



May 25, 2018

Lcdo. Fernando A. Gil Eseñat
Secretario
Departamento de la Vivienda
Avenida Barbosa 606
San Juan, Puerto Rico 00928

Estimado Lcdo. Gil,

Hurricanes Irma and Maria were catastrophic storms that wrought destruction on Puerto Rico, resulting in the devastating loss of lives, homes and businesses. Extensive infrastructure damage touched everyone on the island. Successful recovery is viable only with strong partnerships and multidisciplinary collaboration. Enterprise Community Partners, Inc., is honored to be part of the recovery process in Puerto Rico. In that spirit, following extensive review, we respectfully submit comments on the Puerto Rico Disaster Recovery Action Plan for use of CDBG-DR in response to Hurricanes Irma and Maria.

Enterprise's mission is to help create opportunities for low- and moderate-income people through affordable housing in thriving communities. For more than 35 years, we have partnered with communities across the United States to make well-designed homes affordable and connected to good schools, jobs, transit and health care. Our dedicated teams bring together nationwide know-how, partners, policy leadership and investment to create innovative solutions and multiply the impact of local affordable housing and community development.

A long-standing partner to various organizations in Puerto Rico, Enterprise has helped create stronger communities across the island. We've helped increase the capacity of the nonprofit sector and worked with government partners from the federal through municipal levels. We remain committed to helping ensure that Puerto Rico's long-term recovery is equitable and resilient, and connects low-income families on the island to opportunity.

Enterprise is currently engaged as a subcontractor to the RAND corporation in the development of Governor Rosselló's 12-24 month Economic and Disaster Recovery Plan to be submitted to Congress on August 8. The plan outlines the Governor's vision for recovery with high-level strategies in areas such as housing, economic development and infrastructure.

We have assembled a team with extensive and wide-ranging experience in disaster recovery (Katrina, Sandy and Harvey), community design and planning, administration and compliance, public housing, affordable housing finance, community engagement, and resiliency.

Half our team is based on the island, of Puerto Rican descent, or has family on the island. Several team members have worked to improve housing and communities in Puerto Rico for more than a decade. This assembly of staff allows us to work comprehensively and holistically, with geographic and cultural context.

In summary, our comments reflect three overarching concerns:

1. While HUD required that Puerto Rico prioritize housing, we recommend that the island consider devoting the balance of the funds made available to pursuing more whole-community work.
2. Environmental mitigation is essential to effective long-term recovery. Therefore, we recommend that the plan pay more detailed attention to addressing climate risks to ensure the development of healthy, resilient communities.
3. Given the prevalence of informal developments and settlements on the island, the plan must be mindful of local culture and lifestyles in its efforts to prevent or eliminate “slums or blight.” Capacity building, advocacy and community engagement are all vital on this front.

Thank you for your consideration and commitment to this important endeavor. We may have similar goals in life, but not the same opportunities – and where you live affects the life you can have. By bringing together the right expertise and spirit of engagement to make well-designed homes affordable and connected to opportunity in their communities, we can make a difference on the island.

We would be pleased to discuss our comments with your agency staff. I can be reached at (202) 649-3927 or eruiz@enterprisecommunity.org, and in person beginning the week of June 11.

Sinceramente,



Erika Ruiz
Director, Enterprise Advisors
Enterprise Community Partners, Inc.

CDBG DISASTER RECOVERY ACTION PLAN

Comments submitted by Enterprise Community Partners, Inc.
May 25, 2018

SUMMARY OF STORM IMPACT | P. 10

- Suggest adding the continued climate risks facing PR, including seismic disturbance. Also recommend noting the climate trends occurring in Puerto Rico. See this resource for potential impacts to PR: <http://caribbeanlcc.org/press-release-new-study-explores-consequences-of-projected-climate-changes-in-temperature-and-rainfall-for-puerto-rico/>
- Recommend pointing out the impact of the primary storm on infrastructure like dams, leading to secondary risks. Amplify message about risks to communities.

WHOLE COMMUNITY APPROACH AND INTEGRATED PLANNING | P. 12

- What are some of the findings of Reimagine PR and other processes?

THIRD SECTOR AND CIVIC VISIONS FOR RECOVERY | P. 13

- What was the total number of survey respondents?
- Is the cited Housing Industry Situation document by PR Builders Assoc. / Estudios Técnicos available for review? Is the out-migration study available? Does it address the issue of returning survivors? Are there any criteria to benefit municipalities that were in the path of the hurricanes?

MOST IMPACTED AND DISTRESSED AREAS | P. 20

- Migration figures do not consider the effects of circular migration in the Puerto Rican community, something that has been amply documented by scholars like Jorge Duany and Carlos Santiago, among others.

