

January 21, 2019

The Honorable Mick Mulvaney  
Director  
Office of Management and Budget  
725 17<sup>th</sup> St. NW  
Washington, DC 20503

The Honorable Ben Carson  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410

Dear Director Mulvaney and Secretary Carson:

I write to inquire about two disturbing recent reports regarding the Trump Administration's treatment of Puerto Rico as the island struggles to recover from Hurricane Maria. These reports indicate that (1) in September 2018, President Trump instructed his Administration to cut off all disaster-recovery funds to Puerto Rico, and (2) that the Trump Administration is using the shutdown as an excuse to stall the disbursement of housing funds for Puerto Rico.

According to a Washington Post report from last week, President Trump, "after hearing, erroneously, that Puerto Rico was using the emergency money to pay off its debt,"<sup>1</sup> personally sought to cut off all emergency funds for the island. The report indicated that President Trump told then-White House Chief of Staff John F. Kelly and then-Office of Management and Budget (OMB) Director Mick Mulvaney "that he did not want a single dollar going to Puerto Rico," and that "he wanted more of the money to go to Texas and Florida."<sup>2</sup> Then, in December, former Department of Housing and Urban Development (HUD) Deputy Secretary Pam Patenaude reportedly felt the need to remind White House officials that "the money had been appropriated by Congress and must be sent."<sup>3</sup>

In the wake of these reports, I am particularly concerned about the fact that HUD has halted the disbursement of billions of dollars of housing recovery funds for Puerto Rico

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<sup>1</sup> Washington Post, "After butting heads with Trump administration, top HUD official departs agency," Tracy Jan, Arelis R. Hernández, Josh Dawsey, and Damian Paletta, January 16, 2019, [https://www.washingtonpost.com/business/economy/top-hud-officials-departure-follows-disagreements-over-housing-policy-and-puerto-rico-disaster-funds/2019/01/16/e6ba5be4-1839-11e9-9ebf-c5fed1b7a081\\_story.html](https://www.washingtonpost.com/business/economy/top-hud-officials-departure-follows-disagreements-over-housing-policy-and-puerto-rico-disaster-funds/2019/01/16/e6ba5be4-1839-11e9-9ebf-c5fed1b7a081_story.html).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

and other states and territories affected by recent disasters as a result of the President’s ongoing government shutdown.<sup>4</sup> HUD allocated \$1.5 billion to Puerto Rico on February 1, 2018, from an appropriation enacted in September 2017,<sup>5</sup> and an additional \$18.5 billion<sup>6</sup> in April 2018 from an appropriation enacted on February 9, 2018.<sup>7</sup> This refusal to provide this funding—which will go to “the restoration of damaged and destroyed homes, businesses and infrastructure”<sup>8</sup>—is directly at odds with HUD’s own “Contingency Plan for Possible Lapse in Appropriations,” which says that HUD will continue to disburse Community Development Block Grants and certain other grants during a shutdown.<sup>9</sup>

Given the President’s reported orders to his senior staff to eliminate Puerto Rico’s disaster recovery funding, this failure to provide congressionally approved funds<sup>10</sup> raises serious concerns that HUD is using the shutdown as a pretext for withholding funds from Puerto Rico.

In addition, this past week, OMB issued a Statement of Administration Policy opposing as “excessive and unnecessary” a grant of \$600 million “for disaster nutrition assistance”<sup>11</sup> included in a House bill<sup>12</sup>—funds which could help 230,000 new program participants.<sup>13</sup> Hurricane Maria left a large majority of the island’s population “food insecure” and in need of this nutrition assistance.<sup>14</sup>

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<sup>4</sup> NBC News, “Crucial housing funds for Puerto Rico are stalled due to the government shutdown,” Nicole Acevedo, January 16, 2019, <https://www.nbcnews.com/news/latino/crucial-housing-funds-puerto-rico-are-stalled-due-government-shutdown-n959446>.

<sup>5</sup> U.S. Department of Housing and Urban Development, “HUD Approves \$1.5 Billion Disaster Recovery Plan in Puerto Rico,” press release, July 30, 2018, [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_18\\_078](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_078).

<sup>6</sup> U.S. Department of Housing and Urban Development, “HUD Awards Record \$28 Billion to Help Hard-Hit Areas in Nine States, Puerto Rico and U.S. Virgin Islands Recover from Major Disasters,” press release, April 10, 2018, [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_18\\_028](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_028).

