



U.S. Department of Housing and Urban Development  
District Office of the Inspector General  
Office of Audit, Box 42  
Richard B. Russell Federal Building  
75 Spring Street, SW, Room 330  
Atlanta, GA 30303-3388  
(404) 331-3369

December 12, 2000

Audit Related Memorandum  
01-AT-241-1801

MEMORANDUM FOR: Carmen Cabrera, Director, Community Planning and Development  
Division, 4ND

FROM: Nancy H. Cooper  
District Inspector General for Audit-Southeast/Caribbean, 4AGA

SUBJECT: Municipality of Aguadilla  
Aguadilla, Puerto Rico

We completed a review of a complaint about the Municipality of Aguadilla's use of Community Development Block Grant (CDBG) funds. The funds were allocated for the "Paseo de la Real Marina," also known as the Waterfront project. The complaint alleged that, as part of the project, the Municipality demolished a historic building known as the "House of Redeemer Fathers" (Casa Parroquial) despite the community's opposition to the demolition. The complaint also alleged that the Mayaguez Regional Office of the Institute of Puerto Rican Culture had officially begun the process to include the building in the National Register of Historic Places.

#### BACKGROUND

The Waterfront project is an effort to revitalize the urban center and bay area of the Municipality of Aguadilla by eliminating a row of structures in the downtown area and creating a pedestrian walkway along the oceanfront. In addition, plans are to construct a private marina and widen the existing two-lane road. Private investors will build the marina while the Puerto Rican Highway Authority will finance the expansion of the road.

The multi-year project was funded with \$3,848,989 of CDBG funds from 1993 to 1997. According to the Municipality, it had disbursed \$2,777,271 of CDBG funds on the Waterfront project as of March 9, 2000. Each year, the Municipality certified that it complied with environmental and preservation policies and procedures.

## CRITERIA

Title 24 Code of Federal Regulations (CFR), Part 58.5 requires CDBG recipients to comply with the National Historic Preservation Act (NHPA) of 1966, as amended, particularly Sections 106 and 110. The Municipality assumed these responsibilities when it executed HUD's Request for Release of Funds and Certification form 7015.5.

Section 106 of the NHPA requires recipients to take into account the effect of an undertaking on any district, site, building, structure, or object that is included or eligible for inclusion in the National Register of Historic Places. Recipients shall afford the Advisory Council on Historic Preservation a reasonable opportunity to comment with regard to such undertaking. Section 110 (2) requires recipients to establish a preservation program for the identification, evaluation, and nomination to the National Register of Historic Places to ensure the protection of historic properties under their jurisdictions. It also states that such properties that are listed or that may be eligible for the National Register are managed and maintained in a way that considers the preservation of their historic, archaeological, architectural, and cultural values and to give special consideration to the preservation of such values. Section 110 (k) states that each Federal agency shall ensure that the agency will not grant a loan, loan guarantee, permit, license, or other assistance to an applicant who, with the intent to avoid the requirements of Section 106, has intentionally affected a historic property to which the grant would relate. An exception would be made if the agency, after consultation with the Council, determines that circumstances justify granting such assistance despite the adverse effect created or permitted by the applicant.

Title 24 CFR, Part 58.72 (c) states that when HUD has approved a Request for Release of Funds but subsequently learns that a recipient failed to comply with a clearly applicable environmental authority, HUD shall impose appropriate remedies and sanctions applicable to the particular program (CDBG). Part 570.913 provides remedies for noncompliance with the CDBG Program including termination or reduction of payments to the recipient.

## OBJECTIVE AND SCOPE

Our objective was to determine if the Municipality complied with its environmental responsibilities with respect to the demolition of the Casa Parroquial. To accomplish this, we interviewed the Municipality's staff, HUD personnel, officials from the State Historic Preservation Office (SHPO), and the Advisory Council on Historic Preservation. We also reviewed the Municipality and HUD files pertaining to the demolition of the building.