BUILDING BACK BETTER | P. 22

- Given sun and wind conditions, PRPHA could consider Energy Performance Contracting (EPC) through HUD's Energy Center to reduce utility consumption. EPCs can support both solar and wind, and typically include water-saving devices, Energy Star-rated appliances and other "green technologies." EPCs finance the improvements and pay for them with the savings in utility costs. Another model is "Sustainability as a Service," which does not require financing. Rental Assistance Demonstration program conversions can also support similar energy conservation measures. Note: Bacardí uses wind power to support its operations, and there are some solar installations in Puerto Rico as well.
- LEED is cited but it is very expensive for residential development and out of the question for affordable housing owners/low-income communities. Recommend considering Energy Star standard and perhaps discuss an adaptation of the LEED standard with USGBC to reduce commissioning costs. Consider utilizing icable Enterprise Green Communities guidelines as an alternative, more affordable standard of green certification. Pre-approve products and materials in advance to provide owners with suggested pathways to implement green and sustainable processes.
- It is critical to ensure that whatever standards are utilized will be truly applicable to the climate and feasible in terms of costs and implementation. For example, no standard will be successful without trained inspectors to effectively certify methods.
- At what point does adherence to standards apply? If a household is not pulling the permit, when do they interface with regulation? This should be resolved.

LEVERAGING OF FUNDS | P. 23

- Federal Register 83 FR 5844 requires Disaster Recovery grantees to demonstrate use of their own resources. Puerto Rico is unable to meet the local leverage requirement due to the economic crisis and high bond debt. The Puerto Rico Public Housing Authority draft Annual Plan states that it is making efforts to refinance the Capital Fund Finance Program (CFFP) bond to free up an additional \$20 million in CFFP funds annually. PRPHA should target these funds for long-term redevelopment efforts that build resilient affordable communities and further the goals of the Asset Repositioning Strategic Plan. PRPHA has been working on a total refinance of its CFFP debt (originally over \$660 million). Given the barriers to such a major refinancing, they can also refinance in stages, achievable with RAD conversions as appropriate. RAD conversions can also leverage 4% Low-Income Housing Tax Credits, which are abundantly available in PR – 2018 is an optimal year for RAD conversions, given the opportunity to capture and preserve the sizable "bonus" of capital funds that Congress provided in this year's budget. This is an increase of about \$70 per unit month.
- Now that PRPHA has been awarded \$151 million in Capital Funds through Congress (an increase of \$47 million from last year), how will this new funding be incorporated into the immediate hurricane recovery plan and/or future redevelopment plans based on the Asset

Repositioning Strategic Plan?

- Has there been an analysis as to what is feasible in Puerto Rico, considering U.S. Department of Energy guidelines besides appliances? Will guidance materials be available for developers? Builders?
- Opportunities for private and philanthropic sector contributions are noted, but no further mention is made of this in the document. Document sources are listed, as stated, but not all of them are accessible.
- Additional allocation for 9% LIHTCS could be pursued, as it was done in the Gulf Coast following Hurricane Katrina.

IMPACT TO DEMOGRAPHICS | P. 26

- SOVI does not address the issue of extremely vulnerable populations like homeless, seniors or children. There are non-profit entities that service these population groups, and may very well be able to share data that allows better planning.

OUT-MIGRATION AND CHANGES TO THE POPULATION | P. 28

- Recommend adding female-single head of household as an as an additional vulnerability. This vulnerability is noted on page 41 and identified as a priority population in the State Housing Plan 2014-2018.
- Data demonstrates that the senior population is significant enough for it to be considered an important priority in redevelopment and reconstruction activity as it relates to developing housing with proximity and access to medical services and public transportation.

SPECIAL NEEDS POPULATION | P. 35

- Special needs population groups are not merely highly vulnerable, but extremely vulnerable, when we consider economic indicators such as poverty rates. In addition, they should be identified (children, the homeless, seniors, HIV+ individuals, and victims of domestic violence, among others).
- Special Needs Populations, as described in the first paragraph, do not only live in owner-occupied homes. They also live in rental housing affected by the storms and should be accounted for.

SPECIAL COMMUNITIES | P. 40

- There is mention of dedicated resources available for special communities. Is there a program being contemplated for layering or leveraging CDBG-DR funds for these communities? Are they going to be priority areas for the programs developed for use of CDBG-DR?
- There is still no site-specific data available on which communities are under consideration. The reference to 725 “special communities” does not define “poor housing status” or “high social stresses.” There is no mention of land title situation or land use.

