



Cooperative Housing Foundation



International Cooperative Alliance

## **Guidelines for Submission of Housing Project Proposals**

### **USAID Post-Hurricane Georges Housing Reconstruction Program**

#### **Dominican Republic**

**February 2000**

**Guidelines for Submission of Housing Project Proposals**  
**Post-Hurricane Georges Housing Reconstruction Program**  
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**TABLE OF CONTENTS**

1. Statement of Problem	1
2. USAID Intermediate Results for the Shelter Sector	2
3. Roles and Responsibilities	2
4. Subsidy Mechanism	3
5. Submission of Project Proposals	5
6. Documentary Requirements for NGO Housing Project Proposals	6
7. Explanatory Notes on Project Proposal Documents	7
8. Physical Design Considerations for New Construction	11
9. Environmental Considerations	13
10. Pre-Construction Considerations	14
11. Incentives	15
12. Monitoring and Evaluation	15
<b>Attachments to the Guidelines</b>	
• House Plans	
• Supporting technical documents	
• Proposal formats and sample documents	

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**Post-Hurricane Georges Housing Reconstruction Program**  
**Dominican Republic**

February 15, 2000

The Cooperative Housing Foundation (CHF), with funding through Cooperative Agreement No. 517-A-00-00-00102-00 signed with the U.S. Agency for International Development (USAID), is seeking proposals from Dominican and international non-governmental organizations (NGOs) for implementation of the Post-Hurricane Georges Housing Reconstruction Program. CHF will channel USAID Housing Reconstruction Program funds into housing projects in the form of sub-awards to Dominican and international NGOs.

The purpose of the Guidelines for Project Applications is to: 1) provide program-wide policies that will guide implementation of housing projects, 2) provide the project application with formats for technical and financial components, 3) indicate the roles and responsibilities of participating organizations, and 4) outline the program monitoring, evaluation and audit process.

**1. Statement of Problem**

Hurricane Georges struck the Dominican Republic on September 22, 1998 with heavy rains and winds reaching up to 130 miles per hour. The storm covered nearly 70 percent of the country. The rains, particularly in the western part of the country, produced mudslides and heavy and prolonged flooding. The hurricane left a path of destruction critically affecting the country's human and natural resources, and physical infrastructure.

The Government of the Dominican Republic's (GODR) Instituto Nacional de la Vivienda (INVI) reported that 48,000 houses were completely destroyed and another 121,000 damaged and in need of major repairs. Most of this damage was concentrated in the poorest segment of the population, who live in inadequately constructed houses of non-permanent materials. The impact to shelter was felt most severely in the southeast, southwest and in Santo Domingo.

In general, the middle class suffered minor damage and was able to repair or replace their homes through access to credit or insurance payments. However, many low-income families lacked the financial resources to repair or replace their homes and did not have access to credit institutions because their source of income was disrupted. This was the case with agricultural workers and micro-entrepreneurs, in particular. Other families who lost their homes to flooding and landslides have no safe site on which to rebuild and are still living in public shelters or with relatives and friends.

The GODR housing response in the first months after the hurricane was to provide building materials to thousand of families for basic home repairs, and later, INVI contracted private construction companies to build approximately 8,000 new houses. The construction of the new housing has been delayed, however, with INVI turning over the first 1,500 homes in January 2000. International donors (including USAID) have channeled assistance through Dominican NGOs in the form of emergency housing projects amounting to several thousand homes<sup>1</sup>. However, these homes, designed only as temporary solutions, have been converted into permanent housing by the beneficiary families.

The primary difficulties in developing permanent housing solutions have been: 1) lack of available national housing finance that targets poorer households; 2) limitations created by the low income levels of most displaced families who cannot afford to pay for the full costs of land, infrastructure and housing; 3) the need to insure access to basic infrastructure services – water, sanitation and roads – for resettlement areas given the limited municipal and NGO resources; and 4) difficulties in obtaining suitable, affordable land for resettlement projects. These constraints have been complicated by the political urgency of moving displaced families to permanent solutions. Despite the range and complexity of these challenges, the Housing Reconstruction Program offers substantial opportunities for developing responsive solutions.

## **2. USAID Intermediate Results for the Shelter Sector**

The USAID/DR Special Objectives Document in April 1999 outlined its principal activities and outputs for five key program areas (shelter, health, food supply, economic regeneration, disaster mitigation) during the reconstruction phase. USAID allocated US\$6.3 million in NGO sub-awards to build an estimated 2,250 new homes and another 2,750 home repairs and retrofits of emergency housing.

- Component #1: New houses (85% of program funds)
- Component #2: Repairs to damaged homes (13%)
- Component #3: Retrofit emergency homes with structural improvements (2%)

The Housing Reconstruction Program will develop improved house designs and construction techniques that will mitigate the impact of future natural disasters. CHF is also tasked with strengthening the institutional capacity of Dominican NGOs to provide affordable housing approaches targeting low-income populations. In addition, CHF will assist Dominican NGOs to access supplementary resources from local and national governments, international organizations, donor agencies, financial institutions and the private sector.