## RESULTS

The Municipality did not comply with the procedures required in Section 106 of the NHPA. It did not provide adequate evidence to demonstrate that it: (1) identified the historic properties affected by the Waterfront project; (2) assessed the effect the Waterfront project would have on historic properties; and (3) properly consulted the SHPO. As a result, on August 24, 1998, the Municipality started the demolition of the Casa Parroquial, a property designated eligible for the National Register, in violation of HUD's CDBG regulations.

On March 23, 1998, the SHPO wrote the Municipality of Aguadilla that it had knowledge of the Municipality's plans to expropriate and demolish properties for the Waterfront project that might be eligible for inclusion in the National Register of Historic Places. The letter specifically mentioned the Casa Parroquial and the Masonic Lodge. The term "eligible" for inclusion in the National Register means both properties formally determined as such by the Secretary of the Interior, and all other properties that meet the National Register criteria. Upon inquiry, Mrs. Lilliane Lopez, Director of the Puerto Rico SHPO, confirmed to us that the Casa Parroquial met the criteria for inclusion in the National Register. It was a structure over 50 years old, and was a house of worship where historic records and artifacts were kept, (i.e., baptismal records), and had particular architectural characteristics.

In an April 2, 1998, response to the SHPO, the Municipality said it intended to comply with applicable Federal requirements which included consulting with the SHPO on the Waterfront project. The Institute of Puerto Rican Culture notified the Municipality on April 29, 1998, that, although the Casa Parroquial was not officially included in the National Register of Historic Places, it was a resource of architectural and/or historical value.

On April 14, 1998, the Municipality met with the SHPO. The Municipality was represented by H. Calero Consulting Group Inc. (consultant) and an architect. Both the architect and the consultant notified the Mayor by letter on April 23 and May 1, 1998, respectively, that the SHPO recommended the Municipality assess each of the properties to be demolished for its historic value. The consultant's letter specifically mentioned the Casa Parroquial as an example of the properties involved.

On June 5, 1998, the consultant submitted the Municipality's master plan for the Waterfront project to the SHPO. The SHPO informed the Municipality on August 24, 1998, that the plan was preliminary, did not show all construction and demolition planned, and did not assess each property to be demolished for its historic value.

Meanwhile, on August 14, 1998, another opposing entity, the Jose de Diego Cultural Center in Aguadilla applied for a court order to prevent the demolition of the Casa Parroquial by the Municipality. The Municipality objected to the petition for the court order. At an August 24, 1998, preliminary hearing, the district judge dismissed the application for the court order from the Cultural Center. On the same day, the Municipality started the demolition of the Casa Parroquial.

The SHPO became aware of the demolition and on September 10, 1998, reminded the Mayor that he had been previously informed that the Casa Parroquial might be eligible for the National Register of Historic Places. The SHPO stated that it appeared the Municipality used CDBG funds for the demolition in violation of Section 106. The SHPO copied the National Advisory Council and HUD on its letter, and declined further involvement. SHPO instructed the Mayor to consult with the National Advisory Council on any future matters relating to the Waterfront project.

The case was appealed and on May 28, 1999, the appellate court's judgment stated that the first court should have allowed the injunction to protect the structure. The appellate judge concluded that the Municipality infringed upon the Cultural Center's right of due process when it prematurely acted on the judge's decision by demolishing the building.

The Municipality's demolition of the Casa Parroquial was done with full knowledge of the objections of State officials, Municipality officials, and private citizens. To illustrate, HUD received several complaints about the Casa Parroquial, the historic jail, and other buildings of historic value being slated for demolition. The complaints came from the former Mayor, members of the Municipal Assembly, the President of the Independent Party-Aguadilla Committee, and community members. HUD referred these complaints to the Mayor of the Aguadilla.

