction *in situ*, of the persons that apply. Also, as we have mentioned in numerous occasions, it is fundamental for the recovery funds to be accessible to base organizations and community groups who are the ones that have direct contact with the population assisted. At the time the sub-recipients are considered the adequate participation of these types of entities in the process must be guaranteed and support them so they can access them. It says there is maximum deference as to the design and implementation of the program, but this must be handled with kid gloves. The Municipalities, and the Central Government, do not necessarily have the capacity to reach those who really need help. However, and as time has proven, the not-for-profit and community-based organizations do. The real, effective, and adequate participation of citizens is fundamental for success.

On the other hand, as to eligibility requirements at the applicant's level, the Plan states that ownership or proprietary interest must be shown through traditional documentation or alternate methods, therefore the Guidelines would indicate the alternate methods it references. Regarding this it is important to emphasize the need for flexibility at the time of considering the information and documentation presented. Just like the Plan recognizes, most of the population does not have property titles, due to diverse situations from informal construction processes to estate problems, etc. This does not mean that these people do not have proprietary rights or rights to access an adequate dwelling. In consideration of this we believe it is wise to consider the list of options as shown in the guidelines of the R3 Program, additionally and explicitly including the option of an affidavit that explains the situation and their proprietary right. Also include the invoices of water and electricity as documents that show such right over the property.

In addition to these matters, it stands out to us that you cannot have an active application under the R3 Program. We believe that both efforts can be harmonized considering the urgency with which this population who is in an extremely vulnerable situation must be assisted. The application should not be automatically discarded, instead the circumstances must be considered and decide which of the two programs would be more viable for the participant, prioritizing the urgency in the process.

Finally, as to the Permits Requirements, the Plan indicates that the subrecipients are encouraged to request exemptions, both to the Puerto Rico Planning Board and the Permits Management Office, and to the Department of Natural Resources. On the one hand we acknowledge that these exemptions could ensure speediness in the reconstruction process of the dwellings with blue roofs, but we must consider the events in our Country, where the environment has been affected due to the handing out of permits without controls or care. Omitting these controls could be problematic, which is why we must guarantee that the exemptions are really limited to the [sic] reconstructions of dwellings as stipulated in the program and its guidelines. We cannot allow them to contribute to abuses by governmental or municipal entities.

About other matters included in the Plan:

Other opportune matters within the Seventh Amendment we think are important to set forth:

1. It is important to clarify the scope of the benefit of the elevation of the properties as

a way of mitigation. Despite that, as an amendment, the elevation is allowed, as part of the mitigation measures under the R3 Program and the Blue roofs Repair Program, in page 117 of the plan it states that “[i]t is expected for the repair with elevation of the structures damages by the hurricanes to be limited to the historic wooden structures. Any other structure that does not meet these conditions, will not be considered for elevation in cases of repair.” The footnote states “Historic refers to those that are listed or are eligible to be included in the National Registry of Historic Places”. Then the residences that would benefit the most would be only the historic structures. If so, we think this is an error that would affect countless persons that do not meet or will meet this classification. If it is a mistake in our interpretation, we request clarification in the intention with this language.

2. [...] We think there must be caution and care with the “eligible final uses” for the residences that cannot be acquired or be used as housing. First, we must make sure that those uses address the needs of the communities in which they are located. For this we recommend a consultation process to the community for their use and making sure it is productive and gives continuity that what is established there. Secondly, we must make sure that the subsequent use is not a displacement or gentrification of the space, where the residents are forced to abandon their spaces, but the subsequent uses are allowed in favor of certain circumstances or entities foreign to the community. We must make sure the objectives are in benefit of the residents.
3. Finally, we must comment about the Community Energy and Water Resilience Installations Program. Under eligible activities it contains an amendment that reads “Construction, removal, acquisition and restoration of dwellings (including the restoration that promotes power efficiency) Ecologic construction Norms”. Then, the applicants under the R3 program are eligible, so it would seem this program is supplementary to it. We want to clarify if the costs of reconstruction or construction under R3, that ascend to 185 thousand dollars (without including 75 thousand for elevation) include or not aspects to make the residences resilient or if the funds under this program would be added to 180 thousand to then achieve this classification.”

