Specific Recommendations for the Reconstruction Process of Puerto Rico

I Introduction

This document seeks to start a conversation about recommendations that serve as a guide for entities and organizations making decisions on the reconstruction of Puerto Rico, particularly the Puerto Rico Central Office of Recovery, Reconstruction and Resilience (COR3) and the Puerto Rico Department of Housing. So far, the Government of Puerto Rico has not presented the implementation framework to be used for its plans, as it has not detailed the priorities and/or sequence of programs and projects to be implemented. These recommendations promote a reconstruction that: (1) maximizes social well-being; (2) prioritizes equity and inclusiveness; (3) ensures transparency at all levels of policymaking and execution; and (4) emphasizes and fosters coordination and collaboration.

Given the reconstruction challenges that Puerto Rico faces, we must commence a unified planning and execution exercise that emanates from a series of consultations and debates with numerous stakeholders and at multiple scales. Doing so will strengthen Puerto Rico’s social fabric, and it will lay out a clearer set of projects and programs to improve the Island’s trajectory towards the development and general welfare of Puerto Ricans.

On November 2, 2018, Relmagina Puerto Rico convened a Working Group to develop specific recommendations for the Island’s reconstruction implementation process, which is led by the Government of Puerto Rico. This Working Group is composed of representatives of the private sector and non-governmental organizations (NGOs) with experience, applicable knowledge, and diverse perspectives and backgrounds.

II Guiding Principles for the Reconstruction

On June 20th, 2018, Relmagina Puerto Rico published seven reports that propose a total of 97 actions to address crucial elements for the adequate recovery and reconstruction of Puerto Rico on these sectors: Housing, Energy, Physical and Natural Infrastructure, Economic Development, and Health, Education and Social Services. It is important that these four guiding principles be applied in the reconstruction of the Island:

1. **Maximize social well-being in all investments:** Decision-makers and investors should seek to maximize social well-being throughout all reconstruction efforts. This must be done explicitly across all investments in a way that not only improves resilience in Puerto Rico but also ensures social mobility and the just distribution of benefits.
2. Establish equity and inclusiveness as a priority: Puerto Rico must ensure that its vulnerable population, minorities and all affected communities participate and benefit from the recovery efforts, and that there is no discrimination based on race, social status, functional diversity, gender or other reasons. The communities should be the main actors in this process, and not passive recipients, in order to ensure these investments lead to equitable growth.

3. Ensure transparency at all levels of policymaking: Accountability and transparency should be built-in to the continuous process of recovery planning, implementation, and monitoring. Recovery relevant data should be systematically and rigorously generated, collected and updated in order to make informed decisions and determine if the investments are achieving their objectives and community goals. This data will, in turn, support the delivery of existing programs, aid to redirect funds when needed, encourage learning and innovation, and pilot new approaches.

4. Emphasize and foster coordination and collaboration: Coordination and collaboration among the different stakeholders involved in the rebuilding process can go a long way toward addressing the challenges presented by Puerto Rico’s complex governance and decision-making processes. Open, conciliatory and inclusive processes will generate better outcomes and increase the Island’s social and political stability.

III Challenges Associated with the Reconstruction Process

Pre-María:
- Economic depression
- Fiscal crisis and debt crisis
- Imposition of an unelected fiscal oversight management board
- Imposition of austerity policies in governmental structures
- Socioeconomic situation, existing structural challenges, and inequities

Post-María:
- Intervention of non-local organizations and companies
- Political and public pressure and urgency to spend reconstruction dollars
- Lack of sufficient information, planning, or adequate consultation with affected communities and individuals throughout the reconstruction process
- Hiring of multinational firms: canned solutions
- Manage the expectations of the population
- People leading the recovery process are confronted with a magnitude of resources and complex tasks for which they are not prepared to manage nor identify resources or necessary capacities
- Challenges in collaboration are causing fragmentation and disconnection, and, are consequently, generating inefficiencies, redundancies and gaps in serving the needs of the community and the provision of services
• Lack of trained personnel and process standards within government agencies to agilely and effectively manage reconstruction processes
• Danger of lack of continuity of the reconstruction process due to possible changes in government administrations

IV Reconstruction Topics and Specific Recommendations

The Working Group developed the following list of specific recommendations for the reconstruction process led by agencies of the Government of Puerto Rico:

A. Access to information and monitoring the effectiveness of the reconstruction

1. Publish the eligibility criteria that apply for contracting in federal programs and the selection of service providers. Provide detailed information about the auction, request for proposals and/or invitation processes, and the selection criteria for each case. Experience working with communities should be one of the evaluation requirements for investments in community projects. Additionally, the auction process can be carried out digitally (see example of https://www.chilecompra.cl/).