HOUSING IMPACT | P. 41

- The definition of Informal Housing is not clear. It seems to shift the focus on the actions of individuals rather than acknowledging the limited capacity by government to provide the infrastructure for appropriate and transparent permitting processes and procedures, and the historical context regarding lack of affordable, safe and sanitary housing options that are contributing factors to the development of self-built housing.
- No reference is provided for this statement: “It has been estimated that anywhere from 45% to 50% of PR households have either erected or maintained houses through informal construction, a self-managed method of construction completed without the use of an architect, proper permits and in many cases without proper title to the land.”
- A reference is also missing for this statement: “Funds are needed for the repair or reconstruction of aging and fragile structures, informally constructed houses, and homes unlawfully located on public lands or through illegal subdivisions.”
- The housing sector is fragile as a whole – insurance, registration of tenure, property tax collection, permits, foreclosure, etc. There is not adequate and affordable housing supply to meet the need.

MULTIFAMILY HOUSING MARKET | P. 44

- What is the definition of substandard housing? The estimate of 53,000 households living in substandard housing seems low, given the prevalence of informal housing in Puerto Rico.

IMPACT TO PUBLIC HOUSING | P. 46

- The report states that PRPHA identified \$41 million in unfunded damages for public housing. These are preliminary estimates as loss assessments are not completed. Of the \$100 million in damages so far identified just for public housing, they estimate \$60 million will be paid by insurance. When will the loss assessments be completed? Will damage assessment information be available publicly? Will there be strategic thinking around immediate repairs needed vs. more comprehensive repairs that may affect the current Asset Repositioning Strategic Plan? – i.e., does it make sense to make larger investments in public housing that may be slated for later

demolition and redevelopment in the Asset Repositioning Strategic Plan?

- In addition to PRPHA's Mixed-Finance Asset Repositioning efforts, consider expanding the use of Project-Based Section 8 vouchers. PHAs have been able to project-base up to 20% of their vouchers, and the passage of the Housing Opportunities Through Modernization Act (HOTMA) in 2016 increased this to 30%. One possibility would be for the authority to work with owners of existing housing to provide project-based vouchers that would support owners refinancing to complete repairs.
- The recent revision (March 2018) to the Section 18 program, Notice 2018-04 (PH), introduces several new options, including "vouchering out" scattered-site units, and partially vouchering out inefficient properties, without having to meet HUD's obsolescence test of capital needs. This new Notice also authorizes PHAs to receive tenant protection vouchers for 25% of the units in RAD rehab projects, which can be project-based at the same project. This is valuable in cases where the Section 8 Fair Market Rents are higher than the RAD Contract Rents, resulting in a blended rental income level. Note: FMRs vary by location, so this would need to be a geographically specific analysis.
- Consider Section 18 dispositions outside of the RAD program with TPVs. This allows people to make their own housing choices and would support the statement they make in the CDBG-DR Action Plan regarding housing choice.
- What are the State Projects? Are those included in the over 55,000 units?

SHELTERS | P. 47

- What are the plans for adapting community spaces for appropriate shelter use when needed for emergencies, while providing spaces for community use?
- Will PR PHA continue to oversee the shelters?

HOUSING TYPOLOGIES | P. 48

- Seismic considerations should be woven in throughout document with respect to hazards. Self-built housing is particularly ill-suited for seismic disturbance due to its un-reinforced quality.
- Explain and provide a working definition of "real" property losses.
- There does not appear to be a strategy to identify the number of households that meet your current definitions of formal housing. Recommend a plan for building a database to identify housing overall and developing strategies to formalize adequate connection to resources and safety.
- No reference for this statement: "Although there is not reliable public record of these units, it is estimated that more than half of the islands' housing stock has been erected though "informal constructions" or construction completed without the assistance of an architect or engineer, or

the requisite permits.... Puerto Rico is committed to incentivizing recovery assistance that will minimize the occurrence of “informal construction” and prevent rebuilding in high-risk flood zones or on public land.”

- Informality occurs at all levels. More data is needed to understand the issue.
- A discussion of typologies should be researched and expanded – ADU (Accessory Dwelling Units), SFH (Single Family Homes), MFH (Multifamily Homes), etc.

PROPERTY TITLE CONCERNS | P. 49

- Can data from the chart on p. 49 be made publicly available – or the methodology used – showing the number of parcels with and without property titles for selected municipalities?

FLOOD MAP | P. 49

- Flood zone map is unclear. Recommend a stronger visual.

NATIONAL FLOOD INSURANCE PROGRAM AND PRIVATE INSURANCE | P. 51

- Does this statement reference the most recent flood maps as of April 2018? “An overlay of FEMA applicant locations to the current 100-year flood boundary identified 139,643 applicants in the flood zone.”
- A National Flood Insurance Program may need to be created, similar to the compulsory automobile insurance. However, given the issues with historical and actual conditions in Puerto Rico’s communities, the insurance program should address special conditions inherent in the communities. A cap could be established as a payment amount that could be paired with other assistance after an emergency.
- What was the reason that two households were deemed ineligible?
- Risk and safety are presented lightly with emphasis in floodplains only, omitting from the diagnostic the storm surge areas, which contributed to major damage and disaster over coastal housing and communities. Other risk factors like landslides and high- winds areas are not mentioned in the diagnostic.

