

CORONAVIRUS STATE FISCAL RECOVERY FUND



Low-Income Housing Repairs

Program Guidelines

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GOVERNMENT OF PUERTO RICO



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Program Overview

Background

Since March of 2020, Puerto Rico, like most jurisdictions in the United States and countries around the world, has experienced an unprecedented emergency caused by the Coronavirus Disease 2019 (“COVID-19”) pandemic. To slow the spread of the disease and ensure stability of its healthcare system, the Government of Puerto Rico has implemented measures to address the emergency. On March 12, 2020, the Government of Puerto Rico issued Administrative Bulletin OE-2020-020 through which formally declared a state of emergency due to the imminent impact of the coronavirus in Puerto Rico.

During the state of emergency, Puerto Rico suffered great loss of life and severe economic hardships which have impacted a Commonwealth still reeling from natural disaster. Puerto Rico lost over 2,500 citizens, tourism dwindled with hotel registrations falling 95% from February to April 2020, and 460,000 residents of Puerto Rico experienced unemployment, twice the previous number of unemployed individuals. Despite these hardships, Puerto Rico persevered, and with over 2,600,000 doses of COVID-19 vaccines administered, Puerto Rico is positioned to emerge from the COVID-19 pandemic.

To help Puerto Rico emerge from the COVID-19 pandemic, Congress passed the American Rescue Plan Act of 2021 (“ARP Act”), and the President signed it into law on March 11, 2021. To assist state governments with addressing the lingering public health emergency while targeting areas and industries in needs of economic development, the ARP Act established the Coronavirus State and Local Fiscal Recovery Fund, which provides \$350 billion in direct assistance to states, territories, counties, metropolitan cities, tribal governments, and non-entitlement units of local governments. As part of the Coronavirus State and Local Fiscal Recovery Fund, Puerto Rico received \$2.47 billion under the Coronavirus State Fiscal Recovery Fund (“CSFRF”).

To ensure the expeditious processing of apportioned funds from the CARES Act, the Government of Puerto Rico established the Disbursement Oversight Committee, consisting of the Secretary of the Department of the Treasury, the Director of the Office of Management and Budget (OGP), and the Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF). The Committee was created on May 15, 2020, by means of Executive Order No. 2020-040, and on May 7, 2021, by means of Executive Order No. 2021-034, the Governor of Puerto Rico extended the Committee’s oversight to include CSFRF.

Program Description

On August 3, 2021, Governor Pedro R. Pierluisi announced the Low-Income Housing Repairs Program. This program makes up to \$50 million in immediate CSFRF funds available to provide low-income families with funding for housing rehabilitation projects, including, but not limited to, relocation and assistance to remove temporary blue roof awnings.

Adequate housing provides shelter to families as well as provides a foundation for a strong family, and many low-income families are forced to forego critical housing repairs in order to provide for their families. This program partners with the Puerto Rico Office for Socioeconomic and Community Development (ODSEC), the Puerto Rico Department of Housing (PRDOH), and local municipalities to undertake low-income housing rehabilitation projects including, but not limited to, repair of blue awnings and relocation.

Disbursement of Program funds will be subject to the strictest standards to ensure compliance with federal regulations and best practices. Therefore, each request for disbursement will be duly documented and subject to control and audit.

Points of Contact

The Program will be administered by the Disbursement Oversight Committee (Committee) in conjunction with the Puerto Rico Office for Socioeconomic and Community Development (ODSEC), the Puerto Rico Department of Housing (PRDOH), eligible municipalities, and AAFAF.

Eligibility Criteria

Eligible Applicants must meet all the following criteria:

- Be the Puerto Rico Office for Socioeconomic and Community Development (ODSEC), the Puerto Rico Department of Housing (PRDOH), or one of the seventy-eight (78) municipalities of Puerto Rico
- Commit to abide by the Program's Terms and Conditions
- Agree to return the Program funds, if it is determined that they did not comply with any of the Program eligibility requirements, or if the Program funds were not spent on eligible expenses by December 31, 2024.

Allowable Expenditures

Allowable expenses under this award must be:

- Necessary expenses related to housing rehabilitation projects for low-income families, including, but not limited to, repair of blue roof awnings, safety hazards, and relocation expenses.
- Those included specifically on resolutions approving the funds to the eligible entity. (On a per project basis)

Further allowable expenditures will be included on a per-project basis in resolutions approving funds to eligible entities.

For further guidance, please refer to the [Guidance](#) and the [Frequently Asked Questions](#) published by the U.S. Treasury.

