

GOVERNMENT OF PUERTO RICO

STATE CONSOLIDATED ACTION PLAN FOR HOUSING AND
COMMUNITY DEVELOPMENT PROGRAMS

2024 ACTION PLAN
DRAFT FOR PUBLIC COMMENTS

June 24, 2024



PLAN CONSOLIDADO



DE VIVIENDA Y DESARROLLO COMUNAL DEL
ESTADO Y PLAN DE ACCIÓN ANUAL

GOBIERNO DE
**PUERTO
RICO**



Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Consolidated Plan of the Commonwealth of Puerto Rico is the five-year housing and community development plan required by the United States Department of Housing and Urban Development (HUD) to guide the distribution of its Community Planning and Development (CPD) formula grant funds. In 2020, the Government of Puerto Rico submitted the plan for the period of 2020-2024. This Annual Action Plan is the official application for the PY 2024 state grants, for the following programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grant (ESG)
- Housing Trust Fund (HTF)

The activities to be undertaken as part of the Action Plan and the Five-Year Consolidated Plan are focused on achieving the following objectives:

- to increase the availability, accessibility, and affordability of decent housing,
- the creation of suitable living environments, and
- the promotion of economic opportunity for low- and moderate-income individuals.

The lead agency of the PY 2024 Annual Action Plan is the Puerto Rico Department of Housing (PRDOH). This agency coordinates all efforts toward the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executes annually, as established in its action plan. In addition, the PRDOH is responsible for the administration of the PR-State CDBG Program allocation. In this effort, the Department of Housing works in conjunction with three (3) State agencies, that are responsible for acting as HUD grantees and administrators for the other Community Planning and Development Programs (ESG, HOME, HOPWA and HTF). These agencies are the Puerto Rico Housing Finance Authority (PRHFA) for the HOME and HTF Programs, the Department of Family for the ESG Program and the Department of Health for the HOPWA Program. In the case of the HOPWA Program, the PR Health Department is the grantee, and the Municipality of San Juan acts as the program administrator in accordance with a collaborative agreement signed between the parties back in year 2010.

The plan includes a series of guiding principles that will lead the vision of the State public policy and that are based on the needs identified as part of the consolidated planning processes and the Government of Puerto Rico public policies on housing and community development. The action plan also includes

information on needs, available resources and goals related to disaster recovery allocations, CDGR DR 2017 & CDBG MIT.

2. Summarize the objectives and outcomes identified in the Plan

The strategic approach and actions to be undertaken by the responsible Commonwealth Agencies can be summarized into three main areas and related activities following the basic goals of Title I of the Housing and Community Development Act of 1974:

Provide Decent Housing

- Provide street outreach, supportive services and emergency shelter
- Provide homeless prevention and rapid rehousing assistance
- Provide housing assistance and supportive services to HIV population
- Support homeownership by providing down payment and closing cost assistance
- Address the need of substandard housing by supporting rehabilitation of rental housing
- Increase the supply or preserve affordable rental housing by supporting rehabilitation and production of housing, prioritizing special needs projects
- Increase the supply of affordable housing by supporting the participation of CHDOs
- Promote the development of special needs projects, which are those that provide supportive service.
- Address the need of substandard housing by supporting construction of rental housing

Create a Suitable Living Environment

- Improve the quality of special needs populations, in particular the elderly, by supporting homecare services.
- Provide support services for youth, victims of domestic violence, and employment counseling.
- Improve safety and livability of neighborhoods by investing in public facilities, infrastructure and urban renewal.
- Set aside funds for emergency relief.

Expand Economic Opportunity

- Promote the development of microenterprises.
- Invest in public facilities that support business development.
- Create and retain jobs to low- and moderate-income persons.

In terms of CDBG-DR 2017 and CDBG-MIT, During the Strategic Planning Period 2020-2024, the PRDOH will continue revitalizing downtown areas through the City Revitalization Program, providing assistance to homeowners to repair or rebuild their homes, and increasing homeownership rates through the Homebuyer Assistance Program. PRDOH will also continue to promote economic development

opportunities by providing assistance to Small Businesses under the Small Business Financing Program. Through the CDBG-MIT funds the PRDOH will continue installing solar panels in households to promote energy efficiency and stability. As well, launched programs will begin long-term planning and risk mitigation activities.

The specific goals and other summary information are presented in the following table.

The goal of the Housing Trust Fund is to provide decent affordable housing to low-income and very low-income households and individuals.

The specific goals and other summary information for the PY 2024 is presented in the following table.

Goal	Category	Geographic Area	Needs Addressed	Funding	
Provide Decent Housing	Homeless	Statewide	Chronic Homeless	ESG:	\$2,862,480
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Provide decent affordable housing	
	Description: Street outreach, supportive services and emergency shelter.				
	Goal Outcome Indicator	Quantity	UoM		
	Homeless Person Overnight Shelter	2,560	Persons Assisted		
<hr/>					
Provide Decent Housing (B)	Homeless	Statewide	Homelessness Prevention	ESG:	\$598,689
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	HOME:	\$0.00
	Objective: Provide decent affordable housing				
	Description: ESG program: Provide homeless prevention and rapid rehousing assistance. 2000 total HOME program: Provide tenant-based rental/rapid rehousing. 36 total.				

Goal Outcome Indicator	Quantity	UoM		
Tenant-based rental assistance / Rapid Rehousing	2,000	Households Assisted		
Provide Decent Housing (C)				
Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA:	\$2,587,917
Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Provide decent affordable housing	
Description: Provides housing assistance and supportive services to HIV population.				
Goal Outcome Indicator	Quantity	UoM		
HIV/AIDS Housing Operations	422	Household Housing Unit		
Other	465	Other		
Create Suitable Living Environments				
Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Services	CDBG:	\$2,554,532
Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Create suitable living environments	
Description: Social needs (public service).				
Goal Outcome Indicator	Quantity	UoM		

	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit		540	Persons Assisted		
Create Suitable Living Environments (B)	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Facilities	CDBG:	\$17,064,040	
			Non-housing Community Development- Public improvement			
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Create suitable living environments		
	Description: Community Development (Infrastructure and public facilities) Infrastructure for disaster recovery.					
	Goal Outcome Indicator	Quantity	UoM			
	Other	191,400	Other			
Provide Decent Housing (D)	Affordable Housing	CDBG- Non-entitlement communities Statewide	Housing	CDBG :	\$2,089,502	
				HOME :		
	Start Year: 2020	End Year: 2024	Outcome: Affordability	Objective: Provide decent affordable housing		
	Description: Rehabilitation of units.					
Goal Outcome Indicator	Quantity	UoM				

	Homeowner Housing Rehabilitated		Household Unit	Housing		
	Homeowner Housing Added	14	Household Unit	Housing		
Expand Economic Opportunity	Other	CDBG-entitlement communities	Non-housing Development- Dev	Community Economic	CDBG :	\$123,480
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Create economic opportunities		
	Description: Economic Development.					
	Goal Outcome Indicator	Quantity	UoM			
	Jobs created/retained	6	Jobs			
	Businesses assisted	3	Businesses Assisted			
Emergency Relief	Non-Housing Community Development	CDBG-entitlement communities			CDBG :	\$300,000
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	Objective: Create suitable living environments		
	Description: Emergency Relief.					
	Goal Outcome Indicator	Quantity	UoM			
Other	300	Other				
Provide Decent Housing (E)	Affordable Housing	Statewide	Housing		HOME:	\$0.00
	Start Year: 2020	End Year: 2024	Outcome: Affordability	Objective: Provide decent affordable housing		

	Description:				
	Down payment and closing costs assistance, direct assistance.				
	Goal Outcome Indicator	Quantity	UoM		
Homeowner Housing Added	0	Household	Housing	Unit	
	Affordable Housing		Housing	HOME:	\$11,891,281
				HTF:	\$641,441
	Start Year: 2020	End Year: 2024	Outcome: Affordability	Objective: Provide decent affordable housing	
Provide Decent Housing (F)	Description:				
	Rehabilitation and production of rental housing.				
	Goal Outcome Indicator	Quantity	UoM		
	Rental units constructed rehabilitated	48	HOME - Household	Housing	Unit
Rental units constructed or rehabilitated	3	HTF - Household	Housing	Unit	

Goals

The rationale of the Goals, and activities of the plan was based on the results of the needs assessment, which in general, found the following:

- On March 18, 2024, the Puerto Rico Planning Board (PRPB) released the 2023 Statistical Appendix to the Governor. According to the PRPB, real Gross National Product (GNP) growth was 3.9% in fiscal 2022 and 0.6% in 2023.¹
- The influx of \$16 billion in business and income support initiatives under the 2021 CARES Act and the gradual disbursement of federal reconstruction funding for public assistance projects contributed to an economic recovery of, on average, 4.6% between 2021 and 2023. However,

¹ The 3.9% real GNP is questionable. ETI reviewed the drivers for this growth and found that the PRPB underestimated the impact of inflation on personal consumer spending, investment, and the GDP deflators. Inconsistencies were also found in inventories and export and import figures.

most of this growth remained supported by the strong pent-up demand generated during the pandemic.

- Puerto Rico remains a well-diversified economy, as the PRPB's updated Gross Domestic Product (GDP) figures show. Manufacturing remains the main engine of economic activity, representing 45.6% of GDP, followed by Real Estate and Rent (16.1%), and Service (13.3%). The expansion in the service sector's GDP has become an important driver of employment growth in recent years, particularly in Accommodation and Food Services, and in Professional, Scientific and Technical Services.
- The public sector's share of GDP has fallen from 8.2% in 2011 to 4.7% in 2023, consistent with the consolidation process implemented by previous administrations to stabilize their fiscal situation. There has been material progress in the debt restructuring process, with only Puerto Rico Electric Power Authority's (PREPA) restructuring process still pending.
- Moreover, full compliance with Section 209 of PROMESA (i.e., getting adequate access to capital markets, implementing for four consecutive years a modified accrual accounting system in the development of budgets, and complying with balance budgets) is pending.

In terms of the recent performance of the economy, recent figures show that:

1. The unemployment rate has been at historical lows, i.e., 5.8% in April 2024 compared to 6.1% in the same period last year, while the labor force participation rate has reached 43.9%, influenced by the reentry of individuals into the labor force.
2. Nonfarm employment rose by 19,800 annually to 959,700 in April 2024, exceeding the 2006 to 2019 average of 935,558. However, monthly trends show that job creation is slowing. Still, persistent inflation, the implementation of the earned income tax credit, the expansion in the number of small and medium businesses, and perceived employment opportunities continue influencing the labor supply.
3. The inflation rate has fallen from 7.2% in June 2022 to 2.5% in April 2024 but exceeds the 1.8% average during 1985-2019. However, prices of food and services remain elevated, making it difficult for consumers to make ends meet.
4. Some internal factors may contribute to short-term price stickiness. These include increasing monthly fees for industrial, commercial, and residential electric bills, rising highway toll fees, growing import costs, and a higher 'state' minimum wage of \$10.50 p/h.
5. Individuals' savings growth has plateaued while debt has risen. Meanwhile, consumers' indebtedness ratio, i.e., total consumers' debt to personal disposable income declined from 68.5% in 2012 to 15.0% in 2021, rising to 47.3% in 2023, and the net worth ratio fell from 32.4% in 2021 to 26.4% in 2023.
6. The Island's economic activity is slowing. The Index of Economic Activity published by the Economic Development Bank for Puerto Rico rose 6.1% in September 2023 but saw a

slowdown soon after, hitting 3.4% by December 2023 and contracting for a second straight month by -0.8% in March.

7. Housing market conditions remain under pressure as higher financing costs, housing prices, and consumers' budget constraints continue affecting affordability through 2023. The average price of housing units sold in February rose by 4.3% annually to \$193,403 in 2023 compared to \$185,454 in 2022, while housing sales declined by 436 units to 10,479 in 2022.
8. The banking industry's total loan delinquency rate in the auto loan and other consumer loan portfolios (i.e., 30-89 days past due) has increased steadily through 2023, exceeding levels prevailing in the fourth quarter of 2019.
9. Auto-repossessed units increased quarter-over-quarter by 3,295 in the first quarter of 2023, 2,943 in the second quarter, and 3,185 in the third quarter. Accumulated repossessed automobiles reached 9,423 units, closely approaching 2022 levels, yet the current level remains below the 17,727 units, on average, repossessed between 2012 and 2019.
10. Personal bankruptcies have risen substantially in the last year. Of the 4,435 filings, 68% (3,003 cases) were attributed to individuals, marking a 24% year-over-year increase compared to 2022.
11. In addition to the homeless population, other groups also require support services. These groups include: persons with HIV/AIDS, persons living in poverty, the elderly population, victims of domestic violence, and people with drug addiction problems.
12. Domestic violence constitutes one of the most serious and complex problems affecting Puerto Rican society. The Office of the Ombudsman for Women in Puerto Rico reported a total of 5,192 incidents of gender violence in 2022, and 2,786 domestic violence incidents, according to the Puerto Rico Police Bureau. Among the data on murders due to gender violence, 15 of the 20 cases in 2022 correspond to women. These data show an increase of five female deaths (15) in 2022 compared to 2019 (10). Similarly, these cases have also registered a continuous growth since 2019, when 11 cases were reported compared to the 20 reported in 2022.
13. As of June 30, 2023, a total of 51,655 HIV/AIDS cases have been reported in the Island. Out of these cases, 31,254 persons died, representing a fatality rate of 61%. Individuals living with HIV/AIDS and their families present a series of needs related to housing and complimentary services. As of December of 2022, the total number of people with an HIV diagnosis residing in Puerto Rico was 16,568. This implies that for every 100,000 inhabitants of Puerto Rico, 514 have a HIV positive diagnosis. Over one-third of the people with a positive HIV diagnosis reside in the Metropolitan Region. In 2022 only, 360 cases of HIV infection were diagnosed in adults and adolescents, a crude rate of 11.2 new HIV diagnoses by sex at birth per 100,000 inhabitants.
14. Based on this information, needs of special populations include: Shelter and outreach services for homeless population, Chronic homelessness, Substance abuse, Mentally ill, and Victims

Domestic Violence, Woman with Children; and prevention and rapid rehousing for persons at risk of becoming homeless.

15. Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provide a baseline for determining the needs for public services. This information was complemented by a survey to municipalities, where a total of 20 municipalities participated. According to this survey the priority populations in terms of public services include low- and moderate-income persons, elderly and the homeless population, particularly homeless families and elderly. Traditionally under the CDBG program local communities can select from the whole array of eligible activities described in CDBG regulations and guidelines. Such services usually target low-income population with special needs, such as the elderly in rural communities. More recently with the availability of CDBG-CV, municipalities have been implementing a wide array of activities, including emergency payments for families (rent, mortgage and utilities).
16. Non-entitlement municipalities have many infrastructure needs. Those more frequently mentioned in the survey conducted include: roads improvements, illumination of streets and public areas and water sewage systems. In terms of public facilities, facilities for the elderly were mentioned as a top priority.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This Consolidated Annual Performance Report (CAPER) provides an overview of the progress made during PY 2022, the third year of the Puerto Rico State 2020-2024 Housing and Community Consolidated Plan. During Program Year 2022, the state undertook activities consistent with the approved strategic and annual action Plan, for the following programs: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Housing Trust Fund (HTF), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA).

Each of these programs of the Consolidated Plan invested available resources in eligible activities to address the needs of the low- and moderate-income persons with the final goals of:

- increasing the availability, accessibility, and affordability of decent housing,
- create suitable living environments, and
- provide economic opportunities for low- and moderate-income individuals.

The following is a summary of each program performance during program year 2022:

HOPWA Program

The major initiative undertaken during this program year included:

- 1) Completed 11 monitoring Reviews;
- 2) Provided assistance to eligible families under the following programs:
 - a) Tenant Based Rental Assistance to 112 families;
 - b) Short- Term Rental, Mortgage and Utilities to 71 families;
 - c) Transitional Housing to 96 families and;
 - d) Supportive Services to 657 participants.

As per the service activities undertaken in PY 2023, the HOPWA sub-recipients provided short-term rent, mortgage and/or utility assistance payments, supportive services, Tenant-Based Rental Assistance, and other eligible activities to persons living with HIV/AIDS and their families to prevent homelessness. Considering the PRHFA and the MSJ expenses, the twenty-five (25) granted sub-recipients contracts expended 56.94% of the funds delegated to undertake the contracted activities by June 30, 2023. For funds allocated of previous years the sub-recipients expended 76.97%. HOPWA funds were used to support the following eligible activities:

- **Tenant-Based Rental Assistance (TBRA) Program:** This activity was undertaken by eleven (11) Municipalities. A total of \$729,297.80 was allocated to TBRA, from this total, \$33,997.80 were allocated to delivery costs and \$695,300.00 for direct housing assistance. A total of 112 families benefited from the activity and the total expenses amounted to \$394,144.50, representing 27.64% of the allocated funds and expend a 50.01% of the allocation.
- **Short-Term Rent, Mortgage, and Utilities (STRMU) Assistance Program:** According to data presented by the regional sub-recipients, a total of 71 households were assisted. From the total of assisted households, eleven (11) households received mortgage assistance payments, twenty-three (23) households received rental assistance payments, thirty-five (35) received utility assistance and two (2) households received more than one type of assistance payments. The amount allocated for this category was \$210,144.85.
- **Supportive Services Program:** Services were provided to 657 households as follow:
 - Supportive Services provided by sub-recipients that also delivered HOPWA housing subsidy assistance, served a total of 134 households. Funds allocated for this service amounted to \$445,143.00.
 - Supportive Services provided by sub-recipients that only provided supportive services, served a total of 657 households. The amount of funds allocated for this type of service was \$574,012.08.
- **Transitional Housing:** A total of 134 households benefitted through twelve (12) organizations funded for this purpose. The amount allocated for these services was \$839,090.00.

ESG Program

During the year 2022, ESG (Emergency Solutions Grant) funds were allocated to conduct street outreach activities, provide emergency shelter, and offer rapid rehousing opportunities for individuals experiencing homelessness. Additionally, these funds supported homeless prevention activities. A significant portion of the funds was dedicated to outreach services and emergency shelter for individuals who were literally

homeless. This funding allocation decision was influenced by data from the 2022 Point-in-Time (PIT) Count. The PIT Count of 2022 revealed that, of the 2,535 individuals identified on the day of the count, 78% were unsheltered. This high percentage of unsheltered individuals underscored the critical need for increased outreach and shelter services. At the time of submission of this action plan, the results of the count conducted in January 2024 are not available.

HOME Program

The HOME program allocated the funds according to the priorities identified in the Strategic Plan to address the housing needs of low- and moderate-income persons. The program addresses both homeownership and rental needs through homebuyer assistance programs, subsidies to developers of multifamily rental projects, rental assistance programs and homeownership rehabilitation for substandard housing. These approaches address housing affordability issues in Puerto Rico, where the median cost of safe and decent housing is considerably higher than the median income of residents and where a substantial amount of substandard housing is present and located in areas affected by environmental risks. As per PR-23 report, HOME Program expended the amount of \$2,858,111.83 for the activities completed during the period between 7-1-2021 thru 6-30-2022. However, HOME funds really drawn from LOCCS during the same period were \$2,206,019.15.

Housing Trust Fund (HTF)

Similar to the HOME program, the Housing Trust Fund (HTF) promote an improvement in the quality of life for the people with very or extremely low-income families providing funds for the rehabilitation or new construction of multifamily rental projects, which are encountering challenges to find secure and decent housing. In the case of the HTF Program, no activities were completed during PY 2022 but HTF funds in the amount of \$2,329,175.07 were drawn from LOCCS as per IDIS reports. For HTF Program, the resources made available as of 6-30-2022 were \$5,845,640.89 composed of \$3,441,422.43(balance available to commit as of 6-30-2022) and \$2,404,218.46 (balance available for disbursement from Open Activities as of 6-30-2022).

CDBG

CDBG funds were used in accordance with the action plan and were in its majority directed to address the needs of low- and moderate-income persons (see next table). As stated in the Action Plan, and in accordance with local public policy, funds were distributed to non-entitlement municipalities on an equal basis, through a formula allocation, with the exception of the islands of Vieques and Culebra, that received 15% in additional allocation. In terms of the specific activities, the government's fiscal situation, the lack of access to capital and constrained municipal finances has all contributed to placing most CDBG efforts in housing, public service and infrastructure projects. CDBG funds were used specifically to support the

following eligible activities:

- **Public facilities and improvements** - A total of 1,226,131 low and income persons received benefit of community development projects aimed to improve living conditions and infrastructure. A total of \$13,695,996.77 was disbursed for this activity.
- **Public services** – A total of 87,995 low and income persons received benefit to attend special needs population. The total disbursed for this activity was \$1,804,444.07.
- **Housing rehabilitation** – As part of strategy to provide decent housing and suitable living environment to low- and moderate-income persons, 668 were rehabilitated. The total disbursed for this activity was \$941,151.35.

For details of CDBG-DR expenditures and accomplishment reports go to: <https://cdbg-dr.pr.gov/en/reports/>

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Annual Action Plan is a process that promotes the collaboration of state, municipalities and other key stakeholders associated with housing and community development in Puerto Rico to establish a unified vision for community development activities. This strategic planning process allows citizens to participate in the development of a plan for housing and community development programs. The state's implementation of the plan, as well as the plan itself, will be evaluated based on three objectives: (1) To provide decent housing; (2) provide a suitable living environment; and (3) to expand economic opportunities.

For the preparation of the PY 2024 Annual Action Plan the PRDOH followed its citizen participation plan. The planning process efforts were guided by transparency and promoted freedom of access to the contents of the draft plan. All municipal governments and community planning and development agencies and organizations were invited to participate at the public hearings conducted and to provide comments on the proposed actions. Information was posted on the PRDOH web page and the consolidated planning agencies.

The following actions were taken as part of the Citizen Participation process:

Mailing database: Information about the public hearing and other aspects of the plan, was provided to municipalities and non-profit organizations through email.

Public Hearing: As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2024 Annual Action Plan. on the notification of the hearing (in English and

Spanish) was posted in *El Vocero* newspaper on the edition for Friday, February 16, 2024. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2024 Annual Action Plan. In compliance with the Consolidated Plan regulations, the hearing was held at least two (2) weeks after the notice was published.

Also, the public notice was posted in the Official PRDOH's Web Page. This expanded the outreach efforts to increase the citizen feedback, buy-in and support of the Consolidated Plan activities. Also, NPOs and CoCs were contacted to help disseminate the information.

The public hearing was held on March 7, 2024, 9:00 a.m. at the Yolanda Guerrero Community Center, in Guaynabo. Information of the public hearing conducted was posted in the PRDoH Web Page. The place of the public hearing was accessible for persons with disabilities. English-speaking persons could request copy of the presentation of the public hearing in English.

Copies of all the public notices, the webpage notice and attendance sheet are included in the Appendix Section.

Availability of Public hearing recording

Public Comment Period: The draft plan was made public on June 24, 2024. Citizens and interested parties had 30 calendar days from the day of the publication to submit written comments. The notice of the availability of the plan was published in a newspaper of general circulation in English and Spanish. The draft plan was made available at PRDOH web page for the review. Persons having difficulty accessing the Plan through the Internet should had a telephone number available to coordinate an alternative method.

5. Summary of public comments

No public comments were received at the hearing.

6. Summary of comments or views not accepted and the reasons for not accepting them

No public comments were received at the hearing.

7. Summary

The PY 2024 Annual Action Plan is the Puerto Rico State Government comprehensive housing affordability strategy and community development plan and an application for funding under the HUD's Community Planning and Development formula grant programs. The Plan includes strategic activities to address the State housing, economic and community development needs for the aforementioned period. The State is an Entitlement Community for the Community Development Block Grant (CDBG Program), for the Emergency Solutions Grant Program (ESG Program), for the Housing Opportunities for Persons with AIDS

Program (HOPWA Program) and a participating jurisdiction for the HOME Investment Partnership Program (HOME Program) and the Housing Trust Fund Program (HTF Program).

The plan is prepared in accordance with the 24 CFR Part 91, Consolidated Submissions for Community Planning and Development Programs. The Annual action plan includes strategies to be undertaken under the previously mentioned formula grant programs.

The Plan has three (3) statutory objectives established by HUD to address the needs of the low to moderate income individuals. The specific statutory objectives are:

- Providing Decent and Affordable Housing;
- Creating a Suitable Living Environment; and
- Expanding Economic Opportunities

The goal of the State plan is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities mainly for low and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	PUERTO RICO	Puerto Rico Department of Housing (PRDOH)
HOPWA Administrator	PUERTO RICO	Municipality of San Juan & Department of Health
HOME Administrator	PUERTO RICO	Puerto Rico Housing Finance Authority (PRHFA)
ESG Administrator	PUERTO RICO	Puerto Rico Department of Family (PRDF)
	PUERTO RICO	Puerto Rico Housing Finance Authority (PRHFA)

Table 1 – Responsible Agencies

Narrative

The lead agency of the 2024 Annual Action Plan is the Puerto Rico Department of Housing. This agency coordinates all efforts towards the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executes annually as established in its Action Plan. In addition, PRDOH is responsible for the administration of the PR-State CDBG Program.

In this effort, the PRDOH works with three (3) State agencies, responsible for acting as HUD grantees and administrators for the Community Planning and Development Programs. These agencies are the Puerto Rico Housing Finance Authority (PRHFA) for the HOME and HTF Programs, the Department of Family for the ESG Program and the Department of Health for the HOPWA Program. In the case of the HOPWA Program, the Health Department is the State HOPWA grantee, and the Municipality of San Juan acts as the program administrator in accordance with a collaborative agreement originally signed between the parties back in year 2010.

Consolidated Plan Public Contact Information

In compliance with the provisions of Section 91.115 of Title 24 of the Code of Federal Regulations, Part I of the Law of Housing and Community Development of 1974, as amended, the PRDoH announced the availability of the plan in a general circulation newspaper (see appendix for the announcement). Copies of the Annual Action Plan 2024 were available from the date of its publication on the Internet at <https://www.vivienda.pr.gov/cdbg-estado> on June 24, 2024, for review and submitting comments. A telephone number was provided to persons with difficulties to access Internet, to make the arrangements for a physical copy (787- 274-2527 extensions 5109 & 5110).

Comments to the plan should be addressed to:

Name: Ms. Aida Gracia

Position: Special Aide to the Secretary, PRDOH

programacdbg@vivienda.pr.gov

Questions regarding consolidated planning may be addressed to:

Ms. Aida Gracia

Special Aide to the Secretary

programacdbg@vivienda.pr.gov

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The Puerto Rico Annual Action Plan 2024 integrate the allocation of a variety of Federal funds for projects and activities benefitting low- and moderate-income persons. Applicable funds include those of the State Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Trust Fund (HTF), Housing Opportunities of Persons with Aids (HOPWA) and Emergency Solutions Grant (ESG).

The Annual Action Plan represents a collective effort from the State to obtain the views of the Municipalities, Private, nonprofit, and public organizations, the private sector and other stakeholders. To obtain their views the state contacted and integrated them through meetings, email communications, a survey to municipalities and formal letters sent to stakeholders. Discussions included housing and community development needs, and recommendations on the method of distribution.

The establishment of effective partnerships among the consolidated plan stakeholders and interested parties, offers a wide range of benefits to the plan institutional structure. All consolidated plan stakeholders have key data, financing, and other resources with which, the lead agency can align the goals and programs. In addition, the State can leverage other public and private resources such economic development, transportation, and public health funding. Further, establishing strong relationships provides greater opportunity across all parties, including the low- and moderate-income population groups and the communities.

The following sections provide a summary of the state's activities to enhance coordination with these stakeholders, as well as mandatory requirements regarding ESG and CoCs in the jurisdiction.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

Besides complying with the citizen participation and consultation minimum requirements, the PRDoH promotes and undertakes ongoing consultation, collaboration, and interaction efforts throughout the program year. The objective behind these efforts is to develop strategic and accountable partnerships among the stakeholders that will lead to greater results. Continued communication among the parties will allow to assess effectiveness of programs throughout the year, and what may be improved in future planning cycles. Based on this communication and feedback, the PRDOH may prioritize further consultation based on partnerships that will help to implement specific projects and activities. Building partnerships with stakeholders around shared priorities provides a strong foundation that supports continued collaboration. In this occasion, the PRDOH conducted a survey among municipalities to obtain additional input on housing and community development needs. A total of 20 municipalities participated of the survey. The results of the survey are included as an attachment.

As well, the administrators of other Programs such as HOPWA director and the ESG Director participate in different multisectoral committees and groups (ex. CoCs, HIV and STDs Public Policy Multisectoral Committee, HIV Integrated Planning Housing Committee, Homeless Multisectoral Council), which provide for the coordination with of stakeholders. All state agencies that manage CPD forms are currently participating of the PR State Housing Plan revision, a process led by the PRDOH.

The PR State Consolidated Plan and Action Plan represents a collective effort from a comprehensive array of State and private organizations. Coordination with all stakeholders was achieved during the public hearing conducted, the survey conducted, consultations and the establishment of an interagency committee that met on a regular basis as part of the planning process.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Department of Family is actively involved in Continuum of Care (CoC) activities and serves as the Collaborating Agency for CoC 502. The ESG (Emergency Solutions Grant) Program Director plays a significant role in these efforts, participating in both CoCs. Regular meetings with both CoCs are conducted to facilitate ongoing communication and collaboration. The ESG Program has always been available to work in collaboration with both CoCs. And the Program is a practice to consider the recommendations of both CoCs.