HOUSING UNMET NEED | P. 54

- The high denial rate and the 75 SBA figure are indicative that advocacy for survivors is key to be able to get dollars – Spanish language materials are critical to help explain complex requirements, along with the capacity of people to understand the process.

- Define “real property losses” vs. “average verified loss amount.”
- Table 17 on page 59 denotes that there are \$71 million in public housing funds available for Hurricane Maria damage (insurance, loans and recovery sources.) Based on the data on page 46, these are solely insurance payouts for three categories of projects: public housing, state projects and tax credit projects. It may be clearer to identify these as insurance payments for the larger category of Affordable Housing (with a footnote indicating that it covers these three areas.)
- What are the defined scope and categories of loss referenced for this statement: “The average FEMA real property loss for Irma and Maria was \$4,542, based on 269,777 applicants with FEMA verified losses.” is it primarily roofing, fenestration, plumbing and electricity? If so, that seems low. What is the difference, if any, between SBA and FEMA real property loss and why is there such a substantial difference in calculation (\$4,542 vs. \$32,221)?
- The plan calls out low estimates of FEMA-inspected renter loss, with less than 1,000 renters having verified real property damage from Maria vs. over 225,000 applicants without FEMA inspections. What is the delay in inspection attributed to, and how are costs getting determined? It appears that this number did not include public housing residents as their inclusion likely would increase the number significantly. How were losses claimed?
- We must understand the specific damages to multifamily housing and understand how public housing particularly fared. In addition, HUD historically has accepted a 30% escalation rate of additional costs to account for resiliency measures. The plan notes that due to the high number of informally built homes in Puerto Rico, it is estimated that the cost of resilience will be higher than 30%. The plan states that resiliency will account for high costs due to more stringent building codes, compliance measures, and elevation and freeboard requirements. The additional costs should ensure connection to resilient power, water and transport.
- It appears that the whole document focuses too much on individual houses and not on the community level and the environmental mitigation measures needed to increase communities’ resilience. The reconstruction costs cannot be calculated only in terms of repairs to housing units: if the houses were affected by existing site conditions that can be mitigated, reconstruction costs must include landscape, hydrology and resilient infrastructure components, among others.
- It is troubling that the concept of resiliency is seen throughout the document as the application of add-ons to the houses, and not as an integral part of the reconstruction work. We believe the methodology for calculating the repairs (first providing a cost for the repair work, and then adding a cost for the “resilience measures”) increases this perception. Also, by dividing the costs, it will be easier to eliminate the resilience measures if the reconstruction cost becomes too high.

- The document says, “Due to the high number of informally built home in Puerto Rico, it is estimated that the cost of resilience is higher than 30%.” This statement omits the fact that a lot of “formal” communities are also in floodable areas and require the application of resilient measures. The plan neither references these communities nor programs or funds allocated for their reconstruction.

INFRASTRUCTURE IMPACT | P. 60

- There is no mention of damage to highways or roads. It mentions damage to bridges, but road damage was one of the major issues that contributed to lack of access to basic and first-aid supplies in many communities.
- Table 22 on p. 64 shows that the majority of funds for Public Assistance projects would be directed to public utilities (51%). Only 8% is allocated for water control facilities. Recommend adding single female head of household as an additional vulnerability (noted on p. 41).

ECONOMIC UNMET NEED | P. 72

- Was there any engagement with the small business community and/or SBA regarding why their SBA loans were rejected, and the particular resources they requested?
- The high percentage of SBA loans issued and not returned should be researched more. Some families did not understand that they had to be denied SBA to get other help.

RECOVERY PROGRAMS | P. 76

- Diagram on p. 76 does not mention strong and safer homes or traditional mitigation of climate risks. It also does not mention renters or multifamily housing.
- Should multifamily be included in the housing bracket graphics?
- What would be the selection process for selecting partners? Definition of UGLGs should be included on p. 77 instead of p. 78, and should clarify that this includes municipal governments.
- On p. 77, the plan says “PRDOH will utilize MOD method A to administer the housing repair, reconstruction, and relocation program.” Will the agency be contracting with individual homeowners and/or residential owners directly, or will the beneficiary be the municipality and/or a CDFI or network of agencies? Who is the proposed recipient and what is the methodology for selection? If the entity is a for-profit entity, what will be the terms of selection, and will there be a public review of bidding procedures and formal procurement?
- The plan recommends MOD Method A for housing reconstruction. Does that mean that no self-construction will be allowed?

