



Yabucoa, Puerto Rico – DCTA Engagement Spotlight

DCTA Investments are helping Yabucoa recover!

In December of 2019, the Municipality of Yabucoa in the Commonwealth of Puerto Rico requested technical assistance (TA) through the Department of Housing and Urban Development's (HUD) Distressed Cities and Persistent Poverty Technical Assistance (DCTA) Program. The Municipality of Yabucoa requested HUD TA to assist with financial management, economic revitalization, affordable housing development, and disaster recovery and resilience.

To learn more about the DCTA Program, visit

https://www.hud.gov/program_offices/comm_planning/cpdta/dcta

Yabucoa was founded in 1793 and is situated in the southeast region of Puerto Rico. Yabucoa is an agricultural area that produces most of the island's plantains and bananas and is known for its sugar cane. The old Hacienda Roig sugar mill is still in operation and is one of the last mills producing sugar in Puerto Rico. In addition, Yabucoa is home to the Olein Recovery Corporation, the largest and only oil recycling company in the Caribbean.



The Municipality of Yabucoa has ten barrios (wards/districts) with an estimated population of 30,186 residents and a median income of \$16,828, according to July 2021 Census Bureau estimates.ⁱ Yabucoa's population decreased by nearly 8,000 between the 2010 and 2020 Census, equating to a 20% loss of residents. As with other municipalities on the island, some of this emigration occurred after Hurricanes Irma and Maria devastated Puerto Rico in 2017. Yabucoa endured the worst of Hurricane Maria, which destroyed about 1,500 homes and 95% of municipal infrastructure.ⁱⁱ Most public

buildings and homes were damaged to some extent, and recovery costs were estimated to reach \$100 million or more.

To help Yabucoa identify priority needs for TA, the DCTA provider, Local Initiatives Support Corporation (LISC) conducted a capacity needs assessment (CNA) to direct the scope of subsequent TA. The CNA revealed that declining post-disaster revenues due to a loss of residents made it challenging to provide essential services. The CNA helped reveal auditing and financial management issues that had to be corrected to maximize federal and Commonwealth funding. It also identified ways in which Yabucoa could improve its operations and partnerships to meet its economic development and housing goals.

With public and private sector Disaster Recovery funding flowing into Puerto Rico, Yabucoa seized the opportunity to apply for Community Development Block Grant-Disaster Recovery (CDBG-DR) funding from the Puerto Rico Department of Housing (PRDOH). With direct TA provided by the DCTA program, Yabucoa staff began to increase its capacity for effectively managing the substantial increase in federal recovery funds and meeting compliance requirements. Yabucoa currently manages several federal grant programs and funding sources as a subgrantee, including the USDA Rural Development Housing Preservation Grants (owner-occupied housing rehabilitation), Emergency Solutions Grants (ESG) Rapid Rehousing, HOPWA (Housing Opportunities for Persons with AIDS), Section 8 Voucher Program, and FSS (Family Self-Sufficiency) Program Vouchers – assistance for housing. With the influx of federal CDBG-DR funding, the municipality worked hard to keep existing programs intact while developing the new disaster recovery funding programs.



The LISC TA team worked with Yabucoa staff to review and improve financial management policies and procedures to enhance federal grant compliance, including the requirements of the CDBG-DR program. Also, financial management tools and templates were developed by the TA team experts,

who then conducted cohort training sessions with Yabucoa and three other PR municipalities. The training and follow-up TA on the effective use of the tools and templates will help to maximize federal revenues and reduce administrative costs.



Yabucoa's CNA helped the municipality identify priorities, and TA helped them develop a housing strategy for the acquisition and rehabilitation of vacant and abandoned single-family housing and the development of special needs housing for elderly persons. With the help of the TA team Yabucoa staff explored options such as HUD Section 202 and Section 811 funding for housing for the elderly and persons with disabilities. With the support of the TA team, the municipality is considering a partnership with a local non-profit housing developer to pursue funding and technical assistance to plan and implement its acquisition and

rehabilitation program. The TA also helped to explore strategies and best practices to increase Yabucoa's use of HUD Section 8 vouchers for housing residents.

In addition to housing, economic development objectives began to take shape with the benefit of direct TA. Yabucoa was able to identify strategies for redeveloping vacant industrial and commercial properties, provide incentives to attract small businesses, and create programs of financial and technical assistance for local businesses. Yabucoa plans to use some of the new CDBG-DR funding to renew its infrastructure to facilitate development. Building new relationships with local organizations became a high priority for expanding Yabucoa's staff capacity to succeed. An exciting new partnership with a local non-profit business development organization evolved with commitments to hold monthly meetings and site visits for training, loans, grants, and technical assistance to help new, recovering and expanding Yabucoa businesses.



Another exciting development in Yabucoa is the establishment of an agri-business entrepreneurial pilot for young entrepreneurs. The municipality is leasing municipal-owned land to local farmers. In the initial stages of the direct TA, the team connected entrepreneurs to business training programs and agricultural product distribution networks in the area. Yabucoa will benefit from TA with identifying resources to leverage the agri-business pilot and create marketing opportunities.

As a result of participating in the DCTA program, Yabucoa's staff capacity has grown in many ways. Policies and procedures are in place to help Yabucoa make the most of federal funding and ease compliance burden. New economic development and affordable housing partnerships have added depth to the municipality's resources, and new strategies provide a clear path toward its goals. Disaster recovery has evolved into strategic development, paving the way with new energy and enthusiasm.

ⁱ U.S. Census Bureau, retrieved 7/18/22: [U.S. Census Bureau QuickFacts: Yabucoa Municipio, Puerto Rico](#)

ⁱⁱ Six Months After Maria, the Town Where It Made Landfall Feels Like It's Been Forgotten, March 16, 2018, retrieved 8.17.22 from <https://www.motherjones.com/politics/2018/03/six-months-after-maria-the-town-where-it-made-landfall-feels-like-its-been-forgotten/>