Additionally, the Department maintains continuous communication with the coordinated entry systems and the Homeless Management Information System (HMIS). Through these platforms, various strategies are developed and implemented to prevent and eradicate homelessness, particularly focusing on youth, families with children, and those at risk of homelessness. It is important to note that participation in the Coordinated Entry System (CES) and HMIS is a mandatory threshold requirement for all ESG subgrantees.

To further ensure the effective integration and participation of ESG subgrantees, organizations and municipalities must engage in CoC subcommittees within their respective areas and in the coordinated entry system. This approach aims to foster a more cohesive and unified effort in addressing homelessness at various levels and across different communities.

As part of the consolidated planning process, strategies are defined to address the main and core housing and supportive service needs of homeless individuals and families. In addressing the needs of the homeless population, the above-described parties collaborate and interact through a multi-layered service model that involves the non-profit organizations, faith-based initiatives, and other available statewide services entities. The homeless strategy encourages active participation of community-wide agencies and providers to meet the full spectrum of needs of the homeless as well as to identify gaps and priorities in the provision of services to homeless persons. The critical components of the Continuum of Care Strategy include:

Outreach, intake and assessment

- Emergency Shelter
- Transitional Housing
- Supportive Services
- Rapid Re-Housing
- Permanent Housing
- Homeless Prevention

In the Fiscal Year (FY) 2023 competition, Puerto Rico was awarded \$27,436,952 in Continuum of Care (CoC) allocated funds, distributed among its CoCs. This substantial funding will significantly bolster the territory's strategy to combat homelessness. The key objectives of this strategy include:

Promoting Community-Wide Commitment to Ending Homelessness: The funds will be instrumental in fostering a unified approach across various sectors of the community, aiming to eradicate homelessness.

Support for Nonprofit Providers and Government Efforts: The allocation provides financial support for efforts by nonprofit organizations, as well as state and local governments. These efforts are focused on rapidly re-housing individuals and families experiencing homelessness, thereby minimizing the trauma and dislocation associated with homelessness.

Promoting Access to Mainstream Programs: A portion of the funds will be used to improve access to and the utilization of mainstream programs by homeless individuals and families. This initiative aims to ensure that these vulnerable groups can benefit from existing support systems and resources.

Optimizing Self-Sufficiency: The funding will also support programs and initiatives that enhance self-sufficiency among individuals and families experiencing homelessness. This aspect is crucial for providing sustainable solutions and helping individuals and families regain stability and independence.

This strategic allocation of CoC funds aligns with the broader goal of ending homelessness in Puerto Rico by addressing its root causes and providing comprehensive support to those affected.

Municipalities are also an important stakeholder related to the goal of eradicating homelessness. Municipalities not on are, some of them recipients and subrecipients of ESG and CoC funding, but they also provide support to other organizations in their outreach and service strategies. As well, municipalities have provided support to ESG-CV subrecipients, serving as responsible entities for purposes of environmental reviews and compliance.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In accordance with the regulation at 24 CFR 91.110, 91.300(b); 91.315(l), states, in the consolidated planning process, must consult with Continuums of Care (CoCs) on a variety of topics, including how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of the Homeless Management Information System (HMIS).

To comply with these provisions and continue strengthening the collaboration and coordination between the ESG Program and the two continuum of care systems in Puerto Rico (PR502 & PR503), the Puerto Rico Department of the Family conducted a consultation meeting which included a survey of the organizations that are part of both entities. The information was collected through a web-based questionnaire, and the meeting was recorded to register all comments. In addition, ESG Program staff was available to clarify doubts about the instrument.

As a complimentary process of this consultation, the interagency committee provided an additional opportunity for written comments. The invitation was addressed to the presidents and executive directors of both CoCs.

A total of 41 organizations and municipalities belonging to the CoCs answered the survey. Of these, 40 indicated which CoC they are part of. Twenty-seven are entities that are part of CoC PR 502 (67.5%), 12 of PR503 (30%) and 1 answer "Other". On the other hand, twelve (12) of the participating persons represent municipalities, twenty-six (26) represent non-profit organizations, and three (3) represent agencies from the Government of Puerto Rico.

Regarding the consultation meeting, a total of 61 people participated, including the representatives of all consolidated planning agencies. In terms of the representatives of the CoCs, a total of 40 persons attended: 13 persons from the CoC PR 503, representing 11 nonprofit organizations and municipalities, and 27 from the CoC PR 502, representing 27 nonprofit organizations, agencies and municipalities.

Appendix of this document includes evidence of the attendance lists.

2. Agencies, groups, organizations and others who participated in the process and consultations

2	Agency/Group/Organization	PR Department of Housing
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - State Other government - Local Business Leaders Civic Leaders Business and Civic Leaders

<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy Lead-based Paint Strategy</p>
<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.</p>

3	Agency/Group/Organization	PR Department of Health
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Health Agency Other government - State Other government - Local Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.

4	Agency/Group/Organization	MUNICIPALITY OF SAN JUAN
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Other government - State Other government - Local Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Municipality of San Juan was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.

5	Agency/Group/Organization	PUERTO RICO HOUSING FINANCE AUTHORITY
	Agency/Group/Organization Type	Housing Services - Housing Other government - State Other government - Local Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
6	Agency/Group/Organization	FEMA
	Agency/Group/Organization Type	Agency - Emergency Management Other government - Federal
	What section of the Plan was addressed by Consultation?	Emergency management
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
7	Agency/Group/Organization	Environmental Protection Agency
	Agency/Group/Organization Type	Other government - Federal
	What section of the Plan was addressed by Consultation?	Environmental protection

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
8	Agency/Group/Organization	US Fish & wildlife Services
	Agency/Group/Organization Type	Other government - Federal
	What section of the Plan was addressed by Consultation?	Ecological services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
9	Agency/Group/Organization	US Army Corps of Engineers
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Infrastructure
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
10	Agency/Group/Organization	Departamento de Recursos Naturales y Ambientales
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.

11	Agency/Group/Organization	Junta de Calidad Ambiental
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
12	Agency/Group/Organization	Oficina de Gerencia de Permisos
	Agency/Group/Organization Type	Other government - State
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
13	Agency/Group/Organization	NEGOCIADO DE MANEJO DE EMERGENCIAS Y ADMINISTRACION DE DESASTRES
	Agency/Group/Organization Type	Agency - Emergency Management Other government - Federal
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.

14	Agency/Group/Organization	Junta de Planificaci3n
	Agency/Group/Organization Type	Other government - State Planning organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
15	Agency/Group/Organization	Asociaci3n de Constructores de PR
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
16	Agency/Group/Organization	Internet Society of Puerto Rico
	Agency/Group/Organization Type	Services - Narrowing the Digital Divide
	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.

17	Agency/Group/Organization	CLARO DE PUERTO RICO
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Market Economic Infrastructure Analysis Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
18	Agency/Group/Organization	LIBERTY PUERTO RICO
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Public Market Economic Infrastructure Housing Needs Analysis Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	
19	Agency/Group/Organization	Optico fiber by Critical Hub Networks
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Market Economic Infrastructure Analysis Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.

20	Agency/Group/Organization	Administracion de Vivienda Publica
	Agency/Group/Organization Type	Housing Services - Other government - Local Housing
	What section of the Plan was addressed by Consultation?	Housing Public Non-Homeless Special Needs Need Housing Assessment Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
21	Agency/Group/Organization	Osnet Wireless
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Market Economic Development Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.
22	Agency/Group/Organization	AeroNet Wireless Broadband
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers
	What section of the Plan was addressed by Consultation?	Market Economic Infrastructure Analysis Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication.

23	Agency/Group/Organization	Concilio Multisectorial en Apoyo a la Poblacion sin Hogar
	Agency/Group/Organization Type	Multisectorial committee on homelessness
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication and invitation to consultation meetings.

Identify any Agency Types not consulted and provide rationale for not consulting

The Interagency Committee consulted with a wide array of stakeholders, as required by the regulation.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Puerto Rico Disaster Recovery Action Plan 2017	PR Department of Housing	This Plan was designed for the use of CDBG-DR funds in response to 2017 hurricanes Irma & Maria, (July 29, 2018), as amended. CPD Programs Action Plans include disaster policies and procedures, as well as actions to complement recovery efforts.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
CDBG-MIT Action Plan	PR Department of Housing	The CDBG-MIT Action Plan provides a portfolio of programs dedicated to assisting in the recovery and resilient rebuilding of low- and moderate-income households. These grant funds have been allocated to Puerto Rico for implementing activities intended to support mitigation projects that reduce the potential for loss and destruction from future events and complement the existing mitigation programs currently administered by FEMA.
Action Plan for the 2019-2020 Earthquakes Recovery	PR Department of Housing	This Action Plan provides a portfolio of programs dedicated to assisting in the recovery of the earthquakes experiences in Puerto Rico in 2019-2020 (major disaster declaration DR-4773-PR). The recovery needs in Puerto Rico increase with each disaster, the need for a coordinated approach between agencies and local governments, as well as the recovery and mitigation programs launched. The availability of these funds, as well as other recurring programs, such as CDBG, ESG, HOME and HOPWA, provide a unique opportunity to address the needs of low- and moderate-income persons in the aftermath of the disasters and strengthen the resilience of communities to future events.

Table 3 - Other local / regional / federal planning efforts

Narrative

The 24 CFR Part 91.110 provides the framework for the State to undertake a wide consultation process as an integral part of the statewide planning and preparation phases of the Annual Action Plan. Through the consultation process, the PRDOH was able to obtain key programmatic and service data from agencies and service providers (public and private) who provide assisted housing, health services, social and fair housing, and those that serve the chronically homeless and address lead-based paint hazards. Also, consultation with local governments in non-entitlement areas of the state is required.

The consultation strategy of the State, provided data in the following planning elements:

- Incorporate local data into planning process and validate the accuracy of this data;
- Gather input on priority needs and target areas;

- Increase coordination among consultation partners;
- Leverage Consolidated Plan activities with other public and private funding sources and Programs;
- Expand upon the outreach efforts of existing planning processes; and
- Increase citizen feedback, buy-in, and support of Consolidated Plan activities.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Annual Action Plan is a process that promotes the collaboration of state, municipalities and other key stakeholders associated with housing and community development in Puerto Rico to establish a unified vision for community development activities. This strategic planning process allows citizens to participate in the development of a plan for housing and community development programs. The state's implementation of the plan, as well as the plan itself, will be evaluated based on three objectives: (1) To provide decent housing; (2) provide a suitable living environment; and (3) to expand economic opportunities.

For the preparation of the PY 2024 Annual Action Plan the PRDOH followed its citizen participation plan. The planning process efforts were guided by transparency and promoted freedom of access to the contents of the draft plan. All municipal governments and community planning and development agencies and organizations were invited to participate at the public hearings conducted and to provide comments on the proposed actions. Information was posted in the PRDOH web page and the consolidated planning agencies.

The following actions were taken as part of the Citizen Participation process:

Mailing database: Information about the public hearing and other aspects of the plan, was provided to municipalities and non-profit organizations through email.

Public Hearing: As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2024 Annual Action Plan. on the notification of the hearing (in English and Spanish) was posted in *El Vocero* newspaper on the edition for Friday, February 16, 2024. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2024 Annual Action Plan. In compliance with the Consolidated Plan regulations, the hearing was held at least two (2) weeks after the notice was published.

Also, the public notice was posted in the Official PRDOH's Web Page. This expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities. Also, NPOs and CoCs were contacted to help disseminate the information.

The public hearing was held on March 7, 2024, 9:00 a.m. at the Yolanda Guerrero Community Center, in Guaynabo. Information of the public hearing conducted was posted in the PRDoH Web Page. The place of the public hearing was accessible for persons with disabilities. English-speaking persons could request copy of the presentation of the public hearing in English.

Copies of all the public notices, the webpage notice and attendance sheet are included in the Appendix Section.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Units of local government, Public Agencies, NPOs, general population	# attended the public hearing.	No comments were received	No comments were received	https://www.vivienda.pr.gov/cdbg-estado/
2	Newspaper Ad	NPOs, Public Agencies, Municipalities, General Public				https://www.vivienda.pr.gov/cdbg-estado/
3	Internet Outreach	Units of local government, Public Agencies, NPOs, general population				https://www.vivienda.pr.gov/cdbg-estado/

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Web Survey to Municipalities	Units of local government	20	Municipalities comments were related to housing, public infrastructure, public facilities, economic development and public service needs.	Comments were considered for purposes of the design of the CDBG activities.	Results are included as an appendix.

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

For the PY 2024, HUD allocated to the PR-State a total of \$42,105,887 among all CPD Programs. Specifically, the allocation by programs is: \$22,131,554 for the CDBG Program activities; \$13,212,534 for the HOME Program activities, \$2,587,917 for the HOPWA Program activities, \$3,461,169 for the ESG Program activities and \$712,713 for the Housing Trust Fund activities.

All funds will be allocated to address the affordable housing needs of the low- and moderate-income persons and special needs population, the public services need of the special needs population, the homeless housing and supportive service's needs, the non-housing community development needs, the prevention of homelessness actions of families and/or individuals, the low income economic development needs among

other eligible service activities within the Puerto Rico State jurisdiction.

In addition to the 2024 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$44,596,391.14 (as of 5/30/2024)
- HOME Previous Years EN Resources (Available to commit)- \$71,371,768.08 (as of 4/30/2024)
- HOPWA Previous Years – \$3,253,067.74
- ESG Previous years (PR01, available to commit) - \$288,577.53
- HTF Previous Years- \$6,470,828.18 (as of 5/7/2024)

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	22,131,554	59,282.73	44,596,391.14	66,787,228	0	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico. In addition to the allocation from HUD, the Department estimates that it will have \$59,282.73 in program income funds available for use by municipalities that generated such income for eligible CDBG activities, in accordance with the Department's CDBG PI policy.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	13,212,534	111,816	71,371,768	84,696,118	0	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (if needed). Also, funds will be used for acquisition of housing by homebuyers (if needed).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,587,917	0	3,253,067.74	5,840,984.74	0	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,461,169	0	288,577.53	3,749,746.53	0	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	712,713	0	6,470,828	7,183,541	0	The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Admin and Planning Economic Development Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab Public Improvements Public Services Rental Assistance	2,480,000,000	0	0	2,480,000,000	5,786,800,000	The CDBG-DR Action Plan includes further analysis of damage estimates and contains the strategy to address these needs with the first allocation of \$1.5 billion authorized by Pub. L. 115-56 and announced through 83 FR 5844; the second allocation of \$8.2 billion authorized by Pub. L. 115-123 and announced through 83 FR 40314; and the latest unmet infrastructure needs allocation of \$277 million authorized under Pub. L. 116-20 and announced in 85 FR 4681.

Other	public - federal	Acquisition Admin and Planning Homeowner rehab Housing Public Improvements	289,800,000	0	0	289,800,000	8,285,284,000	Public Law 115-123 made available \$28 billion in Community Development Block Grant - Disaster Recovery (CDBG-DR) funds and directed HUD to allocate no less than \$12 billion for mitigation activities proportional to the amounts that grantees received for qualifying disasters in 2015, 2016, and 2017. That amount was increased to \$15.9 billion after HUD completed an assessment of unmet needs and awarded funding to a total of eighteen (18) grantees through a newly created Community Development Block Grant - Mitigation (CDBG-MIT) Program. Out of all these funds, HUD allocated
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								approximately \$8.3 billion in CDBG-MIT funds to Puerto Rico. The rules for administering these funds are founded in the regulatory framework of HUD Community Development Block Grant (CDBG) program and further consider the alternative requirements, waivers, and special grant conditions released in 84 FR 45838 and 85 FR 4676. The CDBG-MIT Action Plan contains further analysis of unmet mitigation needs and PRDOH’s strategy to address them.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how

matching requirements will be satisfied

CDBG:

Matching Requirements

Section 24 CFR 570.489 (a)(1) established the responsibility of the Government of the Commonwealth of Puerto Rico to pay with its own resources for all administrative costs incurred in administering the State CDBG Program. Regardless, the state may use CDBG funds to finance such costs in an amount not to exceed \$100,000, plus 50 percent of such costs in excess of \$100,000. The other 50% in excess of \$100,000 will be covered by PRDOH general budget.

Leverage of Federal Funds

The non-entitlement municipalities will provide leverage to their projects in the form of in-kind services and equity from municipal, state, and other federal funds.

ESG

Of the \$3,461,169 expected to be received in Emergency Solutions Grant (ESG) funds for the Program Year (PY) 2024, an equivalent amount of \$3,461,169 will be matched with both cash and noncash contributions, as stipulated by the regulations in 24 CFR 576.201. To comply with this requirement, the Puerto Rico Department of Family (PRDF) mandates that subrecipients include evidence of matching contributions as part of their application process. Each subrecipient is required to match 100% of their ESG award.

However, the PRDF recognizes that there may be exceptional circumstances and, in such extreme cases, retains the discretion to exercise match forgivingness. This provision allows for a waiver of the matching requirement, but only up to an amount of \$100,000 per grant year. This waiver is specifically intended for sub-recipients facing difficulties in fulfilling their full match obligation, particularly when providing services related to disaster response, shelter, or housing.

The decision to apply this waiver and the selection of eligible sub-recipients for this leniency will be at the sole discretion of the PRDF. This measure ensures a degree of flexibility within the program, allowing for the accommodation of extraordinary situations while maintaining the integrity and

objectives of the ESG program.

HOME:

The Authority promotes promptness, uniformity, and coherence among the agencies granting permits.

Section 42 of the Internal Revenue Code:

Provides financing by selling tax credits to United Commonwealth’s investors.

The product of the sale contributes to creating and preserving rental housing units.

The Federal Tax Credit Program receives nearly \$8.2 million each year, which generates an investment of approximately \$82 millions in Puerto Rico’s economy.

Interim Loans for Construction

PRHFA offers financing to construct housing projects for sale or rent. The per unit maximum price is established in the Agency’s Financing policies and in procedures approved by the Board of Directors.

The Authority will charge a fee for the interim financing of up to 3% of the line peak amount of the maximum amount approved.

The fee varies depending on the kind of project (new construction or rehabilitation), the per unit sale price, the profit percentage for the developer, whether or not the project is FHA insured, and whether or not the PRHFA will provide a subsidy to buyer families.

The Authority will finance up to 80% of the total development cost (land, site improvement, construction costs, and soft costs).

Direct Loans

To purchase primary residence up to \$200,000.

Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

Subsidy Contracts Administration

The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for 166 Section 8 projects in Puerto Rico. This program monitors project management to ensure the quality of life of residents and the adequate use of federal funds. In addition, the Authority is responsible of making subsidy payments to the project owner, renovating subsidy contracts for projects, approving and processing rent increases, monitoring that any deficiencies found in the projects during physical inspections are corrected, and carrying out administrative audits of the projects each year.

Loans for Multifamily Rental Housing

The Authority provides interim and permanent financing for the development of rental housing projects.

Private Sources

Private developers must demonstrate their financial capability and resources for developing housing projects that involve construction or rehabilitation of units for both rent and sale. Private funds are required as leverage for the commitment of HOME funds. Interim financing should be clear with the banking institution before the commitment of HOME funds.

Lending institutions contribute to financing affordable housing by providing flexibility on mortgage loans, conventional mortgages, and FHA mortgage insurance.

It is necessary to point out that permanent financing for HOME assisted Homebuyers may be processed through any qualified mortgage institution. The Homebuyer purchase assistance will be granted directly to low-income families.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Does not apply.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2020	2024	Homeless	Statewide	Housing Chronic Homeless Homelessness Prevention	ESG: \$2,862,480	Homeless Person Overnight Shelter: 2560 Persons Assisted
2	Provide Decent Housing (B)	2020	2024	Homeless	Statewide	Homelessness Prevention Create and preserve affordable rental housing	HOME: \$0 ESG: \$598,689	Tenant-based rental assistance / Rapid Rehousing: 2000 Households Assisted
3	Provide Decent Housing (C)	2020	2024	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA: \$2,587,917	HIV/AIDS Housing Operations: 442 Household Unit Other: 465 Other
4	Create Suitable Living Enviroments	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Services	CDBG: \$2,554,532	Public service activities other than Low/Moderate Income Housing Benefit: 540 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Enviroments (B)	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem Non-housing Community Development- Public Services	CDBG: \$17,064,040	Other: 185000 Other
6	Provide Decent Housing (D)	2020	2024	Affordable Housing		Create and preserve affordable rental housing	CDBG: \$2,089,502	Homeowner Housing Added: 20 Household Housing Unit
7	Expand Economic Opportunity	2020	2024	Economic Development	CDBG- Non-entitlement communities	Non-housing Community Development- Economic Dev	CDBG: \$123,479	Jobs created/retained: 6 Jobs Businesses assisted: 3 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Emergency Relief	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem Non-housing Community Development- Public Services	CDBG: \$300,000	Other: 300 Other
9	Provide Decent Housing (E)	2020	2024	Affordable Housing	Statewide	Housing	HOME: \$0	
10	Provide Decent Housing (F)	2020	2024	Affordable Housing	Statewide	Create and preserve affordable rental housing	HOME: \$11,891,281 HTF: \$641,442	Rental units constructed: 48 Household Housing Unit Rental units rehabilitated: 3 Household Housing Unit

Table 6 – Goals Summary

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Funding allocation priorities are based on the needs and strategies of each program. The next section discusses the rationale for each of the consolidated plan programs.

The PY 2024 Annual Action Plan allocation priorities are driven by the information obtained during the Citizen Participation process and consultations. The combination of both processes provided the citizens, the communities, the agencies and interested parties with a meaningful opportunity to actively determine where the housing and community development resources were allocated.

To validate the information gathered from the citizen participation and consultation process, the PRDOH also took into consideration the results of the five-year Consolidated Plan Needs Assessment report, which provides a clear picture of the State needs related to affordable housing, special needs housing, community development, and homelessness. This evaluation process allows PRDOH and Consolidated State Agencies to identify the highest priorities among the identified housing and community development needs.

HUD regulations provide that 3% of the CDBG allocation plus \$100,000 can be used for administration and technical assistance for the State administered program. In 2024, this adds to \$763,946.51. For the ESG program the Department of the Family will allocate \$259,587.68 for state administrative purposes, \$17,325.88 for subgrantees administration, and \$86,529.23 for HMIS.

The following table includes a description of the funding allocation priorities resulting from the evaluation of the information gathered:

Funding Allocation Priorities

	Provide Decent Housing (%)	Provide Decent Housing (B) (%)	Provide Decent Housing (C) (%)	Create Suitable Living Enviroments (%)	Create Suitable Living Enviroments (B) (%)	Provide Decent Housing (D) (%)	Expand Economic Opportunity (%)	Emergency Relief (%)	Provide Decent Housing (E) (%)	Provide Decent Housing (F) (%)	Total (%)
CDBG	0	0	0	12	77	9	1	1	0	0	100
HOME	0	16	0	0	0	10	0	0	0	100	100

HOPWA	0	0	100	0	0	0	0	0	0	0	100
ESG	83	17	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	100	100
Other CDBG- DR	0	0	0	0	0	0	0	0	0	0	0
Other CDBG- MIT	0	0	0	0	0	0	0	0	0	0	0

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

The proposed distribution of funds included in this Annual Action Plan is based on the information data regarding demographic characteristics, market conditions and geographic areas needs resulted from the combination of the citizen participation actions, the consultation process, and the Consolidated Plan Needs Analysis section.

The described processes provide opportunities to share data and expand available information useful to determine the housing and community development needs and priorities which are a key component of effective planning for HUD’s CPD low and moderate-income programs.

The evaluation and analysis of the information resulted from the aforementioned processes, provided the Consolidated State Agencies officials with the needed perspective to better understand the priority needs and allocate the available CPD resources to service activities directed to address the identified needs. Also, provided the officials with the information needed to align complementary resources streams and maximize the use of the available funds within the community to address the needs of the low-income persons and their communities.

How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The proposed distribution of funds was prepared in accordance with the needs presented during the hearings and are consistent with the

Consolidated Plan.

HOME

The needs assessment identified a considerable need for housing rehabilitation, affordable housing for rent and homebuyer assistance programs. The assessment identified that the main needs are associated to substandard housing, cost burden, housing costs and lack of economic opportunities for persons with low educational attainment.

ESG

The distribution of funds will be based on assessments of homeless individuals conducted for comprehensive planning purposes, and on the outcomes of meetings held with the Continuums of Care (CoCs) and their organizations. The specific allocation of funds will prioritize the provision of services to address the chronic issue of homelessness, particularly focusing on the needs identified in the assessment of the homeless population. For the fiscal year 2024, the Emergency Solutions Grant (ESG) Program will direct its strategies towards prioritizing those institutions that offer solutions for Emergency Shelter and Rapid Rehousing, thus ensuring the continuity of bed availability. The expansion of Street Outreach and Rapid Rehousing services will also be promoted.

Unrestricted Emergency Shelters, eligible to use their facilities as stabilization units (providing 24-hour, 7-day-a-week access); Emergency Shelters without restrictions based on population, age, and time; Emergency Shelter services; and the expansion of Street Outreach services continue to be paramount for the Program. In the case of Prevention and Rapid Rehousing components, priority will be given to individuals with mental health challenges, projects that enhance women's safety, and Shelter proposals that include Rapid Rehousing components. Furthermore, additional services that encourage economic independence and self-sufficiency will be prioritized, tailored to the underlying causes of homelessness and the prevailing socio-economic situation.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

The Consolidated Plan regulations, specifically in 24 CFR 91.320, establishes the dispositions regarding the content of an Annual Action Plan. Among the components of the Plan, the PR-State must provide a description of the method for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the State, using the funds that are expected to be received under the formula allocations and other HUD assistance during the PY 2024.