2. Broaden the information that is published regarding the reconstruction contracts for all the recovery projects managed by COR3. In order to provide complete transparency, all reconstruction-related government contracts must be registered and published in an accessible portal or web page, including the following related data: contracting entity, contracted entity with business identification, local or foreign entity identification, amount of contract, start and finish date of the contract, change orders, purpose of contract, service category, place (municipality) of impact, and copy of the contract. The publication of contracts should not be limited to CDBG-DR funds. Instead, the published information should be broadened, as to include details of subcontracts (with information similar to those contracted). Additionally, proposals and evaluation results should be included with the contracts. The results of the adjudication and hiring processes should include information about the determination and the firm or company’s compliance with the evaluation criteria and requirements, federal programs’ criteria, and required experience.

   i. Another option would be to include the same level of detail as provided for federal contracts (for fields that apply) in USA Spending.gov (See: https://www.usaspending.gov/#/download_center/data_dictionary).

3. It is necessary to detail information about the projects. Reconstruction projects should include information regarding the need it serves, the geographic impact, contracts related to the project and the population it is impacting. Emphasize the publication of pilot projects that support organizations and communities in adopting best practices, methods and techniques that, based on experience and research, have proven to
achieve the expected results. These pilot projects should take into account their sustainability and the continued development of their approach.

4. Establish a platform through which to present existing data, as well as data yet to be gathered, about the reconstruction process. This platform must be made available to the general public, and it must incorporate data, statistics and analysis developed as part of the reconstruction efforts.
   i. Establish clauses in contracts that guarantee that the collected information belongs to the government.
   ii. Obtain access to data from applications that were denied by FEMA (considering privacy aspects), so that it may be used for analysis and decision-making in the execution of plans.
   iii. Use the information to provide feedback on work plans, programs and amendments to the Puerto Rico Department of Housing Action Plan for CDBG-DR funds.

5. Develop data infrastructures, and report on the execution, compliance and capacity to attend affected communities in a fair manner. The owners of the data must be defined.

6. Establish tools to ensure compliance with contracts and evaluation criteria. Publish tasks, evaluation criteria, criteria of the programs, progress of contracted tasks and the number of local jobs that are being generated, among others. The structure to be used to monitor contracts should also be published.

7. Standardize and integrate the publication and monitoring systems of the municipalities.

8. Determine the best approach to handle public notices and announcements during electoral timeframes established by law near elections detailing restrictions associated with government advertisements/announcements, so that they don’t delay the reconstruction process (note: they will coincide with primary elections and general elections).

9. Provide oversight/monitoring by independent groups who will support the government in evaluating the effectiveness of the execution of reconstruction activities, as well as evaluating the selection and contracting processes and the level of community participation. These independent groups could identify the needs of the communities that are not recognized in the mitigation and action plans and provide information to modify/update current programs based on the data collected.

10. Establish transparency regulations for the reconstruction processes. Review current guidelines and regulations related to transparency requirements in order to implement best practices. Publish policy and regulations/orders that regulate transparency in the process of granting and disbursing federal funds in the corresponding internet portals.
B. Allow for effective, equitable and inclusive participation of communities

1. Create an Advisory Council, composed of leaders from communities, NGOs and professional associations, to advise the Government of Puerto Rico throughout the reconstruction process to increase the opportunities to address unmet needs and maximize the proper use of funds. The Advisory Council should include leaders and/or experts within the social, economic, environmental and physical aspects in order to focus on leveraging funds to have a long-term impact in these four areas. Measures should be established to guarantee the Advisory Council’s performance and the government’s commitment to recognize decisions and provide the capacity for the execution of decisions.

   i. The current 2014-2018 State Housing Plan already contains a Housing Policy and Implementation Committee (page 68). However, said plan must be strengthened, as it only includes government members. For this reason, it is necessary to define who sits at the table, how the members are to be selected, and what each member represents. Additionally, it is important to define how the Committee’s decisions will be binding.

