



Government of Puerto Rico  
Department of Housing

## PUBLIC NOTICE

### INTENTION TO AMEND THE PUERTO RICO STATE COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN FOR PY 2020 TO ADD ADDITIONAL ALLOCATED FUNDS

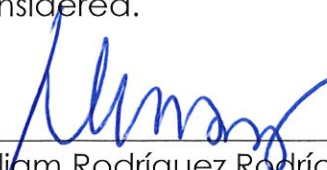
Based on 24 CFR 91.505, 24 CFR 91.115(c) (2) and (i), and the flexibilities provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Puerto Rico Department of Housing (PRDoH) would like to notify municipalities, citizens, and other interested entities, of its intention to amend the Program Year (PY) 2020 State Community Development Block Grant (CDBG) Action Plan. The purpose of this amendment is to add additional allocated funds, modify the eligible activities, and amend the PRDoH policy for recapture and unused funds.

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

In line with the flexibilities provided by the CARES Act, Citizens, municipalities, and entities interested in providing comments will have five (5) calendar days from this publication, until February 8, 2021.

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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William Rodríguez Rodríguez, Esq.  
Secretary

Published today, February 3, 2021.

## BACKGROUND

On October 22, 2020, the United States Department of Housing and Urban Development (HUD) informed the Government of Puerto Rico about a correction in the amount of funds allocated for the State CDBG PY 2020.

Public Law 116-94 was signed on December 20th, 2019 and contains FY 2020 funding for HUD's Office of Community Planning and Development's (CPD) formula programs, including CDBG. After issuing the original allocation announcement letters, HUD discovered an error in the formula calculation for two CPD formula programs, one of which is CDBG. The correction of this error resulted in an increase of 0.03% in the allocation for Puerto Rico's State CDBG PY 2020. Puerto Rico's original CDBG allocation was \$23,869,547. The corrected amount of allocated available funds for Puerto Rico's State CDBG PY 2020 is \$23,884,017.

PRDoH has already distributed the original PY 2020 funding allocation. The purpose of this document is to amend the CDBG Annual Action Plan for PY 2020 to add these additional allocated funds. Furthermore, this amendment intends to modify the eligible activities and the policy of recaptured and unused funds.

## 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. According to the flexibilities provided in the 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 February 3, 2021, until February 8, 2021.

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

## AMENDMENT

For purposes of distributing the State CDBG PY 2020 corrected allocation, PRDoH will be using the formula established in Puerto Rico's Act No. 137-2014, as amended. Thus, funds will be equally allocated to all 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 3% of grants for administration.

Distribution	CDBG Original Allocation for Program Year 2020	CDBG Corrected Allocation for Program Year 2020
<b>Total Allocation</b>	\$23,869,447.00	\$23,884,017.00
<b>State Planning and Administration</b>	\$716,086.00	\$716,520.51
<b>Allocation to municipalities for eligible activities, including administration</b>	\$22,853,461.00	\$22,867,496.49
<b>Emergency Fund</b>	\$300,000	\$300,000.00

Based on this method of distribution, the State CDBG PY 2020 corrected allocation to municipalities will be the following:

Municipalities	CDBG Original Allocation for Program Year 2020	CDBG Corrected Allocation for Program Year 2020
Non-entitlement municipalities (49 municipalities)	\$445,486.56	\$445,760.17
Non-entitlement municipalities (Vieques and Culebra)	\$512,309.55	\$512,624.08

Funds may be used for CDBG eligible activities, including administration (17%), public services (up to 15%), housing, public facilities and economic development, among others. As well funds can be used within these activities for projects to prepare, prevent and respond to COVID-19.

<b>Breakdown for Non-entitlement municipalities (49 municipalities)</b>	
Administration (up to 17%)	\$75,779.23
Public service project (up to 15%)	\$66,864.03
Other projects	\$303,116.91
<b>Total Allocation</b>	<b>\$445,760.17</b>
<b>Breakdown for Non-entitlement municipalities (Vieques and Culebra)</b>	
Administration (up to 17%)	\$87,146.09
Public service project (up to 15%)	\$76,893.61
Other projects	\$348,584.38
<b>Total Allocation</b>	<b>\$512,624.08</b>

Regarding the economic development activities, under the original CDBG Annual Action Plan for PY 2020 municipalities could use the funds for Special Economic Development projects (including public facilities for commercial use) and for Microenterprises Assistance. The PRDoH is proposing an amendment to limit the economic development activities only for microenterprises assistance, thus precluding the use of funds for public facilities for commercial use and other Special Economic Development activities.

In terms of the policy for unused and recapture CDBG PY 2020 funds, PRDoH is amending it as follows: project and/or administrative funds that are not used by the municipalities within a determined period or that have been recaptured due to a monitoring finding or noncompliance with program norms, the PRDoH may allow the reprogramming of such funds by the municipality to another project or could distribute it to other municipalities for projects pending to start or in progress that require additional funding. The detailed policies and procedures on this matter will be published by the PRDoH.

The PRDoH will publish an application package with additional guidance on the use of funds and applicable norms for purposes of the PY 2020 funds, no later than February 15, 2021.

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