At a minimum, the Methods of Distributions must include the reasons for the allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives included in the Consolidated Plan and must describes any obstacles to addressing underserved needs.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2024 amounts to \$22,131,554. This program provides funding for housing, community, and economic development, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico. Of these, \$21,067,607.49 will be allocated to non-entitlement municipalities; \$763,946.51 will be separated for State Administration and \$300,000 will be allocated for an emergency fund.</p> <p>The allocation for non-entitlement municipalities will be equally distributed among the municipalities, except for the islands of Vieques and Culebra, which both will receive an additional 15% above the Equal Allocation Grant. This method follows the distribution established via the enactment of local Act 137-2014 (later incorporated under the Municipal Code of 2020), as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$69,814.68 Public Service \$61,601.19 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$279,258.74 TOTAL \$410,674.61</p> <p>Vieques and Culebra Administration \$80,286.89 Public Service \$70,840.37 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$321,147.54 TOTAL \$472,275.80</p> <p>PRDOH Planning and Administration \$763,946.51</p>
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Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	Under Act 107-2020, as amended (the Municipal Code of 2020) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Application Submission</p> <p>Proposal forms will be available on the Agency's website www.vivienda.pr.gov/cdbg-estado/ and proposals and all its components and supporting documentation should be submitted by September 30, 2024, via email to: cdbg-propuestas@vivienda.pr.gov.</p> <p>Applications for the Emergency Fund may be submitted at any time during Program Year 2024 as long as they comply with the requirements presented on PRDOH's Administrative Order-2021-58 of November 30, 2021, as amended by Informative Circular 2021-16 of November 30, 2021, as amended, and any other requirement that applies. Based on the comments received during the public hearing, the PRDOH intends to amend the circular to provide additional time for the execution of certain projects.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p> <p><u>Proposal Requirements</u></p> <p>Submission of a budget breakdown is mandatory as part of the proposals.</p> <p>In determining an appropriate amount, the PRDOH reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ol style="list-style-type: none"> 1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation). 2. Compliance with the College of Engineers and Land Surveyors of Puerto Rico Guidelines, including the project breakdown detailing: cost of material, labor, equipment, insurance, administrative overhead, and other costs related to the project in order to determine reasonable project cost. 3. Reasonability of the budget. 4. Inadequate or incomplete description of activities to be developed. 5. Past performance of the non-entitled municipality (open findings). 6. Timely expenditure of funds <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring</p>
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	<p>maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>When preparing the proposal’s budget municipalities must comply with the PRDoH policies and procedures on reasonability of administrative costs published in February, 2020.</p> <p>The PRDoH will not approve an administrative budget in those instances where municipalities will be using the funds of their regular allocation for the repayment of a Section 108 Loan Guarantee Program loan only.</p> <p>In those cases where the only activity to be implemented by the municipality is a public service in conjunction with the repayment of a loan under the Section 108 Loan Guarantee Program. The PRDoH will approve up to 25% of the administration maximum allocation allowed in the corresponding Action Plan.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG program.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2024 amounts to \$22,131,554 will be distributed among eligible activities in accordance with the Programs policies and procedures and the federal law and regulations.</p> <p>Eligible activities under the State CDBG Program are listed on Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended. Each activity must meet one of the national objectives as to benefit low and moderate-income persons (24 CFR 570.483 (b)), pursue the elimination of slums and blighted areas (24 CFR 570.483 (c)), or activities designed to address a particular urgency that poses an imminent threat to the health and safety of the community (24 CFR 570.483 (d)). Each activity should correlate with a matrix code, national objective and CDBG citation.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by PRDOH and 17% by the Municipalities); up to 15% of the CBDG funds can be allocated for Public Service purposes and the remaining of the funds can be allocated for housing, community development and economic development related activities.</p> <p>All applications for Program Year 2024 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p>

	Describe threshold factors and grant size limits.	Under Act 107-2020, as amended (Municipal Code of 2020), the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes measures are included on the appendix section.
2	State Program Name:	Emergency Solutions Grant Program
	Funding Sources:	ESG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Puerto Rico Department of the Family (PRDF) oversees the administration of the Emergency Solutions Grant (ESG) Program. The fund distribution method employed by the PRDF involves issuing a Request for Proposals (RFP) in the first year, followed by a competitive evaluation process to select prospective subrecipients. The allocation of funds is based on both the performance of the subrecipients' projects and the availability of funds from the U.S. Department of Housing and Urban Development (HUD). In Program Year (PY) 2024, the PRDF is set to accept proposals from entities that are actively involved in related fields.</p> <p>Should there be any surplus funds during PY 2024 due to the recapture process, the PRDF will allocate these funds based on identified needs, with distribution criteria being communicated through an invitation process.</p> <p>In the case of a declared disaster, the PRDF has the authority to enact the disaster recovery policy, which is detailed in the Appendix section of the program guidelines.</p> <p>For PY 2024, the total amount allocated for the ESG Program is \$3,461,169. This funding is designated to benefit all seventy-eight (78) municipalities across Puerto Rico, spanning ten (10) regions as established by the PRDF: Mayagüez, Aguadilla, Arecibo, Bayamón, San Juan, Carolina, Caguas, Humacao, Guayama, and Ponce. Eligible non-profit organizations and municipalities that meet the specified requirements and evaluation criteria can receive funding for the following categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter: \$2,076,701.40 (60.0%) • Prevention: \$501,869.50 (14.5%) • Rapid Re-Housing: \$536,481.19 (15.5%) • Data Collection (HMIS): \$86,529.23 (2.5%) • Administration: \$259,587.68 (7.5%) <p>Total: \$3,461,169.00 (100%)</p> <p>The Department of the Family is also authorized to allocate indirect costs to eligible activities.</p> <p>Proposals will be assessed based on two sets of criteria: compliance criteria for proposal consideration and criteria for the final award of funds. The detailed process for these evaluations is described in subsequent sections of the proposal guidelines. All proposals should be submitted via email by July 2023.</p>
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		<p>Beginning with Program Year 2011, the PRDF has adopted a funding method where awards are granted for a two-year period. This is contingent upon an evaluation of the first year's performance, the expenditure rate of the allocated funds, and the availability of further funds. As PY 2024 commences, eligible organizations and local governments will be entering their second year in the current two-year cycle. Any funds that remain unutilized during the Program Year will be allocated based on needs identified by the PRDF and communicated through invitations.</p> <p>For PY 2024, the PRDF plans to implement an advance payment method, as per the procedures established by the ESG Program.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Compliance Criteria for Proposal Consideration</p> <ul style="list-style-type: none"> • Complete the proposal in all its parts and submit the required documentation, as applicable. • At least three years of experience serving homeless persons or in risk of homelessness. • Availability of credit lines or financing mechanisms. • No open findings of questioned costs, if applicable. Compliance with Federal Audit Clearing House. • Be a municipality or non-profit entity properly incorporated and in Good Standing, as applicable. • Have financial management systems that meet the minimum accounting standards. • In the case of shelters, the municipal endorsement is required. • Have the Environmental Assessment, as applicable. • Availability of fund matching (dollar-for-dollar) and its sources. • Experience managing federal funds and financial capacity. • Reasonability of number of homeless persons identified in the geographic region of service • Reasonability of the project-participant’s cost. • The entity has Case Managers and specialized personnel. <p>Compliance Criteria for Proposal Consideration for second year – Performance and Expenditure Rate – Active Entities</p> <ul style="list-style-type: none"> • In the case of shelters, bed utilization rate of 75% or more • Average stay in Shelter – no more than 90 days • Have spent at least 85% of the recent allocation. • Active participation in the Coordinated Entry System (CES) • Compliance with Data Entry in the Homeless Management Information System (HMIS).
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		<ul style="list-style-type: none"> • Compliance with previous allocations case closing in HMIS. • Projects performance according to HMIS: Complies with 50% or more of the performance measurements related to income generation and placement of participants in housing modalities. Performance measures include the following: <ul style="list-style-type: none"> • Outreach: 45% or more of participants of outreach were placed in a modality of housing (ES, TH or PH) • Emergency Shelters: 10% or more of personas who exited ES increased their income, 70% or more of the participants of ES were placed in a modality of TH or PH. • Prevention: 75% or more of the persons who received assistance maintain their households. • Rapid rehousing: 10% of more of persons exiting a Rapid Rehousing project increased their income, 75% or more of RRH participants exited to permanent housing. <p>Criteria for the final granting of funds - <i>Management and Financial Capacity</i></p> <ul style="list-style-type: none"> • Experience managing federal funds. • Availability of credit lines or financing mechanisms • Other sources of income <p>Two special bonuses will be awarded during the evaluation of proposals to those organizations and municipalities that participate actively of the CoCs and those that offer services in the 15 municipalities with the highest incidence of homelessness..</p>
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the ESG Program- (see CDBG section).</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Since Program Year 2011, the PRDF uses a distribution method in which an award is granted for a two-year period, subject to an evaluation of the first year’s performance and expenditure rate for allocated funds, and the availability of funds. During PY 2024, eligible organizations and local governments will be initiating their second program year of the two-year cycle. Meanwhile, unused funds available during the Program Year will be distributed according to the needs identified by the PRDF, by invitation.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The following is the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$ 2,076,701.40 (60.0%) • Prevention \$ 501,869.50 (14.5%) • Rapid Re-Housing \$ 536,481.19 (15.5%) • Data Collection (HMIS) \$ 86,529.23 (2.5%) • Administration \$ 259,587.68 (7.5%) • Total \$ 3,461,169.00 (100%) <p>The Department of the Family may be allocating indirect costs to eligible activities.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The grant size limits established for the ESG Program funds distribution are:</p> <ul style="list-style-type: none"> • Outreach and Shelter No more than 60.0% • Prevention No limits • Rapid Re-Housing No limits • Data Collection (HMIS) Does not apply • Administration No more than 7.5%

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Non-profit organizations and units of local government that are awarded ESG funds, are expected to comply with the following outcome measures, depending in the different types of projects:</p> <p>Outcome Measures</p> <p>OUTREACH</p> <ul style="list-style-type: none"> • Number of people receiving services • Number of people who left the program. • Percentage of people who committed (engaged) to receive services. • Percentage of people who fulfilled their service plan. • Percentage of people who increased their income from any source. • Percentage of people located in emergency shelter. • Percentage of people located in temporary shelter. • Percentage of people placed in permanent housing. <p>EMERGENCY SHELTER</p> <ul style="list-style-type: none"> • Number of people who entered the emergency shelter. • Number of people who left the program. • Percentage of people who fulfilled their service plan. • Percentage of people who increased their income from any source. • The percentage of people who entered transitional housing. • Percentage of people who stayed in the shelter for less than three months. • Percentage of people who stayed in the shelter for more than three months. • Percentage of people placed in permanent housing.
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		<p>PREVENTION</p> <ul style="list-style-type: none"> • Number of people receiving prevention services • Number of people who left the program. • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period. • Percentage of people who met their service plan. • Percentage of people who increased their income from any source. • Percentage of people placed in permanent housing. <p>RAPID RE-HOUSING (RRH)</p> <ul style="list-style-type: none"> • Number of people receiving RRH services • Number of people who left the program. • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period. • Percentage of people who fulfilled their service plan. • Percentage of people who increased their income. • Percentage of people placed in permanent housing
3	State Program Name:	HOME Investment Partnership Program
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$13,212,534 in HOME funds for PY 2024. All resources will be allocated to provide incentives for meeting the goal of developing and supporting affordable housing. This will be achieved primarily through the Rehabilitation or New Construction for Multifamily Rental Development. Funds from previous years may be used to provide down payment assistance to homebuyers, rehabilitation or new construction of homeowners and TBRA. The distribution of HOME funds for PY 2024 will be as follows:</p> <ul style="list-style-type: none"> • Administration \$1,321,253.40 • Rehab or New Construction for Multifamily Rental Dev. \$11,891,280.60 <p>Funds will be distributed according to a competitive process. The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section. Funding available during the program year, not distributed in the competitive process or from previous years, may also be distributed according to an alternative method of distribution by invitation and based on need.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Puerto Rico Housing Finance Authority (PRHFA) will make the activity of New Construction or Rehabilitation for Rental Housing Development available under the HOME Investment Partnership Program (HOME) FY 2024 Action Plan (AP) through a competitive process. Following previous joint efforts and on-going initiatives, the HOME Program might combine or implement a consolidated application to include CDBG-DR, LIHTC, HTF or other sources of funds or new programs (received or to be received), combining the requirements, to promote the development of multifamily rental projects.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p> <p>Other activities will be delivered by the PRHFA in accordance with the applicable regulations.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOME Program- see CDBG section.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HOME Program- see ESG section.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to the HOME Program - See HOPWA Section.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities, the cap is a minimum of \$1,000 and maximum which is to be establish by AFV according to participant necessity, will be available for eligible homebuyers. The Director of the Home Program will approve on case-by-case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The following are the HOME Program Outcome Measures:</p> <ul style="list-style-type: none"> • Homebuyer Assistance \$0.00 – A total of 5 homebuyers (served with funds available from previous years) • Rehab or New Construction by Owner \$0.00 – A total of 57 housing units (served with funds available from previous years) • Multifamily Rental Dev. \$11, 891,281 – A total of 48 housing units. • Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 40 families (served with funds available from previous years).
4	<p>State Program Name:</p>	<p>Housing Opportunities Persons With AIDS</p>
	<p>Funding Sources:</p>	<p>HOPWA</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Housing Opportunities for Persons with AIDS (HOPWA) Program provides housing assistance and supportive services for low-income persons living with HIV/AIDS and their families. HOPWA funds are received by the Puerto Rico Department of Health to be distributed to Eligible Project Sponsors that include Municipal Governments and Non-Profit Organizations.</p> <p>Funds for PY 2024 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to subrecipients. Due to the law restrictions, administrative funds will not be distributed to sub recipients.</p> <p>HOPWA funds may be used for a wide range of services such as housing, social services, program planning, and development costs. These included, but not limited to acquisition, rehabilitation or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds may be used for health care and mental health services, drug dependence treatment, nutritional services, case management, assistance with daily living, and other supportive services. If remainder funds are available after distribution, distribution of funds will not require a new competitive process but will be distributed among organizations and municipalities that previously submitted their proposals.</p> <p>For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PR-EMSA Municipalities for the HOPWA grant.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The following evaluations factors will be used to evaluate the proposals presented by potential sub recipients. An evaluation committee selected by the Municipality of San Juan will evaluate the applications with a standard instrument that will take into consideration: HIV/AIDS population within the proposed service area, level of experience of the proponent party, use of funds history by the proponent party and performance history of the proponent party. All criteria have the same weight in the evaluation process. The maximum value for a proposal is one hundred (100) points. The following are the areas of evaluation and its relative weight:</p> <p>NON-Profit subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter - 5 Points • Description organization - 10 Points • Financial and Programmatic Background - 5 Points • Project Description - 35 Points • Budget - 40 Points • Required Documents - 5 Points • Total: 100 <p>As part of the proposal evaluation, those non-profit subrecipients that submit proposals to continue providing services, the Municipality of San Juan will evaluate:</p> <ul style="list-style-type: none"> • Performance – 15 Points <p>Municipal subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter - 5 Points • General Information Municipality -5 Points • Financial and Programmatic Background - 15 Points • Proposed Project Description - 30 Points
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	<ul style="list-style-type: none"> • Budget -45 Points • Total: 100 <p>As part of the proposal evaluation, those municipalities subrecipients that submit proposals to continue providing services, the Municipality of San Juan will evaluate:</p> <p style="text-align: center;">Performance – 20 Points</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOPWA Program- see CDBG section.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HOPWA Program- see ESG section.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>For PY 2024 the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (SJ-EMSA). Priority will be given to potential sub recipients that are not included in the SJ-EMSA. Applicants located in the San Juan EMSA that are currently receiving HOPWA funds from the Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.</p> <p>All the applications will be evaluated by the same standards and criteria.</p> <p>Support services eligible costs include:</p> <ul style="list-style-type: none"> • Nutritional Services • Day care • Case Management • Mental Health • Medical services • Permanent housing costs • Any supportive service combined with housing <p>All sub-recipients are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. In addition, they need to be registered on the System for Award Management (SAM).</p>
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<p>Describe how resources will be allocated among funding categories.</p>	<p>The HOPWA Program funds will be distributed in the following categories:</p> <ul style="list-style-type: none"> • Administrative Activities: 10% • TBRA Activities and related: 33% • Housing related Activities: 37% • Supportive Services Activities: 20% <p>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> • Administration Salud \$77,638 • Administration San Juan \$175,380 • TBRA \$826,389 • Delivery Cost TBRA \$33,226 • Operation Costs Transitional Housing and STRMU \$958,538 • Supportive Services \$516,406
<p>Describe threshold factors and grant size limits.</p>	<p>No grant size limits are established for the HOPWA Program funds distribution.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The following are the HOPWA Program Outcome Measures:</p> <ul style="list-style-type: none"> • Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family - 70 Households • Tenant-based rental assistance - 132 Households • Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 80 housing units • Transitional short-term housing facilities developed, leased, or operated with HOPWA funds – 160 Households • Supportive Services – 465 Households
5	<p>State Program Name:</p>	<p>Housing Trust Fund</p>
	<p>Funding Sources:</p>	<p>HTF</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA received \$712,713.00 in HTF funds for PY 2024. The resources will be allocated for Multifamily Rental New Construction/Rehabilitation. The funds will be distributed as follow:</p> <p>GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2024:</p> <p>Assigned Budget: \$712,713.00</p> <p>Distribution by Category:</p> <ul style="list-style-type: none"> • State Administration \$71,271.30 • Rental and homeownerships eligible activities \$641,441.70 – (in the case of homeownership provided they do not exceed 10% of the allocation). <p>Description of the Method to Distribute HOME and HTF Funds for Construction and Rehabilitation of Rental Housing:</p> <p>For the purposes of distributing the funds, the PRHFA may incorporate HTF funds into competitive rounds for other programs such as HOME, or may use an invitation method based on need. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units and homeownership. The first will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.</p> <p>Eligible Applicants</p> <p>The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the basic threshold criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200).</p>
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	<p>The full explanation of the Method of Distribution based on competition to be used during this program year is included in the Appendix Section. As mentioned, PRHFA may also use an invitation method based on need for available funds during the year that were not distributed in competitive rounds or come from previous years.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications requesting HTF funds will be evaluated according to criteria based on HTF regulations, and the needs for such projects. Criteria may include: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects.</p> <p>See the appendix for a description of the scoring method and selection criteria of the competitive process. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA criteria guidelines will be used to determine the final scores and funding recommendations.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section. As mentioned, PRHFA may also use an invitation method based on need for available funds during the year that were not distributed in competitive rounds or come from previous years.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HTF Program- see CDBG section.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HTF Program- see ESG section.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to the HTF Program- see HOPWA section.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The HTF Program funds will be distributed in the following categories: Distribution of HTF Funds</p> <ul style="list-style-type: none"> • Rental and homeownerships eligible activities \$641,441.70 – (in the case of homeownership provided they do not exceed 10% of the allocation). • Administration \$71,271.30- 10% • Total \$712,713.00 -100% <p>The HTF resources will be allocated for projects that serve HTF tenant population; these could include special needs population.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>PRHFA will use the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216.</p> <p>The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received.</p> <p>The project location and the targeted population will be key factors in determining the grant size limit.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The following are the HTF Program Outcome Measures: Multifamily Rental Dev. \$641,441.70– A total of 3 housing units.</p>

Discussion:

The full explanation of the Method of Distribution of funds to be used during this program year is:

ESG Disaster Funding Policy Improvement:

The Department of the Family (DF) is dedicated to being a steadfast partner in supporting local communities during natural disasters and health emergencies, including the ongoing COVID-19 pandemic. Recognizing the unique challenges faced in such situations, the DF is committed to utilizing all available resources, including the Emergency Solutions Grant (ESG) funds allocated to Puerto Rico, to provide comprehensive aid to homeless populations impacted by these crises.

To deliver flexible and effective support, the DF will exercise the option to reallocate funds from prior year grants and their corresponding eligible activities to regions severely affected by disasters. This approach allows the DF to make targeted sub-awards to qualified subrecipients, such as local governments and non-profit organizations. These grants are designed to address immediate gaps in existing programs, meet local preparedness needs, provide temporary assistance for expanding shelter capacity or program services, and fund new initiatives like street outreach or case management. This support is crucial to facilitate the transition of affected individuals into stable and permanent housing. Additionally, the DF may allocate strategic funds for the renovation of shelters damaged by the disaster.

It is imperative that all activities funded through this approach comply with the regulations governing the ESG and adhere to local policies and procedures.

Understanding the unique challenges faced by disaster-impacted areas, the DF will temporarily adjust its standard rating and ranking process for awarding these funds. This adjustment aims to fulfill two key objectives: firstly, to acknowledge the potential difficulties in submitting detailed applications by disaster-affected areas, and secondly, to ensure that the funding is directed towards the most vulnerable and severely impacted regions, thereby maximizing the impact of the aid provided.

These improvements to the ESG Disaster Funding Policy are intended to guarantee prompt and effective support to areas affected by natural disasters and health emergencies. In doing so, the DF upholds its commitment to compliance with relevant regulations and local guidelines, while prioritizing the most urgent needs and making a significant difference in the lives of those affected by these challenging circumstances.

*HOME Program***Puerto Rico Housing Finance Authority – HOME Recapture Provisions**

The affordability restriction running with the deed will ensure that all of the HOME assistance to the homebuyer is recuperated. Recapture provisions will ensure that the property remains the beneficiary's principal residence for the term of the affordability. Thus, in case the recapture restriction is triggered,

the **PRHFA** will recapture the entire amount of the HOME investment (net proceeds available from sale). Net Proceeds are defined as the sales price minus superior loan repayment (other than Home funds) and any closing costs. The **PRHFA** will not recapture more than is available from the net proceeds of the sale.

In the case of an investment from the homebuyer, in the form of additional funds for down payment and the amount of capital improvements, such amount could be recovered by the homebuyer if net proceeds are enough to cover the HOME- assistance. Thus, net proceeds will first cover the HOME assistance, secondly, any initial investments from the homebuyer and finally any amount in excess of net proceeds (surplus) will be shared on equal basis between the **PRHFA** and the program beneficiary (50% retained by the **PRHFA** and 50% to beneficiary). Such surplus will be treated as Recaptured funds.

The **PRHFA** will share any net proceeds if the net proceeds are not sufficient to recapture the full Home assistance plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the grantee may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than Home funds) and closing costs. Capital Improvement investment will be valued by appraisal. A capital improvement is the addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its useful life or adapt it to new uses. This type of improvement, according to the Internal Revenue Service (IRS), must have a life expectancy when installed of more than one year.

Examples:

- Must fix some defect or design flaw.
- Must substantially improve the value of a property.
- Must become a permanent part of the property so that removal would cause some impactful damage to the property.
- Must be added with the intention of becoming a permanent part of the property or asset.

The IRS makes a distinction between capital improvements and repairs, which cannot be included in a property's cost basis. Repairs done as part of a larger project, such as replacing all of a home's windows, do qualify as capital improvements. Repairs that are necessary to keep a home in good condition, however, are not included if they do not add value. Examples of such non-qualifying repairs, according to the IRS, include painting, fixing leaks or replacing broken hardware.

The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{HOME\ investment}{HOME\ investment + homeowner\ investment} \times Net\ proceeds = HOME\ amount\ to\ be\ recaptured$$

$$\frac{homeowner\ investment}{HOME\ investment + homeowner\ investment} \times Net\ proceeds = amount\ to\ homeowner$$

The affordability restrictions will not run against the developer’s subsidy, hence, only direct subsidy is subject to recapture. Direct subsidy is the amount of HOME assistance- including any program income- that enabled the homebuyer to buy the unit (down payment, closing costs, interest subsidies, or other HOME-assistance). The direct subsidy also includes any assistance that reduced the purchase price from fair market value to an affordable price. Recaptured funds will be used in HOME eligible activities.

The **HOME**-assisted units must meet the affordability requirements for no less than the applicable period specified below, beginning after project completion or occupancy, whichever is last. Particularly, for rehabilitation and construction projects completion will be evidenced by the use and occupancy permit. For rental projects completion will be evidenced when the construction is finished and the use permit obtained. For homebuyer sales projects completion will be evidenced when the last unit is sold. If the homebuyer transfers the property, either voluntary or involuntarily, during the period of affordability, the **PRHFA** will recover all the HOME assistance from the net proceeds.

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

HOME Investment per unit	Length of Affordability
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
Over \$40,000	15 years

The affordability period requirements are enforced through a written agreement executed by the homebuyer and the **PRHFA**, and will be enforced via deed restrictions separately recorded, and a soft second mortgage over the property, if HOME requirements are met. The time limit for such lien will be determined by the amount of the subsidy granted by the State HOME Program, as shown in the above table.

The **PRHFA** will only approve refinancing for better rate and terms of the first mortgage, and immediate property repairs or improvements. Such approval requires the expressed written consent of **PRHFA**. The **PRHFA** will not approve debt consolidations or ‘cash-out’ refinance (other than for a nominal cash remainder that may be result from the adjustment of a closing date, etc.). Assisted households wishing to do a cash-out refinance during the affordability period should expect to repay the HOME-assistance.

Puerto Rico Housing Finance Authority – HOME Resale Provisions

Description of the Resale Guidelines for the Homebuyer Activity:

Provisions follow the requirements established in 24 CFR 92.254 (a) (5) (i) to ensure affordability in compliance titled Qualification as Affordable Housing: homeownership.

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HOME assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and primary financing for the acquisition would be affected due to the lender's policies regarding the treatment of the Recapture provisions. It has been the **PRHFA's** experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property's Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary lender's policies, the developer or CHDO may request the sale of the HOME assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFAs** prior written approval before selling the unit using Resale provisions.

Recapture provisions will not be used when a project receives only a development subsidy. Instead, resale provisions will be used. Resale provisions may require selling properties below fair market value in order to make the property affordable to the subsequent low-income homebuyer. Recapture provisions allow for sale at fair market value.

In order to assure the maintenance of the affordable housing stock, the **HOME** program provides a set affordability periods that relate to the resale of the property. These periods are based on the amount of **HOME** funds provided for the property, in compliance with the Table below.

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

HOME Investment per unit	Length of Affordability
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
Over \$40,000	15 years

The period of affordability will be based on the total amount of HOME funds invested in the housing, including any program income expended in the unit.

The resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original **HOME**-assisted owner a fair return on investment (including, the value of the original down payment, and

capital improvements) and ensure that the housing will remain affordable to a reasonable range of low-income Homebuyers.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The **PRHFA** would announce in the restrictive covenants that may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

The term of affordability shall be secured in the written agreements executed by the homebuyer and the **PRHFA** and enforced via deed restrictions separately recorded, and a soft second mortgage over the property. The restrictive deed of trust would be presented at the corresponding office of the Department of Justice Property Register for presentation, qualification and inscription.

The recorded restricted deed of trust would include the following covenants on the land in two instances: in the fee title simple and in the **PRHFA** direct mortgage that will secure the affordability period of the assisted housing.

- (1) The housing must be the principal residence of the family throughout the affordability period established in the recorded deed. The Homebuyer would not rent the dwelling or use it in any other manner than the principal residence of the family.
- (2) The Homebuyer must meet the affordability requirements for not less than the applicable period specified in the previous table, beginning after project completion.
- (3) Refinancing of the first mortgage would be allowed if two of the following conditions are met:
 - (a) That the dwelling unit has been continuously occupied by the Homebuyer;
 - (b) That the funding raised by the mortgage refinancing would be used for **HOME** improvements, approved by the **HOME** Program and that no cash will be used for other means;
 - (c) That the refinancing would improve the current mortgage payment, either lowering the monthly installments, interest rate or maturity term.
- (4) The **PRHFA** would conduct periodic inspections on the **HOME** assisted housing during the affordability period to verify program compliance.
- (5) Resale of the property should be authorized in advanced by the **PRHFA**, and such offering should be made only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale price should provide the original **HOME**- assisted owner a fair return on investment. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by

an appraisal. Any improvements on the property will require written consent from the **PRHFA**.

- (6) Additionally, any approval of improvements on the property will require the submission of quotes from a valid contractor. The housing will remain affordable to a reasonable range of low-income Homebuyers.
- (7) The **HOME** equity, other than homeowner's investment and any capital improvement, and any increase in the appraised value of the property should be kept in the property, to help meet the affordability criteria for the new Homebuyer.
- (8) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family below 80 percent of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 30 percent of annual (gross) income or depending on compensatory factors.
- (9) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.
- (10) **PRHFA** may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

HOME PROGRAM

1. DESCRIBE THE STATE PROGRAM (HOME) ADDRESSED BY THE METHOD OF DISTRIBUTION.

- 2. The **PRHFA** will receive \$13,212,534.00 in HOME funds for PY 2024. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 48 affordable rental housing units. This will be achieved through the Rehabilitation or New Construction for Multifamily Rental Development activity combined with other funding sources like LIHTC, section 8 program among others. These eligible costs include site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds from previous years will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2024 is shown below:

3.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2024	
Assigned Budget:	\$13,212,534.00
State Administration:	\$1,321,253.40
Homebuyers Assistance:	\$0.00

Rehab or New Construction for Multifamily Rental Development:	\$11,891,280.60
Rehab or New Construction by Owner	\$0.00
Tenant-Based Rental Assistance (TBRA)	\$0.00

4. DESCRIBE ALL OF THE CRITERIA THAT WILL BE USED TO SELECT APPLICATIONS AND THE RELATIVE IMPORTANCE OF THESE CRITERIA.

Recently (November 18, 2022), the Puerto Rico Housing Finance Authority (PRHFA) has announced a Notice of Funds Availability (NOFA) for assistance under the following programs for new construction and/or rehabilitation of low-income rental housing projects:

- Low-Income Housing Tax Credits (LIHTC)
- HOME Investment Partnerships Program (HOME)
- Housing Trust Fund (HTF)
- Community Development Block Grant Disaster Recovery (CDBG-DR)-Gap to LIHTC Program

That NOFA was released pursuant to the PRHFA’s 2022 Qualified Allocation Plan (2022 QAP), HOME/HTF Action Plan and CDBG-DR State Action Plan and program guidelines. It is consistent with the funding priorities therein established.

NOFA seeks to leverage diverse funds, with criteria that will result in allocating multiple financing sources to projects that meet the State Housing Plan priorities. Although the above-mentioned NOFA had made available funds from previous action plans, it is the intention of the PRHFA that if there is a shortage of HOME funds requested for new projects (Action Plan 2022 and previous) due to the demand for those funds, the PRHFA will include funds from Action Plan 2024 and previous years to fulfill that necessity.

Following previous joint efforts and on-going initiatives, the Puerto Rico Housing Finance Authority (PRHFA) is making available the activity of New Construction or Rehabilitation for Rental Housing Development under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the competitive process the Authority has issued. Following previous joint efforts and on-going initiatives, the HOME Program is combining and implementing a consolidated application to include CDBG-DR, LIHTC, HTF or other sources of funds or new programs, combining the requirements, to promote the development of multifamily rental projects.

Outreach for program funds is based on the methodology for open market competition. A notice of available HOME funds has been published in a general circulation newspaper. The number, nature and

location of public hearings has been announced in that Notice. Any interested qualifying parties may submit an application to finance their project. This process assures equal participation of any party in the affordable housing business.

Announcement and application: HOME will announce and publish in a general circulation newspaper the quantity of funds to be released and the proposal submission deadline. As mentioned, at the discretion of the Authority, the announcement could be done in conjunction with other sources of funding or new programs (if available or once available) according to PRHFA Annual Plan and government Plan.

Interested applicants could obtain HOME information and application form at PRHFA's office or its site, www.afv.pr.gov. The proponents must submit applications according to the corresponding procedures and deadlines.

Please note that it should be at **PRHFA's** sole discretion to award Home funds to any Participant (which has requested or not HOME funds), based on the merits of the project, available funds, specific needs of the cycle, economic conditions, in order to promote the new construction/rehabilitation of low-income housing projects. This will also apply to projects requesting 9% tax-exempt bonds, where, depending of the merits and conditions of the project, HOME funds might be awarded. As of today, an estimated of \$637,773,487 from years 2021 & 2022 in Private Activity Bond Volume Cap-related 9% tax-exempt credits were available.

The public hearing was announced with the publication of the notice of availability of funds, inviting all interested parties to attend the conference in order to learn in advance about the requirements established to access all programs funds. Proponents have submitted their applications in a competitive method, ensuring the fair and unbiased contracting procedure that allows a foremost opportunity of open competition and the absence of conflicts of interests. Because the method of distribution of the State HOME Program runs as a competitive process, the PJ cannot predict the geographic distribution of the assistance.

As presented earlier, the State HOME Program will allocate the amount of \$13,212,534 for the eligible activities established in the 5YHS (including 10% for administration), amended accordingly to reflect funding changes and the needs and policy priorities announced in the State Housing Plan 2020-2024. The method for distributing HOME funds to local governments, developers, CHDOs, minority groups, and small businesses will be through the submittal of an application.