We conclude that the Municipality failed to comply with Section 106 of the National Historic Preservation Act with regard to the Casa Parroquial by demolishing it before it could be considered for historic significance and preservation. At a minimum, the Municipality should have: (1) assessed each of the properties in the project site as was recommended by the SHPO using the National Register criteria; (2) assessed the effect that the Waterfront project would have on the identified historic properties; and (3) afforded the SHPO or the Advisory Council an opportunity to comment. Because the Act clearly prohibits giving any federal funds or grants to a municipal entity in violation of this statute, HUD should reclaim funds provided for the Waterfront project.

Excerpts from the Municipality's comments to our draft report follow. Appendix A contains the complete text of the comments.

#### AUDITEE COMMENTS

- "... a small group of 10-12 individuals hardly seems to be a true representation of 'community opposition.' A more accurate representation of the community are the hundreds of citizens who supportively participated in over 15 workshops and meeting that were held....
- "...the Municipality has complied with the citizen participation requirements established in 24 CFR....Not once did the alleged complainers use any of these mechanisms to express their concerns....
- "We believe that the complaints are politically motivated and are not a representation of an honest concern over the preservation of historic properties....
- "...The subject property was not catalogued as a historic building at the time of demolition....

- “The Municipality of Aguadilla did take into account the effect the subject undertaking would have on sites that are included in the Registry by obtaining a certified copy of the list of properties that were included at the time and by researching a catalogue published by the SHPO in which the agency lists buildings and sites that are under evaluation for the period between 1995-2000. None of the subject properties were listed. ...architectural and historian experience was one of the advertised selection criteria required from the group of consultants that would develop the Master Plan.
- “We firmly believe that we have afforded both SHPO and the Advisory Council on Historic Preservation a reasonable opportunity to comment with regard to the subject undertaking, but ...we have been denied a consultation....
- “The Master Plan for the ... project was submitted to the SHPO as requested on May 5, 1998. ... SHPO did not officially request an architectural inventory of the properties within the project site until a letter dated August 24, 1998, more than three months after the Master Plan had been submitted for their review. [This was] the same date of the court hearing when the injunction was dismissed and the property was subsequently demolished. We had no idea of the content on this letter until almost a week after the property was demolished.”

#### OIG EVALUATION OF AUDITEE COMMENTS

Documentation gathered during our review suggested the SHPO did not deny the Municipality a consultation process. SHPO withdrew from the consultation process only after demolition of the structure. The Municipality had begun the consultation process; they should not have demolished the structure before culminating this process.

The auditee’s comments regarding submission of the master plan to SHPO on May 5, 1998, is incorrect. According to the record, the master plan was submitted one month later on June 5, 1998. The Municipality’s statement that SHPO did not officially request an architectural inventory of the properties until the August 24, 1998, letter is also untrue. Consultant letters as early as April 23, 1998, from architect Emilio Martinez, informed the Municipality of SHPO recommendation for an inventory of affected properties. A letter dated May 1, 1998, from Calero Consulting Group, Inc. also conveys SHPO’s recommendation mentioning specifically the Casa Parroquial. The Municipality neither followed SHPO’s recommendation nor sought alternative procedures in consultation with SHPO. The Casa Parroquial was demolished before preparing the inventory recommended by SHPO.

#### RECOMMENDATIONS

We recommend that you:

- A. Consult with the SHPO and the Advisory Council on Historic Preservation to determine whether they believe Federal assistance should be granted despite the adverse effect created by the applicant.
- B. Determine if the Municipality complied with the environmental requirements pertaining to other structures located in the waterfront project site.

Unless otherwise justified based on discussions with the Council, we recommend you:

- C. Require the Municipality to reimburse, from non-Federal funds, the \$2,777,271 charged to the Waterfront project as of March 9, 2000, plus any additional costs incurred to date.
- D. Require the Municipality to reprogram the remaining project funds of \$1,071,718 (\$3,848,989 -\$2,777,271) into an eligible CDBG Program activity.
- E. Monitor the Municipality's future compliance with the environmental requirements for projects funded by HUD. In case of non-compliance, initiate sanctions, corrective actions or other remedies specified in program regulations, agreements or contracts with HUD.