## **3. Roles and Responsibilities**

**3.1 Cooperative Housing Foundation (CHF):** The Housing Reconstruction Program in the Dominican Republic is managed by CHF. CHF is responsible for establishing program operating guidelines and procedures; evaluation of NGO technical and financial capability; making recommendations to USAID for NGO sub-awards; making awards to NGOs;

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<sup>1</sup> The USAID/DR Phase I emergency shelter program provided funding for 3,500 temporary houses and 2,900 latrines, built through mutual self-help projects coordinated by Dominican NGOs/CBOs.

coordinating the NGOs' development and submission of housing project proposals; and overall program management and administration. In addition, CHF will assist NGOs to meet USAID financial management requirements; assist NGOs to identify counterpart resources; provide and coordinate technical assistance to participating NGOs; and monitor and track program results.

**3.2 USAID:** USAID will review and approve all major components of the Project Work Plan, provide funding directly to CHF and monitor overall project implementation. USAID will assist CHF and the NGOs to identify potential projects and access complementary national and international resources for land, infrastructure and other supportive elements.

**3.3 NGOs:** The NGOs assume responsibility for conceptualizing projects, acquiring suitable land for project sites, designing and assembling project proposals, coordinating the provision of infrastructure services and implementing housing project construction. The NGOs will provide a 25% counterpart contribution by obtaining resources from other institutions. NGOs are responsible for financial management of their sub-award budgets and coordinating implementation with the beneficiaries, community groups, partner organizations and local/national government agencies. NGOs will certify beneficiary eligibility and selection, organize and provide residents with technical assistance in building their homes and supervise the entire construction process. NGOs will provide CHF with monthly program management reports and cooperate with periodic CHF evaluations and administrative/financial reviews. In the case of a credit component, the NGOs will evaluate beneficiary creditworthiness, provide loan funds and manage/administer the loan collection process.

**3.4 Beneficiaries:** Through mutual self-help activities, the program beneficiaries assume responsibility for receiving and caring for building materials and providing unskilled labor for constructing their homes. Where applicable, local community-based groups will work with the beneficiaries during the community and house construction process.

**3.5 Dominican government agencies:** Where applicable, NGOs will coordinate their program activities with municipal, provincial and national government agencies. Complementary program funding will be requested from Dominican government agencies, and in some cases, project components (i.e. water, sanitation, schools, clinics) may be handled directly by the government agency.

#### **4. Subsidy Mechanism**

There will be a program-wide approach for allocating housing subsidies to beneficiary families, as described for the three program components (new houses, repairs, retrofits).

##### **4.1 Component #1: New Construction**

*A direct subsidy will be provided for all beneficiary families* participating in the Housing Reconstruction Program (88% of program funds), both indigent families and those with some

economic capacity. The subsidy amount is based on what is necessary to build a new 26 square meter house, as noted in the sample house design developed by CHF/IDDI<sup>2</sup>.

***The “base” subsidy allocation of US\$2,xxx will apply to all beneficiary families.*** The base subsidy provides sufficient funds for the NGO and beneficiaries to construct a modest sized house with a progressive design. The program subsidy structure for the new construction component provides beneficiaries located throughout the country with equitable access to limited subsidy funds.

For those beneficiary families with the economic capacity to assume a loan, the NGO may offer them additional program funds above the base subsidy amount in the form of a loan to construct a larger house. Program funds above the US\$2,xxx base subsidy amount may be provided to the beneficiary only in the form of a loan. CHF will provide up to \$xxx in additional program funds for loan capital for beneficiaries choosing a larger house model (maximum 42 square meters) that incorporates a credit component. As an alternative to using program funds for the credit portion, an NGO may utilize its own financial resources.

In conformance with this subsidy structure, two house models, along with a full set of house plans, construction details, specifications, unit cost calculations and house budgets, are attached to these Guidelines as references for the development of houses for the Housing Reconstruction Program.

- One-bedroom, 26 square meter house model; per unit cost of \$2,xxx
- Two-bedroom 36 square meter house model; per unit cost of \$2,xxx

The NGOs may propose other house models, though they should consider the technical elements incorporated into the attached house models as a design reference. For NGOs who have made prior investments in physical plant to develop alternative construction systems, they are encouraged to submit their house models. CHF will review all NGO house designs on a case-by-case basis. For NGO house model designs in excess of 42 square meters, beneficiaries would qualify for less than the base subsidy amount, subject to CHF review of the individual circumstances.

NGOs will have some flexibility in setting up their loan products. In an effort to promote more sustainable lending practices, CHF strongly recommends that NGOs set interest rates at the market, base loan repayment on no more than 25% of household income and a three-year maximum loan term. The NGOs would assume responsibility for verifying the affordability of individual beneficiary loans by checking household income and economic capacity and securing appropriate guarantees.