- Based on PRDOH public meeting attendance, and considering the need to build trust, both with PR agencies and institutions, as well as among the citizenry and its communities, it is important to acknowledge that transparency and accountability are at the heart of public concern. The more intermediaries participate, the higher the likelihood of confronting risks. That said, there is interest in promoting open-information on all transactions, as it may be the best way to convey trust in the process.
- Also based on PRDOH public meeting attendance, the role of Municipal Governments is not contemplated in the plan. Arguments have been made that merit clarification of the role of Municipal Governments throughout the planning and implementation processes. This will allow municipalities to establish clear communications with their respective communities.

PROGRAM REQUIREMENTS | P. 79

- Moderate-income should be defined – e.g., 120% of AMI. That is important, given low-income levels in PR. Moderate income in PR would be potentially low income on the mainland.
- There is no mention of support for renters or multifamily housing.
- When will the duplication of benefits policies and procedures be available? Reference to the national objective (2), “aiding in the prevention and elimination of slums or blight,” should include some clarification of what that can mean. Considering the high number of settlements in PR that may be considered slums, this language, without the context of strategies to address this objective, could be alarming and threatening. All objectives should include definitions specific to PR and short examples of strategies to address each one.
- The CDBG-DR national objective to “[aid] in the prevention or elimination of slums or blight” has raised significant concern in low-income communities due to the negative history of slum elimination in PR. Public education and outreach are needed to assuage undue concern in these uncertain times.

MINIMIZING DISPLACEMENT | P. 80

- Most areas and communities impacted by the storm are not located in an urban context or their redevelopment/rebuilding may not create an urban environment. Programs should be tempered to address special conditions that once mitigated will enhance the quality of life in the community.
- Efforts to minimize displacement must be supported by ensuring that the Puerto Rico Disaster Recovery Action Plan includes provisions for rebuilding housing within locations and communities that have “informal” developments.
- The definition of “demonstrable hardship” should consider post-hurricane trauma and mental health issues.

- The plan states, “This is not intended to limit the ability of PRDOH to conduct buyouts or...damaged units or units in a flood plain.” Here, again, it is assumed that flooding condition cannot be mitigated by resilience measures.

PROGRAM BUDGET | P. 81

- Direct engagement with communities should be a strategy included in helping identify housings needs and developing solutions for vulnerable populations. While housing counseling is absolutely necessary, it is not sufficiently proactive in reaching populations in this category. Like other entities, Public Housing should be an eligible beneficiary of programs that allow for planning and housing resources.
- Is “vulnerable populations” a generic term or specific population – not low-poverty areas or non-minority? The term minority is not utilized in Puerto Rico to depict a local population.
- "Not suitable for rehabilitation" policies need to be tempered to historical and actual conditions in Puerto Rico because a not-suitable-for-rehabilitation policy may be applied to conditions not targeted to structures and therefore initiate displacement.
- Elevation standards should take into consideration that flooding may be prevented before it reaches each house, which may make it unnecessary to elevate housing.
- With respect to feasibility and cost reasonableness, it is important to define the parameters for the PRDOH term “not suitable for rehabilitation.” If PR Agencies are going to define what is not suitable for rehabilitation they must be educated about resiliency.

PLANNING PROGRAMS | P. 84

- As far as planning is concerned, the following should be prioritized: the development of a methodology for assessments, and the development of systems for data gathering and dissemination, and capacity building. There is currently very little planning capacity and these activities would be more effective with careful guidance and a focus on capacity building to sustain these efforts in the long term across the island.
- GIS is mentioned as a valuable tool but only with respect to the data collection and data analysis focused on planning. GIS should be included in the economic planning to incorporate spatial-economic variables into the plan.
- The Puerto Rico Planning Board should create a multisector ad-hoc team to build and handle GIS planning process activities.
- Consider open-source data so everybody can access the information.
- Will assessment guidance and data be provided to municipalities? Are municipalities expected to do municipal-wide assessments, or will municipalities have to narrow their focus to communities with the highest vulnerabilities? What are your expectations for a thorough

assessment? Will PRDOH review all assessments? Will PRDOH prioritize municipalities for planning development? Can the Planning Board be a partner to provide guidance and information to municipalities in their assessments?