The applications for housing construction and rehabilitation must benefit low and very low-income families. The subsidy requested should be enough, without exceeding the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters

to be eligible, through compliance of 24 CFR 92.216; and for Homeownership housing, the proposal should allow prospective homeowners to be eligible in compliance of 24 CFR 92.217, among other Federal requirements and the State HOME Program criteria.

The HOME Program designated employee will receive the applications and will refer them for the corresponding analysis. Upon completion of the analysis and taking into considering the recommendation of the Multifamily Manager, the HOME Program Director will approve which applicants comply with the minimum threshold requirements and therefore can proceed with the point ranking evaluation.

Applications requesting HOME funds will be evaluated based on joint rating factors. Those factors include but are not limited to local considerations and State HOME Program’s criteria, such as:

- project location;
- project characteristics;
- housing needs characteristics;
- project developer characteristics;
- financing characteristics; and
- supportive services.

Project Evaluation and Selection

To be considered for an allocation of HOME Funds, the applicant must submit a complete application with the following information and documents. Incomplete applications will not be accepted for evaluation or scoring.

Complete applications will be reviewed for compliance with the basic threshold requirements set forth below:



General Remarks: All applicants must confirm the submission of the required supporting documentation enabling their basic threshold (**BT**) qualification by filling out this form. The form summarizes the BT requirements and documentation to be further considered under the applicable program(s) announced under the NOFA. **ONLY APPLICATIONS MEETING ALL QUALIFICATIONS, APPLICABLE TO THEIR TYPE OF DEVELOPMENT AND REQUESTED PROGRAM(S), WILL BE FURTHER CONSIDERED.** Applications that do not meet the BT requirements and/or documentation might be informed in writing. All documents submitted must conform to contents, identity of issuer, period of preparation, format and any other requirement detailed in the QAP, HOME/HTF Action Plan (AP), CDBG-DR Program Guidelines (PG) or applicable rule. Respondents are solely responsible of ensuring full compliance with all the BT requirements included in this checklist and those listed under the QAP, HOME/HTF AP or CDBG-DR PG.

The Authority reserves the right to interpret, supplement, qualify or modify any provision herein established or documentation requirement, in order to resolve any conflict that might arise regarding the provisions contained in the QAP, the HOME/HTF AP, CDBG-DR PG or any other applicable rule. The Authority will determine the completeness of the responses and documentation provided by respondents and, subject solely to their discretion, will determine if any correction or clarification could be requested from any applicant. Each document must be identified with the application number, document title and the reference number provided in this documentation checklist. Unless required otherwise, all documents and supporting documents are to be submitted in digital format, as follows: all documents in PDF format and an additional copy of the application in XLS format.

Documents are to be submitted in an USB drive each titled as follows: [Application Number-Reference ID-Document Title]. Example: 2022-XX-BT.001-Application Form. **Please, note that documents labeled "SHPO.003" through "SHPO.006" require also the submittal of printed copies no later than December 16, 2022.**

	Application Number:	2024-			NOFA 2024 Basic Threshold Requirements and Documentation Review
	Subscribed by:				
Project Name:					
Reqd. for LIHTC	Reqd. for HOME/HTF	Reqd. for CDBG-DR	Check if submitted	Doc Ref ID	Document
SHPO					
n	n	n		SHPO.001	A detailed written description of the project, including: related activities to be carried out in conjunction with the project; estimated total development cost; project area in <i>cuerdas</i> or acres; and tax property identification number (cadastral number) of the property(ies).
n	n	n		SHPO.002	Project location marked on a U.S.G.S. Topographic Quadrangle Map outlining exact boundaries. Name of the Quadrangle MUST be indicated and the original scale maintained. Other types of maps will not be accepted (i.e.: flood, zoning, or tourist maps, aerial or satellite photographs, etc.).

n	n	n		SHPO.003	Site Plan, scale 1:2000 or larger, showing project property and vicinity. <u>A printed copy (size "11x17") must also be submitted.</u>
n	n	n		SHPO.004	Current photographs (taken from ground level) of the property and the project's area of potential effects (at a minimum, the area of the project and its surroundings) in TIFF, JPEG or PDF formats. <u>Printed color copies must also be submitted.</u> No Polaroid's or photocopies will be accepted.
n	n	n		SHPO.005	As-found or as-built plans of the building/structure(s) to be affected by the project. <u>Printed copies (size "11x17") must also be submitted.</u>
n	n	n		SHPO.006	Schematic or preliminary drawings (floor plans, elevations, sections) that show the proposed project design. <u>Printed copies (size "11x17") must also be submitted.</u>
I. Application					
n	n	n		BT.001	Application Form.
n	n	n		BT.001	Application's Agreement and Certification (page 25), signed by the Owner, the President or Secretary of the General Partner, and showing corporate seal that is also legible in digital documents.
n	n	n		BT.002	Corporate Resolution certifying that the person who signed is a duly authorized officer of the applicant, authorized to sign the application.
n	n	n		BT.003	Threshold Checklist Form.
n	n	n		BT.004	Self Point-Ranking Evaluation.
n	n	n		BT.005	Subsidy Layering Review (SLR) Parameters Checklist Form.
n				BT.006	Copy of any waiver issued by the Authority for the public-housing set-aside category.
n	n	n		BT.007	Application's transmittal letter.
	n				Manager's check or Money Order for the amount of fees payable to the Puerto Rico Housing Finance Authority indicating application number and the term "HOME/HTF" in memo field.
				BT.008	Intentionally Omitted

II. Project Characteristics					
n	n	n		BT.012	Designer's Preliminary Certification (Annex J) completed by the designer, duly licensed in Puerto Rico. Also, PRHFA's Oversight & Quality Assurance Program Accessibility Standards Checklists, completed and certified by the designer, duly licensed in Puerto Rico:
n	n	n		BT.013	- Appendix A-ADA Accessibility Verification Checklist
n	n	n		BT.014	- Appendix B-Fair Housing Act Accessibility Checklist
n	n	n		BT.015	- Appendix C-Uniform Federal Accessibility Standards
n	n	n		BT.016	Project timeline for project activities including specific benchmarks for acquisition, assembly of the development team, completion of plans and specifications, completion of financial approvals, municipal approvals, building permits, project construction start date, completion date and the estimated date of lease-up (Application, page 23).
n	n	n		BT.017	Certification of the percentage of construction completion prepared by the Resident Inspector for projects under construction. (Caveat: existing construction might affect the Environmental Review, and eventual allocation of HOME, HTF and CDBG-DR Funds).
n	n	n		BT.018	Certification of the percentage of construction completion prepared by the lender's inspector for projects under construction. (Caveat: existing construction might affect the Environmental Review, and eventual allocation of HOME, HTF and CDBG-DR Funds).
n	n	n		BT.019	Evidence of site control: earnest money agreement, option or closing statement for land and/or buildings, title, deed or leasehold agreement (99 years or more if

					requesting HOME or HTF).
n	n	n		BT.020	Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, 49 CFR 24.101(b) and section 23.7 of the PRDH's Administrative Plan, detailing: number of persons (families, individuals, businesses or organizations) occupying the property on the date of the submission of the application; number of persons to be displaced, temporarily relocated, or moved permanently within the building or complex; estimated cost of relocation payments and services and sources of funding; and copy of the executed agreement with organization that will carry out the relocation activities.
n	n	n		BT.021	Complete set of Architectural drawings of the proposed new construction and/or rehabilitation, certified by the project's registered architect (RA)/professional engineer (PE).
n	n	n		BT.022	Technical specifications certified by the project's RA/PE.
n	n	n		BT.023	Certification from a qualified RA/PE, retained for the accessibility inspection of the new construction and/or project rehabilitation and duly licensed in Puerto Rico, of the architectural drawings as verification that covered units and project common areas comply with the structural accessibility mandates of the FHAct and, wherever applicable, the 2010 ADA standards and UFAS.
n	n	n		BT.024	Zoning Certification, prepared by project's designer, stating that the proposed/current use of the property is permitted under applicable Zoning and Land Use laws and regulations, and that the applicable zoning authority is not aware of any zoning or land use violations with respect to the property. (Annex T)
n	n	n		BT.025	Recommendations of infrastructure issued by the Puerto Rico Permits Management Office (OGPe, by its Spanish acronym) and construction permit filed with competent

					entity.
n	n	n		BT.026	Unexpired Construction Permit, Green Construction Permit (Permiso de Construcción Verde) or Notification of Construction Permit issued by the applicable permitting office and agencies' endorsements (Puerto Rico Environmental Quality Board (JCA, by its Spanish acronym), Puerto Rico Department of Natural and Environmental Resources (DRNA, by its Spanish acronym), and Institute of Puerto Rican Culture (ICP, by its Spanish acronym), along with recommendations of infrastructure from agencies).
n	n	n		BT.027	Pursuant to Section 106 - 36 C.F.R. Part 800, State Historic Preservation Office's (SHPO) Technical Assistance or Final Determination Letter. The Technical Assistance letter shall indicate that there are no historic properties or that no adverse effect on historic properties is associated with the undertaking or the agreed-to measures if such adverse effect is determined (<u>early documentation submittal required</u>).
n	n	n		BT.028	Wetland Inventory Map from the U.S. Fish and Wildlife Service (USFWS) demonstrating project's location outside of any wetland, or a Wetland Preliminary Jurisdictional determination from the Corps of Engineers indicating that the project does not affect wetland.
n	n	n		BT.029	Project location must be identified in the NFIP Map (FEMA Map) to demonstrate compliance with the Floodplain Management Act – 24 CFR 55, Executive Order 11988. The project must be located outside the 100-year floodplain, coastal high hazard areas and if the project is located inside the 100-year floodplain, FEMA's approval letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) will be submitted.
n	n	n		BT.030	Project location must be identified in the USFWS map to demonstrate compliance with the Coastal Barrier Resources Act of (CBRA) – 24 C.F.R. §58.6(b). Federal assistance may not be used in the CBRA system

n	n	n		BT.031	Certification of consistency filed with the State Coastal Management Program, if required.
n	n	n		BT.032	Technical assistance or final determination letter issued by the U.S. Fish and Wildlife Service (USFWS) certifying compliance with the Endangered Species Act indicating that project does not affect endangered species.
n	n	n		BT.033	Noise Study as per the requirements set forth in the American National Standard Method for the Physical Measurement for Sound, if project located within 1,000 feet of a major noise source, road or highway, 3,000 feet of a railroad, or 5 miles of a civil airport.
n	n	n		BT.034	Soil survey, if project is for new construction or substantial rehabilitation requiring addition or expansion to structures.
n	n	n		BT.035	Archaeological study, if required by the SHPO pursuant to its review under Section 106, or if required by the Institute of Puerto Rican Culture (ICP, by its Spanish acronym), or copy of the recommendation issued by the ICP as part of the construction permit consultancy process evidencing that the study is not required.
n	n	n		BT.036	Hydraulic/Hydrologic study, if the project meets the conditions established under The Department of Natural and Environmental Resources' Administrative Order No. 2013-12, or a certification issued by a civil engineer attesting that the study is not required.

n	n	n		BT.038	For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment (CNA) report prepared by a RA or PE, duly licensed in Puerto Rico, unaffiliated with the Developer, the Development or any other entity involved with the Project, that includes: an opinion of proposed construction budget and assesses the condition, among other, of site, structural systems (roof, bearing walls and columns, foundations), plumbing systems, electrical systems, fire protection systems, building envelope and insulation, interiors (including units and common areas); and mechanical systems. For projects with more than 26 units, it must specify the remaining useful life of major systems, and include paint testing and/or risk assessment report for substantial rehabilitation projects.
n	n	n		BT.039	Certification from a qualified RA/PE, retained for the accessibility inspection, duly licensed in Puerto Rico, of the project rehabilitation, as verification of the CNA Report and that covered units and project common areas will comply with the structural accessibility mandates of the FHAct and, wherever applicable, the 2010 ADA Standards and UFAS
III. Housing Needs					
n	n	n		BT.042	Comprehensive market study report (updated within six months of the application) performed by a provider unaffiliated with the developer, of the low-income housing needs in the area to be served. The market study should at least include: <ul style="list-style-type: none"> • A statement of the competence of the market study provider, detailing education and experience of primary author and including statement of non-interest. • A description of the proposed site and neighborhood, including physical attributes of site, surrounding land uses, and proximity to community amenities or neighborhood features including shopping, healthcare, schools, and transportation. • A map and photos of the subject site and surroundings showing location of community services.

					<ul style="list-style-type: none"> • An overview of local economic conditions, including employment by sector, list of major employers, and labor force employment and unemployment trends over past 5-10 years. • A description of the proposed development, detailing proposed unit mix (number of bedrooms, bathrooms, square footage, proposed rents, AMI level, utility allowances, and any utilities included in rent), proposed unit features and community amenities, and target population including age restrictions and/or special needs populations. • Demographic analysis of the number of households in the market area that are part of the target market (i.e., family, senior, etc.), income-eligible, and can afford to pay the rent, including a projected household base at placed in service date. • Geographic definition and analysis of the market area, including description of methodology used to define market area and map of market area including proposed site.
					<ul style="list-style-type: none"> • Analysis of household sizes and types in the market area, including households by tenure, income, and persons per household. Quantify the pool of eligible tenants in terms of household size, age, income, and other relevant factors. Not all residents of the market area are potential or likely tenants or buyers of any given project. • A description of comparable developments in the market area, including any rental concessions these developments presently offer. • A description of rent levels and vacancy rates of comparable properties in the market area, segmented by property type (market rate, Tax Credit, deep subsidy) and with rents adjusted to account for utility differences and concessions or other incentives. Such description should include all existing Tax Credit developments in the primary market area, any planned additions to rental stock including recently approved Tax Credit developments and certify that the proposed Tax Credit units will not have a negative impact in any existing Tax Credit project in the market area.

					<ul style="list-style-type: none"> Expected market absorption of the proposed rental housing, including capture/penetration rate analysis of target populations. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project’s units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living within a reasonable distance from the project site who will probably need to rent units within the area. Also, expected market caption or absorption rate of the proposed rental housing, including capture/penetration rate analysis of target population; the maximum caption or absorption rate should be 10%. A description of the effect on the market area, including the impact on Tax Credit and other existing affordable rental housing.
					<ul style="list-style-type: none"> A statement on how the proposed project would address housing needs experienced as part of the Hurricanes Irma and María, Storm Isaias, Earthquakes of 2019 & 2020; and any other major disaster, as declared by the President of the United States, and how they would beneficiate the community in the situation of a natural disaster. A statement indicating that the development of new housing units will not have a negative impact on the occupancy and operations of existing rental projects (Tax Credit, HOME, HTF, among others) in the proposed project’s municipality and market area. THE AUTHORITY WILL CONSIDER THE MARKET STUDY, THE MARKET, MARKETABILITY FACTORS, AND ANY ADDITIONAL INFORMATION AVAILABLE TO DETERMINE IF AN ACCEPTABLE MARKET EXISTS FOR THE PROPOSED DEVELOPMENT. THE AUTHORITY WILL NOT BE BOUND BY THE CONCLUSIONS OR RECOMMENDATIONS OF THE MARKET REPORT AND RESERVES THE RIGHT TO DISQUALIFY ANY APPLICANT IN THE COMPETITION IF IT DETERMINES THAT AN ACCEPTABLE MARKET DOES NOT EXIST.
n	n	n		BT.043	Affirmative Fair Housing Marketing Plan (Annex S of the Application Package).

n	n	n		BT.044	Written tenant selection procedures.
IV. Project Developer Characteristics					
n	n	n		BT.045	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.
n	n	n		BT.046	Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1)
n	n	n		BT.047	Partnership (or Operating) Agreement of the entity to claim ownership of the Project (LP, LLC, etc.), as may apply, indicating cash contributions by the General Partner(s) and/or Limited Partner(s).
n	n	n		BT.048	Certificate of Incorporation (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	n		BT.049	Certificate of Authorization of US Foreign Limited Liability Company from PR Department of State (as it may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	n		BT.050	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	n		BT.051	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).

n	n	n		BT.052	Names, addresses, telephone numbers and email address of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	n		BT.053	Certification attesting that Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1) or any grantee or contractor at any tier to any of the stated parties is not currently debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424 and are not included on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.
n	n	n		BT.054	IRS Form SS-4 or other evidence of the taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
	n			BT.059	Application to become a Community Housing Development Organization (CHDO) filed with the Authority.
n	n	n		BT.060	Audited Financial Statements (updated within six months of the application) of the developer, general partners, managing members, owners, and sponsors of each entity; in case of for-profit, must evidence a combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or Tax Credit equity providers) equal to or greater than \$1,000,000. If an entity of new creation, CPA certification of a new entity, most recent statements, if within 6 months of the application.
n	n	n		BT.061	Compiled or Revised Financial Statements (updated within six months of the application; only applicable to natural persons) of the shareholders, directors, principals, officers, members and partners, as applicable, of the owner, developer, managing member, and general partner; in case of for-profit, must evidence a combined net worth of all entities and natural persons involved in the ownership structure of the

					project (excluding actual or future limited partners and/or Tax Credit equity providers) equal to or greater than \$1,000,000.
n	n	n		BT.062	Statement (affidavit) sworn by owner, developer and their shareholders, directors, officers and partners, as applicable, attesting that they have not been involved in any way (either personally or as shareholders, directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured.
n	n	n		BT.063	Certification issued by the Authority's Audit and Compliance Office attesting that the owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, comply with Section 42/HOME/HTF/CDBG-DR requirements and that, as of the most recent audit/compliance review, there is no outstanding finding of noncompliance (including any fees due to the Authority) in another project that received Tax Credits/HOME/HTF/CDBG-DR funds and in which they have an interest or participation.
n	n	n		BT.064	Previous participants must also evidence via sworn statement that they have not been involved or are in any conflict of interest (fact or appearance) in any way (either personally or in any other juridical capacity) with the Authority, employees, officers or agents participating in any capacity in the procurement, selection, award, or the administration of a contract or agreement supported under the QAP or the NOFA. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority programs.

	n	n		BT.065	Statement (affidavit) sworn by owner, developer and their shareholders, directors, officers and partners, as applicable, attesting that they have not been involved or are in any conflict of interest (fact or appearance) in any way (either personally or in any other juridical capacity) with the Authority and any of its affiliates or their employees, officers or agents participating in any capacity in the procurement, selection, award, or the administration of a contract or agreement supported under the QAP or the NOFA; nor with any contractors that have developed or participated in drafting specifications, requirements, statements of work, and invitations for bids or requests for proposals. If requesting HOME/HTF funds, must also attest that complies with 24 CFR 92.356(f).
n	n	n		BT.001	Identity of Interest (Application, page 4).
n	n	n		BT.001	List of members of the Development Team (Application, page 22)
n	n	n		BT.066	Non-Conflict of Interest Certification (Exhibit X)
n	n	n		BT.067	Non-Conflict of Interest on Existing or Pending Contracts Certification (Exhibit Y)
n	n	n		BT.068	Limited Denial of Participation Affidavit (Exhibit Z)
n	n	n		BT.069	Certification Regarding Debarment Suspension, Ineligibility, and Voluntary Exclusion (Exhibit AA).
n	n	n		BT.070	Certification Regarding Debarment Suspension, Ineligibility, and Voluntary Exclusion (Exhibit BB).
n	n	n		BT.071	Anti-Lobbying Certification (Exhibit CC)
n	n	n		BT.072	Authorization for Background and Financial Information (Exhibit DD)
n	n	n		BT.073	Entity Prior Performance Certification (Exhibit EE)
n	n	n		BT.074	Certification of No Benefits Received (Exhibit GG)
n	n	n		BT.001	List of members of the Development Team (Application, page 22)

n	n	n		BT.075	Resume of the designated Architect/Designer indicating qualifications, address, telephone number and references of projects evidencing experience with the design of projects similar to the proposed development.
n	n	n		BT.076	Copy of contract with designated Architect/Designer.
n	n	n		BT.077	Evidence to demonstrate that prior to designing the project the RA/PE professional liability insurance policies covered negligent acts, accessibility errors and/or omissions under the Fair Housing Act (FHAct) and, wherever applicable, the 2010 American with Disabilities Act (ADA) standards and Uniform Federal Accessibility Standards (UFAS) [The professional liability insurance must be for an amount not less than 10% of the estimated construction cost.]
n	n	n		BT.078	Copy of professional Puerto Rico license of the RA or PE, in charge of design.
n	n	n		BT.079	Resume of the General Builder and/or Contractor indicating qualifications, address, telephone number and references evidencing experience with the construction of projects similar to the proposed development.
n	n	n		BT.080	Copy of contract with General Builder and/or Contractor.

n	n	n		BT.081	Evidence of General Builder and/or Contractor's bondable capacity (for payment, performance and surety bond) for no less than 50% value of the construction contract, including accessibility errors and/or omissions under the FHAct and, wherever applicable, the 2010 ADA standards and UFAS.
n	n	n		BT.082	Certification of Registry of Building Contractors issued by the Department of Consumer Affairs (DACO, by its Spanish acronym).
n	n	n		BT.083	Resume of the Resident Inspector indicating qualifications, address, telephone number and references evidencing experience with the construction inspection or management of projects similar to the proposed development.
n	n	n		BT.084	Copy of contract with Resident Inspector.
n	n	n		BT.085	Copy of professional Puerto Rico license of RA or PE of the Resident Inspector.
n	n	n		BT.086	Resume of the Management Agent indicating qualifications, address, telephone number and references evidencing experience with the management of projects similar to the proposed development, and management of Tax Credit, HOME, HTF and/or CDBG-DR assisted units.
n	n	n		BT.087	Copy of contract with Management Agent.
n	n	n		BT.088	Resume of the Accessibility Coordinator indicating qualifications, address, telephone number and references evidencing experience with disability rights laws, regulations, and requirements, and all matters related to Accessibility Standards
n	n	n		BT.089	Copy of contract with Accesibility

					Coordinator
n	n	n		BT.090	Resume of the Consultant Agent, if applicable.
n	n	n		BT.091	Copy(ies) of contract with Consultant Agent(s), if applicable, that itemizes the services to be performed by each consultant and the amount of the consultant fee for each service or group of services.
V. Financing Characteristics					
n	n	n		BT.001	Sources and Uses (Application, page 15)
n	n	n		BT.092	Schedule of monthly cash flow during construction period, including capital contributions.
n	n	n		BT.001	Schedule of projected income and expenses during operation certified by the proposed management agent (Application, page 18).
n	n	n		BT.093	Pro-forma with income and expense cash flow, for a 20-year period if only requesting HOME, HTF or CDBG-DR for New Construction (term for Rehabilitations will vary depending on the funding per unit), or 30-year or any other restrictive compliance period, showing: a feasible operation; prepared according to the applicable program underwriting standards; all income, including commercial, residential and ancillary income, vacancy adjustment, the amount of Tax Credits, CDBG-DR funds, HOME/HTF Funds and/or other governmental subsidies or contributions, private equity, as well as the amount of permanent financing based on the established parameters, that a project would be eligible to receive; all expenses, including partnership distributions, debt service, non-cash expenses such as depreciation and amortization of fees and principal; reserves; and <u>certified by the proposed management agent.</u>
n	n	n		BT.094	Appraisal report of site(s) and structure(s) prepared by a licensed appraiser unaffiliated with the Developer, the Development or any other entity involved with the Project, and approved by the Authority, within six months of the application.

n	n	n		BT.095	Written unqualified endorsement from the Mayor of the Municipality, or authorized representative, where the project will be located. This letter must indicate any municipal assistance that the project will receive.
n	n	n		BT.096	Letter of intent and/or commitment from interim and/or permanent financing source, other than the Authority, specifying: amount and term of the loan; fixed interest rate; non-recourse nature of the loan; amortization period; pre-payment penalties; and collateral requirements.
n	n	n		BT.097	Loan application to PRHFA on or prior to the Tax Credit, HOME, HTF or CDBG-DR application submittal, If requesting financing from the Authority.
n	n	n		BT.099	Contract or Firm Commitment letter indicating approval of funding issued by the Rural Development Housing Service of the US Department of Agriculture for projects that are financed or sponsored by the entity.
n	n	n		BT.101	Copy(ies) of the contracts or firm commitment letters must be attached to the owner's certification of federal, State, or local subsidies received or expected to be received for the development and operation of the project, as applicable.
n	n	n		BT.001	Project Development Costs (Application, pages 11, 12 and 13)
n	n	n		BT.102	Construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328 (form not required), certified by the proposed general contractor or project designer.
n	n	n		BT.105	Justification for exceeding any of the safe harbor parameters for general contractor fees but in no circumstance, in excess of the maximum allowable aggregate amount.
n	n	n		BT.106	Statement with the terms of the deferred developer fee and if used to fund the operating reserve and to be repaid from cash flow, and after all required replacement reserve deposits are made, within 10 years and meeting the IRS standards.

n	n	n	DD136:D14 1	BT.107	Written evidence for projects claiming and/or receiving (or not) tax exemptions (e.g., property tax waivers, rental income exemptions, etc.).
VI. Other Requirements					
n	n	n		BT.108	New Construction Projects: Green Building Standards-Application Checklist (Annex U) duly completed and signed, along with the required supporting documentation therein.
n	n	n		BT.109	Rehabilitation Projects: HUD Community Planning and Development (CPD) Green Building Retrofit Checklist (Annex V) duly completed and signed, along with the required supporting documentation therein.
n	n	n		BT.110	Broadband Infrastructure, Certification from project's designer stating that the projects plans and specifications include and comply with Broadband Infrastructure requirements, as per Federal Register Vol. 83, No. 28 (February 09, 2018), 83 FR 5844.
n	n	n		BT.111	Accessibility Requirements: Certification from project's designer stating that the projects plans and specifications include and comply with Accessibility requirements, as per Conciliation Agreement and Voluntary Compliance Agreement:
					<ul style="list-style-type: none"> • Twelve percent (12%) of the total ground floor and/or elevator-serviced unit inventory must be made fully mobility-accessible under the 2010 ADA Standards and, wherever applicable, the UFAS; and
					<ul style="list-style-type: none"> • Three percent (3%) of the unit inventory must be made sensory-accessible under the 2010 ADA Standards and, wherever applicable, the UFAS.

FOR PRHFA USE ONLY						
REVIEWE D BY:				APPROVE D BY:		
Name				Name		
DATE:				DATE:		

The initial basic qualifications will be evaluated by **PRHFA**. If the project do not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System.

Point Ranking System

The HOME Program Director will approve which applicants comply with the minimum threshold requirements based on the recommendation of HOME Multifamily area and therefore can proceed with the point ranking evaluation. **PRHFA** will consider qualified applications for HOME Funds after a project satisfies all basic threshold requirements, using the Point Ranking System established hereinafter to determine the allocation of HOME Funds. The project can accumulate up to 100 points on the Point Ranking System and a minimum of 30 points to be further considered for an allocation of HOME Funds.

The Authority reserves the right not to reserve or allocate HOME funds to any applicant, regardless of that applicant’s point ranking, if the Authority determines, subject to program requirements, that a reservation is not in line with the purpose and goals of the State Housing Plan or this Action Plan; the applicant’s proposed project is not financially viable; there is not a substantial likelihood that the project will be able to execute in a timely manner; or the project do not comply with any other applicable requirement. The information that might be weighed to make such determination includes, but is not limited to, comments of officials of local governmental jurisdictions, the market appropriateness of the project, market's information other than the submitted market study, and the prior experience of sponsor or its representatives with multifamily projects.

Every sponsor, developer, owner, or consultant attests to the correctness of the information provided as a condition to rank the project's application according to the Point Ranking Criteria. Failure to uphold the information submitted or the representation made to support the application's evaluation and ranking

throughout the allocation process will result in a finding of noncompliance and limited participation in further rounds for every person, developer, owner or consultant which participates in the project's application. The Authority might pursue any other available or enforceable remedies under federal or state laws, regulations and or any applicable professional code of ethics.