## 4.2 Component #2: Repairs

Beneficiary families will receive a ***50% direct subsidy allocation and a 50% loan combination for home repairs.*** Beneficiary families whose houses were damaged by the hurricane will be eligible for a program subsidy only in combination with a small loan,

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<sup>2</sup> Note the attached plans and supporting documents prepared by CHF and the Instituto Dominicano de Desarrollo Integral (IDDI).

although the loan portion may be waived for a maximum of 25% of beneficiaries provided they are indigent and have no capacity for loan repayment. The subsidy amount will vary for each beneficiary, based on the individualized scope of work prepared jointly by the NGO technical staff and beneficiary. The low average per unit repair costs of about US\$300 per house should facilitate participation of virtually any family interested in repairing their home.

In addition, under the repair component, CHF will provide NGOs with program funds to install hurricane straps as a complementary grant package to beneficiary families.

#### **4.3 Component #3: Retrofits**

Beneficiary families will receive a *full subsidy allocation for all retrofits of emergency temporary shelter*. Most emergency houses have been retained by their owners as permanent housing, although not designed or built originally for that purpose. There is need to strengthen the foundations, walls and roof systems of these houses to make them more resistant to hurricanes, floods and earthquakes.

CHF will collaborate with Dominican NGOs to complete a technical evaluation of the emergency temporary houses to determine the scope of work for retrofits. The technical findings will indicate whether hardware and fittings will be purchased locally or overseas or must be specially fabricated in the Dominican Republic.

#### **5. Submission of Project Proposals**

Pre-qualified NGOs may submit housing project proposals to CHF that conform to these Guidelines. CHF is available to discuss potential housing projects with NGOs and provide technical assistance as required to finalize proposed housing projects. CHF will review housing project proposals, modify proposals as necessary in consultation with the NGO, and approve sub-awards subject to final concurrence from USAID/DR.

Housing project proposals may be submitted to CHF at the following address:

Fundación para la Vivienda Cooperativa (CHF)  
Ave. Sarasota No.71, Local 201  
Plaza Gazebo, Ens. Bella Vista  
Santo Domingo, República Dominicana  
Tels. 533-8222; 532-8111  
Fax. 508-6751

Proposals (one original/two copies) may be submitted in Spanish or English. In addition, proposal documents (with the exception of architectural documents) should be submitted on 3.5" floppy disk in Microsoft Word and Excel.

Subject to performance, an NGO may submit multiple housing project proposals to CHF that target different localities and implement more than one housing project at a time. NGOs will submit separate proposals for each of the three housing components (new construction,

repairs, retrofits). Housing funds under this program will be committed only when all other NGO funding sources have been obligated to the proposed housing project. CHF will have an “open window” for the submission of housing project proposals, although it intends to obligate program funds quickly to eligible housing projects. This mechanism should accommodate those NGOs whose housing projects may have complex design issues and/or multiple funding sources.

The NGOs that demonstrate their capacity to mobilize counterpart resources and meet their house production targets will be in a better position to obtain a greater portion of available program funds.

## **6. Documentary Requirements for NGO Housing Project Proposals**

The first round of NGO proposals will target new construction projects, which will be of two types: in-fill *in situ* housing on existing lots occupied by beneficiaries, and 2) urbanizations located on new project sites. NGOs will submit the following list of documents for the new construction housing projects. The numbered formats are annexed to these Guidelines:

### For Component #1: New Construction

1. NGO letter of interest to CHF
2. Application form (Refer to Format No.1)
3. NGO organigram that includes the proposed housing project team
4. CVs of project team members covered with program funds
5. List of community applicants (Format No.2)
6. List of selected beneficiary families (Format No.3)
7. Socio-economic questionnaire summary of selected beneficiaries (Format No.4)
8. Certification of each beneficiary family on availability and suitability of house lot, *in situ* only (Format No.5)
9. Project work plan (Format No.6)
10. Total project budget with annexes on administration, house construction budget, number of models/houses and counterpart contribution (Format No.7)
11. Description of the revolving fund (Format No.8)
12. NGO-Beneficiary agreement
13. Description of proposed water, sanitation and electrical services for *in situ* houses
14. Letter(s) of commitment from other contributors for complementary resources (i.e. local governments, foundations)

### Technical data for the house design(s)

Examples of two house models (26 m<sup>2</sup> and 36 m<sup>2</sup>) with full documentation are provided as annexes to these Guidelines. Designs should include at least the following:

15. House floor plan (Format No.9)
16. Construction details; Note information on sourcing of metal hurricane connectors
17. Specifications (Format No.10)
18. Structural considerations
19. Elevations/sections

20. List of materials (Format No.11)
21. Unit cost calculations (Format No.12)
22. Table of finishes (Format No.13)
23. House budget (Format No.14)

For housing projects located on new sites

24. Contract of sale or title of the project site
25. Survey plan with topographical information
26. Urbanization site plan
27. Urbanization water system
28. Urbanization sanitation system
29. Urbanization electrical plan (if applicable)
30. Road designs
31. Environmental impact study
32. Municipal certification/approvals
33. Urbanization budget for site works

(Note: Formats provided with this document shall be used by the NGO to prepare their housing project proposals. Variations shall be approved beforehand by CHF.)

