

SUBSTANTIAL AMENDMENT TO THE 2008 DISASTER RECOVERY ACTION PLAN (DR-08 & Disaster Recovery Enhancement Fund (DREF))

The Office of the Commissioner of Municipal Affairs (OCMA) is amending its Action Plan for the 2008 Disaster Recovery Program in the following ways:

- Modify the activities for the Disaster Recovery grant and their allocation by municipality.
- Modify Arroyo's DREF activities.
- Add a new activity for the Municipality of Arroyo under the Affordable Rental Housing Activity.
- Add a new activity for the Municipality of Arroyo under the DREF allocation.
- All other sections of the plan remain unchanged.

PUBLIC PARTICIPATION

According to federal regulations in, *Federal Register Vol. 74, No.29 Feb.2009*, notification to the public is required regarding changes that substantially amend an Action Plan. HUD is waiving the traditional requirement for citizen participation under CDBG, as to allow the publication period for no less than 7 calendar days of public comment. This final amendment will be posted in OCMA's official website along with a summary of citizen comments received within the 7-day comment period.

The announcement of this amendment will be published on February 17, 2016 thus, the period for comments will end on February 24, 2016. Once comments are received, the final amendment will be published in OCMA's website, along with a copy to HUD's San Juan Local Office. A copy of this amendment will be available in OCMA's website and also a hardcopy could also be obtained from OCMA's office at Área de Programas Federales, Edificio MCS Plaza, Ave. Ponce de León #255, Piso 6, Hato Rey, Puerto Rico.

Citizens can submit their comments via OCMA's website (www.ocam.pr.gov) via email tomasita.rosado@ocam.pr.gov or by mail to the following address:

Oficina del Comisionado de Asuntos Municipales
Área de Programas Federales (CDBG)
PO Box 70167
San Juan, Puerto Rico 00936-8167

Comments should be directed to Mrs. Tomasita Rosado, Deputy Director of Federal Programs.

CHANGES TO THE ACTION PLAN

The Commonwealth of Puerto Rico was originally awarded \$17,982,887.00 under Public Law (P.L.) 110-329 to assist in addressing the long-term recovery impacts from the 2008 disasters. The State's Disaster Recovery Action Plan was approved by HUD on September 17, 2009. Additionally, on September 28, 2010, HUD notified The Commonwealth of Puerto Rico an additional award in Community Development Block Grant (CDBG) Disaster Recovery Funds for \$12,000,000. The award responded to the Commonwealth's identification of eligible activities under the Disaster Recovery Enhancement Fund (DREF). The combined allocation of these funds provided OCAM with a total of \$29,982,887.00 under both appropriations.

During the past months OCAM has recaptured several remaining balances (*sobrantes*), unused CDBG-DR funds, and ineligible activities from participating municipalities. Most of the recapture funds are projects originally planned for the Affordable Rental Housing Activity, but are now being transferred to a single Affordable Rental Housing activity under the Municipality of Arroyo. See the table below for a complete description of recaptures by activity and municipality. Such funds have been recaptured following OCMA's Disaster Recovery Recapture Policy as outline in the Action Plan:

RECAPTURE POLICY

Any funds recaptured by OCMA from the participating municipalities, will be distributed to other municipalities that participated under the program. This may include any funds willingly returned by the municipalities. The method of redistribution is to be governed by the general performance of the municipalities (expenditure rate and project's balance) within the Disaster Recovery Program, or by specific need criteria (disaster related unmet needs and already identified projects), according to the program's purpose and objective.

Since several of the affordable rental housing projects proposed by the municipalities were not developed, OCMA has recaptured such funds to allow the Municipality of Arroyo to complete an affordable rental housing project. Arroyo's project entails the use of DR-08 funds to rehabilitate housing units that serve Section 8 beneficiaries (multiple units). These rehabilitations will maintain the affordable rental housing inventory in Arroyo and surrounding areas.

The initial phase was a partial (moderate) rehabilitation of several affordable rental housing units (18 units) in the Palmar II Development. The second phase will use funds from Arroyo's Competitive Fund activity to rehabilitate identified areas of 122 housing units, these include the previous 18 units. The third phase will use the recaptured funds (\$1,669,400.21), remaining funds from Arroyo's ADMIN activity (\$5,031.65), and funds from Arroyo's moderate housing rehabilitation activity (\$16,248.60), to complete the rehabilitation of the 122 housing units from the second phase. All 122 housing units will be destined for affordable rental housing.

Following OCAM's recapture policy, the Municipality of Arroyo will receive an additional \$1,669,400.21 to assist the rehabilitation of the affordable rental housing units. As detailed in the following table, the funds recaptured from DR-08 activities will be zeroed and the funds will be transferred to the Arroyo project (Affordable Rental Housing units in Palmar II Development).