HOME Program-Point Ranking Evaluation		Score
I.	Project Location	Up to 23 pts
I.1.	Location. A project might be awarded up to 19 points if located within one of the following areas:	Up to 15 pts
I.1.1.	Urban area defined as: Central Urban Area in the Planning Board's <i>Reglamento de la Infraestructura en el Espacio Público</i> ; or Urban Center designated by the Department of Transportation and Public Works or adopted under an Urban Center Area Plan; or a state-designated Historical Zone or federally designated Historical District. See Annex Q of the Application Package for Reference Maps.	5
I.1.2	Documentation required: Certification of location by a licensed land surveyor, physical address and coordinates. Any project property straddling the limit of the designated urban area will be considered as located within.	
	The portion of a census tract outside an urban area, that has a rate of:	
	20% or less below poverty line.	5
	more than 20% and less than 30% below poverty line.	3
	more than 30% and less than 40% below poverty line.	1
	Documentation required: Certification of location by a licensed land surveyor. Any project property straddling the limit of the census tract will be considered as located within.	
	Documentation required: Census tract number; census tracts "% Below Poverty Line" as per the Federal Financial Institutions Examination Council's (FFIEC) 2015 Census Report. (Application, page 1).	
I.1.3	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	5

	Documentation required: Certification of location by a licensed land surveyor, physical address, and coordinates. Any project property straddling the limit of the zone of influence will be considered as located within.	
I.2.	Desirable Activities	Up to 8 pts
I.2.1.	General. Projects located within 1,500 meters of the following amenities will be awarded a point each, up to 6 points:	Up to 6 Pts
	Town square of an urban center.	1
	Public park (must incorporate a passive non-sports area).	1
	Traditional town market (<i>plaza de mercado</i>).	1
	Public or licensed elementary, middle, or high school.	1
	Shopping center (100,000 square feet or more of net commercial space; <u>no other listed use is eligible if located within the shopping mall</u>).	1
	Grocery store or supermarket with meat, produce and dairy.	1
	<u>Hospital, diagnostic and treatment center (CDT) or federally qualified health center (see www.hrsa.gov).</u>	1
	Pharmacy.	1
	Federal post office.	1
	Public transit terminal (<i>bus, carros públicos</i>).	1
	Documentation required: Map certified by a licensed land surveyor attesting to location of the facilities and the distance along a walkable public pathway or roadway between the project's main pedestrian entrance and the closest point of a town square or park facility or a public entrance to any target facility (in case of a shopping mall, to the commercial concourse or a big box-type facility entrance). If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project.	
	Amenities must also be referenced by the market study.	
I.2.2.	Targeted. Projects targeted to the following special needs populations located within 500 meters of the following amenities will be awarded a point for each one, up to 2 points.	
	Single headed household:	
	Grocery store with WIC contract.	1

	Licensed or chartered childcare facility.	1
	Specific documentation required: name and physical address of facilities.	
	Specific documentation required: Evidence of inclusion in the WIC Vendor Registry published at wicpuertorico.com.	
	Specific documentation required: Childcare facility charter issued by ACUDEN.	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	Specific documentation required: Name and physical address of facilities.	
	Homeless (as defined under HEARTH Act):	
	WIOA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	Specific documentation required: Name and physical address of facilities.	
	Specific documentation required: Authorization for WIOA training center issued by Local Workforce Development Area.	
	Specific documentation required: Copy of license issued by ASSMCA.	
	Documentation required: Map certified by a licensed land surveyor attesting to location of facilities and distance along a walkable public pathway or a roadway between the project's main pedestrian entrance and the public entrance to any target facility. If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project.	
	Amenities must also be referenced by the market study.	
1.3.	Undesirable Activities. Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to a maximum of 5 points, if located:	Up to
		Minus 5
1.3.1.	Within one-eighth mile of a:	
	Junkyard.	-1
	Landfill or dumpsite.	-1

	Industrial site.	-1
	Airport.	-1
	Wastewater treatment plant.	-1
1.3.2.	Adjoining a property which is or contains a:	
	Gas station.	-1
	Auto repair, paint, or tire repair shop.	-1
	Woodworking shop.	-1
	Unabated nuisance, as declared by a Municipality.	-1
	Documentation required: Map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	
	<u>Every applicant must file the Map prepared by a licensed land surveyor certifying due diligence and indicating that none of the listed nuisances surround the project.</u>	
II.	Project Characteristics	Up to 48 pts
II.1.	Infill or nuisance. Projects will be awarded one point if proposed to develop an infill site or expropriated as part of a nuisance abatement process; and one additional point, up to 2 points , for each non-contiguous infill site or expropriated as part of a nuisance abatement process that is incorporated into a scattered-site project, located within an area with a radius no larger than one-quarter mile. An infill site shall be defined as a site that is bound on all except one of its sides, or two of its sides in case of a corner-type property, by adjoining built-up properties, and that has immediate access to existing public infrastructure of roads, water, sewer, and power.	Up to 2 pts
	Documentation required: Aerial photograph for each infill site showing properties.	
	Documentation required: Cadastral numbers of properties (Application, page 1).	
	Documentation required: Nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	
II.2.	Historic property. A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic	3

	place, or a contributing resource to a federally designated Historic District will be awarded 3 points.	
	Documentation required: Act citation or Planning Board's Resolution number and date in case of state designated properties; listing in the National Register of Historic Places in case of federally designated properties; or State Historic Preservation Office's (SHPO) certification of contributing resource.	
II.3.	Adaptive reuse. The residential use is an adaptive reuse of an existing industrial/commercial property (refers to the process of reusing an old site or building for a purpose other than which it was built or designed for; does not apply if the existing structure will be demolished) will be awarded 2 points.	5
	Documentation required: Appraisal certifying present land use of the property.	
II.4.	Site Characteristics.	Up to 6 Pts
II.4.1.	Mobility. Projects (or the totality of the building sites, in the case of a scattered-site project), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 3 points , as follows:	Up to 3 pts
	The project provides an accessible and dedicated pedestrian network within the project site to connect the building(s) main pedestrian entrance(s) with egress points on all property sides adjoining a public street.	1
	Documentation required: Site plan certified by the project's designer identifying the proposed improvements.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of all non-conforming sidewalks in the perimeter of the project site adjoining a public roadway, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: A separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes.	
	Documentation required: Approval from Municipality and competent transit authority, if applicable.	
	Documentation required: Letter from competent authority attesting the improvement is not a required off-site.	

	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of transit pull-offs or public transit stops and required signage in any point of the roadway perimeter of the project site; or the provision or improvement of the sidewalks, crosswalks, refuge islands, and required signage to connect an off-site existing public transit stop with the project site, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: A separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes.	
	Documentation required: Approval from Municipality and competent transit authority, if applicable.	
	Documentation required: Letter from competent authority attesting the improvement is not a required off-site.	
II.4.2.	Urban Considerations. A proposed development that strengthens and improves the neighborhood's general urban character may be awarded one point for each one of the following criteria, up to 3 points , as follows:	Up to 3 pts
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.	1
	Documentation required: Table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	
	The parking spaces and service areas are screened from any public sidewalk or roadway by green hedges, fences, or walls with a void-to-solid area ratio of 1 or less.	1
	Documentation required: Site plan and elevation details certified by the project's designer identifying visual barriers and certifying compliance.	
	The building(s) main entrance(s) open(s) to the sidewalk of an adjoining public roadway.	1
	Documentation required: Site plan certified by the project's designer showing the location of the building's main entrance(s).	
II.5.	Building Characteristics.	Up to 10 Pts
II.5.1.	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2 or more bedrooms per unit as follows:	Up to 2 pts

	75% or more 2 or more bedrooms per unit	2
	50% or more 2 or more bedrooms per unit	1
	Documentation required: Floor plans certified by the project's designer.	
	Documentation required: Project pro-forma.	
II.5.3.	Building Amenities. Projects will be awarded one point, up to 10 points , for each one of the following building or unit features benefiting all units and, if applicable, not required by code or a permit authority:	Up to 8 pts
	Centrally located courtyard or patio with an area of no less than 30 sq. ft. per unit directly accessible from the main entrance(s) of the building(s).	1
	Community or meeting center with and area of no less than 15 sq. ft. per unit, with kitchen and public bathrooms.	1
	Open balcony in each unit with an area of no less than 24 sq. ft. (this area is part of the unit's Gross Living Area)	1
	Equipped exercise room(s) with an area or aggregate area of no less than 300 sq. ft.	1
	Common laundry(ies) equipped with at least a washer-dryer pair per 15 units.	1
	Equipped playground outdoor area with visual control from the main entrance.	1
	Night shift security guard.	1
	Trash chutes (for mid- or high-rise facilities).	1
	Storm windows or shutters in all units.	1
	Units with 3 or more bedrooms have 2 bathrooms.	1
	Single family units provide Washer/Dryer hookups.	1
	Single family units provide Carport (<i>marquesina</i>).	1
	Ceiling fans for all bedrooms and living room areas.	1
	Documentation required: Floor plans and elevations certified by the project's designer showing designated spaces, equipment, and/or floor area.	
	Documentation required: Designer's Preliminary Opinion Letter (Annex J of the Application Package, model of certification), specifying compliance with applicable design criteria.	

II.6.	Gap Financing Efficiency. Projects that demonstrate the capacity to efficiently curb gap financing sources (CDBG-MIT, HOME, HTF, FHLBNY, among others) relative total development costs. While complying with applicable standards, threshold requirements and minimum scoring, might earn up to 10 points . The efficiency will be measured by the following ratio:	Up to 10 pts
	· Total Development Cost (TDC),	
	· Minus Gap Financing requested (GFR),	
	· Divided by the TDC,	
	· Times 10 [number of max points that a project can receive for this criterion], rounded to four (4) decimal points.	
	The result of the above computation equals the points earned by the project	
	(TDC-GFR/TDC)*10=Points Earned	
	Documentation required: Project Development Costs (Application, pages 11 and 12).	
	If the Gap Financing is provided by an entity, other than PRHFA, copies of the commitment letter/agreement for such financing)	
	Documentation required: Sources and Uses	
	(Application-page 15).	
II.7.	Construction Readiness. Up to 5 points if requesting only Tax Credits, will be awarded if the project has one of the following:	Up to 12 Pts
	Unexpired Notification of Approval of the Construction Permit.	12
	Documentation required: Document issued by OGPe or Autonomous Municipality.	
III.	Housing Needs Characteristics	Up to 5 Pts
III.1.	Income Targeting. A project might earn 2 points if at least 50% of the units in the project are targeted for households with incomes at 50% AMI.	2
	Documentation required: Proposed covenant provision for income targeting included in letter of intent to sign Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package).	
	Documentation required: Tenant selection procedures.	

III.3.	Preservation. To strengthen the Public Policy of Puerto Rico that seeks to maintain the stock of affordable rental housing a substantial rehabilitation project that meets the threshold expenditure level established under IRC 42(c)(3)(A)(ii), might earn up to 3 points if:	Up to 3 Pts
	The project curbs the risk of loss due to physical condition by replacing more than one major building component, which includes roof, bearing wall, floor, or foundation structures; plumbing system; electrical system; fire prevention and safety system; vertical transportation; or building envelope.	2
	Documentation required: Comprehensive capital needs assessment certified by an architect or civil engineer, duly licensed in Puerto Rico, including the identification of the condition of major building systems and the extent of required code compliance retrofitting.	
	The project curbs a significant risk for market conversion of the Tax Credit or otherwise rent-assisted property; or preserves a comparable level of existing project-based rental subsidies that will expire within two years of the application date.	1
	Documentation required: Housing market study must demonstrate the capacity of the project to compete for market rate tenants; copy of existing HAP, if applicable.	
IV.	Project Developer Characteristics	Up to 9 Pts
IV.1.	Experience. Developer, General Partner, or Managing Partner can demonstrate successful record and full compliance participating in same capacity in the development of Tax Credits projects, or other low-income housing programs, in Puerto Rico. Up to 6 points , a point will be awarded for each documented project, up to a maximum of 3 projects , for each one of the following comparable characteristics:	Up to 6 Pts
	If proposing to use only LIHTC, project demonstrating utilization of program, or in combination with other programs; if proposing to use LIHTC in combination with any other federal or state program, project utilization of similar program mix subsidizing development costs, long-term operations or providing long-term rental assistance.	3
	Similar or deeper share of income targeted populations.	3
	Documentation required: Copy of HAP, IRS form 8609 for each project, as applicable.	
	Documentation required: Relevant project documentation to support experience in particular project.	

	Documentation required: Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.	
IV.2.	Financial Strength. Up to 3 points might be awarded if developer, general partner, and manager partner have:	Up to 3 Pts
	Combined current liquid assets equivalent to the greater of one million dollars (\$1,000,000) or 5% of the total development costs.	2
	Combined net worth equivalent to the greater of three million dollars (\$3,000,000) or 15% of total development costs.	1
	Documentation required: Compiled or revised financial statements certified by a licensed accountant.	
	Documentation required: Sources and Uses (Application, page 15).	
V.	Financing Characteristics	Up to 12 Pts
V.1.	Funds Leveraging. The leveraging of capital funding from public grants or non-financing sources, other than those being managed by the Authority, PRDOH or the Municipalities is encouraged by awarding a project up to 2 points as follows:	Up to 2 Pts
	At least 15% of the total development cost covered by other sources of public funding.	2
	At least 10% of the total development cost covered by other sources of public funding.	1
	Documentation required: Sources and Uses (Application, page 15).	
	Documentation required: Binding commitment, agreement, or award documentation.	
V.2.	Local Government Funding. Up to 3 points are awarded to projects that leverage local government capital funding through cash contributions, land donated or discounted, site or off-site improvements, grants, or a municipal construction tax abatement which is granted to the project and is not available under a local or state statute of general application, with a total value of:	Up to 3 Pts
	At least 5% of the total development cost.	3
	At least 3% of the total development cost.	2

	At least 1% of the total development cost.	1
	Documentation required: Sources and Uses (Application-page 15).	
	Documentation required: Binding commitment, agreement, or award documentation.	
	Document required: If applicable Ordinance, Resolution or Bid supporting property transaction.	
	Document required: Evidence of site control by Owner: earnest money agreement, option or closing statement for land and/or buildings, title, deed, or leasehold agreement, or equivalent for Municipal land transaction.	
	Document required: If applicable, documentation supporting construction tax abatement (Ordinance and/or Resolution).	
V.3.	Local Government Land/Building. Up to 2 points. Projects which have bought, or optioned to buy, land for redevelopment owned by PRHFA, PRDOH, PRPHA, Municipality or other instrumentality of the Government of Puerto Rico will be awarded 2 points.	3
	Documentation required: Copy of long-term lease agreement, deed, or letter of commitment.	
	Document required: If applicable Ordinance, Resolution or Bid supporting property transaction.	
	Document required: Evidence of site control by Owner: earnest money agreement, option or closing statement for land and/or buildings, title, deed, or leasehold agreement, or equivalent for Municipal land transaction.	
V.4.	Projects applying for financing with the Authority will be awarded up to 2 points.	Up to 3 pts
	Interim and Permanent Financing	3
	Interim or Permanent Financing	2
	Documentation required: PRHFA loan application	
V.5.	Operating Expenses. A project might be awarded 1 point if it meets the corresponding operating expense requirement on a per-unit per-annum (PUPA) basis in the first year:	1 Pt
	For developments with 85 units or less, a PUPA between \$3,400 and \$4,000.	1
	For developments with 86 to 150 units, a PUPA between \$3,300 and \$3,900.	1

	For developments with more than 151 units, a PUPA between \$3,200 and \$3,800.	1
	Documentation required: Certification provided by the management agent.	
VI.	Supportive Services	Up to 3 Pts
VI.1.	<p>Supportive Services. To advance the Public Policy of Puerto Rico to increase the provision supporting services by integrating agencies that provide these services and coordinate their actions to support permanent housing for populations with special needs, any project might earn up to 3 points for sustaining a funding allocation for the provision of supportive services of the type:</p> <p>1) authorized under a federally subsidized program and that could be funded with resources obtained directly as a grantee in competitive or demonstrative grants, or as a recipient of rental or operational assistance (i.e. CoC, VASH, GPD, SSVF, Veteran Per-Diem, CDBG, 811, 202, HOPWA, FSS Program, etc.), or indirectly as sub-grantee or provider, or by contracting the services of a sub-grantee or provider, of any state or municipally managed program (i.e.: ADFAN's CSGB, VRA's Independent Living, ASSMCA's Homeless and Chronic Mental Health, ADFAN's Adult and Person with Disabilities Services, Medicaid's Home and Community-Based Service Waivers, among other); or 2) contracted for a certified Assisted Living facility authorized under Act 244-2003, as follows:</p>	
	Up to 5% of the project's annual operational cost for the length of the compliance period of affordability.	3
	Up to 3% of the project's annual operational cost for the length of the compliance period of affordability.	2
	Up to 1% of the project's annual operational cost for the length of the compliance period of affordability.	1
	Documentation required: copy of supportive services commitment letter, binding commitment, award letter, contract, or agreement.	
	Documentation required: Project pro-forma.	
	Documentation required: Letter of intent to sign the Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package) and specifying operational budget commitment for supportive services.	
	Total Score	100
	Minimum Score	30
VII.	Tie-Breaking Criteria, listed in order of importance	

VII.1.	Will favor the project that is the readiest to proceed.	
VII.2.	Will favor the project with lowest total development costs per unit.	
VII.3.	Will favor the project that is located in a Municipality with the longer elapsed period without Tax Credit allocation.	

POINT RANKING Self-Evaluations

An applicant may submit a written petition for reconsideration to the Executive Director of the Puerto Rico Housing Finance Authority (**PRHFA**) within ten (10) calendar days after the notification by mail of the letter denying the application. A copy of the petition for reconsideration must be filed with the **PRHFA** HOME Program.

The **PRHFA** shall consider the petition for reconsideration within ten (10) calendar days of filing. If the **PRHFA** makes a determination upon the merits of the petition for reconsideration, the term to petition for judicial review shall commence as of the date of the notification by mail of the final determination. If the **PRHFA** takes no action with respect to the petition for reconsideration within ten (10) calendar days of filing, the petition for reconsideration shall be deemed to have been denied outright and the term for judicial review shall commence to run as of that date.

An applicant adversely affected by a decision of the **PRHFA**, may present a petition for review before the Court of Appeals within ten (10) calendar days after the notification by mail of the letter denying the application, or within ten (10) calendar days after the expiration of the term provided to the **PRHFA** to consider the petition for reconsideration.

The filing of a petition for reconsideration or a petition for judicial review shall not stop the PRHFA allocation of HOME Funds to successful applicant. The reconsideration and judicial review procedure provided herein shall be the exclusive proceeding to review the merits of a decision of the **PRHFA** regarding the allocation of HOME Funds pursuant to this Action Plan. Other regulations regarding formal or informal adjudicatory proceedings before the **PRHFA** are not applicable to HOME Funds allocation decisions.

Selection and notification (conditional): HOME will evaluate the projects according to their specifications, available funds, and their best use. A written notice will be sent to all proponents indicating whether they were selected or not, the results of the threshold evaluation and the score assigned to their proposals. The notice will not confirm the assistance amount and MUST be considered conditional in nature and pending the determinations of the subsidy layering and other reviews of the project.

5. IF ONLY SUMMARY CRITERIA WERE DESCRIBED, HOW CAN POTENTIAL APPLICANTS ACCESS APPLICATION MANUALS OR OTHER STATE PUBLICATIONS DESCRIBING THE APPLICATION CRITERIA? (CDBG ONLY)

Not applicable to the HOME Program- (see CDBG section Above)

6. DESCRIBE THE PROCESS FOR AWARDING FUNDS TO STATE RECIPIENTS AND HOW THE STATE WILL MAKE ITS ALLOCATION AVAILABLE TO UNITS OF GENERAL LOCAL GOVERNMENT, AND

**NON-PROFIT ORGANIZATIONS, INCLUDING COMMUNITY AND FAITH-BASED ORGANIZATIONS.
(ESG ONLY)**

Not applicable to the HOME Program- see ESG section Above.

**7. IDENTIFY THE METHOD OF SELECTING PROJECT SPONSORS (INCLUDING PROVIDING FULL ACCESS TO GRASSROOTS FAITH-BASED AND OTHER COMMUNITY-BASED ORGANIZATIONS).
(HOPWA ONLY)**

Not applicable to the HOME Program - See HOPWA Section.

8. DESCRIBE HOW RESOURCES WILL BE ALLOCATED AMONG FUNDING CATEGORIES.

The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.

ACTIVITY NAME: HOMEBUYERS ASSISTANCE

HOME Allocation: \$0.00 (served with funds available from previous years)

Description: The scope of this activity is to promote the acquisition of existing affordable housing for homeownership tenure; increasing the supply of safe, sound and sanitary dwellings available to low-income families and helping them to improve their quality of life.

HOME funds will be used to subsidized part of the down payment and closing costs to prospective homebuyers in order to reduce the monthly mortgage payments. The dwelling should met property standards set forth in CFR 92.251 and the homebuyer should met income targeting requirements set forth in sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).

Permanent financing would be secure through a private financial institution or the Puerto Rico Department of Housing. The maximum subsidy per family will be established according to participants necessity, in compliance with 24 CFR 92.250(b).

On this basis, the Government Program will be able to consider the approval of individual homebuyer activity with a sale price up to the Homeownership Sales Price Limits published by HUD for every Municipality yearly. This value varies in each publication and depending of the property's location.

In order to qualify as homebuyer, the applicant should meet the criteria mentioned below:

- a. To qualify as a low income family in the municipality where he/she is interested in purchasing the housing unit. Eligible families are Section 8, public housing, private tenants and married or unmarried couples looking to relocate because of marriage or job replacement. We encourage single parents, handicapped and elderly looking for secure housing opportunities. Income eligibility will be determined using Annual Gross Income as defined in 24 CFR Part 5. We also encourage occupation in Projects financed by the Puerto Rico Department of Housing if of any interest by the solicitants of the Home Program.
- b. To look into the housing market and request a sale offering from the owner seller once the family has decided on a property.
- c. To request a pre-qualification from a mortgage bank, calculating the equity available for down payment, the amount of Home funds needed for down payment assistance and the monthly mortgage.
- d. To obtain the final eligibility and subsidy analysis form the Commonwealth Home Program, in order to obtain the final program commitment. Individualized analysis and criteria per family will take place in this step.
- e. To qualify in the Home Program solicitants must be living in Puerto Rico for at least one year and the head of household and co-head must be American Citizens.
- f. The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.

ACTIVITY NAME: REHAB OR NEW CONSTRUCTION BY OWNER

HOME Allocation: \$0.00 (served with funds available from previous years)

Description: The scope of this activity is to promote the rehabilitation of a substandard Homeowner unit, or the replacement of such unit if it is unsound or represents an environmental hazard, in compliance with the state and local codes. This would maintain the existing housing stock for Homeownership tenure, increase the supply of safe, sound, and sanitary dwellings available to low and very-low-income families, and help them improve their quality of life. In order to meet the activity objective, the Commonwealth **HOME** Program will receive applications that comply with the state and local codes and under the following criteria:

- a. Very Low- and Low-income families with preference to families displaced by natural disasters, for example hurricanes, tropical storms and earthquakes, people over 65 years old and people with special health conditions (debridden).
- b. In the case of minor or specialty repair if they are required to bring units up to applicable codes and standards and comply with minimum investment thresholds per HOME-assisted unit in a project;
- c. Moderate and substantial rehabilitation, which include rehabilitating all items that do not meet code or may involve substantial repairs throughout the home in order to bring it up to code and to improve the overall livability and functionality of the unit, given that

subsidy limits established by Home are not exceeded (221 (d) (3)).

- d. Noncompliance of Section 8- Housing Quality Standards;
- e. Structural deterioration of the dwelling, for instance: current rehabilitation will exceed 25% cost of the unit;
- f. Architectural barrier removal for persons with physical impediments that need reasonable accommodation.
- g. Construction of additional bedrooms to clear overcrowding.
- h. The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.
- i. To qualify in the HOME Program, solicitants must be residents of Puerto Rico and the head of household and co-head must be American Citizens.
- j. Any reconstruction may not be greater than the Homeownership Sales Price Limits under 1 unit new construction values per Municipality.
- k. All Properties to be eligible must be 1 unit.

Very Low and Low-income families will receive a grant from the Commonwealth **HOME** Program depending of the number of bedrooms for the rehabilitation of the dwelling.

The property may not have any lien on the title. The title must be under the name of the Home program participant(s).

Any additional cost beyond the subsidy limit needed to complete the rehabilitation of the **HOME** would be obtained by the participant.

The Director of the Home Program will approve on case by case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.

ACTIVITY NAME: REHAB OR NEW CONSTRUCTION FOR MULTIFAMILY RENTAL DEVELOPMENT

HOME Allocation: \$11,891,280.60

Description: **HOME** funds will be distributed as a grant to provide incentives or a direct loan to developers in order to reduce financing expenses in the construction loan.

The rental construction, rehabilitation, or conversion will be carried out in compliance with sections 24 CFR 92.205 (eligible activities), 92.206 (eligible project costs), 24 CFR 92.251, state and local construction codes, among others. Eligible project costs will be evaluated by the **HOME** staff, with the Reasonable Cost Certification issued by the **HOME** Program.

The amount of the subsidy to be awarded will be granted after the subsidy layering analysis is done to the project in compliance with 24 CFR 92.250 (b).

For rental housing, 90 percent of the occupants of **HOME**-assisted rental units must have incomes that are 60 percent or less of the area median; and 20 percent of the units in each rental housing project of five or more units must be occupied by tenant families with incomes at or below 50 percent of median income.

Enforcement of the affordability period, rent and occupancy requirements will be secured through covenants running with the property and deed restrictions. Covenants and deed restrictions may be suspended upon transfer by foreclosure or deed-in-lieu of foreclosure.

Every **HOME**-assisted unit is subject to rent limits designed to help make rents affordable to low income households. These maximum rents are referred to as “**HOME Rents**.”

The **PRHFA** will annually announce the maximum monthly rents approved by HUD, as well as disclose the utilities allowances for **HOME**-assisted rental projects.

There are two **HOME** rents applicable to the **HOME** program:

High **HOME** Rents: Maximum **HOME** rents are the lesser of: the Section 8 Fair Market Rents (FMRs) (or area-wide exception rents) for existing housing; OR thirty (30) percent of the adjusted income of a family whose annual income equals 65 percent of median income.

Low **HOME** Rents: For properties with five or more **HOME** assisted units, at least 20 percent of **HOME**-assisted units must have rents which are no greater than:

- Thirty (30) percent of the tenant’s monthly adjusted income, or thirty (30) percent of the annual income of a family, whose income equals 50 % of median income (Low **HOME** Rent), or if a project has a Federal or Commonwealth project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.
- Rental developers are advised that the payment standard applicable to the **HOME** Program is the High or Low **HOME** rent established by HUD for the market areas defined in Puerto Rico. The payment standard includes the utilities that should be paid by the landlord. In case the tenant pays any of these utilities, the contract rent executed by the tenant should discount the amount paid for such utilities. The **HOME** Program will use the utilities adopted by the PRDOH Section 8 Program.
- This activity significantly boosts the housing construction industry by developing new rental housing Island-wide.

ACTIVITY NAME: TENANT-BASED RENTAL ASSISTANCE (TBRA)

HOME Allocation: \$0.00 (served with funds available from previous years)

Description: Assistance from 12 to 24 months in rental vouchers with preference to families displaced by victims of domestic violence and natural disasters, for example hurricanes, tropical storms and earthquakes. Rental vouchers may be extended beyond the 24 months period depending on the specific situation of the family assisted and availability of funds.

The Director of the Home Program will approve on case by case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.

ACTIVITY NAME: HOME PROGRAM PLANNING AND ADMINISTRATION

HOME Allocation: \$1,321,253

Description: The scope of this activity is to provide the framework to support planning and administrative roles exclusively for the HOME Program.

10% of the total allocation of HOME Program funds for PY 2024 will be used to cover reasonable administrative and planning costs for general management and coordination of the program, and other eligible costs in accordance with 24 CFR Part 92.207

9. DESCRIBE THRESHOLD FACTORS AND GRANT SIZE LIMITS.

No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities, the cap are a minimum of \$1,000. The maximum subsidy per family will be established according to participants necessity, in compliance with 24 CFR 92.250(b). The Director of the Home Program will approve on case-by-case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.

10. WHAT ARE THE OUTCOME MEASURES EXPECTED AS A RESULT OF THE METHOD OF DISTRIBUTION?

The following are the HOME Program Outcome Measures:

- Homebuyer \$0.00 – A total of 5 homebuyers (served with funds available from previous years). However, the amount of homebuyers served may increase.
- Rehab or New Construction by Owner \$0.00 – A total of 57 housing units (served with funds available from previous years). However, this amount of housing units served may increase.
- Multifamily Rental Dev. \$11,891,281– A total of 48 housing units.
- Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 40 families (served with funds available from previous years). However, this number of families served may increase.

AP-35 Projects – (Optional)

Introduction:

Project-level detail will be included once subrecipients develop their activities.

During FY 2024, CDBG-DR funds will be disbursed to prioritize the following activities: Housing, Economic Development Activities, Public Services, Public improvements, Homebuyer Assistance. Links to the CDBG-DR Action Plans:

<https://cdbg-dr.pr.gov/en/download/action-plan-amendment-10-nonsubstantial-effective-on-february-16-2023/>

<https://cdbg-dr.pr.gov/en/power-grid-action-plan/>

CDBG-MIT funds will be disbursed to prioritize Housing activities. The estimated disbursement for the next fiscal year is \$289,800,000. Link to the CDBG-MIT Action Plan:

<https://cdbg-dr.pr.gov/en/download/cdbg-dr-action-plan-amendment-1-substantial-for-the-electrical-systems-enhancements-draft-for-public-comments-from-november-16-to-december-16-2022/>

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

As previously described, the reasons for allocation priorities during the PY 2024 Annual Action Plan are based on the information obtained through citizen participation and consultation process and the Consolidated Plan Needs Assessment analysis. The assessment resulted in the need of affordable housing activities to address the needs of the low- and moderate-income persons and in the investment of available funding in activities toward the needs of non-housing community improvement projects.

Also, homeless housing and supportive services actions and public service activities to address the needs of the special needs population groups were among the community priority needs resulted from the evaluation and analysis process undertaken.

In terms of any obstacles to addressing the needs of the underserved population still the lack of sufficient available resources to address the needs of the described population continues to be the main obstacle that the State and local government units face in a daily basis.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

Yes

Available Grant Amounts

Loan Guarantees (LGA) under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended, is not subject to the method of distribution of funds as set forth for the CDBG program. Section 910, of the National Affordable Housing Act of 1991 (NAHA), as amended, extended the Section 108 Loan Guarantee program to non-entitlement communities nationwide. As required in Section 104(a) of the Act, we are including the guidelines, regarding the determination to assist non-entitlement municipalities, in applying for guaranteed loan fund under 24CFR Subpart M. Non-entitled municipalities will be eligible to apply for Section 108 Loans as long as they comply with all regulatory requirements and PRDOH program guidelines.