2. Establish a consequential commitment through which participation and communication is extended beyond the current structures established by law during the reconstruction process. This very commitment must establish adequate public expectations, and it should guarantee affected communities see their priorities reflected in the recovery decisions. Consultation processes should be acknowledged as genuine participation, and they should consider the different stakeholders’ realities. For example, communities could be integrated in the hiring and/or supplier selection processes. Stages of the process that allow for the inclusion of affected communities’ input should be identified.

   i. Establish procedures that go beyond the requirements of the programs and that provoke consultation with different sectors. The community should not have to reach out to request consultation.

3. Design effective and innovative participation programs in order to integrate communities in the definition of needs and priorities and in the decision-making processes. These programs must have structures and mechanisms that include the communities in the reconstruction efforts from the beginning, and, therefore, incorporate and attend their needs throughout the planning, design, budgeting and decision-making processes. By being a part of the solution and being involved in the execution, the communities will be able to collaborate with and help the government determine projects’ compliance with construction requirements. Thereupon, communities will help maintain and attain proper functioning and maintenance of the works that are carried out.

   i. Encourage alliances in order to identify the communities’ unknown needs. Agreements between communities and organizations would achieve
collaborations that combine technical and community aspects. There are communities that don’t have resources or entities on which they can rely or seek support from; for this reason, a community organization that provides assistance and support should be designated to lead support of the communities. These alliances would provide useful and responsive comments and recommendations.

ii. CDBG-DR funds, as well as other funds, should provide opportunities to help these communities get organized.

4. Communities should receive support from social workers and other disciplines to guide them in the decision-making processes related to the provision of safe housing, and whether they leave, they stay or decide to mitigate, among others. Taking into account the social factor, families and communities need accompaniment and guidance regarding their rights.

5. Perform workshops to continuously educate and increase and expand the opportunities of communities, sectors and individuals. Educate communities and other sectors about the programs, using language and examples that are easy to understand for the general public.

   i. Establish mechanisms to educate communities and the general public about the reconstruction process and to manage expectations.

   ii. Educate communities on multisector cost-benefit analyses, and provide support in the definition of mitigation activities.

6. The Action Plan’s community resilience planning program needs to be broadened so that it may serve as a platform to educate and collect local input of needs and priorities. The community planning process must be carried out before executing relocations so that both processes don’t take place in parallel. The framework to be used for community resilience planning should be binding, as to establish a commitment from the government to respect what is determined by the community.

7. Community participation should be included in all stages associated with a relocation process. Furthermore, the orientation and planning process should occur before the community is threatened, and viable alternatives should be considered for the communities based on their input.

8. Explain and allow for comments on the Citizen Participation Plan, which is currently in effect and is mentioned as part of the first amendment of the CDBG-DR Action Plan. In order to determine which groups to include in the discussion, the plan should first be opened for consultation and comments. Create a manual, for working groups, consultations and community liaisons, where minimum requirements, such as including community leaders, are defined. This manual should be developed through a process of dialogue with different leaders and communities.
9. The CDBG-DR programs’ guidelines should be developed based on consultations and they should also be made available for comments. Drafts of regulations that directly affect the communities should also be provided. Additionally, drafts of the programs (including the guidelines) should be distributed in order to provide communities more visibility in the selection criteria and, thus, give them the opportunity to draft what they propose in response to the requirements. The LIHTC program and its Qualified Allocation Plan administered by the Puerto Rico Housing Finance Authority serves as a potential model to follow.

10. Regarding the housing counseling program, the island should be divided by regions, each of which should be assigned to one of the existing and qualified housing counseling organizations. In doing so, the logistics of providing services will be more effective.

C. Coordination of Efforts and Promotion of Innovation

1. Clearly define and communicate the eligibility requirements for each program at all the different levels (NGO, state, private and community), as well as the process to be followed (including real expectations of the time required to evaluate and communicate decisions) to apply to programs and receive approval decisions. One of the main problems with the CDBG-DR Action Plan is that it does not establish a clear sequence of the proposed actions and how they complement each other. Also, it is necessary to ensure that the requirements are aligned with Puerto Rico’s current reality. The instructions and the forms needed to apply to the programs must be clearly and accurately documented, and they must be made available on the government’s website/portal for easy access to the public.

2. In developing the application forms for CDBG-DR funds, a single form should be considered for all programs, rather than generating a different one for each available program. This would simplify and reduce the time required to complete the process and all the required forms. Additionally, this would allow individuals to apply to more than one program at a time, while also giving space to the possibility of combining programs in order to meet the needs.