CHANGES IN THE ALLOCATION OF FUNDS

Recaptured Amounts from 2008 Disaster Recovery Municipalities			
Municipality	Activity Number	Project Description	Recaptured Amount
Yauco	08-AB-DR-68-003	Affordable Rental Housing Rehabilitation Project	\$ 140,000.00
Naguabo	08-AB-DR-47-002		\$ 161,550.00
Ponce	08-AB-DR-71-007		\$ 140,000.00
Sabana Grande	08-AB-DR-55-011		\$ 60,380.00
Sabana Grande	08-AB-DR-55-011		\$ 280,000.00
Santa Isabel	08-AB-DR-60-003		\$ 140,000.00
Cabo Rojo	08-AB-DR-10-002		\$ 140,000.00
Guánica	08-AB-DR-25-002		\$ 140,000.00
Gurabo	08-AB-DR-28-006		\$ 204.28
Gurabo	08-AB-DR-28-006		\$ 2,890.00
Humacao	08-AB-DR-69-003		\$ 140,000.00
Lajas	08-AB-DR-36-002		\$ 140,000.00
Las Piedras	08-AB-DR-39-003		\$ 351.93
Maunabo	08-AB-DR-44-002		\$ 140,000.00
Guayanilla	08-AB-DR-27-001		Moderate Housing Rehab by Owner
Juncos	08-AB-DR-35- ADM	Program Administration	\$ 16,271.00
Total Recaptured Funds			\$ 1,669,400.21

Transferred Funds to New Activity in Arroyo's CDBG-DR Allocation			
Municipality	Activity Number	Action	Activity Funds
Arroyo	08-AB-DR-07-003	Transferred funds	\$16,248.60
Arroyo	08-AB-DR-07-ADM	Transferred funds	\$5,031.65
Arroyo	-	Transferred funds from Recapture	\$1,669,400.21
Arroyo	08-AB-DR-07-004	Total Transfer to New activity	\$1,690,680.46

Final Balance of Arroyo's Basic Allocation Projects			
Municipality	Activity Number	Status	Activity Funds
Arroyo	08-AB-DR-07-001	Cancelled activity	\$0.00
Arroyo	08-AB-DR-07-002	Street Re-pavement	\$200,000.00
Arroyo	08-AB-DR-07-003	Rehabilitation of affordable rental housing	\$183,751.40
Arroyo	08-AB-DR-07-ADM	Admin	\$12,259.59
Arroyo	08-AB-DR-07-004	Rehabilitation of affordable rental housing	\$1,690,680.46
New Balance for Arroyo's Basic Allocation			\$2,086,691.45

The Municipality of Arroyo proposed an amendment to the Competitive Fund activity \$140,498.90 (08-FC-DR-07-001) which was originally for the Rehabilitation of occupied units by LMI's owners, to rehabilitate additional affordable rental housing units located on Palmar II Development under 08-FC-DR-07-002 activity.

The Municipality of Arroyo participated in the original DREF distribution and thus, developed a buyout-demolition program. With this amendment the municipality will transfer funds from its buyout and demolition activities to a new mitigation activity that will provide fences to prevent future heavy rainfall flooding in the Palmar II Development. The following table shows the new DREF distribution of funds for the Municipality of Arroyo. From the 08-DREF-07-001 a total of \$268,540.00 will be transferred to 08-DREF-07-003. Finally from the 08-DREF-07-002 a total of \$6,460.00 will be transferred to 08-DREF-07-003.

Transferred Funds to New Activity in DREF Project			
Municipality	Activity Number	Action	Activity Funds
Arroyo	08-DREF-07-001	Transferred Funds	\$268,540.00
Arroyo	08-DREF-07-002	Transferred Funds	\$6,460.00
Arroyo	08-DREF-07-003	Total Transfer to New Activity	\$275,000.00

Final Balance of Arroyo's DREF Projects			
Municipality	Activity Number	Activity	Activity Funds
Arroyo	08-DREF-07-001	Housing acquisition and relocation under buyout program	\$106,460.00
Arroyo	08-DREF-07-002	Cleaning and demolition of affected units	\$18,540.00
Arroyo	08-DREF-07-003	Water Infrastructure Project to Mitigate and Prevent Future Floods	\$275,000.00
New Balance for Arroyo's DREF Allocation			\$400,000.00

Total CDBG and CDBG-DR Investment in Palmar II Development			
Municipality	Program	Overall Activity Description	Funds
Arroyo	Basic Allocation	Rehabilitation of 122 affordable rental housing units, and street re-pavement*	\$2,086,691.45
Arroyo	Competitive Fund	Rehabilitation of 122 affordable rental housing units	\$140,498.90
Arroyo	DREF	Water infrastructure mitigation project	\$275,000.00
Total Investment in Palmar II Development			\$2,502,190.35

*This project was previously authorized; does not conform this amendment

New Distribution of Funds for Arroyo's Affordable Rental Housing Project DR-08

Arroyo	08-AB-DR-07-003	Moderate rehabilitation of affordable rental housing under Section 8 program. Palmar II Development, Palmas Ward, Arroyo	\$ 183,751.40
Arroyo	08-FC-DR-07-002	Rehabilitation of affordable rental housing under Section 8 program. Palmar II Development, Palmas Ward, Arroyo	\$ 140,498.90
Arroyo	08-AB-DR-07-004	Rehabilitation of affordable rental housing under Section 8 program. Palmar II Development, Palmas Ward, Arroyo	\$ 1,690,680.46
Arroyo Total Disaster Recovery Allocation for Affordable rental housing project			\$ 2,014,930.76

Final Distribution of Affordable Rental Housing Activity in the CDBG—Disaster Recovery Grant

Arroyo	08-AB-DR-07-003; 08-FC-DR-07-002; 08-AB-DR-07-004;	Rehabilitation of affordable rental housing under Section 8 program. Palmar II Development, Palmas Ward, Arroyo	\$ 2,014,930.76
Las Piedras	08-AB-DR-39-003	Energy efficiency improvements to La Rivera Housing Project, Pueblo Ward, Las Piedras	\$ 75,215.50
Gurabo	08-AB-DR-28-006	Moderate rehabilitation of affordable rental housing in several wards, Gurabo	\$ 136,905.72
Arroyo Total Disaster Recovery Allocation for Affordable rental housing project			\$ 2,227,051.98

All other sections of the initial amendment remain unchanged.