“Should you have any question about the matters herein or if you want to further discuss this or any other matter you are considering, do not hesitate to contact us at furia.puertorico@gmail.com, or by telephone at 787-314-6793 or 787-210-6189.”

Response by the Department of Housing:

The Department of Housing recognizes the importance of the implementation of the Blue Roof Repair Program. The new substantial amendment to the Action Plan establishes as eligible subrecipients the: “Municipalities, not-for-profit organizations or governmental organisms [...] PRDOH can name municipalities, a consortium of municipalities or governmental agencies to manage the Program like a subrecipient.” (p. 171). This implies that other agencies will be considered as possible subrecipients in addition to the municipalities, expanding the opportunity of the community and third parties to participate.

In view of the great number of proprietors without perfected titles, we recognize the importance of establishing alternatives to show title or proprietary interest under this Program.

The new amendment details that “[t]he implementation of the Blue Roofs Repair Program] includes, among other things, the admittance of applicants, the determination of eligibility, the verification of the duplicity of benefits, the evaluation of damages, the compliance with environmental norms, the elevation requirements, the ecologic construction and edification norms and the design of solutions.” The request to be exempt from permits required to the Puerto Rico Planning Board and the Permits Management Office and the Natural Resources Department will not eliminate the need of the subrecipients of the Blue Roofs Program of complying with these requirements.

We agree with your comments about the need to implement mechanisms to speed up the processing of applications under the Blue Roofs Repair Program, premise that would apply to these permits' exemptions. According with the amendment published, “the subrecipients are encouraged to work with the regulating governmental agencies of Puerto Rico to exempt the requirements of permits or other administrative burdens to the extent possible that can prevent the population with blue roofs from receiving assistance.” We must emphasize that the Guidelines for the Blue Roof Repair Program are still in development and are subject to changes prior to the implementation of the Program.

As to the criteria of properties eligible to receive reconstruction services with elevation, we must emphasize that the Action Plan establishes that “[t]he programs, as stipulated in the Action Plan, are focused on getting families out of dangerous places”. In consideration of this priority and the financial viability evaluations of reconstruction with elevation, the use of the CDBG funds for providing relocation services to applicants whose properties are in high-risk zones is considered more optimal and the reconstruction with elevation will be evaluated and granted only in specific cases. It must be emphasized that the Plan includes language that suggests limiting the reconstruction with elevation services to historical properties, but each case will be evaluated based on its financial viability according to the projected costs and other circumstances.

Finally, the objective of the Community Energy and Water Resilience Installations Program (CEWRI) is to complement and work with an existent CDBG-DR Program assisting owners of homes that receive assistance and have received an award notice under the R3 Program for the restoration, reconstruction, or construction of a new dwelling. This Program is provided through a referral process where the applicants of the R3 Program will receive an invitation to participate in the CEWRI Program after completing the project under R3 in their properties. This Program will help the participants of R3 by providing them power and water efficiency solutions to promote resilience through the installation of photovoltaic battery systems for the critical loads and water storage systems, without any cost for the Applicant. CEWRI is a program that is separate from the R3 Program, with its own criteria and regulations. The costs of the installations of the systems are separate from the costs of Construction or Restoration under the R3 Program.

We appreciate your participation in this period of comments for the seventh Amendment to the CDBG-DR Action Plan.

Comment ID: 09/06/21_E_NGO_Hispanic Federation_Maritere Padilla Rodríguez(1)

Comment: [Summarized Comment]

"Presently, Hispanic Federation has committed more than 42 million dollars in over 130 initiatives and not-for-profit groups around Puerto Rico focused in the areas of recovery, housing, agriculture, mental health, electric power, among others. Regarding the housing area, a budget of over \$4 million dollars has been appointed for initiatives that include, but are not limited to, reconstruction of houses, community legal services and legal profession. We are even members of the Movimiento de Vivienda Digna (MVD), a group of more than twenty not-for-profit and community organizations, in which work groups have been developed to address opportune matters of housing, among these, the matter of the CDBGDR funds.