3. Define a framework to prioritize the reconstruction needs in order to guide the implementation sequence. This framework should establish an operational structure that facilitates coordination and gathering input from different stakeholders. The structure should allow for the revision of decisions and the integration of comprehensive assessments of the reconstruction needs. This framework should be the basis for an integrated budget that groups different financing programs (local, federal and private). An itinerary must also be properly defined in order to provide an understanding of the processes and analyses. Furthermore, this framework must adjust to Puerto Rico’s
context, and should be applied throughout the whole island and serve for the prioritization and definition of the implementation order and the criteria.

4. Vulnerability criteria should be defined by the government and it should consider socio-economic conditions, institutional structures and environmental aspects.

5. Establish an innovation program within the COR3 that seeks to develop the capacity to meet constraints and facilitates reaching the reconstruction goals. The program should address issues related to the design of reconstruction programs and processes where a better balance is sought between competing reconstruction goals (for example, participation and speed of the decision-making process). The program should focus on achieving innovation in the management of reconstruction capacity constraints, renewing local and federal agencies’ traditional processes, and fostering synergy between projects at the community and government levels in order to serve the affected communities.

i. Examples of innovation measures that should be considered are “community land banks” and “community land trusts”. These measures serve as a structure to organize communities and enhance the coordination between the government, the communities and the private sector, aside from mechanisms to address land tenure difficulties. Aside from these structures, novel options that expand the diversity of organizational structures should be evaluated. The determination of such structures should include replicable impacts at the municipal level in order to speed up processes.

6. Promote municipal and regional consortiums focused on the reconstruction process to address challenges regarding effectiveness at the local level. These consortiums should seek to reduce the gap between the government and the communities, especially the divide between the metro area and the rest of the island. Identifying the communities’ problems is a gradual process, and it requires partnerships with municipal governments.

7. Define regions, throughout the island and for the effects of the reconstruction process, that have a multisector view. These regions will provide for a more coordinated process among regional stakeholders, and it will help reduce the gap between the emphasis in the metro area and the rest of the island.

8. Define procedures to align the work being performed by the state agencies, public corporations and municipalities. Strategies, procedures and initiatives, such as special permits and an interconnected platform, should be established as to facilitate the coordination of reconstruction efforts and avoid "breaking the cement twice". The public-sector work being planned must be aligned to best coordinate activities, permits and itineraries. Additionally, permitting processes and coordination by sector, among others, should be aligned with the reconstruction context, without limiting compliance with current policies. The lessons learned from this process creates opportunities to generate knowledge that will serve to provoke amendments to current laws that lack agility and lacerate economic development on a daily basis. These opportunities will also promote transformation, particularly regarding how these processes are managed.
9. Establish a multisector group to design the request for proposals for the community resilience and recovery plans. This group should create a directory, designated per region, of resources that are available to carry out the projects, so that communities can identify who works near them. This group should take part in defining the communities’ risk analysis framework, as well as the analysis structure.

D. Locally led reconstruction and local growth

1. As previously stated, the agencies in charge of the reconstruction processes should establish an Advisory Council that includes leaders from community organizations, NGOs and professional associations. This Advisory Council will support the agencies in charge of the definition and development of implementation strategies and programs, and it will offer different perspectives regarding the communities’ realities, as well as best practices, particularly from NGOs and professional associations. Furthermore, the Advisory Council will help the government maintain better communication with the people, since every member of the Advisory Council will serve the role of spokesperson. Also, the Advisory Council can validate if reconstruction initiatives presented by consultants and organizations are aligned with affected communities’ needs

   i. The Advisory Council could assist in establishing what is known as "community benefit agreements", where local development strategies and agreements are established between the developer, the community, and the central and municipal governments. Community Benefit Agreements can be used to promote alliances and linkages to prioritize the hiring of local businesses and of local labor with adequate salaries and training.