Other CSFRF Programs

In addition to the Program detailed above, the Governor allocated funds for additional programs to address the public health emergency, ensure continuity of government services, address negative economic impact, provide premium pay, invest in water, sewer, and broadband infrastructure, and provide for the provision of government services (up to lost revenue). Please visit the AAFAF [website](#) for additional information about these programs.

Ineligible Expenditures

Ineligible expenses will be determined by the Committee, the U.S. Department of the Treasury, the Office of Inspector General (OIG), and other regulatory bodies, and under this award include, but are not limited to:

- Necessary expenses that have been covered or reimbursed, or that will be covered in the future, by other state or federal programs, including funds received through the CARES Act or form FEMA;
- Payments to institutions that do not meet the Eligibility Criteria;
- Those included specifically on resolutions approving the funds to the eligible entity. (On a per project basis)

For further guidance, please refer to the [Guidance](#) and the [Frequently Asked Questions](#) published by the U.S. Treasury.

Process Overview

The following is intended to outline the process by which funds from the CSFRF will be distributed under the Program.

August 3, 2021	Award Announced
August 3, 2021	Application Period Begins
September 2021 – Funds Expended	Biweekly Financial Reports
October 2021 – Funds Expended	Monthly Performance Report
December 31, 2024	Deadline for Award Funds to be Used
January 1 – February 28, 2025	Program Audits Use of Funds Compliance and Recovery
February 28, 2025	Program Close

Agency Requests

Requests will be submitted electronically using the [Agency Request](#) for Funding process along with the [request processing portal](#) administered by the Puerto Rico OGP. Applicants should submit requests under the PP Form-CSFRF Fund Request. Upon submission, Applicants will receive a confirmation via electronic mail. More information on forms, documents, and eligibility can be found on the [web](#).

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Evaluation

For all requests, decisions will be evaluated for completeness and eligibility, and final determinations will be made by a representative of AAFAF. Each application will be evaluated, and Program funds allocated using a standard of necessity.

The Disbursement Oversight Committee will approve final funding award decisions.

All administrative costs including direct administrative costs, must be approved in advance by a representative of AAFAF and/or the Disbursement Oversight Committee.

If any contingency funds were not used in furtherance of the project or were used in a manner that was inconsistent with the requirements of the Uniform Guidance, the Recipient will be subject to recoupment of funds.

Any unused contingency funds must be returned at the end of the project.

Award and Funding

Requestors will be notified via electronic mail of funding decisions. Subsequent funding opportunities (including expansion of eligible institutions and use of funds) will be determined based upon the availability of funds remaining after completion of initial awards.

Compliance

Any government entity receiving funds must adhere to the Uniform Guidance, 2 C.F.R § 200 (“Uniform Guidance”). This Uniform Guidance outlines the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” Recipients and their personnel are responsible for reviewing, understanding, and applying the complete underlying legislation and guiding documents. For complete details on 2 CFR 200, visit the Electronic Code of Federal Regulations at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl. Topics included in the Uniform Guidance include, but are not limited to:

- Procurement standards and requirements
- Contract cost and price principles
- Bonding requirements
- Document retention and auditing provisions

Any government and non-government entity receiving Program funds will be required to retain use of funds records and supporting documentation for a period of five (5) years. Furthermore, by accepting CSFRF funds, government and non-government entities are required to certify proper and legal use of the funds and agrees to cooperate in any audit proceedings requested by the Government of Puerto Rico or other governing entity responsible for the compliant use of Program funds.

Reporting Requirements

On an annual basis, the Government of Puerto Rico is required to submit a performance report detailing the progress and impact of the use of CSFRF funds. This Recovery Plan Performance Report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program.

The key output performance indicators for this Program include:

- Amount disbursed
- Number of families impacted
- Number of families relocated

The key outcome performance indicators for this Program include:

- Change in value of homes that receive repairs and refurbishment
- Change in health outcomes among families relocated
- Change in household income among families with homes that receive repairs and refurbishment

To ensure timely reporting, the Government of Puerto Rico requires the Recipient to adhere to the following reporting frequency:

- On a weekly basis, the Puerto Rico Department of Treasury will provide a summary of all program disbursements to date.
- On a monthly basis, recipients will report the performance indicator mentioned above.

To ensure timely reporting, the Government of Puerto Rico requires the Recipient to adhere to the following reporting frequency:

- On a biweekly basis, the recipients will be required to submit financial reports using the reporting template provided by the program. Upon program close, recipients will be required to submit a comprehensive final financial reconciliation report detailing the use of program funds.

As needs may change over time, the Program reserves the right to 1) request additional data from recipients at any time, 2) withhold any disbursement to any eligible recipient, 3) withhold any allocation to or from the program.