The third sector and the communities aspire to be an important part of the development and design of the future of Puerto Rico led by its people, especially during the economic planning and development process that will make the recovery of the country viable. Regarding housing, the Hispanic Federation promotes a holistic public policy that recognizes and protects the fundamental right to respectable, safe, and affordable housing of the communities in Puerto Rico. In particular, the right to a respectable housing requires access to basic services such as roof, water, electric power, education, health, among others. At the same time, Hispanic Federation has the commitment to defect the basic principles of justice, transparency, real citizen participation, sustainability, and protection of fundamental rights.

a. COMMENTS AND RECOMMENDATIONS TO HOUSING PROGRAMS

Home Repair, Reconstruction or Relocation Program (R3)

i. Ownership

In our comments to the fifth substantial amendment of the Action Plan we stated that this program does not effectively address the reality of the people that do not have property titles. It is not clear if it will finally be necessary to obtain a property title to be able to access the benefits of the program. It is incorrect for it to be conditioned through a local, not federal requirement, to possess a property title to be able to receive the assistance available.

Executive Order 2020-0633, among other things, acknowledged as "sufficient to comply with the standing requirement to present a Title Certification that includes the time that the applicant lived in the property affected in the disaster and an explanation of the circumstances that prevent the ordinary verification of their title." On March 29,2021, the Department of Housing adopted a ninth version of the guidelines of the Home Repair, Reconstruction and Relocation Program (R3 Program) that acknowledges the Title

Certification created under the executive order. The guidelines of the R3 Program specify that the Title Certification will only be used to “provide standing to the applicant during the permits processes to allow continuity of obtention of the construction permits.” They add, that those participants that carry on with the permit process through the signing of a Title Certification, must continue the process necessary to perfect the title under the Title Clearance Program. The participant must make all reasonable efforts in their reach to cooperate in the process of obtaining a perfected title.” Even, the Department of Housing does not clarify if the access to the assistance will always be conditioned to obtaining a property title when it establishes the following: “Those cases of participants that signed a Title Certification and showed a proprietary interest during the permits process and still cannot obtain a perfected titled for causes out of their control, will be considered by PRDOH case by case.”

On July 2021, the Federal Department of Housing publicly clarified that the CDBG funds do not have a requirement to evidence the proof of ownership; it even, expressly clarified that legally it is not necessary to require a formal title or deed to have access to the federal aids. [...]

Because of this, the Hispanic Federation reiterates its original argument and asks the Department of Housing to amend the Action Plan and the guidelines of the R3 Program to establish expressly that those participants that signed a Title Certification and showed a proprietary interest during the permit process, and still cannot obtain a perfected title, will not be subject to a collection action on the part of the agency. Also, we ask the agency to address the historic situation in Puerto Rico regarding the lack of property titles, making as flexible as possible the alternate documents required to prove possession or proprietary interest, as allowed by federal regulation.

ii. Mitigation Alternatives

In our comments to the fifth substantial amendment, we stated that the R3 Program must allow the participants to evaluate their housing and community mitigation alternatives. This, to avoid displacements. The alternative to rebuild in high-risk zones must be responsibly evaluated case by case and at the community level. The safety of the families is the priority, but to achieve that safety, in some cases, relocation is not the only alternative. The survivors and their communities must know the mitigation alternatives that have been developed in the Municipal Mitigation Plans, the State Mitigation Plan and/or the mitigation projects contained therein. In fact, the participation of communities during the design, evaluation and implementation process of these plans should be encouraged. In addition, the Whole Community Resilience Planning Program must consider those mitigation plans and allow the direct participation of the communities in their development and implementation. Once the survivors know the mitigation alternatives in their homes and communities, they will have the complete and objective information to be able to voluntarily decide whether to remain (restoring or rebuilding) or relocate. Until those mitigation alternatives are not evaluated responsibly, the Department of Housing cannot impose the home relocation as the only alternative in the high-risk zones.