Estimated Availability of Funds for PY 2024- \$110,657,770.00

Section 108 provides the State CDBG Program with an additional source of financing, to meet housing and community development needs for the non-entitlement municipalities. The Act allows HUD to issue government bonds that would guarantee up to five times the current CDBG allocation to PRDOH. To secure the loans issued, PRDOH must ensure that any State CDBG funds that are pledged for a particular non-entitlement municipality does not affect prospective CDBG allocations for the remaining non-entitlement municipalities. To avoid payment default, PRDOH requires the municipal administration to present other collaterals, besides the required by HUD, in order to secure the re-payment of the loan. If PRDOH deems necessary a Memorandum of Collaboration could be executed with any governmental financing agencies, such as the Governmental Development Bank for Puerto Rico (GDB) and EDBPR. Further consultation could be made with the Tourism Company, the Industrial Development Corporation, the Puerto Rico Economic Development Administration and any other agency that could review the applications to determine risks factors. Specific requirements of feasibility, business plan and other supporting documents are required to make the financial assessment of the project in order to assure PRDOH the feasibility of the project.

Section 108 funds should be requested for economic development activities, or activities in support of

economic development (24 CFR 570.703), including:

- Property acquisition
- Rehabilitation of publicly owned properties
- Housing rehabilitation eligible under the CDBG program
- Special economic development activities under the CDBG program,
- Payment of issuance costs associated financing loans 108
- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities
- Reserves to pay debt service on the Section 108 loan
- Other related activities, including demolition and removal, relocation, interest payments, and insurance costs.

For the purposes of determining eligibility, the State CDBG rules and requirements should be observed in full compliance. PRDOH will evaluate the proposed activities on a case by case basis. The agency will also consider if the proposed project could generate income or has any other sources to assure debt repayment. Such measures will guarantee the long-term sustainability of the project.

Acceptance process of applications

Acceptance process of applications

Application Requirements

- The first requirement prior to the submission of a LGA application is the transmittal of a letter of intention to submit a 108 LGA Application to PRDOH. The Federal Programs Division at PRDOH will receive the letter of intent and commence the administrative requirement review first. Once the administrative review is completed, the non-entitlement municipality will be authorized to submit an application for Section 108 Loan Guarantee. Applications for the Section 108 Loan Guarantee Program may be submitted throughout PY 2024.
- The non-entitlement municipalities should comply with several administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.
- Requirements include: Status of monitoring reports, up to date Single Audit Reports, closing of previous program years (only last 5 PY can be open), no open findings, timeliness, among others.
- Municipalities can request up to a maximum of 5 times their CDBG allocation with a ceiling of \$2,000,000 per municipality.

For a more specific set of requirements and a detailed description of eligible activities, please see PRDOH Process Guideline for Section 108 Program.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

As the PR-State Consolidated Plan leading agency, the PRDOH is responsible to address the non-housing community development needs of the Non-Entitlement municipalities within the State jurisdiction. Thus, PRDOH is responsible for overseeing that all CDBG program investment related to non-housing community development are made in eligible economically low-income geographic areas.

By eligible low-income geographic areas, PRDOH defines those geographic areas where, at least fifty-one percent of the population (in accordance with HUD CPD's Updated LMISD or low-income surveys), are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families. Exception could be made by HUD to establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

As per the concentration of minorities within the State geographic areas, the 5-Yr. ACS Demographic and Housing Estimates (2017-2021) shows that 98.8% of the statewide population are from hispanic or latino origins and that from this percentage, 96.7% percentage are from Puerto Rican origins.

DISPROPORTIONATELY GREATER NEED

The Consolidated Plan identified that Low- and moderate-income Blacks and Asians have disproportionate greater needs. The percentage of Asians that have one or more of four housing problems is 68% among 0-30% AMI, 100% among 30%-50% AMI and 97% among 50%-80% AMI. In the jurisdiction as a whole households the percentages of those having one or more of four housing problems are much less (60% among 0-30% AMI, 53% among 30%-50% AMI and 47% among 50%-80% AMI). Among Blacks, 68% of those in the 0-30% AMI bracket has one or more of four housing problems, 81% among 30%-50% AMI and 58% among 50%-80% AMI. However, as previously stated the sizes of the Black and Asians populations with problems is very small (or in the hundreds). See (Discussion section below) for areas where assistance shall be directed.

Compliance with 70% Requirement

The regulations require the State to use no less than 70 percent of the CDBG funds received during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low- and moderate-income persons. The PRDOH will require all non-entitlement municipalities that receive CDBG funds allocation during the PY 2024 to invest the non-housing community development funds in economically eligible low-income areas. Also, the PRDOH will require the municipalities to certify that not less than seventy percent of the individuals benefited with CDBG funded activities complies with

the low-income eligibility.

CDBG

In 2014 the Government of Puerto Rico enacted Law 137-2014 (later replaced by the Municipal Code of 2020). Under this act the central government determined the allocation for non-entitlement municipalities under the State CDBG Program. With this legislation all non-entitlement municipalities will receive the same share of CDBG funds, except for Vieques and Culebra, which will receive an additional 15%. The municipalities will continue to define the specific allocation of such funds. The ultimate geographic distribution of the CDBG funds is made by the non-entitlement municipalities once they complete their own citizen and consultation process.

ESG, HOME, HOPWA and HTF

The ESG, HOME, HOPWA and HTF programs accept proposals and provide funding for projects Island-wide.

HOME & HTF

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HOME and HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, the HOME and HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b) (1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HOME allocation for PY 2024 will be distributed to benefit low-income families in compliance with 24 CFR 92.203 (a), that Commonwealths “The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family's annual income.” This requirement opens the geographical area of the Commonwealth of Puerto Rico’s 78 municipalities that could be served with the Commonwealth HOME Program. The PRHFA recognizes that the Municipalities of Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Guaynabo, Mayagüez, Ponce, San Juan, Toa Baja, and Trujillo Alto are local PJs on their own, and that the program could complement any eligible request made from these municipalities in order to further the strategic objectives set forth by the PRHFA. Below is a map with the location of the municipalities designated as local participating jurisdictions for the HOME Program. The map illustrated on the next page shows the location of the non-metropolitan municipalities in the island.

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of HTF funds. The method of distribution does not include an allocation of resources based

on geographic areas, so target areas are not earmarked. Yet, HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b) (1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HTF allocation for PY 2024 will be distributed to benefit very low and extremely low-income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition). Section IV of the NOFA Ranking Self-Evaluation establishes a specific priority funding factor for developers or the applicant’s capacity to undertake tax credits/HOME projects. The term “full compliance and successful record” provides sufficient basis to determine the applicant’s capacity to obligate HTF funds and undertake activities in a timely matter.

MUNICIPALITIES DESIGNATED AS PARTICIPATING JURISDICTIONS FOR THE HOME PROGRAM



MUNICIPALITIES DESIGNATED AS NON-METROPOLITAN COUNTIES



ESG

Program funds are distributed through a competitive process. Thus, the ultimate geographic distribution of the assistance cannot be predicted.



Geographic Distribution

Target Area	Percentage of Funds
CoC 502	24
CoC 503	53

HOPWA - the State HOPWA funds will be distributed by the Municipality of San Juan. For this reason, there is a single strategy in the implementation of HOPWA funds. Taking this into consideration, it is necessary to make HOPWA funds available to Municipalities and Nonprofit Organizations located within the 78 municipalities of Puerto Rico. Project sub recipients of the PREMSA will have priority over those located in the San Juan EMSA. Also, potential sub recipients located in the San Juan EMSA, that are currently receiving HOPWA funds from the City of San Juan, cannot receive State HOPWA funds for the same purpose and uses.

The PRDOH cannot predict the ultimate geographic distribution of HOPWA funds. Funds will be distributed using an open competition method. It is expected that 100% of the funds are distributed.

Geographic Distribution

Target Area	Percentage of Funds
CDBG- Non-entitlement communities	51
Statewide	49

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2024 are created to

address the priority needs and specific objectives identified in the 5-Yr. Consolidated Plan. In addition, all projects are associated with one or more priority needs and one or more goals. Therefore, the priorities for the investment related with targeted geographic areas are related with non-housing community development activities that address the goals and objectives of the Consolidated Plan. The non-entitlement municipalities proposing this type of projects must invest the CBDG monies in eligible low-income areas, as defined by HUD.

Discussion

The overarching goal of the Department of Housing and Urban Development's Community Planning and Development (CPD) programs covered by the Consolidated Plan is "to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities," principally for low- and moderate-income persons. In order to achieve the provision of suitable living environments within the low- and moderate-income communities, the PRDOH encourages non-entitlement municipalities to undertake non-housing community development activities.

These activities are designed to create, expand and/or improve the physical conditions of community's public facilities located within the benefited low- and moderate-income communities. As previously stated, an eligible low-income community is a geographic area where, at least fifty-one percent of the population, are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

The following Communities Municipalities has been identified by the states as priority areas with disproportionately greater need and minority concentration are included in the appendix.

Municipalities and subgrantees shall provide priority to the above areas when undertaking the eligible activities.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

The 2020-2024 5-Yr. Consolidated Plan of the PR-State includes the provision of decent housing as one of the main objectives to be achieved through the activities included in the referred plan. This particular objective includes a series of goals that at large includes the following:

- Housing activities directed to address the needs of the homeless persons.
- Housing activities directed to address the needs of the special needs populations.
- Promote activities directed to preserve and increase the stock of affordable housing units.
- Promote activities toward the ownership of low-income persons of their housing units.

To achieve these goals, the PR-State government propose a series of housing activities directed to address the housing and supportive services needs of the low-income population, which will comply with the PR-State responsibility of providing safe, decent and sanitary housing units that enable this population group to live with dignity and independence.

The following table includes a description of the number of households that will be benefited from the housing assistance activities proposed in this PY 2024 Annual Action Plan:

One Year Goals for the Number of Households to be Supported	
Homeless	2,560
Non-Homeless	2,000
Special-Needs	442
Total	5,002

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	104
The Production of New Units	0
Rehab of Existing Units	24
Acquisition of Existing Units	36
Total	164

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

The HOME and CDBG Program provides the highest share of housing assistance, hence will provide the

biggest outcomes for supported households during the year. Yet, the CDBG program can provide funding for infrastructure in support of housing, and public facilities. Such actions must be prioritized first in the local government. The ESG and HOPWA programs provides the largest assistance to the homeless and special needs population.

During the preparation of the 5-Yr. Consolidated Plan, the Needs Assessment and Market Analysis outline levels of relative need in the area of affordable housing for the low-income population in Puerto Rico. This level of need drive the State strategy created to address the immediate housing needs of the economically disadvantaged people in the Island. The main objective of this strategy is investing available resources in service activities that enhance access to affordable housing to the program's eligible low-income population groups. Via these efforts, low-income persons have the opportunities to stabilize their housing conditions and reduce the risk of homelessness.

To accomplish these objectives the PR-State Consolidated agencies determine to promote affordable housing service activities in the following way:

- CDBG funding will be invested in the creation of housing rehabilitation opportunities for owner occupied units or units to be occupied by low income persons;
- ESG will allocate funds for homeless prevention and rapid rehousing activities;
- HOME funding will be invested in the creation of homeownership opportunities as well as tenant based rental assistance opportunities for low-income persons;
- HOPWA funding will continue to be invested in the creation of rental assistance opportunities for HIV/AIDS individuals and their immediate families, as well as transitional housing and supportive services for low-income individuals with HIV/AIDS.
- HTF funding will be invested on Multifamily Rental New Construction/Rehabilitation.

These consolidated housing activities fully engage and leverage additional mainstream housing assistance available within the PR-State public service structure. The State Housing Choice Voucher Program, commonly known as Section 8 Program, allows very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. The State Public Housing Program provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

As part of the State Government public policy and governmental vision, stable housing is an important tool in helping households achieve other life outcomes, and the PR-State Consolidated Plan Agencies are committed to work toward providing low-income families access to these opportunities.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

The public housing activities within the PR-State jurisdiction are funded through two (2) main funding streams of HUD Office of Public and Indian Housing. These funding streams are the Housing Choice Voucher Program (HCVP) and the Public Housing Program.

The HCVP, also known as Section 8 Program, allows very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. In the other hand, the Public Housing Program provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Within the PR-State Government, both programs are administered and managed by the PR Public Housing Administration (PR-PHA), a subsidiary agency of the State Department of Housing. For the public housing complexes, the PR-PHA has management agreements with Private Sector Administrators Firm that are responsible for the daily operation of the projects.

Under the State Government current public policy, the funds allocated to the PR-State public housing initiatives becomes a high priority among the consolidated plan housing and community development strategy. Puerto Rico is facing the most critical economic recession in modern history that has resulted in structural problems and a contraction of the economy. The economy of Puerto Rico is 24% smaller than that of 2006, when the recession started. As part of the development of the institutional structure of the Consolidated Plan strategy, the Puerto Rico Department of Housing fully engage and leverage these mainstream housing assistance programs to the Consolidated Plan housing initiatives. This management vision allows the Department to align the available resources to a unified and targeted housing strategy that results in maximizing the impact of the public funds invested in housing initiatives.

This section describes the actions that the PR-State will take to address the needs of the public housing population groups during the planned PY 2024.

Actions planned during the next year to address the needs to public housing

No CPD funded activity will exclusively serve Public Housing projects. Nevertheless, the local public policy service strategy includes public housing population among the service delivery groups that could benefits of public services and community development activities contained in this plan.

Various activities included in the 2024 action plan can benefit the public housing residents, among them:

CDBG

Public Services activities

- Security
- Health
- Prevention
- Education
- Energy conservation
- Services to homeless
- Services to veterans

Public Facilities

- Park and recreational facilities
- Parking lots
- Community centers and/or technological
- Facilities for special populations (elderly, people with disabilities, Youth, childcare, homeless, people with HIV / AIDS, battered people)
- Health facilities
- Any other facility eligible according to HUD regulations (see 24 CFR 570.201-570.202).

Infrastructure

- Re-pavement of Municipal roads
- Streets, sidewalks, curbs, walls of containment or gabions
- Water projects (rain systems, sewer or system sanitary and other activities related)
- Efficiency energetic projects or renewable energy
- Water collection systems
- Mitigation projects

Economic development activities

- Assistance to micro-enterprises

HOME

- Residents are offered the opportunities to acquire affordable housing units

HOPWA

- Supportive services are provided to PH residents with HIV/AIDS

Other Services

In addition, Municipal governments provide services to the Public Housing Residents. Among the services are:

- Educational services at the Head Start Centers
- Sport Clinics
- Summer Camps
- Cultural Activities
- Fines Arts workshops
- College Board workshops
- Adult Education
- Educational grants to high school students
- School supplies

As part of the PHA Plan actions proposed to improve the living conditions of the public housing residents and projects, the following activities will be undertaken by the Puerto Rico Public Housing Authority during the PY 2024:

- Initiatives to increase the inventory of public housing units for an increasing demand.
- Initiatives to ensure access of the elderly to housing opportunities.
- Redevelopment of projects based on sustainable community standards.
- Rehabilitation of vacant units that are not available for occupancy.
- Economic Self-Sufficiency Program - The PR-PHA will promote economic and social self-sufficiency initiatives with the objective of fostering the residents to develop their occupational skills, to improve their educational level, and to assist them in obtaining a job opportunity as a strategy to achieve economic independence.
- Social Self-Sufficiency / Support Program focused on improving the quality of life of residents through different activities related to arts, environmental conservation, education, sports, technological educational centers, housing assistance for the elderly, service fairs, among others.
- Continuing development of technology education centers (TECs) - To provide residents with the opportunity to be assisted by residents the opportunity to be assisted by current technology. In addition, to foster the integral development of residents from early childhood through adulthood.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The State public housing strategy includes policies to promote social and economic self-sufficiency among the housing complexes residents. A key element within this strategy is to achieve resident engagement and community leadership within the housing projects. Through the engagement of the residents, the PR-PHA and the Private Administrators are able to understand the residents’ views, particularly community needs and assets and how the residents understand that socio-economic improvements can be achieved.

As per the participation of homeownership actions, the PR PHA will continue to promote affordable housing opportunities to low-income homeless individuals and/or families and other vulnerable populations. Part of the Section 8 Program's initiative is to promote the independence of assisted families through the Family Self-Sufficiency (FSS), Family Unification and Homeownership programs.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Does not apply. The PHA is not designated as troubled.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

The PR-State strategy behind the homeless initiative consists of a network perspective in which collaboration, integration and partnerships will continue to be fostered to implement activities to prevent, reduce, and end homelessness. This collaborative effort will also have the intention of streamlining the funding sources within the partnered organizations in order to promote a more effective utilization of the community wide available resources to address the needs of the individuals and families experiencing homelessness.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

According to the last Point in Time Census (PIT) 2022 there are 2,535 homeless persons in Puerto Rico; seventy-eight percent (78%) are unsheltered, and twelve point four percent (12.4%) are considered chronic homeless. Seventy nine percent (75.8%) of the homeless population are men, while twenty two point two percent (22.2%) are women. Homeless individuals are mainly located within the municipalities of San Juan, Ponce, Arecibo, Caguas, Mayagüez, Guayama, Bayamón, Vega Baja, Guaynabo, Humacao, and Aguadilla. Based on the data from the Puerto Rico Department of the Family, PR Government ESG Grantee will continue supporting the outreach, engagement, intake and initial assessment services to unsheltered persons activities that local governments and nonprofit organizations undertake during the PY 2024. The financial support of these organizations will be provided through the allocation of the ESG Program funding.

Through this component, the Department will support the provision of essential services necessary to reach out to unsheltered homeless individuals; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Among the eligible activities that the Department will support are the following activities: engagement; case management; emergency and mental services; transportation services; housing search and placement, housing stability and case management; and services for special needs populations. To enforce within our subrecipients the need to reduce the number of homeless individuals and families, the ESG program established a standard stipulating that street outreach activities must include the case management component to assure that services are focused not only on satisfying the basic needs, but also on stabilizing the physical and emotional state of individuals and placing them in some type of housing modality. Also, Street Outreach Projects must provide outreach services at least three times a week and services will be provided based on the client's needs. The PRDF is very committed on increasing the

number of individuals served under this category and reducing the time that homeless individuals are on the streets.

The ESG program will continue supporting innovative special projects targeted to provide outreach services for chronic homeless and emergency shelters in municipalities with high demand for these services.

Finally, the PRDF will continue supporting low-barriers emergency shelters, particularly only projects with 70% or more of bed utilization rate, will be considered to receive funds. It is expected that subrecipients works towards to removing administrative, institutional and programmatic barriers that limit access to emergency shelters. As well, the Department continues encouraging its sub-recipients, the inclusion of permanent housing as a goal in the services plans since the first day a homeless person enters a shelter.

Addressing the emergency shelter and transitional housing needs of homeless persons

Local public policies on homeless, (Act Number 130) recognizes the need to foster, plan, and carry out services and facilities to attend the needs of homeless individuals, to enable their participation in the Puerto Rican community and allow them to lead a productive and social life. Services must be offered in an integrated manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors”.

As part of the responsibilities of the Department of the Family, the Agency supports the operation of Emergency Shelter facilities throughout the Island. These types of facilities provide a safe and decent alternative to the streets for a determined period of time for a family or individual who is homeless, in addition to providing access to case management, health care assessment and referral services. This emergency placement includes meals, sleeping arrangements, and access to phone and mail services. Before the conclusion of the period of time limitation, each family or individual will have completed an assessment to determine self-sufficiency goals and housing needs. A family can then be referred to transitional housing, move to permanent supportive housing, or move into other low-income housing. Each client agrees to the conditions of stay within the facility and agrees to work on a case plan designed to make self-sufficiency possible.

According to the last PIT 2022 only twenty-two (22%) of the homeless are sheltered. To increase the number of persons who are placed in emergency shelters, this PY2023 the Department of the Family will continue to support low barriers emergency shelters. It has been established in the ESG standards that emergency shelters admission’s procedures have to reflect a housing first approach. Also, the DF will support emergency shelters with seventy (70%) average rate utilization bed occupancy. ESG’s subrecipients will continue to be provided with plenty technical assistance to reduce the time of individuals in emergency shelters. Individual planning services are also set as requirements in the ESG

standards and should focus placing individuals on some type of housing before ninety (90) days.

Funding for emergency shelters comes mainly from the State's ESG program. These funds also are made available through the RFP process previously described. Funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as supportive services for the residents, which could include Case Management, Child Care, Education, Employment Assistance and Job Training Activities, Legal, Mental Health, Substance Abuse Treatment, Transportation, and Services for Special Populations.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The Current Homelessness Strategy to end chronic homelessness in Puerto Rico includes the following strategies:

- Continued expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons.
- Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in planning processes to end chronic homelessness.
- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, outreach, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.
- Implementation of specific action steps to improve access to services, reduce stigma and the criminalization of homelessness.
- Continued education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.
- Increased capacity building of municipal government representatives to partner with community-based organizations in the development, financing and delivery of services to chronic homeless.
- Continue with the implementation of the dedicated HMIS - currently under San Juan's Coalition and the Coalition of Coalitions - for uniform data collection to track populations served through the various systems to permit continuous monitoring of the number and quality of services

provided, and outcomes in the homeless served.

- Collaborate with the San Juan's Coalition, the Coalition of Coalitions, and the entities that comprise the CoCs in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.
- Continued identification and work with public and private housing developers to target homeless in the development of permanent supportive housing. The current strategies include primarily work with state and non-profit sectors so that more efforts will be directed to local governments and the for-profit stakeholders to improve housing accessibility and service infrastructures for the chronic homeless.
- Monitoring of the development of formal protocols and the implementation of discharge policies from all child welfare, correctional, health and SA/MH agencies and institutions, as a means of preventing chronic homelessness.
- Promote the expansion of the amount of permanent housing units for homeless persons.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The State is committed to provide the necessary assistance to quickly locate homeless individuals and families in permanent housing; and prevent individuals and families from becoming homeless. Based on that goal, funds will be allocated for homeless prevention and rapid rehousing activities. NPOs and municipalities may use ESG funds to provide housing relocation and stabilization services, and short-and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place allowed per federal regulation. ESG funds may also be used to provide housing relocation and stabilization services, and short-and/or medium-term rental assistance, as necessary, to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

Discussion

The provision of housing and supportive services to the homeless population is one of the main goals among the housing and community development strategies of the PR-State Government during this consolidated period. In leading this effort, the PR Department of Family administers the ESG Program allocation, which is used to make grants to Municipalities and Nonprofit Organizations for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance. Through this initiative, the Department leads the role toward the goal of ending homelessness

in the State jurisdiction.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	70
Tenant-based rental assistance	112
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	80
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	160
Total	422

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Enacting public statutes, ordinances, regulations, administrative procedures and/or processes could negatively affect the local market's cost to produce and/or maintain affordable housing stock. In its continuously public responsibility, the State must deal with taking actions to ameliorate the effects that existing policies could have in promoting affordable housing initiatives.

Among the common policies that have an effect as a barrier to affordable housing in the local housing market, we can describe land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. Under the current Government structure, some of these policies are enacted at the local government level. Therefore, the State Government must deal with some jurisdictional level establishment in order to take care of the possible limitations that such policies represent to the affordable housing markets.

As previously stated in this plan, the State Government is currently putting in place a new public policy vision with the objective of promoting the sustainable development of Puerto Rico and addressing the deep economic and financial recession that had stall the Island economic development for the last decade. The Plan for Puerto Rico includes a series of strategies and initiative that promotes a change of vision in the form of managing the public sector and in the way the State Government conducts its public business.

Through the plan described, the State Government proposes to take actions that lead to the economic development of the Island in all business sectors including the housing markets. In this section, the PRDOH will present which of the proposed public policies address the needs of ameliorating the effect that enacted public policies have in the affordable housing market in Puerto Rico.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Many of the common policies that have a direct effect in the production and development of affordable housing units are related with permits process and land use planning process. To address most of the practices that are considered barriers for the production and development of affordable housing units, the Government vision must be from a planning and land use management context.

It is well known that, in Puerto Rico, the permits process is one of the multiple reasons for the economic stagnation experienced by the Island. To address the policies that are considered barriers for affordable housing actions, PR State Government established the Single Business Portal that streamlined the permits process and create a friendly and effective mechanism that assist in improving the business environment

in the Island.

Another factor the State Government addresses through the new government vision is land use policies. Through the creation and implementation of a Strategic Planning Program, the State Government is creating medium and long period plans relating to the land space ordainment within the Island. The State Land Use Plan is under its final revision to align it to the Municipalities Local Land Use and Ordainment Plans. This initiative will have the effect of eliminating existing confronting policies for land use and will promote flexibility in the establishment of polices concerning the use of the land and the promotion of project development throughout the Island, including housing related activities.

In addition, the State Government policy has established affordable housing policies to benefit low income and special needs population groups. Among the proposed policies is the *Casa Mía* initiative that promote the establishment of an incentive program to facilitate the acquisition of an existing housing unit to low income worker's families, the *Nuevo Comienzo* initiative that proposed the provision of rent subsidies to women who are victims of domestic and gender violence actions and the *Egida del Siglo 21* initiative, an activity proposing the rehabilitation and modernization of elders housing projects.

The first two (2) of the described affordable housing initiative are promoting the acquisition and occupation of existing housing units that currently are vacant and available within the housing market in Puerto Rico. The vacancy of housing units has been arising in the last years due to the significantly migration wave that the Island has been experiencing. With initiative like the described, the State Government purpose of stabilizing communities that have suffered from significantly vacancy in their housing units and will limit the probability of abandonment of the communities housing stock.

Discussion:

To tackle and ameliorate the effect of the actions that commonly are considered barriers for the development and establishment of affordable housing actions, the PR State Government is proposing proactive initiatives that will foster activities to provide housing units to low income and special needs population groups. These actions consider planning and permits policies that will facilitate the undertaking of activities directed to address the housing needs of the economically disadvantaged individuals, as well as the creation of new initiatives toward the provision of incentives for acquisition, lease and/or rehabilitation purposes by low-income worker families and/or special needs population groups.

AP-85 Other Actions – 91.320(j)

Introduction:

In this Section of the Annual Action Plan for PY 2024, the PRDOH will include a description of the actions that the PR-State government it will undertake to foster and maintain a stable affordable housing stock; to reduce the risk of exposure to lead-based paint hazards; to reduce the number of poverty-level families; to develop the institutional structure and to enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

As part of the State Government vision, the Action Plan Agencies will be providing economic assistance and incentives to address the housing and socioeconomic needs of the underserved population groups. Under Puerto Rico current economic scenario, the lack of resources among the low income and underserved population is the main reason to obstacle the socioeconomic stability of these groups within the general society.

The particular actions that will be taken by the Agencies are:

- The State Department of Housing will be responsible to provide rent financial assistance to eligible low-income families and/or individuals and rent assistance and the creation of economic development actions within the public housing projects to improve the economic and living conditions of this segment;
- The PRDOH will provide homeownership assistance to low-income persons interested to acquire affordable housing units;
- Also the PRDOH will make available CDBG funds for housing rehabilitation actions of low-income owner-occupied units within the Non-Entitlement municipalities of the Island. This action will promote improve the physical conditions of the low-income housing stock in the Municipalities;
- The State Department of Health, through the Municipality of San Juan Housing and Community Development Department, will promote tenant-based rental assistance activities for HIV/AIDS individuals and their families. In addition, transitional housing and supportive services will be made available for HIV/AIDS homeless individuals reach out by Nonprofit Organizations providing housing and supportive services to this population.
- The State Department of Family will make available ESG funds for the provision of housing activities services for homeless individuals and/or at-risk homelessness individuals. These assistances will be provided through Nonprofit Organizations and municipalities around the Island. In addition, the Department will strongly support the efforts of the Homeless Continuum of Care Coalitions operating within the Island jurisdiction and that are responsible to request and distribute Continuum of Care funding to address the primary and immediate needs of the

homeless population in Puerto Rico.

Additional efforts, from administrative and planning management actions, will be taken in order to improve the permit process and land use policies that will allow the promotion of activities to facilitate affordable housing initiatives around the Island.

Regarding CDBG, some of the most urgent needs of non-entitlement communities are infrastructure, housing rehabilitation and economic development. To expedite funding allocation and expenditure, the Commonwealth of Puerto Rico assigned by Law an equal amount of CDBG funds to non-entitlement municipalities, except for Vieques and Culebra which are granted 15% in additional funding. Based on their local knowledge, these units of local government decide the activities they want to support.

Actions planned to foster and maintain affordable housing

As previously stated the provision of economic assistance to rehabilitate, acquisition and rent affordable housing units is the main action that the PR State Consolidated Plan Agencies will be undertaken to foster and maintain a healthy and stable affordable housing stock within the local housing market.

In addition, pro-active actions leading to promote the re-use and re-occupation of existing vacant housing units within the low-income communities of Puerto Rico, will promote the expansion of the low-income housing stock, will promote re-population actions in communities that has suffered of a high level of migration and will avoid the deterioration and abandonment of communities creating a public safety and health problems within the Municipalities.

The State Government is also proposing actions toward supporting the creation of housing activities under a cooperative business model. As part of the support that the new public policy will provide to the Puerto Rico Cooperative Movement, housing projects will be supported as part of this government's economic development vision.

The state will use HOME and HTF funds, particularly through homebuyer assistance programs and single-family rehab to foster and maintain affordable housing. Moreover, the state plans to use HOME funds to leverage other state projects which will increase the affordable housing inventory. The use of HOME resale and recapture provisions will support the affordability of such projects in the long run.