## **7. Explanatory Notes on Project Proposal Documents**

Detailed information follows on how to complete the attached formats:

### Beneficiary selection

La ONG compromete a desarrollar con el grupo comunitario un proceso transparente y justo en la determinación de cuales personas serán seleccionados como beneficiario para el programa. Debe de existir mecanismos abiertos, sin favoritismo ni discriminación, que permiten que los damnificados se conocen el Programa de Reconstrucción de Viviendas y tener oportunidad para solicitar participación.

Beneficiarios del Programa de Reconstrucción de las Viviendas tendrán los siguientes criterios para calificar para una *vivienda nueva* cuando:

- Es dueño de una vivienda que fue destruida o muy dañada
- Es de bajo ingresos sin recursos económicos para reconstruir su vivienda
- Hace el compromiso de trabajar en la construcción de su vivienda

La ONG debe dar prioridad de participación a las familias que todavía residen en refugios. También, por lo menos la ONG debe incluir cómo meta que no menos de 25% de sus beneficiarios cómo madres solteras.

Para su propuesta, la ONG debe presentar a CHF los siguientes documentos:

- Listado de todos los solicitantes. La ONG mantendrá en sus archivos las solicitudes de todas las familias. (Formato No.2)
- Listado de todos los beneficiarios seleccionados. (Formato No.3)

- Resumen de los datos socio-económico de los beneficiarios seleccionados. La ONG agregará los datos de todos los beneficiarios seleccionados en un reporte de resumen. CHF mantendrá información global del programa. La encuesta solamente se utiliza con los beneficiarios seleccionados. La ONG mantendrá en sus archivos las encuestas de cada beneficiario seleccionado. (Formato No.4)

#### Certification of land suitability

The NGO will provide an affidavit from each beneficiary located *in situ* projects, co-signed by the NGO and community-based organization (where applicable), declaring their prior status of land possession (Format No.5). The NGO will research and verify the land status of program beneficiaries, noting the differences between state, ayuntamiento and private lands.

- *Public lands (del Estado)*. Beneficiary families residing on public land shall affirm their prior residency in the proposed house lot for a minimum of five years; with verification countersigned by the local community-based organization. In the case of public lands, the NGO should assist the beneficiary in its civil registration of physical improvements made to their home.
- *Ayuntamiento lands*. Beneficiary families residing on ayuntamiento land shall obtain permission from the Ayuntamiento for the continued use and enjoyment of their house lot. The five-year occupancy requirement does not apply for ayuntamiento lands.
- *Private lands*. Beneficiary families residing on private lands not their own must submit written permission from the owner. Exceptions may apply in those cases where ownership is unknown or the beneficiary/NGO can present significant mitigating circumstances.

CHF will provide NGOs with land selection/acquisition recommendations to those NGOs preparing for large scale urbanization projects.

#### Project work plan

NGOs will provide CHF with a project work plan (Format No.6) that includes the following elements:

- Administrative preparation
- Mobilization steps
- Community organizing
- Bidding
- Procurement
- Construction of houses by stages
- Project supervision and reporting
- Estimation of monthly expenditures

The Project Work Plan provides CHF with a mechanism to measure NGO progress in the construction of their housing projects.

### Total project budget

The NGO total project budget (Format No.7) provides a breakdown of the number of houses per house model, per unit house costs and detailed information on the NGO's administrative cost structure for project implementation.

As noted in the total project budget format, CHF is allocating up to a maximum of 20% for NGO project administration. If their administrative costs are above 20%, the NGO must provide this amount as counterpart. This figure is calculated as a percentage of the house construction costs (materials and skilled labor). In addition, CHF is allocating up to a maximum of 10% as a contingency, which should be used primarily to cover potential increments in material and skilled labor costs. The contingency figure is calculated as a percentage of the house construction costs (materials and skilled labor). The contingency will be used for payment of any taxes and permit fees, in those communities where they are charged by the local government.

The NGO will provide the following insurance coverages for their housing project, from the funds provided for administration:

- Performance bond
- Liability insurance for third parties in the amount of RD\$1,000,000

The performance bond will be for the full amount of the NGO sub-award, which is based on the total amount for materials, skilled labor, project administration and contingency. The performance bond and liability insurance policies will be provided to CHF prior to the start of construction. In the project liability insurance policy, CHF and USAID will be specified in a hold harmless clause. In addition, the NGO will ensure that Social Security insurance payments are made for contracted skilled labor.