- Considering the extent of damage sustained by our communities, the outcomes derived from Whole Community Resilience Planning activities should be extensive to all communities in Puerto Rico, beyond those declared program priorities. Whole Community Resilience Planning guidelines and associated information products should be made publicly available so that communities, community groups and community organizations may engage in disaster preparedness and resilience planning.
- Is \$10,000 for a Municipio to conduct Phase I of the initial assessment intended for the entire municipal territory or instead for one identified community?
- The “whole community” approach is mostly social. It does not include physical factors or communities at risk. It also overlooks the provision of other community amenities, like public spaces and gardens.
- The Plan does not indicate where the money will be allocated to implement resiliency measures at the community level.
- As far as project accomplishments, most municipalities do not have the planning capacity to develop Phase 1 planning. Only municipalities that have completed the level 5 of autonomy should be permitted to develop Phase 1. The other municipalities will need help from the central government or universities, **with the Planning Board taking the lead.**

AGENCY PLANNING INITIATIVE | P. 87

- Why is this a subrecipient model instead of a partner model? While this activity goal is to develop a registry of properties to identify all housing, including those without permits, where is the complimentary activity that will provide counseling and resources to “register” properties officially and ensure they have the appropriate tenure and hazard mitigation to receive FEMA benefits in case of future impact?
- The plan does not indicate what will be done with formal houses and communities located in flooding zones.
- The Planning Board’s budget and resources must be improved to perform the task of determining eligibility.
- Again, all this information should be structured as open-source data to ensure access and engagement.

ECONOMIC RECOVERY PLANNING | P. 89

- Why are the following employment sectors highlighted: pharmaceuticals, manufacturing, technology, construction and real estate?
- Which communities are being referenced?
- Responsibilities for the plan's implementation are spread too widely among different agencies (PRDOH/ housing, DDEC/economic development, etc.) The PRPB should be responsible for all housing and economic development planning activities.

HOME RESILIENCE INNOVATION PROGRAM | P. 91

- Excellent idea to develop a Resilience Innovation Program. Recommend including extensive community training and higher funding allocation.
- What types of competitors do you expect to receive submissions from?

HOUSING PROGRAMS | P. 93

- Program priorities must include seismic and not just flooding. Eligibility must reference moderate income as well as low income. What will be the approved methods of property ownership verification? Recommend detailing the process of determination. Why is eligibility limited to single-family?
- The following guidance – “Homes meeting this damage threshold will be reconstructed to include resilient measures in structural materials” – should be referenced. Consider referencing in the resilience manual being produced by UPR.
- Households with small children should be prioritized along with seniors and households with residents with disabilities. What is the definition of alternative methods in the eligibility criteria of ownership?
- The cap for demolition seems somewhat low. Families should get more than one bid on pricing for demolition as there is probably fluctuation on pricing in the marketplace.
- The relocation caps listed on p. 96 seem low. How were they determined?
- What is the strategy for relocation? Assuming a family must be temporarily relocated during rehab or reconstruction, where will they be relocated to in the interim?
- Is social-interest housing assistance exclusively programs, or does it involve capital, such as reconstruction of congregate housing and shelters?

- While the document states that “Units of General Local Government, UGLGs (municipios) have been consulted throughout the development of this plan and will remain active participants in the execution of recovery programs,” the Action Plan does not provide details on UGLG access to participation in the planning process.
- The document notes, “Limited legal services for applicants participating in the relocation program may be provided on a case by case basis.” The provision of additional legal services may be met by way of collaboration agreement with one or more several nonprofit and academic entities willing and able to offer pro bono services to surviving individuals and families.
- The sections “Anti-Displacement” under Housing Programs (p. 93) and “Whole Community Resilience Planning” under Planning Programs (pp. 84-86) need more analysis by experts who have dealt with eligibility and funding in practice. The programs look positive because the door is opened for comprehensive community planning and participation. Planners and urban designers with experience in community planning should be alerted now to this possibility.

HOMEOWNER REPAIR, RECONSTRUCTION, OR RELOCATION PROGRAM | P. 94

- The program does not provide a mechanism for beneficiaries that fail to find a new housing unit and vacate their existing albeit unfit home, or refuse to accept a housing unit offered in replacement of their own.
- Relocation of families in hazardous areas should be done only if risks factors cannot be mitigated.
- If relocation is inevitable, it must be done at the community level – a whole community or a portion of it should be relocated – never individual families who would risk losing social and economic ties.
- This program is going to be implemented by Direct Distribution Model. We recommend that it include additional means of implementation such as through nonprofits or private developers.

PROGRAM CAPS | P. 96

- Program caps appear to be low: \$15,000 to purchase a lot or \$15,000 to rehabilitate a replacement home. These quantities were utilized by the Housing Department years ago. The costs may be associated with unsold projects and do not address deterring urban sprawl or higher density development. Recommend researching current costs and determining whether policies addressing urban sprawl and high-density developments will be implemented.
- Option 1 indicates that relocated families shall be moved to sound, sustainable and resilient houses. Confirm whether sufficient structures are available and vacant in PR.
- The plan states that “damaged properties acquired by PRDOH will be demolished and converted into green space.” Because it would not be permissible to relocate an individual family (only

whole communities or portions of it), the new vacant space would be converted into public parks to avoid occupancy by displaced people.