Attachments

- A Auditee Comments
- B Distribution



**Hon. Carlos Méndez**  
**Alcalde**

*Gobierno Municipal de Aguadilla*

Apartado 1008  
Aguadilla, PR 00605  
Tel. (787) 891-1005

September 20, 2000

Nancy Cooper  
District Inspector General  
For Audit-Southeast/Caribbean  
U.S. Department of Housing and Urban Development  
Office of Audit, Box 42  
Richard B. Russel Federal Building  
75 Spring Street, SW, Room 330  
Atlanta, GA 30303-3388  
ATTN: Aurora Rodríguez, CFE  
Senior Auditor

Dear Mrs. Cooper:

Subject: Municipality of Aguadilla, Aguadilla, Puerto Rico

We have read and evaluated the subject draft audit report and participated in the exit conference you requested on your letter dated August 21, 2000. Please thank your staff, Mrs. Aurora Rodríguez, Senior Auditor, and Mr. Herman Pérez, Auditor, both from the Caribbean Field Office, who visited Aguadilla on September 7, 2000 and were very helpful and patient in answering questions and explaining the reporting procedures to my staff and myself.

After careful consideration of all issues discussed during the exit interview I hereby submit our comments and observations on the report with sincere hope that you revise the draft and reassess your preliminary results and recommendations. We have made an effort to be brief in our response but considering the stakes we have decided to include several enclosures that will support our argument.

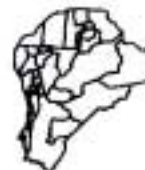
If you should have any questions regarding the information provided, please contact Mrs. María M. Jaunarena, Community Development Director for the Municipality of Aguadilla, at (787)891-3965[teL] or (787)891-3930[Fax].

Respectfully,



Carlos Méndez Martínez  
Mayor

Enclosures

*Aguadilla Jardín del Atlántico*



TO: Nancy H. Cooper  
District Inspector General for Audit-Southeast/Caribbean, 4AGA  
U.S. Department of Housing and Urban Development

FROM:   
Carlos Méndez Martínez  
Mayor   
Municipality of Aguadilla

SUBJECT: Municipality of Aguadilla  
Aguadilla, Puerto Rico

We have carefully read your draft report on a complaint your office received about the Municipality of Aguadilla's use of Community Development Block Grant (CDBG) funds that were allocated to the Paseo de la Real Marina project. In order to organize our comments we are presenting our arguments following the same paragraph order of the draft report.

1. In your first paragraph you establish that "the Municipality demolished a historic building known as the House of Redeemer Fathers (Casa Parroquial) despite the community's opposition to the demolition." We do not agree with this assessment. Considering that the Municipality of Aguadilla has a population of over 66,000 a small group of 10-12 individuals hardly seems to be a true representation of "community opposition". A more accurate representation of the community are the hundreds of citizens who supportively participated in over 15 workshops and meetings that were held during the period of January to June 1998 for the sole purpose of exchanging ideas and discussing the proposed Master Plan of the subject project.

In addition, if you are taking into account the wishes of the community you should know that this project has been assigned CDBG funds from the years '97 through 2000. Every single year the Municipality has complied with the citizen participation requirements established in 24 CFR; newspaper advertising, public hearings, community meetings, etc., for all action plans and performance reports submitted. Not once did the alleged complainers use any of these mechanisms to express their concerns. More so, some of the complainers are members of the Municipal Assembly of Aguadilla and were present during the June 30, 1998 session where the Paseo de la Real Marina Master Plan was received and endorsed through a unanimous Ordinance No.: 43, 97-98 Series, a document that was submitted as evidence during the audit investigation.

We believe that the complaints are politically motivated and are not a representation of an honest concern over the preservation of historic properties. None of these individuals have initiated any efforts to restore properties that are included in the National Registry that have been in total abandonment for decades, even those who have held executive and legislative elective positions in the Municipality.