<sup>7</sup> H.R. 1892, Bipartisan Budget Act of 2018, <https://www.congress.gov/bill/115th-congress/house-bill/1892>.

<sup>8</sup> U.S. Department of Housing and Urban Development, “HUD Approves \$1.5 Billion Disaster Recovery Plan in Puerto Rico,” press release, July 30, 2018, [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_18\\_078](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_078).

<sup>9</sup> See, e.g., U.S. Department of Housing and Urban Development, “HUD Contingency Plan for Possible Lapse in Appropriations 2018,” p. 8, <https://www.hud.gov/sites/documents/HUDCONTINGENCYPLANFINAL.PDF>.

<sup>10</sup> U.S. Department of Housing and Urban Development, Federal Register Notice, “Waiver and Alternative Requirement for Community Development Block Grant-Disaster Recovery (CDBG-DR) Grantees,” January 9, 2019, <https://www.federalregister.gov/documents/2019/01/09/2019-00050/waiver-and-alternative-requirement-for-community-development-block-grant-disaster-recovery-cdbg-dr>.

<sup>11</sup> H.R. 268, Supplemental Appropriations Act, 2019, <https://www.congress.gov/bill/116th-congress/house-bill/268/>.

<sup>12</sup> Office of Management and Budget, “Statement of Administration Policy: H.R. 268—Supplemental Appropriations Act, 2019,” January 16, 2019, [https://www.whitehouse.gov/wp-content/uploads/2019/01/saphr268h\\_20190116.pdf](https://www.whitehouse.gov/wp-content/uploads/2019/01/saphr268h_20190116.pdf).

<sup>13</sup> Letter from Senator Robert Menendez, et al. to Senate Committee on Appropriations Chairman Richard Shelby, et al., December 3, 2018, <https://www.warren.senate.gov/imo/media/doc/PR%20NAP%20Approps%20Letter.pdf>.

<sup>14</sup> *Id.*

These new reports and Administration actions appear to reveal that President Trump either does not care about or does not understand the needs of the Puerto Rican people and the federal laws that govern assistance to the U.S. citizens who live on the island. As Governor Rosselló stated in a video statement to President Trump: “Recent reports all confirm that your administration is working towards eliminating recovery dollars for Puerto Rico based on completely false and inaccurate information.”<sup>15</sup>

In light of this deeply worrying news, I ask each of you to provide answers to the following questions no later than February 5, 2019:


1. Did the President at any time order, instruct, or indicate to you or other Administration officials that he wanted to cut off or eliminate disaster relief funds for Puerto Rico? If so:
  - a. What instructions or orders did the President give, and to whom? What was the basis for these instructions or orders?
  - b. What response did HUD or OMB officials provide to the President?
  - c. What action did HUD or OMB officials take in response to these instructions or orders?
  
2. What is the Administration policy with regard to Congressionally authorized and appropriated funds for Puerto Rico’s recovery? Does the Administration believe that these funds should be provided in full, and as expeditiously as possible?
  - a. Why is HUD not disbursing Community Development Block Grants to Puerto Rico when its shutdown contingency plan indicates that such grants should continue to be disbursed?
  - b. What is the value of CDBG fund disbursement that is presently being delayed as a result of the shutdown?
  - c. In addition to funds for Puerto Rico, what other states or territories have CDBG grants that are being withheld or delayed as a result of the shutdown, and what is the value of the disbursements that are being delayed?
  - d. What is the basis for the legal opinion that CDBG funds for Puerto Rico should not be distributed to the island during the shutdown?
  - e. Did the HUD Office of Legal Counsel provide an opinion about this policy decision? If so, when did OLC do so, and upon whose instructions? Please provide a copy of the OLC opinion.
  - f. Did OMB or any other White House official provide advice or guidance to HUD about this decision? If so, what was the nature of this advice and guidance, and who provided it? When and to whom was this advice or guidance provided?

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<sup>15</sup> Governor Ricardo Rosselló, “A message to the President Donald J. Trump,” January 17, 2019, <https://www.facebook.com/rrossello/videos/a-message-to-the-president-donald-j-trump/324587494819552/>.

3. What is the basis for the Administration to conclude that the \$600 million in House-passed nutrition assistance for Puerto Rico is “unnecessary”? Has OMB or have any other Administration officials conducted any analyses of current needs, or changes in need for nutrition assistance post-Maria? If so, what did these analyses find?

Sincerely,



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Elizabeth Warren  
United States Senator