MORTGAGE CATCH-UP PROGRAM | P. 97

- Clarity is needed on income eligibility. Is this capped for owners at 80% or 120% AMI?
- Consider tying the mortgage catch-up program to workforce development opportunities for households with lost wages.
- The estimate of 130,000 mortgage holders appears low. Our most recent conversations with the Mortgage Bankers Association indicate a higher number of mortgage holders in Puerto Rico. Is this number just FHA mortgages or is it inclusive of private mortgages as well?
- The number of people served, cited in the last paragraph on page 98, is 2,250 households. We have been told as many as one-third of mortgage holders are behind in payment. If there are 130,000 mortgage holders in Puerto Rico, the number of households in need of this program would be as many as 42,900. The proposed service level is just 5% of the estimated need. Is the estimate based on program restrictions, such as the requirement that households were current at the time of Hurricane Maria, or is it based on reasonable funding availability? Is there a way to ease eligibility restrictions to increase the percentage of homeowners in need of assistance who would be eligible for the program?
- We also note the absence of a program to address loss mitigation. Can a proposal be included for a loss mitigation program to address the rising foreclosure rates beyond the period of forgiveness provided by FHA for households that would not be able to benefit from a catch-up program?

SOCIAL INTEREST HOUSING ASSISTANCE | P. 99

- Is social-interest housing assistance exclusively programs, or does it involve capital, such as reconstruction of congregate housing and shelters?

Is the max award \$500,000 per development or should the project costs not exceed \$500,000? Requirement criteria should include demonstrated experience serving special populations and a service plan. Can the award go directly to support the activities?

- The Social Interest Housing Assistance program may should consider collaboration with Community Housing Development Organizations (CHDOs) in the effort of providing technical expertise, educational capacity and outreach collaboration.

The eligibility criteria require that sites must comply with ADA standards. Accessibility is always an issue in urban sites. Most of the projects serving special needs populations are in urban locations. ADA compliance is addressed within the building and immediate surroundings. However, accessibility beyond the project site is unaccounted for.

- Services as well as operational funds must be provided.

HOUSING COUNSELING PROGRAM | P. 101

- The Housing Counseling Program should provide support to owners seeking to incorporate resilient/safer housing practices as part of reconstruction. Enterprise has held counseling programs that could serve as potential models. The Sandy Help Desk emerged after Hurricane Sandy. It paired homeowners with pro-bono engineers and architects who provided information on resilient rebuilding, code compliance and reconstruction. The program served four New York City communities. Flood Help NYC, a counseling program supported by the New York Governor's Office of Storm Recovery to help single- and multifamily housing owners identify vulnerabilities to flooding and other climate risks, offer guidance on incorporating resilient and safer housing mitigation standards, and provide elevation certificates. The program operated throughout New York City's flood plains.
- The Home Energy Resilience Program (p. 105) should pay additional consideration to solar PV power and backup rather than solar heating and/or gas heating. Other renewable energy systems also should be considered, e.g., wind, methane and/or equivalencies.
- Will there be geographic criteria so this service is available across the island? Why 10 housing counseling agencies?
- The criteria for HUD-approved counseling agency is limiting, given the amount of need. Also, a lot of issues are related to tenure, which require participation from legal experts.
- The Housing Counseling Program should consider the development of educational products/services for seniors. Due to their family composition, health and economic situation, they are a more vulnerable group and thus less resilient in the event of future disasters. Furthermore, the counseling program should extend to rural homes, and to groups of homes or communities that face shared mitigation priorities (erosion, safe water consumption, infrastructure, health concerns) to ensure their future resiliency.

CDBG-DR TO LIHTC | P. 103

- What are the income parameters for the CDBG-DR to LIHTC? Will the program leverage the new permanent provision on income averaging? That would allow Housing Credit units to be affordable at up to 80 percent of AMI, offset by deeper targeting in other units to maintain average affordability in the project at 60 percent AMI. Or is there preference for projects that offer deeper affordability?
- Will upcoming QAP include guidance for this program? Is housing construction inclusive of rehabilitation of existing properties (occupied or not)?
- The description in the Action Plan suggests that grant funding may be made available for LIHTC projects. LIHTC equity is only expected to provide about 20% of total development costs (TDC). Typically, the balance of TDC must be funded with loans. The primary concern is that the eligible basis must be reduced by a federal grant made with respect to the building or its operation. Most developments do not have sufficient excess basis. The other concern is that a grant is taxable income. The owners of the property could find themselves subject to a substantial tax

liability with no cash available to pay the taxes. For these reasons, CDBG funding is usually provided to a deal in the form of a loan. Could CDBG be used as a deferred payment loan instead, or equity investment in 4%? See www.lhc.la.gov/page/PiggybackProgram for an example of CDBG-DR and 4%.