In view of this comment, the Department of Housing answered the following: “In the 4th Amendment to the Action Plan the option was included for the applicants of the R3 Program that qualify for relocation to be able to defer their application process under the

R3 Program awaiting a participatory development of the home mitigation program under the Action Plan CDBG-MIT." In addition to this response, in the ninth version of the R3 Program guidelines the following is established: "The participants who are given a grant for the relocation and that do not want to immediately relocate, can defer the acceptance of the grant under the R3 Program to allow the participatory development of the home mitigation program under the Mitigation Community Development Block Grant (CDBG-MIT). The participants that opt to defer the acceptance of the grant for relocation under the R3 Program of CDBG-DR to participate in a mitigation program in the future, will keep the grant of the R3 CDBG-DR Program in pause until a housing mitigation program under CDBG-MIT is established" (emphasis provided) Note, that the guideline is expressly limited to a housing and not community mitigation program.

Also, the CDBG-MIT Action Plan only creates the Single-Family Mitigation Program in alignment with the R3 Program and establishes as an alternative to relocation the elevation of the house.

[...] It is not established that the applicants of the R3 Program will have the option of evaluating community mitigation alternatives. Because of this, the Hispanic Federation reiterates its original comment and requests the CDBG-DR and MIT Action Plans, and the R3 Program guideline to be amended, to expressly provide to the applicants both the alternative of single-family mitigation and the additional option of choosing a waiting status under the R3 Program until a community CDBG-MIT mitigation program is established and begins to operate.

Also, it is concerning that the Single-Family Mitigation Program establishes as an eligibility requirement to be an owner with clear title of a single-family home. As discussed, Hispanic Federation asks the agency not to require a property title and to relax as much as possible the alternate documents required to prove possession or proprietary interest, as allowed by federal regulation.

[...] Hispanic Federation reiterates its original comment and requests in this substantial amendment for the creation of a temporary housing program for those applicants of the R3 Program which housing is not in safe conditions and that want to wait for a housing or community mitigation program under the CDBG-MIT funds.

b. Community Energy and Water Resilience Installations Program

In the comments to the fifth substantial amendment, Hispanic Federation recommended to begin the implementation of the program in the zones where the electric system is more vulnerable. Especially the last to be reconnected after hurricane María. Also, we recommend: (1) using the funds for solar energy systems with batteries, decentralized, located in roofs, that can operate during emergencies and provide critical energy to guarantee life; (2) use equipment that is certified by the Electric Power Authority for net metering, leaving it to the discretion of the recipient; (3) create mechanisms that cover the totality of the cost of the solar systems for families of low and moderate socioeconomic status; and (4) provide priority to persons whose life depends on machines such as artificial respirators or the equivalent. [...]

i. Technical Assistance and Training

It is necessary that the Department of Housing provides technical assistance and training necessary for the communities to develop and implement their maintenance plans required for these projects. The requests for proposals (RFP) for the installation of these systems must have a technical assistance component, functionality and education guarantee of no less than five years. Such assistance will promote the long-term sustainability of the investment and will comply with the effective use of public funds.

- ii. *Aligning the designs of the solar systems with the National 2017 Electric Code 2017 (Current Version)*

This, so the installations have the capacity to go into the net metering program if the client wants to and have the following benefits (1) greater economic savings to the families in the power bill ; (2) maximizes the lifetime of the batteries; decreases solid waste and contaminants; and (3) increases the integration of renewables to the Puerto Rico Electric grid decreasing the dependency on fossil fuel.

- iii. *Not impose a requirement of years of experience to perform the preliminary evaluation*

The professional requirements must be maintained, and the training certificate offered by some associations (ex. ACONER or Colegio de Ingenieros y Agrimensores de Puerto Rico) in which the standards expected by the Department of Housing are unified. This will help increase the scope of projects in less time.