Additionally, CDBG housing activities (Rehab, CDBG-DR Affordable rental housing, NSP) will serve to maintain the affordable housing stock in Puerto Rico.

Actions planned to reduce lead-based paint hazards

The PRDOH have a pro-active approach to reduce lead-based- paint hazards in residential projects across

the Island, such as:

- Professional assessment for deteriorated paint in units built before 1978
- Initial and annual HQS inspections
- Disclose information among residents of lead-based paint hazards
- Stabilization, removal and disposal of dangerous material. The State HOME Program has contracted companies to provide technical assistance for the evaluations, visual assessment, HQS inspections and paint testing (when necessary) for the housing units that will be rehabilitated with HOME funds in order to comply with lead-based paint requirements and other applicable federal environmental laws and regulations.

Housing providers funded through HUD provide decent, safe, and sanitary housing to their residents. Part of this responsibility is to protect these residents, particularly children under age six, from the health risks of lead-based paint. Public Housing Authorities (PHAs) and landlords protect these families by complying with HUD's lead-based paint regulations.

With respect to the Housing Choice Voucher Program (HCVP), the Lead Safe Housing Rule (LSHR) applies only to units constructed prior to 1978 occupied (or intended to be occupied) by a child under age six, the common areas servicing those units and exterior painted surfaces associated with those units and common areas. The Lead Disclosure Rule (LDR) applies to disclosure of lead-based paint and lead-based paint hazards in most housing constructed prior to 1978 ("target housing") at sale or lease, whether or not they are or will be occupied by a child, and whether it is federally assisted or not.

Target Housing is generally, housing constructed before 1978. Housing for the elderly, and housing for persons with disabilities, are not target housing, unless a child under 6 years old resides or is expected to reside in that housing, in which case, the housing is target housing. All zero-bedroom dwellings are not target housing. In jurisdictions which banned the sale or use of lead-based paint before 1978, HUD may use an earlier date for determining target housing. Refer to Lead Compliance Toolkit, Housing Choice Voucher Program, HUD's Lead-Based Paint Regulations (24 CFR Part 35).

Actions planned to reduce the number of poverty-level families

In order to reduce the number of poverty-level families the PR-State Government will coordinate the following effort:

- Continue to create training and workforce development opportunities through the investment of funds of the Workforce Innovation and Opportunities Act (WIOA) Program. These funds are committed to assist low-income individuals in acquiring the technical knowledge and developing the work skills needed to effectively be transitioning to the job market;
- Continue educating regarding other opportunities and programs targeted to address poverty, such as the CDBG-DR Workforce Capacity Program which is intended to help unemployed and

underemployed residents find employment commensurate with their job training in skill areas related to recovery efforts.

- Continue to support the Universities and Technical College community in providing educational opportunities to low- and moderate-income students with the objective of improving their academic skills and achieved to be hire in the local and/or regional job market;
- Provide financial housing subsidies to low- and moderate-income households in order to alleviate the cost burden effect that housing has in the economic status of the families;
- Continue to support private investment in the development of affordable housing projects;
- Continue to provide Tenant Based Rent Assistance to HIV/AIDS individuals and family members;
- Continue to invest Section 8 funds in assisting eligible households in their rental needs;
- Promote the creation of Public-Private Alliances, as a business model to promote economic development activities, to create and maintain jobs opportunities and expand the business activities base around the Island;

Support the active participation of the Cooperatives Sector within strategic regional projects as a tool to create job opportunities, promote local investment and promote an increase in the regional business activities throughout the Island.

Actions planned to develop institutional structure

During the preparation of the Consolidated Plan the PRDOH, as Lead Agency, envisioned to carry out the designed housing, community, economic development, homeless and special population strategy from an inclusive and collaborative point of view through the Consolidated Stakeholders network. Using the leading role of the PRDOH, the PR State Government will continue to encourage the active participation of these entities in order to meet the needs of the very low to moderate income persons and their communities.

Strategic meetings, working meetings, oversight activities, among other follow-up activities, will be undertaken in order to continue strengthen and developing strategic and accountable partnerships among the Institutional Structure of the housing and community development activities within the State Government structure.

Actions planned to enhance coordination between public and private housing and social service agencies

During the preparation of the Consolidated Plan the PRDOH, as Lead Agency, envisioned to carry out the designed housing, community, economic development, homeless and special population strategy from an inclusive and collaborative point of view through the Consolidated Stakeholders network. Using the leading role of the PRDOH, the PR State Government will continue to encourage the active participation of these entities in order to meet the needs of the very low to moderate income persons and their

communities.

Strategic meetings, working meetings, oversight activities, among other follow-up activities, will be undertaken in order to continue strengthen and developing strategic and accountable partnerships among the Institutional Structure of the housing and community development activities within the State Government structure.

Discussion:

The PR-State Government will continue to use CPD funds to achieve the goals and objectives of the Consolidated Plan. In achieving these goals and objectives, the State will integrate to the CPD allocated funds, additional public funding streams and will leverage communitywide available funding to maximize the resources toward the provision of services to the most in need population groups.

The maximization in the use of available funding within the community, will require the development of strategic and accountable partnerships with all Consolidated Plan Community Stakeholders as part of the institutional structure created toward delivering the basic and essential public services to address the needs of the low-income population segments.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Section 104(j) of the Act and Federal Register Vol. 77 No. 78, April 23rd, 2012 (Final rule) excludes from the definition of Program Income an amount of \$35,000 per year or less. Therefore, in compliance with federal laws and regulations, PRDOH does not require non-entitlement municipalities to return income up to \$35,000 provided that such revenue is counted as miscellaneous revenue. Nonetheless, PRDOH must be informed through quarterly financial reports issued to the agency of the nature and disposition of all revenues collected by the municipality, in order to determine compliance with the Program Income Rule.

Instructions regarding the reporting and expenditure of program income are available at PRDOH. The municipalities are required to send their program income estimates and reports through e-mail or fax.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	59,282.73
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	59,282.73

Other CDBG Requirements

1. The amount of urgent need activities	300,000
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

70.00%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A. The HOME program will use HUD-acceptable forms of investment described in 24 CFR Section 92.205(b)(1) for grants and loans. No alternative forms of investment will be used.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Resale and Recapture Provisions

The **HOME** Program will ensure that **HOME** rules regarding affordability will be observed, as stipulated at 24 CFR 92.254 for Homeownership. The assisted properties will meet affordable housing requirements. Thus, properties will provide modest housing, be acquired by a low-income family as its principal residence and meet affordability requirements for a specific period of time. Affordability restrictions for both Resale and Recapture provisions, as discussed below, will be included in the written agreements executed by the homebuyer and the **PRHFA** and will be enforced via deed restrictions separately recorded, and a soft second mortgage over the property.

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HOME assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and primary financing for the acquisition would be affected due to the lender's policies regarding the treatment of the Recapture provisions. It has been the **PRHFA** experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property's Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary lender's policies, the developer or CHDO may request the sale of the HOME assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFA** prior written approval before selling the unit using Resale provisions.

Recapture provisions will not be used when a project receives only a development subsidy and is sold

at fair market value, instead, resale provisions will be used.

Adequate controls are in place, particularly as revised deed restrictions and periodic inspections, to enforce **HOME** resale or recapture provisions. The abovementioned provisions and restrictions will also apply to CHDO's in the same manner. The **PRFHA** will determine which type of provision to use with CHDO's. Such determination will be included in the written agreement with the CHDO's.

Homebuyer assistance and rehabilitation of owner-occupied single family housing:

Section 215(b) of the National Affordable Housing Act (NAHA) requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD. Historically, HUD used the FHA Single Family Mortgage Limit (known as the 203(b) limits) as a surrogate for 95 percent of area median purchase price. However, statutory changes require the 203(b) limits to be set at 125 percent of area median purchase price. Consequently, PRHFA can no longer use the 203(b) limits as the HOME Program homeownership value limits (i.e., initial purchase price or after rehabilitation value).

In Section 92.254(a)(2)(iii) of the Final Rule published on July 24, 2013, HUD established new homeownership value limits for HOME Participating Jurisdictions (PJs). This new Rule was effective August 23, 2013.

Newly Constructed Housing. The new HOME homeownership value limits for newly constructed HOME units is 95 percent of the median purchase price for the area based on Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. Nationwide, HUD established a minimum limit, or floor, based on 95 percent of the U.S. median purchase price for new construction for nonmetropolitan areas. This figure is determined by the U.S. Census Bureau. HUD has used the greater of these two figures as their HOME homeownership value limits for newly constructed housing in each area.

Existing Housing. The new HOME homeownership value limits for existing HOME units is 95 percent of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available nationwide for sale of existing housing in standard condition. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the state-wide nonmetropolitan area median purchase price using this data. HUD has used the greater of these two figures as their HOME homeownership value limits for existing housing in each area.

PJ Determined Limits. In lieu of the limits provided by HUD, a PRHFA may determine 95 percent of the median area purchase price for single family housing in the jurisdiction annually in accordance with procedures established at § 92.254(a)(2)(iii).

The PRHFA will use the limits published by HUD that can be found at:

<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The Resale or Recapture Guidelines that assures the affordability of units acquired with HOME funds are included below.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME Program funds will not be used to refinance existing debts.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).
6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).
7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The ESG standards are included on the Appendix Section of this plan.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Both PRCoC-502 and PRCoC-503 have established a Coordinated Entry System.

The PRCoC-502 Coordinated Entry System named "Derecho a Techo" is fully implemented in its geographic region. The PRCoC-502 uses a comprehensive coordination of the services available throughout the CoCPR502 community and other leaders within the geographic area, including 24 Municipalities. Through their outreach program they identify the most vulnerable homeless individuals and offer services conducive to obtaining housing. The CE is a hybrid since it has an easy-

access office with the following hours of operation: Monday through Friday from 8:00AM to 8:00PM, a toll-free number, a mobile case management office, and three access point partners. Participants' needs are prioritized considering crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

The PRCoC-503 Coordinated Entry System (CES) named "Sistema Coordinado de Entrada" is also implemented. The CES uses a comprehensive coordination of the services available throughout the CoCPR-503 community, network of homeless and mainstream housing and supportive service providers and other leaders within the geographic area, including of 54 municipalities. By implementing a comprehensive "Housing First-Assertive Community Treatment Intervention", which includes outreach workers, community advocates, housing navigators, a community "Alternative Integrated Clinic" with primary, behavioral and substance abuse services, and case management. The CES identify the most vulnerable homeless individuals and offers services conducive to obtaining housing. The CES operates an emergency hotline available 24 hours a day 7 days a week, case management office and two access points located in Caguas and Ponce. Participants' needs are prioritized considering their level of prioritization based on chronicity and urgency, crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services and housing options. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Please refer to Section AP-30, Method of Distribution, of this Plan for a complete description of how ESG Program funds are distributed among eligible Entities.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State Department of Family complies with 24 CFR Section 576.405 requirements. The required homeless representation is met through the following actions:

As required by federal regulations, the PR-502 CoC has one chair on its board reserved for representatives of the homeless population, or individuals who have experienced homelessness. In addition, the CoC has a separate committee formed by formerly homeless individuals.

The PR-503 CoC has two chairs for at least two (2) representatives of the homeless population, who

are or have experienced homelessness.

5. Describe performance standards for evaluating ESG.

See Appendix for written standards.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The Puerto Rico Housing Finance Authority (Authority) will make available the Housing Trust Fund Activities of Rental Housing along the HOME Investment Partnership Program (HOME) Action Plan (AP). Funds will be awarded to eligible applicants following a competitive process. The competitive process will follow the criteria established in the HTF Allocation Plan. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.

Eligible Applicants: The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the basic threshold criteria

described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200).

Please note that it should be at PRHFA's sole discretion to award HTF funds to any Participant (which has requested or not HTF funds), based on the merits of the project, available funds, specific needs of the cycle, economic conditions, in order to promote the new construction/rehabilitation of low-income housing projects.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications requesting HOME and HTF funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State HOME and HTF Program's criteria, such as: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects. See the appendix for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations. The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section (HTF Selection Criteria). Also, Section (e) below provides additional requirements for eligible recipients.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix. HTF Selection Criteria.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HTF funds. The method of distribution does not include an allocation of resources based

on geographic areas, so target areas are not earmarked. Yet, the HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b)(1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution.

The HTF allocation for PY 2022 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition).

See Appendix [HTF Selection Criteria] for additional geographic considerations in the scoring system.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

The PRHFA will consider applications from potential recipients that "have demonstrated experience and capacity to conduct other Tax Credit/HOME projects as evidenced by its ability to: (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development" (24 CFR 93.2 – Definition). The term "full compliance and successful record" provides sufficient basis to determine the applicants capacity to obligate HTF funds and undertake activities in a timely matter.

Due to the limited amount of HTF funds, is not viable for the HTF allocation to be distributed via a stand-alone funding round. Thus, the State will distribute HTF funds via its regular funding round, which includes other federal funding sources such as HOME, LIHCT, among others. Under the abovementioned funding round, applicants will have to demonstrate with evidence that they have fulfilled the initial basic requirements established in the "Basic Threshold". The PRHFA has created a specific set of requirements that HTF potential applicants must satisfy. Not complying with such requirements causes applicants to be disqualified. If applicants demonstrate fulfillment of basic threshold requirements, then the specific point ranking evaluation criteria will be applied to the proposed projects.

The basic threshold for the HTF establishes that applicant must demonstrate experience. "If proposing to use o of HOME or NHTF Developer, General Partner or Managing Partner must demonstrate successful record and full compliance participating in same capacity in the development of HOME /NHTF projects in Puerto Rico." To validate such assertion the applicant must submit "Relevant project documentation to support experience in particular project." And "Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable."

See Appendix [HTF Selection Criteria] for the specifics of the scoring system. (NOFA Ranking Self-

Evaluation).

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Section IV of the scoring method provides additional points for applicants that combine LIHTC or HOME projects that are specifically destined for long-term rental assistance. "If proposing to use only LIHTC or HOME, project demonstrating utilization of the respective LIHTC or HOME program, or in combination with other programs; if proposing to use LIHTC and HOME combined, or in combination with any other federal or state program, project utilization of similar program mix subsidizing development costs, long-term operations or providing long-term rental assistance." (See above, Section IV Scoring Method)

It is important to note that HTF units will include the 30 year restrictive covenants. These combined multifamily projects will provide for the preservation of affordable rental housing, particularly for extremely low families since HTF units will be required to comply with such income levels. Thus, projects which seek to increase the affordable rental housing stock will be scored favorably. Due to the limited amount of funds under HTF, leveraged funds will be the biggest portion of funds under these multifamily projects.

See Appendix [HTF Selection Criteria] for additional details.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All projects funded with HTF will be required to comply with a minimum of 30 years affordability restrictions. Additional points are given to projects which provide an affordability period beyond the 30 years. Proponents will be required to sign a Land Use Restrictive Covenant Agreement. (See Section III.4 of the Scoring method)

"If requesting NHTF, a project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years" (Section III.4 of the Scoring method)

The specific priority funding factors established for the HTF program are described in Section IV of the NOFA Ranking Self-Evaluation. This section establishes a specific priority funding factor for developers or the applicant's capacity to undertake tax credit/HOME projects. The following documents will be required to demonstrate the applicant's capacity to undertake an HTF project:

- Copy of HAP, IRS form 8609 for each project, as applicable.
- Relevant project documentation to support experience in particular project.
- Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable. Moreover the NOFA Ranking Self-evaluation scoring system provides additional points for applicants who have financial capacity to undertake projects. Point ranking system requires a certain amount of liquid assets.

The required documents include:

- Compiled or revised financial statements certified by a licensed accountant.
- Sources and Uses

Also, recipients must comply with PRHFA selection requirements as established in the HOME program/LIHTC QAP. Again, it is important to emphasize that entities must demonstrate organizational ability, financial capacity and knowledge of Federal, State and local housing program requirements. Recipient must demonstrate capacity to manage and operate an affordable rental housing program.

See Appendix.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix. HTF Selection Criteria.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds. The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

PRHFA will use the maximum per unit subsidy standards adopted by the State **HOME** Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216.

The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received.

The project location and the targeted population will be key factors in determining the grant size limit.

The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System. The project location and the targeted population will be key factors in determining the grant size limit.

The Government of Puerto Rico is adopting the maximum HOME/HTF subsidy limits established in CPD Notice 15-03 for the HTF Program. These limits were adopted from Section 234 of Condominium Housing basic mortgage limits. As shown in the following table, limits vary by the number of bedrooms in the unit, and type of structure. The most recent Federal Register on Section 234-Housing Condominium (FR 72107) establishes the following limits:

Bedrooms Non-Elevator Elevator HCP Maximum Per Unit Subsidy (see appendix for table).

It is important to note that San Juan is listed in the High Cost Percentage Exception List with 270%, however it is capped at 240%. The last column is the resulting maximum per unit subsidy. The PRHFA will apply these limits statewide since construction costs do not vary significantly between different geographical areas of the Island. Based on PRHFA these subsidy limits are reasonable taking into account the current construction costs and the experience of the agency with previous projects. Puerto Rico has several well-connected distribution centers which provide a constant pool of construction and building materials throughout the Island. Transportation infrastructure, along with port facilities in the north and south of the Island facilitate this process. Moreover, human resources costs are fairly similar between regions, particularly in construction related activities.

The abovementioned analysis recognizes that there exists fundamental differences between individual projects costs, but variations between municipalities or regions are not significant enough to grant a variation by region in the subsidy limits. The PRHFA understand that HOME limits are appropriate as the initial cap for the amount of HTF funds that will be potentially allocated to units.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Bedrooms Non-Elevator Elevator HCP Maximum Per Unit Subsidy

Bedrooms	Non-Elevator	Elevator	HCP	Maximum Per Unit Subsidy
0	\$55,474	\$58,378	240%	\$140,107.20
1	\$63,962	\$66,923	240%	\$160,615.20
2	\$77,140	\$81,377	240%	\$195,304.80
3	\$98,742	\$105,276	240%	\$252,662.40
4+	\$110,002	\$115,560	240%	\$277,344.00

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

This section provides the minimum acceptable standards for existing multi-family household dwelling units rehabilitated in whole or in part with National Housing Trust Fund (HTF) program funds in Puerto Rico. These standards are not intended to reduce or exclude the requirements of any local or state building or housing codes, standards or ordinances that may apply. In the event of any conflicting code(s), the more restrictive code(s) will apply. These standards were designed to assist in achieving consistency for all rehabilitation activities funded with HTF funds. The goal of the Puerto Rico Housing and Finance Authority HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.

The project developer will formally contract licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in the their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes.

In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices and installation methods and standards. By meeting the various code requirements as a minimum standard, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

This Standard ensures that HTF assisted projects are completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications as well as subsequent mutually agreed upon change orders during the construction process. HTF assisted projects and developers will employ best practice industry standards relating to quality assurance to verify all work completed.

I. Health and Safety

If the housing is occupied at the time of rehabilitation, any life-threatening deficiencies must be identified and addressed immediately. These items include:

- 1 Air Quality -Propane/Natural Gas/Methane Gas Detected
- 2 Blocked Egress/Ladders
- 3 Electrical Hazards -Exposed Wires/Open Panels
- 4 Electrical Hazards -Water Leaks on/near Electrical Equipment
- 5 Emergency Fire Exits -Emergency/Fire Exits Blocked/Unusable
- 6 Missing Outlet Covers
- 7 Missing/Damaged/Expired Extinguishers
- 8 Blocked Ventilation System
- 9 Outlets/Switches/Cover Plates -Missing/Broken
- 10 Smoke Detector -Missing/Inoperable
- 11 Windows -Security Bars Prevent Egress

See Appendix B (UPCS) for a list of Inspectable Items and Observable Deficiencies, including the identification of life threatening deficiencies for the property site, building exterior, building systems, common areas, and units.

II. Expected Useful Life (Capital Needs Assessment)

All PRHFA HTF assisted projects and developers will consider the remaining expected useful life of all building components with regard to building long term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (10, 20 or 30 years, depending on amount of HTF assistance provided) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than the period of affordability shall be considered for future replacement.

A Capital Needs Assessment (CAN) is necessary for all HTF assisted multifamily housing with 26 or more total units that determines the useful life of systems, the long terms physical needs of the project and the work to be performed. Specifications for the assessment are listed below:

1. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every

five years during the life of the project to ensure projected capital needs through the HTF affordability period are anticipated and planned for.

a. If the projects affordability period is 30 years (\$50,000 or more in assistance provided).The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6

25. The second 5-year update will be done in year 10 and will cover years 11-30.

b. If a project's affordability period is 20 years (\$30,000 to \$50,000 in assistance provided). The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6

20. The second 5-year update will be done in year 10 and will cover years 11-20

c. If a project's affordability period is 10 years (Under \$30,000 in assistance provided). The initial CNA will cover years 1-10. The first 5-year update will be done in year 5 and cover years 6-10.

- 1 HTF assisted projects and their development teams should ensure that all building components are analyzed in the CNA as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way which maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.
- 2 The CNA will take into account any extraordinary circumstances of the prospective occupants of the dwelling (i.e. physical, sensory, developmental disabilities) and reflect a means to address such circumstances in their inspection and in the preparation of a work write-up/project specifications for that dwelling.
- 3 The CNA report must be prepared by a qualified professional (architect or engineer) who has no financial

interest in the project and no identity of interest with the developer. For purposes of this document, a "qualified professional" is a licensed professional architect or engineer, who can substantiate a minimum of five (5) years' experience providing CNA reports in accordance with PRHFA standards and who performs the assessment and supplies the PRHFA with their professional opinion of the property's current overall physical condition. The CNA must include the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity. Furthermore, the CNA must examine and analyze the following building components:

- a. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, storm drainage, gas and electric utilities and lines.
- b. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage.
- c. Interiors, including unit and common area finishes (carpeting, vinyl tile, interior walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures and common area lobbies and corridors.
- d. Mechanical systems, including plumbing and domestic hot water, Air Conditioning, electrical and fire protection.
- e. Elevators (if applicable).
- f. Provide building life cycle study that lists each building component, the base cost and opinions of probable cost immediately (critical repair item), along with an analysis of the

reserves for replacement needed to fund long-term physical needs of the project, accounting for inflation, the existing reserves for replacement balance and the expected useful life of major building systems.

- 1 Provide written cost estimates in order that the PRHFA may and determine that costs are reasonable.
- 2 The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment will include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives.
- 3 If the remaining useful life of any component is less than fifty percent (50%) of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life of a component is less than the term of the affordability period, the application package must provide for a practical way to finance the future replacement of the component.

8. The professional preparing the CNA report must:

a. The assessment must include a site visit and physical inspection of the interior and exterior of all units and structures, as well as an interview with available on-site property management and maintenance personnel, to inquire about past repairs, improvements and an examination of invoices, contracts or work orders relating to the repairs/improvements over the last twenty-four (24) months, pending repairs and existing or chronic physical deficiencies. Any information from the interview must be included in the CNA. The assessment must also consider the presence of hazardous materials on the site.

b. Identify physical deficiencies, including critical repair items, immediate physical needs and long

term physical needs. These must include repair items that represent an immediate threat to health and safety and all other significant defects, deficiencies, items of deferred maintenance and material building code violations that would limit the expected useful life of major components or systems.

c. Explain how the project will meet the requirements for accessibility to persons with disabilities. Identify the physical obstacles and describe methods to make the project more accessible and list needed repair items in the rehabilitation plan.

d. Prepare a rehabilitation plan, addressing separately all immediate and long-term physical needs.

e. Work Specifications and Scope of Repairs

f. Work specifications should include enough detail to specify each item to be repaired, the quantity of materials to be used and the exact location of each repair.

g. Repairs needed to correct basic safety, durability, mechanical and efficiency deficiencies.

- 1 All materials used must meet the Puerto Rico Building Code standard material specifications. All work must be done with skilled craftsmen and accomplished with care.

10. Upon completion of repairs, the contractor

will:

- a. Remove all construction debris from the site.
- b. Clean all floors impacted by the work.
- c. Clean all new and existing paint from other finished surfaces including window glass and mirrors.
- d. Leave all newly installed items in operating condition.
- e. Start all other electrical and mechanical systems.
- f. Put all hardware in operating condition.
- g. Deliver new keys to homeowners for any newly installed hardware.

III. Major Systems

HTF Rehabilitation assisted projects must comply with the requirements indicated in this document and the State and Local Construction Codes approved under the Commonwealth of Puerto Rico.

1. Site Standards

- a. The HTF assisted project must assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
- b. Site design and engineering shall be by a qualified professional.
- c. The access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
- d. Design and systems shall conform to the “Reglamento Conjunto” 2015 and the Puerto Rico Building code, 2011.
- e. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.
- f. Sewer connections to municipal sewage systems and on-site sewage disposal must have a minimum useful life same as the affordability period.
- g. Means of egress components shall be in conformance with Chapter 10 of the International Building Code
- h. Vehicular access to public way – site design shall conform to local zoning code (“Reglamento Conjunto”) and the “Departamento de Transportación y Obras Públicas” regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.

- i. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize the “Reglamento Conjunto” to determine the guidelines in the design.
- j. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.
- k. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
- l. Mailboxes -Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
- m. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
- n. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
- o. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning code. Energy efficient lighting shall conform to the International Energy Conservation Code of Puerto Rico, 2011.
- p. The lot or defined site must be free of debris, garbage or other accumulations of site stored items that create possibilities of infestations. The site should be generally level, well drained and accessible.
- q. All exterior property and premises must be maintained in a clean, safe and sanitary condition.
- r. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion. Replacement landscaping and grading must direct water away from structures.
- s. Fencing and gates must not be damaged; missing

sections or has holes per UPCS.

t. Grounds must be erosion and rut free, not overgrown or penetrating vegetation and have functional ponding and site drainage per UPCS.

u. Hazardous and substandard conditions include any condition that threatens the health and or safety of the occupants. Substandard conditions include any condition that threatens, defeats or will lead to the

lack of functional viability of a single feature of a home. These conditions must include but not be limited to:

- i. Accumulated debris, waste or garbage, either in enclosed areas such as storage buildings or in yard areas.
- ii. Environmental conditions such as flooding, mudslides, abnormal air pollution, smoke or dust, gas smells, sewer odor.
- iii. Eroding soil and accumulation of stagnant water
 - iv. Excessive noise, vibration or vehicular traffic.
 - v. Excessive accumulations of trash.
- vi. Excessive weeds or plant growth.
- vii. Fire hazards.
- viii. Deteriorated and/or irreparable outbuildings, sheds, or other structures that are no longer in use or are made unusable by their condition.
- ix. Holes, ditches, exposed meter boxes or other conditions that create a tripping hazard, excluding drainage ditches that are part of a designed drainage system.
- x. Rodents, insects or other infestations.
- xi. Grading that directs water toward any structure.
- xii. Sewer odor. Standing water or depressions that hold water during wet weather, leaking water supply, percolating or leaking sewage.
- xiii. Exposed pipes, railings or other installations creating tripping hazards.
- xiv. Damaged, missing or deteriorated walkways, steps and decks that create tripping hazards or are otherwise unsafe.
- xv. Stairways or steps with four (4) or more risers and without a functional handrail. Stairways, decks, porches, balconies and all appurtenances without proper anchorage or capable of supporting the imposed loads.
- xvi. Handrails and guards in poor condition or not properly fastened or capable of supporting normally imposed loads.
- xvii. All structures in which insects or rodents are found shall be promptly exterminated by approved processes that will not be injurious to human health. After extermination, proper precautions shall be taken to prevent re-infestation.

2. Interior Spaces

- a. Means of egress components shall be in conformance with Chapter 10 of the IBC *"Means of Egress"* and Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
- b. Minimum Space and Use Standards
 - i. The dwelling unit must have a living room, a kitchen area and a bathroom.
 - ii. Dwelling units shall not be occupied above the maximum occupant load of space requirements according to the PRBC 1021.2.
- c. Minimum Standards for Ceilings
 - i. Habitable spaces including hallways, corridors, shall have a ceiling height of no less than eight feet (8'), laundry areas, bathrooms, toilet rooms and kitchens may have a ceiling height of not less than seven feet six inches (7'-6") according to the PRBC 1208.2, unless the following exceptions:
 - o Where beams or girders are spaced not less than four (4) feet on center and project not more than six (6") inches below the required ceiling height.

olf any room in a building has a slope ceiling, the prescribed ceiling height for the room is required at the lower level of the ceiling. Any portion of the room measuring less than five feet (5') from the finished floor to the ceiling shall not be included in any computation of the minimum area thereof.
- d. Minimum Room Widths
 - i. Habitable rooms, other than kitchens, shall not be less than seven feet (7') wide in any plan dimension according to the IBC 1208.1.
 - ii. Kitchens shall have a minimum floor area of fifty square feet and shall provide clear passageways of not less than three feet (3') between counter fronts, counter fronts and appliances or counter fronts and walls according to the IBC 1208.1
 - iii. All kitchens must have a working refrigerator, cook-top and oven. All equipment must be in proper operating condition.
 - iv. The kitchen must have a sink in proper operating condition, with a sink trap and hot and cold running water connected, to an approvable water supply system and an approvable sewer disposal system.
 - v. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (i.e. garbage cans).
- e. Minimum Standards for Bathrooms
 - i. Each dwelling unit will have a functional and code compliant bathroom in accordance with IBC 1210
 - ii. The bathroom must be located in a separate private room with lockable doors.
 - iii. The bathroom must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water. The kitchen sink cannot be used as the required lavatory or basin.
 - iv. The bathroom must have a tub or shower in proper operating condition with hot and cold running water.
 - v. A flush toilet in proper operating condition is required.
 - vi. The bathtub and or shower may be in the same room as the flush toilet, water closet and lavatory or basin or said bathtub or shower may be in a separate room. The facilities must utilize an approvable water supply system and an approvable waste water disposal system.
- f. Minimum Standards for Bedrooms
 - i. Every bedroom shall have a minimum area of 120 square feet according to the IBC 1208.3.
 - ii. Efficiency Units minimum area is 220 square feet plus 100 square feet for every additional

occupant according to the IBC 1208.4.

iii. Every bedroom shall have access to at least one (1) water closet and one (1) lavatory without passing through another bedroom. Every bedroom in a dwelling unit shall have access to at least one (1) water closet and lavatory located within one (1) story (floor) from the story in which the bedroom is located.

iv. Bedrooms must not constitute the only means of access to other bedrooms or habitable spaces and shall not serve as the only means of egress from other habitable spaces, except when the unit contains fewer than two (2) bedrooms.

g. Minimum Standards for Living Rooms

i. Living rooms shall have a minimum area of 120 square feet

h. Storage -adequate clothes closets, pantry and general storage shall be provided.

i. Amenity Spaces -provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.