In the budget format, the NGO will provide a detailed breakdown of its project administration costs. This information is requested for informational purposes only. The intent is to verify that the NGO is adequately staffed to implement their proposal housing project.

### Counterpart contribution

The NGO shall provide a minimum counterpart contribution of **25%** of the funds received from CHF as sub-awards (annex to Format No.7).

The NGO should include as its counterpart contribution the value of resources noted among any of the following areas:

- Beneficiary unskilled and skilled labor
- NGO staff labor and other project-related administrative costs not paid for from project funds
- Community group organizational labor and logistical support
- Construction materials, i.e. sand, gravel, doors, windows, etc.
- Infrastructure service provision, i.e. water, sanitation and electrification.
- Transportation

- Land for project site
- Supervision
- Architectural/engineering design

Prior to project implementation, CHF will provide NGOs with detailed instructions on the calculation of counterpart contribution. The NGOs will provide this information to CHF in its monthly management and financial reports.

(Note: USAID and/or other U.S. Government funds from other projects do not apply towards meeting the minimum 25% counterpart contribution.)

#### Revolving loan fund

If applicable, NGOs will provide a brief description of their proposed approach to a program loan component (Format No.8), specifying the nature of their loan product and loan management system.

An NGO electing to utilize a portion of program funds as loan capital is required to establish a revolving fund with the beneficiary loan payments. During the two-year term of the Housing Reconstruction Program, income from the revolving fund may be used by the NGO to pay for water and sanitation, purchase land, repay prior land acquisitions, build additional houses, develop micro-enterprises, or other activities that assist the impact community, subject to USAID approval. At the conclusion of the two-year program, the NGO may utilize their revolving fund as they deem necessary in support of their existing programs.

Several participating NGOs may establish a joint revolving fund by combining resources, subject to USAID approval. The NGOs who establish the revolving fund will determine the mechanism for fund management, although the resources must be used in the above mentioned manner. On an as-needed basis, CHF will assist the NGOs in elaborating their management plans.

NGO recuperation of monthly beneficiary loan payments shall be deposited into a separate bank account and not commingled with other Housing Reconstruction Program funds. Expenditures from the NGO revolving fund during the two-year program will be included in the NGO monthly financial report submitted to CHF.

#### NGO-Beneficiary agreement

The NGO is required to execute a written agreement with each individual beneficiary family, outlining their mutual roles and responsibilities in the housing reconstruction process. The agreement may include clauses that impose a resale and/or rental restriction or specific actions in the case of beneficiary fraud or misrepresentation.

### Water and sanitation

NGO housing projects with new houses (for both *in situ* and urbanizations) shall address household and community needs for adequate water and sanitary services, whether individual houses or part of an urbanization. **Housing Reconstruction Program funds can be used only for housing. The NGO should identify other resources in order to provide beneficiaries with water and sanitary services<sup>3</sup>.**

The following water solutions are acceptable as minimum standards:

- New hand dug or drilled water well
- Communal hand water pump
- Gravity-fed or pumped water system from freshwater source
- Communal storage tanks with distribution piping (gravity-fed or pumped)
- Community or group solution is acceptable
- Household connection to existing piped water system

The following sanitary solutions are acceptable as minimum standards:

- Existing houses may re-use existing pit latrines (at least ventilated)
- Ventilated pit latrines (single or double vault)
- Dry composting latrines
- Individual septic tanks
- Group septic systems
- Community-based sewage facilities
- Connection to existing sewer lines

If piped potable water and sewer lines are available to the individual beneficiary household, a bathroom shall be part of the house plan (see options in attached House Plan). This condition is more likely in urban projects.

### Letters of commitment

In those cases where an NGO is using funds or resources from a third party, the NGO shall provide CHF with written documentation detailing the nature, amount and term of the funding commitment. In this manner, CHF can base its funding decisions on housing project proposals based upon the NGO assurance that it has complementary funding obligations. This condition will reduce the possibility of houses being constructed and infrastructure services not available in time for occupancy.

## **8. Physical Design Considerations for New Construction**

Two house models (26 square meters and 36 square meters) are included in these Guidelines, which are available to NGOs for project implementation or as design/cost references. The

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<sup>3</sup> These sources may include other USAID resources such as the Entrena water/sanitation grants, GODR line agencies and programs, municipal and provincial governments, international NGOs, civic clubs, foundations, international agencies, private businesses, churches, community-based organizations, etc.

complete set of supporting documents (plans, details, specifications, list of materials, budget, etc.) is attached to these Guidelines. For NGOs presenting alternative house designs, the following factors should be considered.