- iv. *Adding options to the standardized designs of power and water to make changes that address the amount and needs of the persons that live in the dwelling. [...]*
- v. *Improvements to the transparency portal of the program*

c. Blue Roofs Repair Program

Hispanic Federation applauds the adoption of this program and asks the agency to make relax as much as possible the alternate documents required to prove proprietary interest, as allowed by federal regulation. Also, it requests the immediate creation of a transparency portal of the program, that among other things, publishes the information requested by Hispanic Federation in reiterated occasions for public benefit:

- i. Data of geo-spatial study that presents 18,000 homes with blue roofs across the island*
- ii. Number of dwellings with blue roofs per municipality.*
- iii. Number of dwellings with blue roofs that requested aid under the R3 Program and/or this program, per municipality.*
- iv. Number of applications of blue roof dwellings approved.*
- v. Number of applications of blue roof dwellings denied.*
- vi. Number of blue roof dwellings referred to the Title Clearance Program before being able to get assistance from the program.*
- vii. Number of blue roof dwellings in which the repair, reconstruction or relocation has begun, per municipality.*
- viii. Number of blue roof dwellings in which the repair or reconstruction has been completed per municipality.*
- ix. Information of the subrecipients or administrators: municipalities, a consortium of municipalities, ONG or governmental agencies.*
- x. Demographic data of the participants, elderly persons, women, minors,*

persons with disabilities, etc.

I. COMMENTS AND RECOMMENDATIONS TO ECONOMY PROGRAMS

a. Re-Grow PR Urban and Rural Agriculture Program

i. Education and technical support

Hispanic Federation acknowledges the educational campaign of the Department of Housing in collaboration with the Fideicomiso de Ciencia, Tecnología e Innovación de Puerto Rico to draw attention to the financing opportunity that the program provides. Also, we acknowledge that currently there are 7 centers of assistance in person in the municipalities of Jayuya, Utuado, Cabo Rojo; Camuy, Cayey, San Lorenzo and San Juan.

However, in May 2021, Hispanic Federation carried out a brief telephone survey to 140 small-scale coffee farmers participants of our coffee initiative. Of these, 114 (81%) informed not having applied to the program. In turn, of these 114, 83 (73%) specified not having applied because of not knowing about it. Others informed not having applied for lack of documents or other reasons. Because of this, we recommend continuing diversifying the efforts of education about the program.

[...] [W]e are concerned that the application process still is only digital. We understand it is pertinent to diversify the methods to complete the application or equip assistance centers with computers for farmers to complete their applications.

We believe that the amount of case managers and expert personnel in agronomic sciences must be increased to provide and maximize the technical accompaniment that the farmers need to complete the application process [...]

ii. Definition of family farm and creation of priority groups

We reiterate that what a small family farm is must be defined in the context of Puerto Rico and to timely identify who has priority to receive these grants. According to the farming census of 2018, there are around 8, 230 farms in Puerto Rico. Of these, 26% are of less than 10 acres of land and 46% of only 10 to 20 acres. Approximately 75% of all the farms in Puerto Rico are less than 50 "cuerdas" in size. For that reason, we recommend creating additional priority groups to prevent farmers with annual income of less than \$10,000 to compete first come first served with farmers that generate more than \$50,000, \$100,000 and even more than \$150,000 a year.

iii. Relaxation of documents required

[...] We recommend the relaxation of the documents required for the farmers to prove the possession of the lands where they have their produce. Also, to relax the evidence required to prove the experience or capacity in farming, as there are farmers with vast experience that have never had an employer and/or formal studies.

iv. Transparency Portal

We recommend keeping the Transparency Portal of the Re-Grow PR Urban and Rural Agriculture Program updated and with enough information to guarantee its effective oversight and implementation.

II. GENERAL RECOMMENDATIONS REITERATED BY THE HISPANIC FEDERATION IN THE SEVENTH SUBSTANTIAL AMENDMENT

a. Unmet Needs

The Department of Housing has the obligation to identify and use “the best information available” for the design and implementation of the different programs and the public policy contained in this plan. The identification of whole Puerto Rico as “Area most affected” makes the sectors that were disproportionately affected invisible and, many times, they are not even in the cases of the Small Business Administration, because a loan did not address their needs.