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September 20, 2000  
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2. Also, in the first paragraph you make two other statements that are not accurate. You mention that the Casa Parroquial was a historic building and that "the Institute of Puerto Rican Culture had officially begun the process to include the building in the National Register of Historic Places." The subject property was not catalogued as a historic building at the time of demolition. We have in our files a copy of the properties included in the official Registry of Historic Properties and this building was never included in the list of Aguadilla. At the time it wasn't even officially nominated. During a hearing held on August 24, 1998 regarding a preliminary injunction proceeding related to this case, the judge directly asked the representative from the Mayaguez Regional Office of the Institute of Puerto Rican Culture if the nomination of this building as a historic place had been officially submitted to the pertinent agencies and her response was no. This is why the judge decided to refuse the preliminary injunction.
3. Page 2 of your report, under the Criteria section, you explain the responsibilities the Municipality of Aguadilla must assume to comply with 24 CFR, Part 58.5, particularly Section 106 and 110. You further explain "an exception could be made if the agency, after consultation with the Council, determines that circumstances justify granting such assistance despite the adverse effect created or permitted by the applicant." Later in the Results section you conclude that we did not comply with these required procedures. We do not agree with your finding.

The Municipality of Aguadilla did take into account the effect the subject undertaking would have on sites that are included in the Registry by obtaining a certified copy of the list of properties that were included at the time and by researching a catalogue published by the SHPO in which the agency lists buildings and sites that are under evaluation for the period between 1995-2000. None of the subject properties were listed. As a matter of fact the publication does not mention any properties in Aguadilla as being evaluated during that period. For those that the SHPO claimed were eligible to be included on the National Register of Historic Places our effort to comply is evidenced by the fact that architectural and historian experience was one of the advertised selection criteria required from the group of consultants that would develop the Master Plan. The Municipality does not have the staff with the required expertise to make this determination. Also, an environmental process was initiated with the Puerto Rico State Office of Historic Preservation (SHPO) since the first CDBG funds were assigned to acquire the properties.

We firmly believe that we have afforded both SHPO and the Advisory Council on Historic Preservation a reasonable opportunity to comment with regard to the subject undertaking but it is our understanding that we have been denied a consultation process on this matter. Once the SHPO sends the Municipality a letter dated March 23, 1998 informing that the Casa Parroquial was possibly eligible to be included in the Registry we initiated efforts to further discuss this matter since our professional consultants did not agree with their assessment. In addition we were convinced that the public benefit this project would generate overpowered the value that the building might have had. Section 106, provides for a consultation process if there is disagreement with SHPO's initial assessment. We were never advised by the SHPO on alternatives to mitigate the possible adverse effect.

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On April 4, 1998 as part of the citizen consultation conducted to present the draft of the subject Master Plan the consultants hired by the Municipality of Aguadilla met with the SHPO staff at their offices in San Juan and presented the proposed undertaking which included demolition of the subject property, among others. The Consultants explained that many historic properties that are included in the National Registry will be rescued from total abandonment and restored as a result of this undertaking. Some of the historic places that were identified are the Parterre, the Fort de la Concepción, the Old Cemetery, and the Old Customs House, all of which are described on Chapter II of the Master Plan titled Learning from Aguadilla.

As a result of that meeting the consultants submitted a letter to the Municipality dated April 23, 1998 informing that the SHPO did not oppose the project in principle but that it requested a formal submission of the Master Plan once it was officially completed for a formal evaluation by the agency.

4. The Master Plan for the Paseo de la Real Marina project was submitted to the SHPO as requested on May 5, 1998. The SHPO was invited by the Mayor to participate of a formal presentation of the document but they did not reply. The Casa Parroquial was acquired on June 23, 1998. Still no comments were received and the Municipal Assembly unanimously approved the document on June 30, 1998. A month later the Municipality begins to request the required permits from ARPE to demolish the property and a week later the Preliminary Injunction order is handed to the Mayor. ARPE granted the permit on August 23, 1998 but the demolition was postponed.

