

**U.S. Dept. of Housing and Urban Development (“HUD”)
Region IV (Atlanta)
San Juan Field Office**

HUD Programs for Disasters



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Block Grants or Formula Programs

- ◆ Community Development Block Grants (“**CDBG**”)
- ◆ HOME Investment Partnerships Program (“**HOME**”)
- ◆ Emergency Solutions Grant (“**ESG**”)
- ◆ Housing Opportunities for Persons with AIDS (“**HOPWA**”)

FY 2012 PUERTO RICO & US VIRGIN ISLANDS BLOCK GRANTS

| STA | NAME | CDBG | HOME | ESG | HOPWA | TOTAL |
|------------|-------------------------|--------------|--------------|-------------|--------------|--------------|
| PR | AGUADILLA MUNICIPIO | \$1,205,277 | \$281,509 | \$145,566 | \$0 | \$1,632,352 |
| PR | ARECIBO MUNICIPIO | \$1,613,640 | \$366,108 | \$214,027 | \$0 | \$2,193,775 |
| PR | BAYAMON MUNICIPIO | \$2,683,873 | \$845,339 | \$355,860 | \$0 | \$3,885,072 |
| PR | CABO ROJO MUNICIPIO | \$884,464 | \$0 | \$0 | \$0 | \$884,464 |
| PR | CAGUAS MUNICIPIO | \$2,008,549 | \$543,235 | \$264,463 | \$0 | \$2,816,247 |
| PR | CANOVANAS MUNICIPIO | \$747,833 | \$0 | \$0 | \$0 | \$747,833 |
| PR | CAROLINA MUNICIPIO | \$2,436,060 | \$674,111 | \$303,298 | \$0 | \$3,413,469 |
| PR | CAYEY MUNICIPIO | \$770,831 | \$0 | \$0 | \$0 | \$770,831 |
| PR | CIDRA MUNICIPIO | \$755,063 | \$0 | \$0 | \$0 | \$755,063 |
| PR | FAJARDO MUNICIPIO | \$660,704 | \$0 | \$0 | \$0 | \$660,704 |
| PR | GUAYAMA MUNICIPIO | \$816,485 | \$0 | \$0 | \$0 | \$816,485 |
| PR | GUAYNABO MUNICIPIO | \$1,096,370 | \$314,626 | \$149,526 | \$0 | \$1,560,522 |
| PR | HUMACAO MUNICIPIO | \$1,071,757 | \$0 | \$0 | \$0 | \$1,071,757 |
| PR | ISABELA MUNICIPIO | \$891,604 | \$0 | \$0 | \$0 | \$891,604 |
| PR | JUANA DIAZ MUNICIPIO | \$1,072,121 | \$0 | \$0 | \$0 | \$1,072,121 |
| PR | MANATI MUNICIPIO | \$909,501 | \$0 | \$0 | \$0 | \$909,501 |
| PR | MAYAGUEZ MUNICIPIO | \$1,673,981 | \$585,874 | \$221,873 | \$0 | \$2,481,728 |
| PR | PONCE MUNICIPIO | \$3,064,595 | \$790,589 | \$402,511 | \$0 | \$4,257,695 |
| PR | RIO GRANDE MUNICIPIO | \$898,506 | \$0 | \$0 | \$0 | \$898,506 |
| PR | SAN GERMAN MUNICIPIO | \$667,171 | \$0 | \$0 | \$0 | \$667,171 |
| PR | SAN JUAN MUNICIPIO | \$6,205,388 | \$2,294,025 | \$807,745 | \$5,882,407 | \$15,189,565 |
| PR | SAN SEBASTIAN MUNICIPIO | \$907,557 | \$0 | \$0 | \$0 | \$907,557 |
| PR | TOA ALTA MUNICIPIO | \$1,178,564 | \$0 | \$0 | \$0 | \$1,178,564 |
| PR | TOA BAJA MUNICIPIO | \$1,382,073 | \$294,729 | \$165,592 | \$0 | \$1,842,394 |
| PR | TRUJILLO ALTO MUNICIPIO | \$973,249 | \$283,300 | \$0 | \$0 | \$1,256,549 |
| PR | VEGA BAJA MUNICIPIO | \$1,096,425 | \$0 | \$0 | \$0 | \$1,096,425 |
| PR | YAUCO MUNICIPIO | \$963,877 | \$0 | \$0 | \$0 | \$963,877 |
| PR | PUERTO RICO STATE PROG | \$28,348,407 | \$8,796,515 | \$5,600,408 | \$1,810,019 | \$44,555,349 |
| PR | PUERTO RICO STATE TOTAL | \$66,983,925 | \$16,069,960 | \$8,630,869 | \$7,692,426 | \$99,377,180 |
| VI | US VIRGIN ISLANDS | \$1,889,657 | \$688,217 | \$154,866 | \$0 | \$2,732,740 |

