



February 12, 2014

Hon. Alejandro García Padilla
Governor
La Fortaleza
P.O. Box 9020082
San Juan, P.R. 00902-0082

Dear Mr. Governor:

On August 2010, I had the privilege and honor to serve Puerto Rico as Secretary of the Department of Housing ("DOH"), as well as Acting Administrator of the Puerto Rico Public Housing Administration ("PRPHA"). For over two years, I've performed both roles and, because of the hard work, dedication and expertise of the excellent personnel who work at the PRPHA, we were able, among other things, to provide better access, decent and safe housing units to families in need. We have tried, and in my opinion accomplished a real quality of life, not just by guaranteeing the necessary infrastructure, but also by ensuring benefits from programs of high social impact to our residents.

It satisfies me to know that over the years the image of the PRPHA has evolved and improved, not only before the Federal Government, but also for the residents of public housing; who ultimately are the ones that drove my passion and desire to continue my vocation and daily work at the agency. Together, we have achieved the goals we set and have accomplished objectives we never thought could be reached.

I'd like to mention some examples of the endeavors that during my stay, we've been able to attain.

- Effective assignment and management of federal funds for the past 4 years which have led the Federal Government to restore its confidence in our people. It has also made the PRPHA a model to follow in regards to the adequate use of funds.
- We rescued the tax credit transaction and took these into compliance causing investors to regain trust and invest in Puerto Rico.
- An unprecedented investment of \$500 million for modernization and maintenance of public housing in Puerto Rico, generating thousands of jobs in the construction area.



- We've reached out to thousands of children, young adults, adults and seniors by offering recreational, educational, cultural and socio-economic development activities.
- The creation of Learning Centers, with the best technology, in dozens of developments.
- The taping of the first movie about life and experience in a public housing development - "Por Amor en el Caserío".
- A large scale renewable energy project in a public housing development (Puerta de Tierra).
- The establishment of a Business Development Center, where residents are educated and helped so that they can create their own businesses.
- The mechanization of the waiting list, through which the PRPHA was able to eliminate the finding that it had for over a decade, and which makes the selection and occupancy process in each development a transparent and just one.
- We began the process of implementing a new financial system for the agency, which will improve the technology information systems and property management, placing the PRPHA at the forefront of the fiscal processes required by the Department of Housing and Urban Development ("HUD").
- We were recognized by HUD for the work accomplished in reducing vacant units.
- The development and remodeling of recreational facilities and common areas, the replacement of water and electrical systems, and painting, among others.
- The development of a Security Protocol, in coordination with state and federal law and order agencies, which awaits approval for its implementation; the acquisition of the ShotSpotter Technology, to provide greater security to our residents; among others.

As you are aware, in 2012 the PRPHA's Organic Law was amended to have the Administrator's position named by the Governor, with the consent of the Senate, and for a seven (7) year term. This, in order to better serve and perform in a timely manner the findings of HUD; agency who provides the majority of the operational funds of the PRPHA, and gives continuity to its projects. In compliance with this Law, and with the overwhelming support of the public housing residents, on December 17, 2012, I was appointed Administrator and confirmed by the Senate.

Since my appointment, unfortunately, a campaign has been engaged against me in order to hinder the work of excellence that the PRPHA has performed. With much

regret and despair, the constant interference and obstruction to my daily duties have forced to resign from my positions.

On several occasions, I turned to you to report these actions and the way that they were affecting the proper and effective performance of the agency. Examples of these actions were the interference with the Human Resources management of the agency, the imposition of trust-appointed employees, the undue intrusion with the technical and professional services contracts, the meddling with the authorization of necessary purchases, the disruption of the command lines in the PRPHA, constant efforts to obstruct and affect the routine work of the PRPHA, the adverse employment action of reducing an appointed public servant's salary without due process, constant threats that the current administration would amend the Organic Law to fire all appointed employees of the PRPHA, among many others. As mentioned before, all of these actions prevented and impede the exceptional work that the PRPHA performed in order to improve the quality of life of our public housing residents in Puerto Rico.

The worse of the actions mentioned above took place on July 2013. At that time, the Legislature approved a bill introduced by a legislator, who candidly let the media know that his primary objective with the bill was to "screw out who had been screwed in" at the PRPHA. We strenuously opposed to the approval of the bill since its effect was going to be the disruption of the agency's effective operation. Likewise, leaders of the public housing developments expressed their repudiation to the bill's intention and unsuccessfully tried to have the bill removed for further evaluation. Notwithstanding the above, the bill was approved and you signed it without letting us explain the problems that the implementation of the same would lead to.

In accordance with the provisions of the amended law, the PRPHA's Governing Board, chaired by the Secretary of the Department of Housing, took control over the agency's operations. An immediate Resolution was approved ordering me to request the resignation letters to all trust-appointed personnel named by me, without allowing me the opportunity to, as their immediate supervisor, provide an evaluation in order for an informed and correct decision to be made. New staff was appointed, responding directly to the PRPHA's Governing Board.

As cautioned, the members of the Governing Board soon realized that the daily operations of the agency was a heavy burden and the decisional power was delegated to the Chairman of the Board. In turn, the Chairman delegated all operating decisions to the Deputy Secretary, a third party who is not a member of the Board, and who makes regular meetings with the named staff. In these meetings, instructions are given,

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projects and proposals are discussed and decisions are taken, all without the presence, consent or knowledge of the Administrator. All of the above detailed, clearly violated and clashed against the provisions and the dispositions of the PRPHA's Organic Law.

Despite all of the before mentioned, for the past seven (7) months, I've remained as Administrator, with the best intentions to continue working in order to improve the quality of life in the public housing developments, specifically to help our residents, who are the reason why I'm still acting in my positions. However, the way that the agency is now structured makes it impossible to conduct matters in an orderly and coordinated manner. The staff named by the Governing Board has recognized that the lines of command have been altered and that they need to answer to a lot of people, leading to confusion and performance problems. I have informed this situation to Secretary Rubén Ríos Pagán, but the matter has not been resolved.

I'm a firm believer that one should stay in a position if you have the required tools to create change and positive outcomes for those you serve. In my case, I've constantly expressed that my staying as Administrator would depend on maintaining certain authorities that would allow me to work in finding ways to improve the quality of life for the 55,000 families residing on our developments. With the disastrous law signed by you, which amended the PRPHA's Organic Law, it has certainly become difficult for me to comply with residents' complaints in an agile and diligent manner, as I have done for the last years.

Given this unchanging reality, I hereby resign to my position as Administrator of the Puerto Rico Public Housing Administration effective on February 14, 2014.

Sincerely,



Miguel B. Hernández Vivoni, Esq.
Administrator

c. Hon. Shaun Donovan
Secretary
US Department of Housing and Urban Development

Hon. Sandra B. Henriquez
Assistant Secretary for the Office of Public and Indian Housing

Hon. Rubén A. Ríos Pagán
PRPHA Chairman of the Government Board