The analysis presented in the Action Plan still lacks a necessary spatial component to responsibly develop this characterization of the most affected population and unmet needs. The information published added is by zip code when that scale is not sufficiently specific for this type of analysis. We need more local and community scaled data and analysis for a fair distribution of the resources available. Because of this, we ask the Department of Housing to demand FEMA to provide the necessary information and carry out a local and community scale analysis that allow the effective identification of the “Most Affected Areas” and unmet needs from hurricanes Irma and María in Puerto Rico. This is the only way to achieve a fair distribution of the recovery funds.

b. Abandoned Dwellings

In Puerto Rico there are more than 300,000 dwellings abandoned. Because of this, we recommend incentivizing the redevelopment of these dwellings through the CDBG programs, as allowable by the applicable law.

c. Eliminate the requirements of reimbursement and fund matching

Many local not-for-profit organizations do not have the financial capacity to comply with reimbursement or fund pairing mechanisms. Because of this, we recommend the elimination of those requirements.

d. Citizen Participation – Citizen Counseling Committee

On July 13, 2021, the Puerto Rico Department of Housing notified the publication of the second version of the Operating Guideline of the Citizen Counseling Committee (CAC por its Spanish acronym) to structure the operation of such committee in the administration of the CDBG-DR and CDBG-MIT programs. [...] When reading the new guide published, we noticed there still great space and opportunity to improve it with the feedback of the participants of the CAC in a democratic way. We still believe that a formal amendment process to the guide is necessary before having to sign the registry of members of the CAC. We reiterate that we responsibly must know in a clear and definitive way what the powers and responsibilities a member of the collective assumes by signing that registry.

The Hispanic Federation acknowledges that the substantive works of the CAC must begin already. We have the commitment to continue participating and promoting the participation of several organizations in this collaboration space. However, it conditions its potential subscription to the Registration Form of members to the guide including amendments that responsibly address the following matters:

- i. The guide requires that the members present written recommendations to the agency.*
- ii. The guide establishes that the voluntary service in the CAC has the responsibility of guaranteeing the representation of the broad public interest, including the marginalized groups.*
- iii. The guide establishes that the Coordinator of the CAC will supervise the*

- participatory process and will be the liaison between the committee and the agency.*
- iv. The guide establishes that the Board of Directors of the CAC will be nominated by the members of the CAC and appointed by the Department of Housing.*
 - v. The guide establishes that the members of the Board of Directors must have an experience area relevant for the CDBG-DR and CDBG-MIT programs that they can share with the group for the benefit of making recommendations.*
 - vi. The guide establishes that the Board of Directors will make the final decisions on behalf of the CAC.*
 - vii. The guide establishes that the Secretary of the Housing Department will make the final decisions and sometimes can disagree with the counsel of the CAC.*
 - viii. The guide does not recognize any binding power of the CAC over the decisions the Department of Housing makes.*
 - ix. The guide establishes that the members of the CAC must inform about their disclosure activities, at least, once a trimester. Particularly, it specifies that the members must act as collaborators and participate in the distribution of updates during the recovery, development, and implementation processes of the CDBG programs.*
 - x. The guide establishes some ethical requirements and requires that the members of the CAC complete a document about the conflict of interests.*
 - xi. The guide establishes that every document generated by the CAC, that the Board of Directors approves and determines is final, will be public.*
 - xii. The guide does not establish a meetings calendar or process to generate work agendas.*

For all the foregoing, Hispanic Federation reiterates its request filed on May 26 and June 10, 2021, to the Department of Housing about how to begin a participatory process of amendment to the Operational Guideline of the Citizen Counsel Committee, BEFORE its members must sign the members' Registry of the CAC. [...]

[...] Hispanic Federation reiterates and does not waive the recommendations presented in previous comments that have not been addressed by the agency. Respectfully we hope that the comments presented here will be useful."

Response by the Department of Housing:

Thank you for your comment in response to this seventh amendment to the CDBG-DR Action Plan.

The R3 Program and the Title Clearance Program establish alternative methods for the Applicants that do not have a perfected title can evidence their rights over a property. In consideration of the great number of Applicants without perfected titles, we agree that this measure facilitates and expands the opportunities for more Applicants to be deemed eligible to receive assistance from the Program.

PRDOH appreciates and will take into consideration your recommendations to improve the measures taken by the R3 Program to minimize the displacements.