SHPO did not officially request an architectural inventory of the properties within the project site until a letter dated August 24, 1998, more than three months after the Master Plan had been submitted for their review. August 24, 1998 is the same date of the court hearing when the injunction was dismissed and the property was subsequently demolished. We had no idea of the contents on this letter until almost a week after the property was demolished. Nevertheless we contracted professional services of an architect to prepare the inventory of remaining structures and subsequently submitted it to the Advisory Council on Historic preservation for their evaluation as SHPO instructed.

As we explained during the exit interview we have not received any response from them to date. Moreover, SHPO has declined to comment on any aspect of the project and they have not demonstrated any concern for other properties they considered "possibly eligible" like the Masonic Lodge. Our hands are tied, how can we benefit from the exception rule mentioned earlier in the second paragraph of page 2 of your report if we have no one to consult with to determine that the circumstances justify granting the assistance despite adverse effect created or permitted... We believe we tried to initiate a consultation process as described in Section 106 but we were denied that opportunity because the SHPO never engaged in a dialogue with the Municipality.

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5. On page 4, under the **Results** section, you mention that HUD received several complaints about a historic jail that was being slated for demolition. We wish to clarify that the jail was not demolished. The original building structure was preserved and additional stories were constructed over a steel frame to accommodate the new municipal government center thereby concentrating all departments and making services more accessible to the citizens. In addition, the Municipal administration endorsed and donated \$15,000 to contribute towards the expenses incurred to restore the ceiling of the Iglesia San Carlos Borromeo, another building that is included in the National Registry. Work is currently underway in this facility and the Municipality required the necessary endorsements from SHPO.
6. On page 4 under the **Recommendations** section I request that your office reconsider your conclusions. If the Municipality is forced to return the funds that have been used for the development of the Paseo de la Real Marina we will not be able to continue this undertaking. We are a Municipality with a high poverty rate and most of our big endeavors have been accomplished through federal funds. The project is slated for the urban center, an area where 79% of the population lives below the poverty line. The public benefit to be generated for thousands of low-income persons in the area in terms of economic stimulus far outweighs the value of one building.
7. The Paseo de la Real Marina project is part of a comprehensive and well thought out strategy to stimulate both physical and economic development in the downtown area of Aguadilla. Various versions of this project have existed: during the 1950's it was called the Aguadilla Harbor Improvement under the administration of former Mayor Ramon Añeses Morell. In the 70's it was to be an extension of the state panoramic route endorsed by former Mayor Joaquin Acevedo, and included a marina in Parque Colon area, which was not approved by the Department of Natural Resources. In 1986 it was called Rada del Tamarindo a project that was approved by all agencies, even Fish & Wild Life and was authorized by former Mayor Alfredo Gonzalez who is one of the citizens that now has signed a letter of complaint to HUD. As you can see this initiative is neither a sporadic idea nor an isolated effort. The development of the Aguadilla waterfront is a logical undertaking for a city that has been a fisherman's village up until the second quarter of the 20<sup>th</sup> century when it began to turn its back on the ocean. We want to rescue our relationship with the sea and we will start by facing the harbor.
8. The infrastructure of the downtown area was abandoned for more than two decades hence all those who could afford a choice opted to move to the suburbs. We are robustly investing in the downtown area to improve the quality of life of those who were left behind because they could not afford a choice. By investing in the downtown area we are retaining government agencies and other businesses that operate in the area and provide job opportunities to the thousands of poor families that cannot afford daily transportation expenses to take them elsewhere.
9. At the time Mayor Carlos Mendez Martinez took over the administration of the Municipality of Aguadilla the city was in total chaos. Single audits were more than five years overdue; the

Nancy H. Cooper/Municipality of Aguadilla  
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city had a timeliness problem with the disbursement of CDBG funds with more than \$3 million accumulated in the line of credit in excess of the allowed 1.5 ratio. Basic services were not being provided appropriately to the citizens such as garbage collection which was creating a public health issue, and citizens had complete distrust of the municipal officials due to serious findings in the 1996 report of the Comptroller and Inspector General's Office.