### **8.1 Architectural house plans**

The following general considerations are considered in the two house models:

- Houses are built of permanent materials and resistant to hurricane, earthquakes, landslides and floods (Alternative construction systems are acceptable subject to presentation of supporting technical data)
- House designs must permit progressive expansion and the floor plans should indicate successive stages of development
- House designs should be modular based on the standard block size
- Wood framed roof systems must include metal hurricane connections
- Minimum roof slope of 30 degrees
- Roof overhang of no more than 12 inches (0.30m)
- Windows should provide sufficient cross ventilation and illumination
- Exterior doors should be solid and weather resistant; interior doors are the responsibility of the beneficiary
- Existing soils shall be taken into consideration in the design of the house foundation and structure

House plans, details and calculations shall be presented in the attached formats.

- Format 8.5" x 11"; Scale 1:50
- Architectural plans shall be fully dimensioned
- Setbacks at the front, rear and sides should be a minimum one meter
- Sections shall note floor level, ceiling height, height of doors, height at the base of windows and size of rough openings
- Front and side elevations
- Foundation design and roof plan details
- Architectural plans shall include project name, location, sponsoring NGO

Standard construction details shall include the following (where applicable):

- Structural connections of the walls to the footings, bond beam, roof system to the walls, ridge plate to the roof rafters and roof sheeting to the rafters
- Size and location of foundation, reinforced beams and columns
- Wood framing and zinc sheeting roof plan notes size and locations of the roof beam, rafters, plates
- Reinforced concrete roof system plan shall note size and location of reinforced steel, method of connection, thickness

Electrical service.

- The electrical plan for the house models shall include basic distribution boxes for outlets, switches and light fixtures and an interior service box (4-circuit minimum).

- Beneficiary will assume the responsibility for the purchase and installation of interior wiring and light fixtures.
- Beneficiary will assume connection costs to the electrical system.
- Installation of the electrical lines to and within an urbanization is not included in the new house component.

## **8.2 Site development considerations for urbanizations**

CHF will provide NGOs considering larger-scale housing projects (100+ units) with detailed site development design considerations to supplement those required by Obras Públicas.

## **9. Environmental Considerations**

### **9.1 Disaster mitigation**

NGOs will work closely with CHF, USAID and Dominican government agencies to mitigate risks to housing projects. Housing projects proposed for construction in high-risk areas will not be approved. All projects built in low to moderate-risk areas must address potential risks and provide an appropriate disaster mitigation plan.

Confirmation that land is safe for construction or that a risk mitigation plan exists for moderate risk areas will be required from NGOs and confirmed by CHF prior to approval of housing projects.

### **9.2 Environmental impact**

Many problems associated with Hurricane Georges were caused by a previous lack of concern for the environment. In carrying out the review of projects, CHF will act in accordance with USAID environmental requirements as specified in AID Regulation 22 CFR 216. Project review will take into consideration and evaluate the potential environmental effects of construction projects, formulate measures to mitigate such impacts and define any environmental limiting factors that constrain development.

In the USAID document Initial Environmental Assessment IEE-99-16, the following potential environmental remedies are recommended as part of the shelter reconstruction activity. CHF will require that NGOs monitor these areas to ensure compliance.

- Construction of new sites may take place on previously disturbed sites, such as agricultural fields no longer in production
- Sites should be located on flat or gently sloping ground to prevent soil erosion. Housing built on slopes with greater than 15% will include the application of soil erosion mitigation measures such as terracing and/or vegetation barriers.
- Houses should be located at least 50 meters from perennial watercourses.
- Sites located within areas suspected of having archeological value, a certificate from INVI will be required to prove that the sites have been reviewed by a qualified specialist and have been determined to have no archeological value.

- Trash and debris produced by the construction of houses shall be disposed of in a suitable off-site location.

NGOs should consider the following environmental issues in the design and development of their housing project sites:

- Present land use at a proposed project site. Existing activities should be able to be carried out on nearby land, if necessary.
- Project sites should be evaluated to verify that they are not critical for bio-diversity, conservation of endangered or endemic species or critical ecosystem before selection.
- Basic services shall be provided for all projects (sewage, solid waste disposal, potable water, road and electrification systems must be installed by the time of beneficiary occupancy).
- Project sites should not be located within the area of influence (normally 1 km.) of pollution and/or hazardous sources including factories, mines, military bases, etc.
- Project site is not down wind of a contamination source.
- Expansion or construction of necessary community infrastructure (schools, health clinics, etc.) is considered in the master plan of the housing project.
- Presence of dense forest or a critical habitat may necessitate an alternative site.
- In the case of deforestation in developing a project site, an area equal in size to one and a half times the area deforested must be established and maintained. The location and ultimate use will be established in coordination with local municipal authorities.
- Environmental and sanitary training for all residents should be included as part of the community development process. This is especially important if families are moving from a rural area to a more urbanized environment. Training should consider: 1) proper use and maintenance of latrines, 2) environmental education for children, 3) care of domestic animals, 4) reforestation in green areas, 5) social interactions in housing projects, 6) proper use and conservation of water, 7) construction and use of improved stoves, and 8) fuel wood plot management.
- Soil conservation measures should be included in the design. The exact measure will depend on the site and the severity of the impact.
- A social diagnosis of the beneficiaries and the communities around the proposed site should be considered to determine if a significant social conflict exists.
- Cleanup of all construction debris must be part of the house construction process.

