



**Government of Puerto Rico  
Department of Housing**

## **PUBLIC NOTICE**

### **INTENTION TO AMEND THE PUERTO RICO STATE COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN FOR PROGRAM YEAR 2019 TO ADD COMMUNITY DEVELOPMENT BLOCK GRANT – CORONAVIRUS (CDBG-CV) FUNDS**

On the basis of 24 CFR 91.505, 24 CFR 91.115(c)(2) and (i), and the flexibilities provided in the CARES Act, the Puerto Rico Department of Housing (**PRDoH**) would like to notify municipalities, citizens and other interested entities, of its intention to amend the PY 2019 State CDBG Action Plan. The purpose of this amendment is to add the CDBG-CV funds of the third allocation and further define the eligible activities for the three allocations received by the PRDoH.

A copy of this amendment will be available at <https://www.vivienda.pr.gov>.

Citizens, municipalities, and entities interested in providing comments will have 5 calendar days from this publication, until November 1, 2020.

Written comments will be accepted via e-mail at:  
[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

Comments received after the period designated in this notice will not be considered.



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Luis C. Fernández Trinchet, Esq., CFA  
Secretary

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**Approved by the State Election Commissioner CEE-SA-2020-4649**

## BACKGROUND

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (**CARES Act**), was signed into law and became Public Law 116-136, to respond to the historically unsurpassed effects of the COVID-19 pandemic.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (**CDBG-CV**) funds, for which the U.S. Department of Housing and Urban Development (**HUD**), has completed three allocations: a first allocation of \$2 billion based on the fiscal year 2020 CDBG formula, a second allocation of \$1 billion to states and territories as defined in 42 U.S.C. 5302(a), based on a formula that considers public health needs, risk of transmission of coronavirus, rate of coronavirus cases, and economic disruption and a third allocation of \$1.9 billion based on a formula that also considers these factors. As a result, the Commonwealth of Puerto Rico received an allocation of **\$14,024,199** to distribute to non-entitlement municipalities as part of the first round an allocation of **\$11,613,814.00** to be distributed to entitlement and non-entitlement municipalities, as part of the second round, and **\$7,540,908** as part of the third round to distribute to non-entitlement municipalities.

The PRDoH has already distributed the first two funding allocations. The purpose of this document is to amend the CDBG Annual Action Plan for Program Year 2019, to make available the third allocation available to non-entitlement municipalities. As well, the amendment includes further details of the eligible activities. Changes from previous amendments are identified in gray.

## PUBLIC PARTICIPATION

24 CFR 91.505 requires notification to the public when changes substantially amend an Annual Action Plan. Substantial amendments to the consolidated plan are subject to the citizen participation requirement in the grantee's citizen participation plan, that provides a period of no less than 30 days for comments. In order to expedite actions to respond to COVID-19, and the flexibilities in CARES Act, there must be a reasonable opportunity to comment of at least 5 days. Therefore, citizens, municipalities, and entities interested in commenting on the amendment will have 5 calendar days from the date of this publication (October 27, 2020), until November 1, 2020.

Written comments will be accepted at [cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

## AMENDMENT

For purposes of distributing the third CDBG-CV allocation, the PRDoH will be using the formula established in Act No. 137-2014. Thus, funds will be equally allocated to municipalities, except for Vieques and Culebra, where both will receive an additional 15% above the Equal Allocation Grant. PRDoH, as administrator of the CDBG State Program, will keep 2% of both grants for administration.

Distribution	CDBG Original Allocation for Program Year 2019	CDBG-CV Allocation for non-entitlement municipalities (First round)	CDBG-CV Allocation for entitlement and non-entitlement municipalities (Second round)	CDBG-CV Allocation for non-entitlement municipalities (Third round)	Total Allocation for Program Year 2019
<b>TOTAL ALLOCATION</b>	\$23,715,075.00	\$14,024,199.00	\$11,613,814.00	\$7,540,908	\$56,893,996.00
<b>STATE PLANNING AND ADMINISTRATION</b>	\$711,452.00	\$420,726.00	\$348,414.42	\$150,818.16	\$1,631,410.58
<b>Allocation to municipalities for eligible activities, including administration</b>	\$23,003,623.00	\$13,603,473.00	\$11,265,399.58	\$7,390,089.84	\$55,262,585.42

Based on this method of distribution, the CDBG-CV allocation to municipalities will be the following:

	<b>CDBG-CV - I</b>	<b>CDBG-CV - II</b>	<b>CDBG-CV III</b>	<b>Total allocations CDBG-CV I, II &amp; III</b>
Non-entitlement municipalities (49 municipalities)	\$265,174.91	\$143,874.83	\$144,056.33	\$553,106.07
Non-entitlement municipalities (Vieques y Culebra)	\$304,951.15	\$165,456.06	\$165,664.78	\$636,071.99
Entitlement Municipalities (27)	Does not apply	\$143,874.83	Does not apply	\$143,874.83

Funds may be used for CDBG eligible activities, to prevent, prepare or respond to COVID-19, including public services, economic development (only for microenterprise assistance), public facilities, and administration. Administration activities will only apply to CDBG-CV I & II allocations. As well, in accordance to the flexibilities provided by the CARES Act, CDBG-CV, funds may be used to cover or reimburse costs already incurred by the State or units of local government, when those costs comply with CDBG and the PRDoH Program requirements and are related to COVID-19. The PRDoH will publish an application package with additional guidance on the use of funds, regulations and flexibilities. Municipalities will have 15 days since the publication of the guidelines to submit the proposal.

**SUMMARY OF PUBLIC COMMENTS AND PRDoH's RESPONSE (PUBLIC HEARING):**