Community Energy and Water Resilience Installations Program (CEWRI)

The Program has a guidance and training component for the Applicants in which the Installers/Contractors have the responsibility of counseling and training the applicants regarding the operation and maintenance of the systems and equipment installed. Such Installers/contractors must hand out to each Applicant that receives a system all the Operation and Maintenance Manuals applicable of the systems installed and any other document required by the Program. In addition, the Program is making some efforts with the Power Department of the United States for the development of some trainings for the Applicants to whom the photovoltaic system was installed with the possibility that also that training is available to the public in general.

Every system must comply with the codes, laws, and regulations in effect and applicable regarding the installation of a photovoltaic system. Also, the Installers/Contractors of the Program must install solar system equipment in accordance and in compliance with the Puerto Rico Residential Code of 2018 (PRRC), National Electric Code (NEC) and the norms and regulations of the Puerto Rico Electric Power Authority (PREPA), LUMA and Permit Management Office (OGPe for its Spanish acronym).

The designer in charge of the design of the Systems is also responsible for the Pre-Installation Assessment. Such component and evaluation is of great importance to determine the Eligibility of the Dwelling and, therefore, establish which equipment will be installed, which is why it requires having years of experience.

One of the purposes of the CEWRI Program is to provide the eligible participants, energetic efficiency solutions to promote the resilience through the installation of photovoltaic systems with battery for the critical loads. For that reason, the photovoltaic systems that will be installed in residences have been standardized. Both standard packages will have the capacity of supplying electricity to a detailed list of devices, electrical appliances and lighting accessories identified as critical loads. In the case of the water storage systems, if the structure of the roof allows it, the water storage tank will store up to a maximum of 500 gallons per home. The capacity of the tank must be defined by the designer in accordance with the needs of the home. Please refer to the Program Guidelines for more information.

Once the Blue Roofs Repair Program launches, the Transparency Portal will provide additional information of status and Budget of the Program. In addition, the possibility of including additional recommended information will be evaluated.

In view of your request for information about what constitutes a "small family farm" under the Regrowth Program, the Program Guidelines establish that the definition of this term was adopted based on the definition provided by the Economic Research Service (ERS) of the United States Department of Agriculture (USDA). The Regrowth Program Guidelines state that:

"It will be required that these eligible entities comply with the size limits that the USDA classification establishes for a "small family farm", as defined below.

According to the typology of farms that the Economic Research Service (ERS) established from the USDA, the "small family farms" are defined as operations with a

Gross Cash Farming Income (GCFI) lower than three hundred fifty thousand dollars (\$350,000) a year. This classification encompasses eighty-nine (89%) of the farms and allows the program to have a more effective impact in the farming economy of Puerto Rico.”

The Action Plan also includes a section where the process of the evaluation of unsatisfied needs and the identification of the most impacted and vulnerable demographics is detailed. This means that, although all the areas in Puerto Rico qualify as “most affected areas”, the Action Plan provides mechanisms that it uses to address the unmet needs of most urgency, such as the Social Vulnerability Index. To obtain more information about these procedures, please visit the “Evaluation of Unmet Needs” section of the Action Plan, available through the following link: <https://cdbg-dr.pr.gov/plan-de-accion/>.

The operational guidelines of the Citizen Counseling Committee (CAC) give authority to the Board of Directors of the CAC to make final decisions on behalf of the Committee. Members of the CAC can submit recommendations for this Board of Directors and as stated in the guidelines: All the members of the CAC have to agree to reach a consensus (when possible) and detailed recommendations to act in complex matters that affect the community in general.” These measures promote the collaboration between the Board of Directors and the members of the CAC and provides all the members the opportunity to participate in the decision making process.

In protection of the interests of the Puerto Rican community, the operational guidelines of the CAC establish that: “[t]he Secretary of the Housing Department reserves the right to disagree with the counsel of the Committee when its recommendation is in conflict with the collective interest of the citizens or with the compliance obligations.”

If you want to access information and resources about the Citizen Counseling Committee, visit the following link: <https://cdbg-dr.pr.gov/comite-asesor-cac/>.

PRDOH appreciates your participation in this period of public comments for the seventh amendment to the CDBG-DR Action Plan.