## 10. Pre-Construction Considerations

### 10.1 Construction permits

For new construction, the NGO will be expected to comply with local norms and standards in executing construction projects. For in-fill *in situ* housing on pre-existing and/or occupied lots in established communities, NGOs must coordinate with the municipal government to establish procedures that facilitate construction of new houses. For new urbanization projects, NGOs must submit complete project designs to the appropriate government regulatory authorities and obtain relevant permits prior to construction. CHF is available to assist NGOs to understand the project review process conducted by governmental agencies.

## 10.2 Materials testing

CHF will contract the professional services of a materials testing firm based in Santo Domingo, or utilize the laboratories of Obras Públicas, as a means of supporting quality construction. This approach is intended to improve construction practices and result in better housing. CHF technical staff will coordinate with the NGO for the introduction of these technical services so as not to interfere with routine construction activities. CHF will assume the costs associated with the materials testing program.

- *Soils.* Prior to construction, core boring for soil samples from large housing project sites (100+ units) will be taken and analyzed to ensure that the structural design matches the soil bearing capacity.
- *Aggregates.* Prior to construction, aggregate samples should be analyzed and recommendations for mixture ratios provided for foundations, columns and reinforced roofs.
- *Concrete.* During construction, random slump tests of concrete samples may be taken to ensure the structural integrity of concrete pours for foundations, reinforced columns, floors, hollow block fills and reinforced concrete roofs.

## 11. Incentives

In an effort to meet the program goal of building and improving 5,000 houses in less than two years, CHF will incorporate an incentive clause into its NGO sub-award agreements. The 10% set aside as a contingency fund in each housing project may be retained by the NGO at the completion of each housing project, subject to their meeting the production targets and schedule for completion established in the CHF-NGO sub-award agreement.

## 12. Monitoring and Evaluation

In the Housing Reconstruction Program, CHF will demand a consistently high standard of performance from its NGO partners. NGOs are encouraged to hire well-trained, experienced technical and financial staff to implement their projects paid out of program funds. CHF has determined during the pre-qualification phase that participating NGOs have the requisite capabilities to successfully manage a complex community-based housing reconstruction program. However, where possible, CHF will work with the NGOs to assess their technical assistance needs and develop activities to strengthen their construction management skills.

A key element in obtaining quality houses is an adequate level of field supervision. At a minimum, CHF expects that the NGO will have a licensed architect or engineer on-site to handle daily project management and supervision tasks. During construction, the NGO will provide CHF with weekly and monthly construction progress reports. The NGO should calculate this degree of technical involvement to assess whether there are sufficient project administration funds. In turn, CHF will make regular field visits to all housing projects to verify NGO reports and provide a second level of supervisory oversight, always with the intention of improving the quality of construction and capacity of our NGO partners.

**Document Checklist for Housing Project Proposals**  
**Post-Hurricane Georges Housing Reconstruction Program**  
**Dominican Republic**

- \_\_\_ 1. NGO letter of interest
- \_\_\_ 2. Application form (Format No.1)
- \_\_\_ 3. NGO organizational chart that includes the housing project team
- \_\_\_ 4. CVs of project team members covered with program funds
- \_\_\_ 5. List of community applicants (Format No.2)
- \_\_\_ 6. List of selected beneficiary families (Format No.3)
- \_\_\_ 7. Socio-economic questionnaire summary (Format No.4)
- \_\_\_ 8. Beneficiary certification on suitability of house lot, *in situ* only (Format No.5)
- \_\_\_ 9. Project work plan (Format No.6)
- \_\_\_ 10. Total project budget with attachments (Format No.7)
- \_\_\_ 11. Description of the revolving fund (Format No.8)
- \_\_\_ 12. NGO-Beneficiary agreement (See example)
- \_\_\_ 13. Description of proposed water, sanitation and electrical services for *in situ* houses
- \_\_\_ 14. Letter(s) of commitment of resources from each contributing entity.