10. All planning initiatives for the Municipality of Aguadilla conducted during the past three years include the Paseo de la Marina project as an area plan. It is integrated in official documents such as; the Territorial Plan which has already been approved by the Puerto Rico Planning Board as part of the process to become an Autonomous Municipality, the RENACE Manual which was prepared by the Puerto Rico Housing Department in collaboration with architecture students from the Polytechnic University of Puerto Rico, and the official Master Plan for the Paseo de la Real Marina. All these documents went through a detailed process of public participation and scrutiny and have been approved by the Municipal Assembly.
11. The Puerto Rico Planning Board conducted public hearings on the Paseo de la Real Marina project on January 26, 1999 and all of the deponents supported the initiative and recognized the need for this type of undertaking in the area. A couple had some disagreement with specific aspects of the concept but all agreed that the project was needed. Even the consultant hired by the Honorable Victor Garcia San Inocencio's office to represent Daniel Roldan, Minority Member of the Municipal Assembly, began his written deposition by stating: "We wish to establish, for the record and for all citizens who are listening, that we are not opposed to the concept proposed for the Paseo de la Real Marina project. We coincide with the authors of the Master Plan in that a transformation of the actual waterfront of Aguadilla is both necessary and indispensable, as well as we understand that many of the activities proposed in the Master Plan could be very positive for the future development of Aguadilla."
12. The condition of many of the existing structures (20 out of 36) was depressing. Due to the slow economy downtown property owners had difficulty leasing the spaces (residential and/or commercial) and the prolonged vacancies resulted in vandalism and deterioration. When we first approached the owners to express our interest to purchase many responded that they were considering a move anyways: Casa Parroquial, WOLE TV and Automeca.
13. If the SHPO possessed the necessary information to determine that the Casa Parroquial building was a historic property prior to the date of demolition, why not share this official fact with the Municipality? This specific information was never provided to us. All we received was a couple of format letters that were very general, mentioned only a "possibility of eligibility" and requested additional documentation from the Municipality but did not provide guidance to initiate a consultation process. We wonder how is SHPO all of a sudden able to determine, as you explain in the second paragraph of page 3 of your report, that he "Casa Parroquial met the criteria for inclusion in the National Register..." when they refused to review or comment on the requested architectural inventory that was submitted by the Municipality.

Nancy H. Cooper/Municipality of Aguadilla  
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**Petitions:**

- Considering the evidenced unresponsiveness from the Advisory Council on this matter, we request that your office and/or HUD officially intervene with this agency in order to support our efforts to complete the consultation process. We believe that such an action might grant the Municipality the opportunity to prove the fundamental argument that public benefit to be derived from this project outweighs the value of the subject building. We are aware that SHPO has made previous concessions to similar situations when it accepted a mitigation plan with state initiated projects such as the Golden Triangle in the Metropolitan Area. However, if you should find against this petition we ask that your agency consider allowing HUD to make a final evaluation on this matter to determine whether assistance should be granted to this project for the sake of public benefit despite the adverse effect created by the applicant.

We are enclosing a copy of a letter sent by the Municipality to the Advisory Council which we believe demonstrates our exhaustive efforts to complete the consultation process with that agency as recommended by the PRSHPO.

- We request that you abstain from what is perceived as a devastating and unjust determination when you instruct HUD to require that the Municipality reimburse all costs related to this project incurred to date. This requirement would severely impact our budget and would negatively affect all the infrastructure projects that are currently underway.
- If however, you are not convinced by the arguments presented we ask that you limit the financial penalty to reimbursing only the funds disbursed to purchase the subject property.