Puerto Rico State Program

- **CDBG**
 - Office of the Commissioner for Municipal Affairs of the Commonwealth of Puerto Rico (“OCAM”) – for all of the Non-Entitlement Communities (in Puerto Rico 51 Municipal Governments)
 - Coordinates the Block Grants or Formula Programs for the Government of the Commonwealth of Puerto Rico; Consolidated and Action Plans
- **HOME**
 - Puerto Rico Housing Finance Agency (78 Municipalities)
- **ESG**
 - Department of the Family (78 Municipalities)

Housing Opportunities for Persons with Aids (HOPWA)

The Municipal Government
of San Juan administers
the HOPWA Program for
all of the 78 Municipalities
of Puerto Rico.

CDBG Program

Activities must meet **one** of the following national objectives for the program:

- benefit low- and moderate-income persons,
- prevention or elimination of slums or blight, or
- address community development needs having a particular **urgency** because **existing conditions** pose a **serious and immediate** threat to the **health or welfare** of the community for which other funding is **not available**.

Cont. CDBG Program

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all requirements for purposes of assistance under section 106 for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income."

Cont. CDBG Program

HUD has determined that grantees may designate funds from existing or future grants to address damage in a Presidential-declared disaster area and request the Secretary to suspend provisions of law or regulation for the purpose of making such funds available for disaster recovery activities. **Such disaster suspension requests should be submitted to HUD field offices** which will expedite the forwarding of such requests, together with field office reviews and recommendations, to headquarters.

HOME Program

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all statutory requirements for purposes of assistance under this title for that area, except for those areas related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and low-income housing affordability."

CDBG and HOME Programs

HUD Grantees may

- Reprogram previously awarded grants

◆ Consolidated Plan

- Every 5 years
- Has to be amended through Action Plan

◆ Action Plan

- Every year, annually
- Has to be amended

CDBG and HOME Programs

HUD may:

- ◆ Expedite grant awards for grantees with program year start date coming up in the near future
- ◆ Permit grantees with program year start dates later in the year to change to an earlier date
- ◆ Waive regulatory and statutory program requirements (except for certain provisions) to increase the flexibility of the use of funds for disaster recovery

CDBG Disaster Recovery or Mitigation Grant

Key Elements:

- ◆ Major Disaster Declaration under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, et seq.)
 - Damages
 - Needs
 - Assessment
- ◆ Granted by the Secretary

Cont. CDBG Disaster Recovery Grant

Past Grants:

Only Puerto Rico State Program (OCAM)

- ◆ 1996 – Hurricane Hortense
 - \$15,172,968
- ◆ 2005 – Severe Storms, Flooding Landslides and Mudslides
 - \$7,998,964
- ◆ 2008 – Severe Floods and Flooding
 - \$17,982,887

Disaster Recovery Enhancement Fund (DREF)

- ◆ Funds are used to undertake activities and long – term strategies that focus on reducing damages from future natural disasters; disaster mitigation.
 - Buyout payments for homeowners living in high – risk areas;
 - Optional relocation payments to encourage residents to move to safer locations;
 - Home improvement grants to reduce damage risks (property elevation, reinforced garage doors and windows, etc.);

Cont. Disaster Recovery Enhancement Fund (DREF)

- Improving and enforcing building codes; and,
- Developing forward – thinking land – use plans that reduce development in high – risk areas.

◆ Awarded by the Secretary

◆ Grants

- 2010 – \$12 million (for the 2008 Disaster Declaration)

Rental Subsidy Program

Administered by:

- ◆ 75 Municipal Governments

- The following Municipal Governments **do not** administer the Rental Subsidy Program

- ◆ Cataño
- ◆ Culebra
- ◆ Maunabo

- ◆ Department of Housing of the Commonwealth of Puerto Rico

- ◆ Puerto Rico Housing Finance Authority

Public Housing Program

Administered by the Puerto Rico
Public Housing Authority
(PRPHA)

- 320 Public Housing Projects
- 56,279 housing units

Disaster Housing Assistance Program (DHAP)

Provides transitional housing for disaster victims who have lost their homes

- Includes, or covers, the:
 - ◆ Rental Assistance Program
 - ◆ Public Housing Program
- Requires:
 - ◆ Major Disaster Declaration under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, et seq.)
 - ◆ Assessment & Needs
 - ◆ HUD Headquarters Activation

Single Family Housing/FHA

- ◆ Mortgage Insurance for Disaster Victims - Section 203 (h)
 - Helps victims in **Presidentially designated** disaster areas
 - Insures mortgages made by qualified lenders to victims of a major disaster who have lost their homes and are in the process of rebuilding or buying another home.
- ◆ Title 1 Home Improvement Loans
- ◆ Section 203(k) Rehabilitation Mortgages
- ◆ Relief Options for Borrowers