**House plans and supporting documentation:**

- \_\_\_ 15. House design(s) and floor plans
- \_\_\_ 16. Construction details
- \_\_\_ 17. Specifications
- \_\_\_ 18. Structural considerations
- \_\_\_ 19. Elevations/sections
- \_\_\_ 20. List of materials
- \_\_\_ 21. Unit cost calculations
- \_\_\_ 22. Table of finishes
- \_\_\_ 23. House budget
- \_\_\_ 24. Information on sourcing of hurricane connectors

**Housing projects located on new sites:**

- \_\_\_ 25. Contract of sale or title of the project site
- \_\_\_ 26. Survey plan with topographic information
- \_\_\_ 27. Urbanization site plan
- \_\_\_ 28. Urbanization water system
- \_\_\_ 29. Urbanization sanitation system
- \_\_\_ 30. Urbanization electrical plan (if applicable)
- \_\_\_ 31. Environmental impact analysis
- \_\_\_ 32. Municipal certification/approvals
- \_\_\_ 33. Urbanization budget for site works

DATE: December 27, 1999

TO: Sara Wines, RUDO/LAC

FROM: Jeff Boyer, G/ENV/UP

SUBJECT: Review of the CHF Financial Proposal for the Structure of the USAID/Dominican Housing Reconstruction Program

The following are some preliminary observations for your consideration in upcoming exchanges with USAID/Santo Domingo on how to best structure the arrangements with CHF for meeting immediate reconstruction needs and serving USAID's longer term institutional interests in the housing sector.

Overriding Issues:

1. To minimize potential policy or technical conflicts of opinion with USAID and CHF on the direction of the Housing Reconstruction Program, it is imperative that RUDO conduct a thorough analysis of CHF's signed Cooperative Agreement to determine what has been set in stone, and what degree of flexibility exists to further enhance the role and implementation arrangements of the parties involved;
2. The role of FONDOVIP in the initial and long-term phases of the reconstruction has been completely avoided in the CHF discussion document. A statement or vision of USAID's interests in the immediate post hurricane reconstruction interests (goals) in this or other NGO arrangements should be established upfront to avoid missed opportunities and/or misunderstandings along the implementation road so people are not working at cross purposes to these ends;
3. CHF needs to be separated from the recuperation and administration of the future reflows of the reconstruction credits, assuming loans can be formed which is challenged by the cover page sent by Ricardo Melo;
4. Initial Environmental Examination – has one been prepared and approved by the Mission and the LAC Bureau's Jeff Brokaw to comply with the Agency's Article 16. This should be completed before funds sub-obligated by the approved entities. Please consult with the Mission and advise.

Technical and Financial Considerations:

1. **Land Titling and Transfer of Ownership** – No mention of these constraints has surfaced anywhere in the paper. It is not clear how the NGOs will be

guaranteeing their credit operations with the program beneficiaries. In addition, presumably to avoid misuse of the intended purposes of the housing subsidies, beneficiaries of the “special hardship subsidies” will have some restrictions placed on resale of their new lots/homes?

2. **Fixed vs. Sliding Subsidy Component** – This is a judgement call that must be made based on the specific circumstances in the field, given the characteristics of the beneficiary groups. Administering a sliding scale approach poses a much higher administrative effort and can be conflictive and excessively time consuming. Setting a maximum limit or “tope” at 500 cases for eligibility for the \$2,000 special subsidy or whatever the number (not established how it was reached), obviously impacts on your reflow fund levels in the future (table of reflow levels not prepared).
3. **Hurricane Resistant Measures** – Given the tremendous wind shear effects of Hurricane Georges, and high probability of other storms to follow, it is recommended that all USAID housing beneficiaries be required to install a minimum package of measures to ensure the safety of their dwellings, whether it be new core units, retrofits, or home improvement loans (particularly this one).
4. **The Role of FONDOVIP and CHF** – It is unclear if the USAID funds for reconstruction have been put into an account/trust to be administered by FONDOVIP under the supervision of CHF or if the CHF role has been enlarged to do all? Since I am not up-to-date on where FONDOVIP is in its development and consolidation, it is important to get these two points clear as to what makes sense in the short-term (1<sup>st</sup> year of getting the reconstruction projects rolling). Avoid mixing these apples and oranges...but get agreement on the long-term goals now.

If FONDOVIP is ready and capability of taking a significant role from the outset, let them assume responsibility/power with CHF playing a technical advisory and oversight role. The initial 1<sup>st</sup> year of the reconstruction period should be viewed primarily for getting the reconstruction funds invested in projects and people, and second as the testing ground for FONDOVIP and participating NGOs to demonstrate their institutional capability and experience for eventual USAID granting the reflow funds to them under some formula that produces significant financial leveraging of its member NGO financial organizations. The 2<sup>nd</sup> year of operation should be devoted to recuperation of loan funds and establishing the financial basis for final determination of the Fund. Steps would include the following: (a) development of Business Plans (2-5yrs.) on the part of FONDOVIP and participating financial entities; (b) conduct reviews of the NGOs entities analyzing their financial and technical soundness and presenting recommendations for further improvement; (c) assessment of possible fund

mobilization options, including equity sharing by all parties and structuring alternatives for the operation of FONDOVIP; and (d) analysis of reflows of reconstruction loans and their projected uses including risk sharing formulas of the participating NGOs.