DISTRIBUTION

The Honorable Carlos Mendez, Mayor, Municipality of Aguadilla  
Director, Office of Community Development, Municipality of Aguadilla  
Secretary, S  
Deputy Secretary, SD (Room 10100)  
Chief of Staff, S (Room 10000)  
Assistant Secretary for Administration, S (Room 10110)  
Acting Assistant Secretary for Congressional and Intergovernmental Relations, J (Room 10120)  
Deputy Assistant Secretary, Office of Public Affairs, S, (Room 10132)  
Deputy Assistant Secretary for Administrative Services, Office of the Executive Secretariat, AX  
(Room 10139)  
Deputy Assistant Secretary for Intergovernmental Relations,  
Acting Deputy Chief of Staff, S (Room 10226)  
Deputy Chief of Staff for Policy, S (Room 10226)  
Deputy Chief of Staff for Programs, S (Room 10226)  
Special Counsel to the Secretary, S (Room 10234)  
Senior Advisor to the Secretary, S  
Special Assistant for Inter-Faith Community Outreach, S (Room 10222)  
Executive Officer for Administrative Operations and Management, S (Room 10220)  
General Counsel, C (Room 10214)  
Assistant Secretary for Housing/Federal Housing Commissioner, H (Room 9100)  
Assistant Secretary for Policy Development and Research, R (Room 8100)  
Assistant Secretary for Community Planning and Development, D (Room 7100)  
Assistant Deputy Secretary for Field Policy and Management, SDF (Room 7108)  
Office of Government National Mortgage Association, T (Room 6100)  
Assistant Secretary for Fair Housing and Equal Opportunity, E (Room 5100)  
Director, Office of Departmental Equal Employment Opportunity, U  
Chief Procurement Officer, N (Room 5184)  
Assistant Secretary for Public and Indian Housing, P (Room 4100)  
Director, Office of Departmental Operations and Coordination, I (Room 2124)  
Office of the Chief Financial Officer, F (Room 2202)  
Chief Information Officer, Q (Room 3152)  
Acting Director, HUD Enforcement Center, X, 1250 Maryland Avenue, SW, Suite 200  
Acting Director, Real Estate Assessment Center, X, 1280 Maryland Avenue, SW, Suite 800  
Director, Office of Multifamily Assistance Restructuring, Y, 1280 Maryland Avenue, SW, Suite  
4000  
Inspector General, G (Room 8256)

Secretary's Representative, 4AS  
Area Coordinator, Puerto Rico Area Office, 4NS  
Director, Office of Community Planning and Development, 4ND  
Audit Liaison Officer, 3AFI  
Audit Liaison Officer, Office of CPD c and Indian Housing, PF (Room P8202)  
Departmental Audit Liaison Officer, FM (Room 2206)  
Acquisitions Librarian, Library, AS (Room 8141)  
Counsel to the IG, GC (Room 8260)  
HUD OIG Webmanager-Electronic Format Via Notes Mail (Cliff Jones@hud.gov)  
Public Affairs Officer, G (Room 8256)  
Associate Director, Resources, Community, and Economic Development Division, U.S. GAO,  
441 G Street N.W., Room 2T23, Washington DC 20548 ATTN: Stanley Czerwinski  
The Honorable Fred Thompson, Chairman, Committee on Governmental Affairs,  
United States Senate, Washington DC 20510-6250  
The Honorable Joseph Lieberman, Ranking Member, Committee on Governmental Affairs,  
United States Senate, Washington DC 20510-6250  
The Honorable Dan Burton, Chairman, Committee on Government Reform,  
United States House of Representatives, Washington DC 20515-6143  
The Honorable Henry A. Waxman, Ranking Member, Committee on Government Reform,  
United States House of Representatives, Washington, DC 20515-4305  
Ms. Cindy Fogleman, Subcommittee on Oversight and Investigations, Room 212,  
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