Cont. Single Family Housing/FHA

HUD Approved Lenders

- ◆ <http://www.hud.gov/ll/code/llslcrit.cfm>

Activities:

- ◆ Inventory of HUD owned properties
 - For Transitional Housing
 - If requested by DHS-FEMA
 - Major Disaster Declaration under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, et seq.)
- ◆ Loss Mitigation
- ◆ FHA Mortgage Relief

FHA – Loss Mitigation

- ◆ How to avoid a mortgage foreclosure and protect your investment (equity)
- ◆ Only for mortgage loans insured by FHA
- ◆ Request for Loss Mitigation is made to the financial institution; the mortgage creditor, lender, or mortgagor
- ◆ Must receive housing counseling by a HUD certified housing counseling agency

Cont. FHA – Loss Mitigation

HUD Certified Housing Counseling agencies in Puerto Rico:

- ◆ <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=PR>
- ◆ Call 800-569-4287

Loss Mitigation Alternatives:

- ◆ There are 5 alternatives

Cont. FHA – Loss Mitigation

1. Repayment Plan, if the financial, economic, conditions permit it
 - Imminent or recent reduction in income
 - Living expenses have increased
 - Mortgage debtor must present evidence, proof, that he will comply with the repayment plan

Cont. FHA – Loss Mitigation

2. Mortgage Modification

- Refinance the mortgage loan
- Extend the term of the mortgage loan
- Mortgage debtor must demonstrate that:
 - ◆ He has recovered from his financial, economic, problem, and
 - ◆ He will comply with the payments of the new amount

Cont. FHA – Loss Mitigation

3. Partial Claim - Lender will advance funds on behalf of a Borrower in an amount necessary to reinstate the delinquent loan; requirements:
- Loan must be 4, but less than 12 months due and unpaid.
 - Borrower must have overcome the cause of default.
 - Owner-occupant committed to continuing occupancy as primary residence.
 - A Subordinate Mortgage and Note, with zero interest, in the amount of the advance, is prepared in the name of the Secretary of HUD.

Cont. FHA – Loss Mitigation

4. Pre Foreclosure Sale – allows the borrower in default to sell his home and use the sales proceeds to satisfy the mortgage debt, even if the proceeds are less than the amount owed; requirements:
 - At least 2 monthly payments in arrears
 - The Pre Foreclosure Sale shall not exceed 4 months
 - New opinion of value must comply with HUD's regulations

Cont. FHA – Loss Mitigation

5. Deed in Lieu of Foreclosure – Allows the Borrower to voluntarily sign the house back over to the lender; requirements:

- Borrower is in arrears and does not qualify for the other options
- Was not able to do a Pre Foreclosure Sale
- Does not have other loans guaranteed, insured, by the FHA Mortgage Insurance

SFH/FHA – Home Affordable Modification Program (HAMP)

HAMP is designed to help the Borrower retain his home and to prevent the destructive impact of foreclosures on families and communities

- ◆ FHA-HAMP combines a Partial Claim with a Mortgage Modification
- ◆ HUD will loan up to 30% of the outstanding, unpaid, principal balance
- ◆ The eligible borrower is:
 - Facing an immediate arrearage, default, or
 - Is currently in arrears

Multifamily Housing (“MFH”)

- ◆ Sells Mortgage Insurance for the development of affordable housing projects with at least 5 units:
 - Affordable rental housing programs,
 - Cooperative housing programs; and
- ◆ Provides grants for the development of supportive housing for:
 - elderly persons (62 years or more), and
 - persons with disabilities (18 – 62 years).

Multifamily Housing (“MFH”)

Activities

◆ Identify vacant units

- For Transitional Housing
 - If requested by DHS-FEMA
 - Requires waiver
 - Major Disaster Declaration under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, et seq.)

◆ Assist in conducting assessments

Fair Housing and Equal Opportunity (“FHEO”)

Ensures equal access to housing, guarantees equal opportunity in all HUD programs and prohibits, to a limited extent, discrimination in employment with respect to HUD programs.

Hispanic Serving Institutions Assisting Communities (“HSIAC”)

Activities must meet **one** of the following national objectives for the program:

- benefit low- and moderate-income persons,
- prevention or elimination of slums or blight, or
- address community development needs having a particular **urgency** because **existing conditions** pose a **serious and immediate threat** to the **health or welfare** of the community for which other funding is **not available**.

Cont. Hispanic Serving Institutions Assisting Communities ("HSIAC")

- ◆ It is a competitive, or discretionary, program;
NOFA
- ◆ Annual Competitions
- ◆ Notice is given through
 - Federal Register ("FR")
 - HUD Web (<http://www.hud.gov>)
 - grants.gov
 - oup.org (<http://www.oup.org>)
- ◆ Eligible applicants are universities and colleges
 - Public
 - Non-Profit

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Questions?



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