ECONOMIC RECOVERY PROGRAMS | P. 106

- The Economic Recovery Program should consider promoting and incentivizing economic activity at the community level, as it generates a significant amount of economic activity. Likewise, there should be a category under which other economic recovery activities might take place. Acknowledgement that the existence of social entrepreneurship ventures, and other nonprofit initiatives yield economic activity and constitute important elements in the construction of a resilient ecosystem is crucial, as undertaking business challenges is equally important as tackling the social ones (in the DR context).

INFRASTRUCTURE COORDINATION | P. 116

- While we may be cognizant of the priorities established in this Action Plan, as well as the fact that the subject of safe drinking water may be addressed elsewhere, it is critical that attention is paid to the consumption of safe drinking water in the housing units to be occupied, especially those pertaining to non-PRASA communities. No previous mention of that subject has been made in the document.

CITIZEN PARTICIPATION | P. 119

- A public hearing is not quite what was witnessed, which, with all due respect, resembled something more like a town hall meeting. In fact, it should be referred to as a public meeting facilitated by PRDOH because “public hearing” connotes a formality and structure that this public meeting lacked.
- Based on participation in, and feedback on, PRDOH public meetings, the following recommendations emerged:
 - Increase efforts to address the issues of announcement, convoking and confirming attendance. Also, timely communications are critical to ensure the success of CDBG-DR funding and implementation in Puerto Rico.
 - Clarify the expected role of nonprofit organizations in the CDBG-DR planning and implementation process. In addition, their presence should be made public to enable collaboration among them (or with the state or municipal governments), which may result in implementation efficiencies.
 - Improve public awareness of details covering the CDBG-DR planning and implementation processes, such as rules, regulations and expected processes as well as definitions and their applicability in the context of Puerto Rico. Information must be

provided in Spanish and go beyond traditional media or digital communications to enable awareness.

- Increase transparency and access to information. While digital media may be the best vehicle to communicate this information, it must be available in print, as well as distributed via other media channels such as TV, radio and in person (e.g., information kiosks or telephone hotlines) to avoid future claims and grievances.
- Intake and Disbursement processes should be clearly documented and explained to the public, while training may be warranted for municipal government staff, as they have historically acted as intermediaries in these kinds of situations.
- Significant improvements must be made to achieve effective communication with beneficiary audience groups as well as intermediaries and other important stakeholders related to the planning and implementation process. For example, the website did not make all the submitted presentations available; email announcements were not received; alternative methods of distributing public notice did not successfully help reach the public or interested parties; and traditional media, as well as digital and social media, must be enhanced to improve relations with beneficiary audience groups

GENERAL COMMENTS

- No particular programmatic strategies for acquisition are included.
- There is no focus on capacity building approach for various industry partners.
- PRDOH should develop a more robust community engagement strategy to continue understanding community needs as this recovery evolves and resources are made available and leveraged.
- Focus on development of capturing housing resources in a comprehensive location and collating data on usage and outcomes.
- Predevelopment Loan access should be included use.
- No mention of development of rental housing voucher dollars for development of projects to households with incomes below 50% AMI. This should be prioritized as there are no additional resources to apply to new development through Section 8 or Law 173.
- The action plan mentions long term. However, I did not see any statement related to: avoiding urban sprawl, stimulating higher density developments, or locating housing within or near urban centers or close to basic services. Also missing were statements related to developments and their impact on the power and water supply – and how the strategy of providing affordable housing would be integrated into the new approach of resilient power and water supply systems.

- While the plan has a primary focus on family and community rebuilding from a humanitarian vantage point, this humanitarian perspective is not actively present throughout the document.
- The document must include a glossary of terms. There are too many acronyms and technical terms that require a definition to avoid confusion and enable proper handling of the planning/implementation process.
- The document must be made public in Spanish for the citizenry of Puerto Rico to read and understand. This is consistent with messages made today in Congress by Nydia Velázquez (New York), Luis Gutiérrez (Illinois), Raúl Grijalva (Arizona) and Adriano Espaillat (New York).
- The overall DR Action Plan includes information collected from federal agencies, showing the lack of data or information to fulfill the actions for recovery and reconstruction. Many of the graphs and tables reflect information from the Individual Assistantship Program, which left out many families that for many reasons did not report damages to FEMA. There is no mention of informal communities, illegal/immigrant communities, etc.
- Many of the maps used to reinforce concepts and arguments describing the actual situation before or after Hurricanes Irma and Maria do not include data sources or methodologies. In most of the cases, they only show the agency responsible for the map creation.