2. Develop strategies to increase the hiring of local companies and the creation of local jobs vs. foreign companies. Hiring local companies and creating local jobs will help increase Puerto Rico’s local economy and prevent migration. Requirements must be stipulated to use local suppliers and promote local consumption. Some strategies to achieve this include:

   i. Establish a minimum percent of total employment per contract (i.e., 30%) that requires hiring local employees from Puerto Rico. As a requisite, evidence of payroll with proof of residency in Puerto Rico must be presented. This minimum percentage needs to be aligned with Puerto Rico’s reality.

   ii. Carry out competitive Request for Proposals (RFP) processes where companies are given extra points or higher ranking when they propose hiring the highest number of Puerto Ricans and/or they provide greater benefits to the community, including the provision of needed services (i.e., capacity building workshops for people in the community in order to increase their employment
opportunities). Regarding the aforementioned benefits, they must be detailed in the contracts with penalties for failure of compliance.

iii. Encourage the development of alliances between local and foreign companies in those cases where projects require a greater capacity than what can be provided locally.

iv. Fundación Comunitaria de Puerto Rico proposes the creation of Community Assistance Centers where NGOs can receive training on how to take advantage of the opportunities presented to be part of the reconstruction process. In order to more agilely impact the third sector, these centers should be implemented in all the designated regions throughout the island. These centers shall serve as the liaison with community-based organizations, and they will help these organizations strengthen their organizational and administrative capabilities to better offer required services.

3. Establish a master registry of Puerto Rican resources related to the construction industry that is visible to the general public through a portal/web page that includes: company and/or individual, company ID, type of services, category of services (i.e., construction, inspection, project management, etc.), number of employees, years of service/experience, offered disciplines when marking categories established for uniformity (i.e., NAICS code), capacity and experience (and even the ability to reach remote places). The objective is to improve the accessibility and identification of local resources for investors, developers and contractors during the reconstruction process. The development and design of this registry should be consulted with the professional colleges of Puerto Rico, such as the Puerto Rico College of Architects and Landscape Architects and the Puerto Rico College of Engineers and Land Surveyors, among others.

4. Establish a resource directory by community, area, etc. that includes social workers, planners and foundations, among others.

5. Conduct a study and analysis, for the reconstruction efforts, that identifies the required resources and determines the required resources that are not available by discipline. This study will help develop strategies for labor development in the applicable disciplines, define capacity programs to meet the resource needs and attract resources from other jurisdictions that can be relocated in Puerto Rico (to the extent possible, it should focus on Puerto Ricans residing in E.E.U.U.). It is necessary to develop, implement and communicate strategies to meet the resource needs. Also, it is necessary to increase the labor participation, the availability of work, and to identify long-term needs and opportunities in order to attract external resources that can develop local capacity and long-term investments.

6. In order to increase local participation in the reconstruction process, establish or identify agencies that provide support to local companies on how to become certified to work for the federal government and train local companies to be eligible for hiring. The Procurement Technical Assistance Centers and PRIDCO’s Puerto Rico Federal
Contracting Center (FeCC) should be strengthened by extending agreements with other capacity building organizations in different regions, thus increasing the amount of companies impacted and strengthening the consulting services provided. Focus areas to expand the FeCC’s resources should include communications and marketing, as well as help and support services for federal contracting and development of local alliances.

7. Include the requirements for determination in the contract selection procedures. In this way, a denial explanation should incorporate details that allow companies to identify their limitations so they may be attended. DDEC, PRIDCO, and other agencies should monitor the decisions in order to establish training and policies that address the encountered limitations.

8. Establish policies to encourage the transfer of knowledge and technology. There is a need to take advantage of technical capabilities of foreign companies and organizations that are doing work in Puerto Rico. Expand the integration of the capacities that are being developed and increase the local expertise.
   i. Refer talent in key areas.
   ii. Promote partnerships to link contractors/technicians with communities.

9. Demand compliance with the Stafford Act, which requires using local resources in projects financed by the federal government. Also, demand compliance with Law 42 of 2018, which protects local suppliers and contractors and requires a minimum participation of 20%.

V   Working Group

The working group was composed of representatives from the following organizations:

- Asociación de Constructores de Puerto Rico
- Asociación de Contratistas Generales de Puerto Rico
- Center for a New Economy
- Empresarios por Puerto Rico
- Espacios Abiertos
- Fondos Unidos
- Fundación Comunitaria de Puerto Rico
- Fundación Fondo de Acceso a la Justicia
- Habitat for Humanity
- Hispanic Federation
- PECES
- Ponce Neighborhood Housing Services
- Red de Fundaciones de Puerto Rico
- Relimagina Puerto Rico
- Resilient Power Puerto Rico
- Sociedad Puertorriquena de Planificación Social
- Taller de Planificación Social