3. Structure

a. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.

b. In general, structure evaluation and design shall be in conformance with IBC Chapter 16 and the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures (ASCE 10), 2013.

c. In most residential rehabilitation projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards. Consideration shall be given if there are any proposed changes in use which would impact the occupancy load.

d. Deficiencies identified shall be addressed and repairs will be designed and specified as determined necessary to correct such conditions:

i. Repairs shall be made to any deteriorated load-bearing structural elements.

ii. Reinforce, install supplemental or replace structural members determined not to be adequate for use.

iii. The minimum life expectancy of repairs to the structural elements must be same as the affordability period.

4. Foundations

a. Existing foundations shall be examined by qualified professionals

b. All foundation walls shall be maintained free from open cracks, broken components or deterioration which may compromise the load bearing structural integrity.

c. New below-grade structures to conform to Chapter 18 of IBC *"Soils and Foundation"* as appropriate.

d. All newly installed foundations should be designed and constructed in accordance with the Puerto Rico Building Code.

e. The minimum life expectancy of repairs to the foundation must be same as the affordability period.

f. Basement floors

- i. Mechanical rooms -Provide sound concrete floors with raised housekeeping pads for equipment.
- ii. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
- iii. Where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
- g. Moisture mitigation
 - i. Provide waterproofing or damp proofing as appropriate where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings.
 - ii. Provide vapor barriers covered with a wear layer of peastone over earthen basement or crawl space floors to remain.
 - iii. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

5. Floors

- a. Minimum Floor System Standards
 - i. All flooring must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts or other serious damage.
 - ii. All sub-floors should be solid and continuous, without liberal movement or bounce, free from deterioration.
 - iii. All flooring must be free from tripping hazards with a minimum of seams spaced at logical locations, such as doorways and matched to the existing floor.
- iv. All flooring must be sealed and tight at the edges.
- v. All floors shall be covered with water resistant flooring.
- vi. Basement floors should be continuous concrete. If not, certain appliances located in this area will be properly elevated above grade with concrete blocks.
- vii. The minimum life expectancy of repairs to flooring must be same as the affordability period.

6. Walls

- a. Minimum Wall System Standards
 - i. The minimum life expectancy of repairs to structural walls, interior walls, interior surfaces, exterior surfaces and firewalls, must be same as the affordability period
 - ii. All walls including doors and windows should be maintained in good, sanitary condition and free from any serious defects such as severe bulging or leaning, holes, cracks, breaks, loose surface materials, severe buckling, missing parts, rotting materials, chipped, cracked or peeling paint, falling cement plaster or other serious damage.
 - iii. Exterior wall surfaces should be free from chipped, cracking or peeling paint. All such loose paint should be properly prepared, primed, properly painted and maintained weatherproof and properly surface coated where required to prevent deterioration.

- iv. Interior wall surfaces, including doors and windows, shall be maintained in good, sanitary condition and free from chipping, cracking or peeling paint with no loose, cracked or falling cement plaster.
- v. All such loose paint should be completely removed and surfaces primed. All primed surfaces should be properly painted.

7. Roofs

- a. Minimum Roof Systems Standards
 - i. The roof and cap flashings must be structurally sound and weather tight.
 - ii. Roof surfaces should be free from defects. No indication of excessive wear or potential failure will be acceptable.
 - iii. Roof drainage must be adequate to prevent dampness or deterioration in the walls and interior portion of the structure.
 - iv. Roof drains, gutters and downspouts must be in good repair and free from obstructions.
 - v. Roof water discharge shall not be directed toward foundations, splash blocks must be included where necessary.
 - vi. The minimum life expectancy of repairs must be same as the affordability period.

8. Windows and Doors

- a. Minimum Window and Door Standards
 - i. Every window and door must meet egress requirements (IBC Chapter 10) for dimensions, swing and clearances, and be accessibility (ADA) compliant as required.
 - ii. Every window, exterior door and basement or cellar hatchway must be substantially tight, water and rodent proof and be kept in a state of maintenance and repair.
 - iii. All exterior doors to the outside or to a common public hall must be solid core and be equipped with adequate security locks. All windows accessible from ground level must be lockable.
 - iv. Every exterior and interior door, when closed, must fit tightly within its frame.
 - v. Every exterior and interior door, door hinge and door latch and/or lock must be maintained in good working condition.
 - vi. Every exterior window, door and frame must be constructed and maintained in such a manner as to be weather tight with adequate weather stripping.
 - vii. All doors and windows must be capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
 - viii. Every basement or cellar hatchway must be constructed and maintained as to prevent the entrance of rodents, vermin, rain and surface drainage water into the dwelling or structure.
 - ix. Natural ventilation shall be through windows, doors, louvers or other approved openings to the

outdoor air. Such openings shall be provided with ready access or shall otherwise be readily controllable by the building occupants.

- x. A kitchen and or bathroom may pass without a window area provided there is a mechanical means of ventilation which is maintained in working order.
- xi. The requirements for emergency egress from sleeping rooms must be per the Puerto Rico Building Code 1018.1.
- xii. Every window or other opening to outdoor space which is used or intended to be used for ventilation must likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens (doors and windows) must be not less than sixteen (16) mesh per twenty-five (25) mm and must be properly installed, maintained and repaired to prevent the entrance of flies, mosquitoes or other insects. Half screens on windows may be allowed provided they are properly installed and are bug and insect tight.
 - b. Existing doors and windows
 - i. Doors and windows to remain should be examined and determined to be suitable for reuse with a minimum remaining useful life the same as affordability period and repaired if necessary
 - ii. Repaired doors and windows shall be tested and modified as necessary to operate properly. Hardware shall be intact and operational, or be replaced with new hardware as required
 - iii. Where existing doors or windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
 - b. New doors and windows
 - i. New doors and windows shall be code compliant, and conform with the IBC Chapter 10 “Means of Egress”, Puerto Rico Building Code 2011, and the International Energy Conservation Code of Puerto Rico, 2011.
 - ii. All doors and windows shall be installed per manufacturer’s installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.
 - iii. Replacement of doors (both interior and exterior) and windows must have a minimum life expectancy the same as the affordability period.

9. Electrical

- a. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
- b. Project electrical must be installed by a licensed electrician
- c. Design shall be comply with Fire Code of Puerto Rico, 2011, the International electrical Code, 2011 and the International Energy Conservation Code of Puerto Rico, 2011 and the National Fire Protection Association codes.

- d. In general, the electrical system should be new throughout a building:
 - i. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code compliant and have a minimum remaining useful life of the affordability period. The designer, in concert with the electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.
- e. Electrical service and metering:
 - i. The service entrance size shall be calculated to handle the proposed electrical loads.
 - ii. Metering and disconnects shall be per code and mounted at approved locations.
- f. Electrical distribution system:
 - i. Lighting and receptacle circuits shall be designed per code.
 - ii. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
 - iii. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
 - g. Developers are encouraged to upgrade to Energy Star® Category.
 - h. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
 - i. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
- j. Fire detection and alarms:
 - i. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
 - ii. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
 - iii. Each dwelling unit must have at least one (1) hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit on the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms, including basements but excepting crawl spaces and unfinished attics.
 - iv. Smoke detectors must be installed in each room used for sleeping purposes.
 - v. If the dwelling unit is occupied by any hearing impaired person, smoke detectors must have an alarm system, designed for hearing impaired persons as specified in the National Fire Protection Standard.
 - vi. CO detectors shall be installed per Fire Code of Puerto Rico, 2011 and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
 - vii. Where required – system annunciation shall be in accordance with NFPA 1.
 - k. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project’s use and livability.
 - l. Optional solar powered photovoltaic panel system may be installed in accordance with the International Energy Conservation Code of Puerto Rico, 2011.

10. Mechanical

- a. All mechanical systems shall be designed by a mechanical engineer or other qualified

- professional.
- b. All mechanical systems shall meet all applicable codes such as International Plumbing Code of Puerto Rico, 2011, Mechanical Code of Puerto Rico, 2011, Fuel and Gas Code of Puerto Rico, 2011, International Energy Conservation Code of Puerto Rico, 2011, Fire Code of Puerto Rico, 2011, and the National Fire Protection Association codes.
 - c. Fire protection
 - i. In general, all buildings assisted with HTF funds shall have fire suppression as required by the Puerto Rico Fire Department with approved sprinkler systems installed as required by NFPA 101
 - ii. System design to conform to applicable NFPA standard 13 or 13R
 - iii. Underground water services for sprinkler system shall meet NFPA 24
 - iv. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
 - v. Where possible, piping for the sprinkler system shall be concealed.
 - d. Plumbing
 - i. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and with the International Plumbing Code of Puerto Rico, 2011, have a remaining useful life of the applicable affordability period. Critical non-code compliant components shall be replaced.
 - ii. All fixtures, piping fittings and equipment shall be lead-free.
 - iii. Kitchen fixtures – When existing kitchen fixtures are not in good condition, new sinks and faucets, and associated plumbing shall be installed in each apartment.
 - iv. Bath fixtures – When existing bath fixtures are not in good condition, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in each apartment.
 - v. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
 - vi. Provision for laundry rooms or laundry hook-ups may be made per project’s program requirements.
 - vii. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
 - e. Ventilation
 - i. Indoor air quality will be addressed by the installation of either exhaust only or balanced ventilation systems as required by the Mechanical Code of Puerto Rico, 2011, Fuel and International Energy Conservation Code of Puerto Rico, 2011, Fire Code of Puerto Rico, 2011, and the National Fire Protection Association codes.
 - ii. Air Conditioning systems must be designed per the Mechanical Code of Puerto Rico, 2011 and the International Mechanical Code. Energy Conservation measures are recommended.
 - iii. Dwelling units must have access to natural ventilation. Bedrooms must have the provision for the installation of an air conditioning unit if applicable.
 - iv. Balanced mechanical ventilation systems are encouraged.
 - v. Ventilation controls shall be per applicable codes.
 - f. Domestic Hot Water:
 - i. Hot water system shall be designed as required by the Puerto Rico Building Code P2801.
 - ii. Water heating facilities shall be properly installed in accordance with manufacturer’s installation and per code requirements, be maintained and capable of providing an adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower and laundry facility at a temperature of not less than 110 degrees Fahrenheit.
 - iii. The water supply system shall be installed and maintained to provide a supply of water to

plumbing fixtures, devices and appliances in sufficient volume and at pressures adequate to enable the fixtures to function properly, safely and free from defects and leaks. Each unit should be equipped with a functioning pressure release valve and temperature release valve.

g. Water supply and Waste Water

- i. A potable water supply system shall be installed so as to prevent contamination. Every dwelling unit must have an accessible and properly functioning main shut-off valve with a provision for discharge near the water service entrance point.
- ii. Supply lines and fittings for every plumbing fixture shall be installed to prevent backflow.
- iii. All galvanized piping is to be replaced. Deteriorated, rotted, broken or otherwise worn water supply, vent pipes or waste water pipes must be replaced.
- iv. All deteriorated, blocked, inoperable or leaky equipment shall be repaired or replaced.
- v. Every dwelling unit must contain a bathtub or shower that is properly connected to both hot and cold running water lines under pressure and must be maintained in working order. Faucets shut off valves and plumbing lines should be maintained free from leaks or drips and should be capable of shutting off completely. New tub and shower valves must have balanced pressure thermostatic valves.
- vi. Existing plumbing equipment and fixtures and repairs must be inspected for durable condition. Replacement fixtures must have a life expectancy of a minimum of twenty (20) years.
- vii. Connection to a continuously functioning sanitary wastewater disposal system.

h. Elevators

- i. If a HTF assisted multifamily project has 4 floors or more, a minimum of two elevators must be installed.
- ii. Elevators must be installed per code NFPA 101, Chapter 9.4 and must comply with the International Building Code Chapter 30 "*Elevators and Conveying Systems*" and Chapter 10 "*Means of Egress*" as indicated in the Puerto Rico Building Code, 2011.
- iii. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with a minimum expected useful life of the affordability period.

11. Furnishing, Fixtures and Appliances

a. Signage and identification

- i. Building signage shall be provided. Including building address, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant.
- ii. Exit signage will be provided as required by code and be accessibility (ADA) compliant as required.

b. Fire protection specialties

- i. Provide fire extinguishers in buildings, and in apartments as required by Fire Code of Puerto Rico, 2011 and as directed by the Puerto Rico Fire Department.

c. Equipment

- i. All new equipment to be ENERGY STAR® rated.
- ii. Existing equipment to be retained and continued to be used shall be in serviceable condition with a minimum expected lifetime as the affordability period.
- iii. Equipment shall conform to the International Energy Conservation Code of Puerto Rico, 2011

- d. Toilet accessories
 - i. Each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements (ADA) where necessary.
 - ii. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
- e. Shelving must be durable and cleanable. Include shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.
 - f. Kitchen appliances
 - i. Provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
 - ii. Existing appliances to be reused shall be in good and serviceable condition.
 - iii. Provide other appliances (such as microwaves) as may be appropriate to the project.
 - iv. All appliances in accessible (ADA) apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
- g. Laundries may be included where adequate space is available and when appropriate to meet the project goals. Washers and dryers may be provided in laundry rooms or in apartments.
- h. Playground equipment, if applicable, must be safe and code-approved.
- i. Existing Kitchen cabinetry or countertops proposed to remain shall be in good condition with a minimum remaining useful life same as the affordability period.
- j. New Kitchen cabinetry and counters shall be of good quality and be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
- k. Shop fabricated as one piece assembly where possible. Seal field joints.
- l. Installed level and securely fastened to cabinetry
- m. Bath cabinetry and vanity lavatory tops, when used, should be one piece integral bowl with integral backsplash

12. Finishes

- a. Interior Finishes
 - i. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade, and per Chapter 8 of the IBC "*Interior Finishes*" as instructed by the Puerto Rico Building Code, 2011.
 - ii. Walls & ceilings -Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than the affordability period.
 - iii. Flooring -All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
 - iv. Paint -In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner.

v. Acoustical Treatments – Dwelling units separated acoustically using Section 1207 of the IBC as a guideline minimum standard.

b. Exterior Finishes

i. All exterior finishes must comply with Chapter 14 of the IBC “Exterior Walls” as instructed by the Puerto Rico Building Code, 2011.

ii. Paint

oIn general, all existing exterior concrete or wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint or the sound condition of existing coatings

oExamine surfaces and apply paint only to sound acceptable materials and surfaces.

oPrepare surfaces properly, removing loose or peeling previous paint.

oPaint prep shall be done in accordance with applicable lead safe standards.

o Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.

oExterior paint systems shall be compatible, and installed in accordance with manufacturers’ specifications.

i. Porches, decks, balconies and steps

oExisting porches, decks, balconies, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of the remaining affordability period.

oInspect structure for soundness and reconstruct any deteriorated members as required.

oInstall new support piers as may be required.

oPatch existing decking with matching materials, or install new durable decking.

oRailings shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate. Railings shall meet code requirements for height of protective guards, or have supplemental guards installed.

oSteps shall be safe and sound and meet applicable codes, with railings as necessary.

oAll balconies and porch elements shall be able to withstand the weather elements to prevent premature deterioration.

12. Construction Materials

Must follow state and local codes related to the construction in Puerto Rico.

IV. Lead Based Paint

All HTF funded projects must conform to all applicable provisions of 24 CFR Part 35 regarding lead-based paint. HTF assisted projects must also conform to all Puerto Rico laws and regulations, as well as EPA requirements regarding lead-based paint, including protection of workers who may be exposed to lead paint during the construction process. Some provisions include:

1 All homes constructed before January 1, 1978 will be evaluated for lead based paint hazards. Evaluation will be done by a qualified, certified or licensed person as required under the regulations at 24 CFR 35. A qualified lead based paint inspector or risk assessor is certified or regulated by a state or local health or housing agency or an organization recognized by HUD.

2 As required under 24 CFR 35, 24 CFR 570.608, 24 CFR 982.401 all lead based

hazards will be identified and reduced through paint stabilization, interim controls or abatement as required.

3 Safe work practices will be followed at all times in a manner which insures the health and safety of workers and residents, especially children

4 During lead hazard reduction efforts, the work area will be sealed and the family will be protected or relocated as required by the regulations.

5 Final Clearance will be achieved on all lead hazard reduction activities as required under the regulations.

6. Applicable Federal Regulations must be employed, such as:

a. HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing.

b. EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child occupied facilities to be licensed by EPA and use lead safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed.

c. HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants.

d. OSHA Lead in Construction Rule (29 CFR Part 1926.62) -Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects.

V. Accessibility

Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.

General Requirements:

1 Projects shall meet applicable Federal and Local Regulations and Rules

2 The number of accessible apartment units shall be determined by the code requirements

3 Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable

4 Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205.

5 Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8.

6. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):

a. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS).

b. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.

c. Common spaces must be made accessible to the greatest extent feasible

6 For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically

accessible, and common spaces should be made accessible as much as possible.

VI. Disaster Mitigation

To the extent applicable or relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. earthquakes, hurricanes, floods, wildfires, extended power outages) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.

- 1 Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
- 2 Projects shall meet the Puerto Rico Building Code regulations Section 1613 for Earthquake Loads protection; and the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures ASCE 10 Section 9.0.
- 3 Projects shall meet the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures ASCE 10 Section 9.13.6.2.3 for Hurricane (Wind Force) protection.

VII. State and Local Codes, Ordinances, and Zoning Requirements.

Eligible Projects must meet all applicable international and local codes, ordinances and requirements. In the absence of state or local building codes, the housing must meet the International Building Code of the International Code Council.

All work shall comply with all applicable international and Puerto Rico local codes, ordinances, regulations and zoning requirements.

Applicable state codes include but are not limited to:

- 1 Reglamento Conjunto para la Evaluación y Expedición de Permisos Relacionados al Desarrollo u uso De Terreno, 2015
- 2 Puerto Rico Building Code, 2011
- 3 International Building Code (IBC), 2015
- 4 Residential Code for One and Two Family Dwellings of Puerto Rico, 2011
- 5 Fire Code of Puerto Rico, 2011
- 6 National Fire Protection Association (NFPA), 2015
- 7 Mechanical Code of Puerto Rico, 2011
- 8 International Plumbing Code of Puerto Rico, 2011
- 9 Fuel and Gas Code of Puerto Rico, 2011
- 10 International Energy Conservation Code of Puerto Rico, 2011
- 11 Existing Puerto Rico Building Code, 2011
- 12 Private Sewage Disposal Code of Puerto Rico, 2011
- 13 American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures (ASCE 10), 2013.
- 14 Fair Housing Act Design Manual, 1998
- 15 Section 504 of the Rehabilitation Act
- 16 Americans with Disabilities Act Design Standards, 2010
- 17 29 CFR Part 1910 Occupational Safety and Health Administration (OSHA)

Please note that the PRHFA HTF assisted project must demonstrate compliance with all local codes. The HTF Standards are designed to exceed the Uniform Physical Condition Standards (UPCS) and ensure that

upon completion the HTF assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. See Appendix B (UPCS) for a list of Inspectable Items and Observable Deficiencies, including descriptions of the type and degree of deficiency for each item that any HTF assisted project must address, at a minimum.

VIII. Uniform Physical Condition Standards (UPCS)

Housing assisted with HTF funds and which are placed in service must follow state and local codes which include all inspectable items and inspectable areas specified by the US Department of Housing and Urban Development (HUD) based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5.703. These standards address the major areas of the HUD housing: the site, the building exterior, the building systems, the dwelling units, the common areas, and health and safety considerations. The Uniform Physical Condition Standard (UPCS) responds to inspectable items and observable deficiencies for the site, building exterior, building systems (multifamily housing only), and common areas (multifamily housing only).

All HTF assisted projects must ensure that the housing will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. The PRHFA will adopt and create a specific variation of the Uniform Physical Condition Standard (UPCS) incorporating the specific construction methodologies and materials utilized in Puerto Rico. Each performance requirement has an established acceptability criteria for determining the minimum acceptable conditions. The inspection staff of the PRHFA will be qualified to perform the assessment of the UPCS

Variation and employ “good judgment” when an evaluation criteria may be open for interpretation.

Please refer to the HOME Program Rehabilitation and new Construction Standards, 2015 “*Estándares de rehabilitación y Nueva Construcción, 2015*”, for particular requirements in multifamily housing and the Technical Specifications, 2006 of the HOME Program Rehabilitation and New Construction division for structural and material specifications regarding particular construction methodologies in Puerto Rico.

See appendix B for a complete list of items regarding the Uniform Physical Condition Standard for Multifamily Rehabilitation, and Appendix B for the Uniform Physical Condition Standard for Single Family Rehabilitation.

IX. Energy Efficiency

11. All additions, alterations or renovations shall comply with latest local building and the International Energy Conservation Code of Puerto Rico, 2011
12. Comply with Energy Star standards and above code where feasible and contributing to significant energy savings.
13. If possible, avoid or minimize air-conditioning with natural ventilation or other passive cooling strategy. Ensure that adequate cooling and ventilation is included in all elderly developments.
14. Consider renewable energy sources such as solar thermal collectors, photovoltaics (or pre-wire and provide adequate roof structure so that systems can be added when feasible), using research grants and rebates when possible.

X. Historic Buildings

Any building or structure that is listed in the State or National Register of Historic Places, designated as a historic property under local or state designation law or survey, certified as a contributing resource with a National Register listed or locally designated historic district and is considered a Historic Building by the State Historic Preservation Office; shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and any imposed guidelines by the Institute of Puerto Rican Culture and the State Historic Preservation Office. It shall comply with Existing Puerto Rico Building Code, 2011 and with NFPA 101, Chapter 43.10.4

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

See Appendix.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Not Applicable.

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

The PRHFA will not refinance existing debt with the HTF funds.

Discussion:

Appendix C – Other standards for Housing

UNIFORM PHYSICAL CONDITION STANDARDS FOR MULTIFAMILY HOUSING REHABILITATION

Requirements for Site

Inspectable Item	Observable Deficiency
Fencing and Gates	Damaged/Falling/Leaning
	Holes
	Missing Sections
Grounds	Erosion/Rutting Areas
	Overgrown/Penetrating Vegetation
	Ponding/Site Drainage
Health & Safety	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Flammable Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
Infestation - Insects	Infestation - Rats/Mice/Vermin
	Infestation - Rats/Mice/Vermin
Mailboxes/Project Signs	Mailbox Missing/Damaged
	Signs Damaged
Parking Lots/Driveways/Roads	Cracks
	Ponding
	Potholes/Loose Material
	Settlement/Heaving
Play Areas and Equipment	Damaged/Broken Equipment
	Deteriorated Play Area Surface
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space
Retaining Walls	Damaged/Falling/Leaning
Storm Drainage	Damaged/Obstructed
Walkways/Steps	Broken/Missing Hand Railing
	Cracks/Settlement/Heaving
	Spalling/Exposed rebar

Requirements for Building Exterior

Inspectable Item	Observable Deficiency
Doors	Damaged Frames/Threshold/Lintels/Trim
	Damaged Hardware/Locks
	Damaged Surface (Holes/Paint/Rusting/Glass)
	Damaged/Missing Screen/Storm/Security Door
	Deteriorated/Missing Caulking/Seals
	Missing Door
Fire Escapes	Blocked Egress/Ladders
	Visibly Missing Components
Foundations	Cracks/Gaps
	Spalling/Exposed Rebar
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
	Emergency Fire Exits - Missing Exit Signs
	Flammable/Combustible Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
Infestation - Rats/Mice/Vermin	
Lighting	Broken Fixtures/Bulbs
Roofs	Damaged Soffits/Fascia
	Damaged Vents
	Damaged/Clogged Drains
	Damaged/Torn Membrane/Missing Ballast
	Missing/Damaged Components from Downspout/Gutter
	Missing/Damaged Shingles
	Ponding
Walls	Cracks/Gaps
	Damaged Chimneys
	Missing/Damaged Caulking/Mortar
	Missing Pieces/Holes/Spalling
	Stained/Peeling/Needs Paint
Windows	Broken/Missing/Cracked Panes
	Damaged Sills/Frames/Lintels/Trim
	Damaged/Missing Screens
	Missing/Deteriorated Caulking/Seals/Glazing Compound
	Peeling/Needs Paint
	Security Bars Prevent Egress

Requirements for Building Systems

Inspectable Item	Observable Deficiency
Domestic Water	Leaking Central Water Supply
	Missing Pressure Relief Valve
	Rust/Corrosion on Heater Chimney
	Water Supply Inoperable
Electrical System	Blocked Access/Improper Storage
	Burnt Breakers
	Evidence of Leaks/Corrosion
	Frayed Wiring
	Missing Breakers/Fuses
	Missing Outlet Covers
Elevators	Not Operable
Emergency Power	Auxiliary Lighting Inoperable (if applicable)
Fire Protection	Missing Sprinkler Head
	Missing/Damaged/Expired Extinguishers
Health & Safety	Air Quality - Mold and/or Mildew Observed
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Air Quality - Sewer Odor Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Elevator - Tripping
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
	Emergency Fire Exits - Missing Exit Signs
	Flammable Materials - Improperly Stored
	Garbage and Debris - Indoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping Hazards
	Infestation - Insects
Infestation - Rats/Mice/Vermin	
HVAC	Boiler/Pump Leaks
	Fuel Supply Leaks
	General Rust/Corrosion
	Misaligned Chimney/Ventilation System
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable
Sanitary System	Broken/Leaking/Clogged Pipes or Drains
	Missing Drain/Cleanout/Manhole Covers

Requirements for Common Areas

Inspectable Item Location	Observable Deficiency
Basement/Garage/Carport	Baluster/Side Railings - Damaged
Closet/Utility/Mechanical	Cabinets - Missing/Damaged
Community Room	Call for Aid - Inoperable
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks
Kitchen	Ceiling - Peeling/Needs Paint
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew
Lobby	Countertops - Missing/Damaged
Office	Dishwasher/Garbage Disposal - Inoperable
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)
Storage	Doors - Damaged/Missing Screen/Storm/Security Door
	Doors - Deteriorated/Missing Seals (Entry Only)
	Doors - Missing Door
	Dryer Vent - Missing/Damaged/Inoperable
	Electrical - Blocked Access to Electrical Panel
	Electrical - Burnt Breakers
	Electrical - Evidence of Leaks/Corrosion
	Electrical - Frayed Wiring
	Electrical - Missing Breakers
	Electrical - Missing Covers
	Floors - Bulging/Buckling
	Floors - Floor Covering Damaged
	Floors - Missing Floor/Tiles
	Floors - Peeling/Needs Paint
	Floors - Rot/Deteriorated Subfloor
	Floors - Water Stains/Water Damage/Mold/Mildew
	GFI - Inoperable
	Graffiti
	HVAC - Convection/Radiant Heat System Covers Missing/Damaged
	HVAC - General Rust/Corrosion
	HVAC - Inoperable
	HVAC - Misaligned Chimney/Ventilation System
	HVAC - Noisy/Vibrating/Leaking
	Lavatory Sink - Damaged/Missing
	Lighting - Missing/Damaged/Inoperable Fixture
	Mailbox - Missing/Damaged
	Outlets/Switches/Cover Plates - Missing/Broken
	Pedestrian/Wheelchair Ramp
	Plumbing - Clogged Drains
	Plumbing - Leaking Faucet/Pipes
	Range Hood /Exhaust Fans - Excessive Grease/Inoperable
	Range/Stove - Missing/Damaged/Inoperable
	Refrigerator - Damaged/Inoperable
	Restroom Cabinet - Damaged/Missing
	Shower/Tub - Damaged/Missing

Inspectable Item Location	Observable Deficiency
	Sink - Missing/Damaged
	Smoke Detector - Missing/Inoperable
	Stairs - Broken/Damaged/Missing Steps
	Stairs - Broken/Missing Hand Railing
	Ventilation/Exhaust System - Inoperable
	Walls - Bulging/Buckling
	Walls - Damaged
	Walls - Damaged/Deteriorated Trim
	Walls - Peeling/Needs Paint
	Walls - Water Stains/Water Damage/Mold/Mildew
	Water Closet/Toilet - Damaged/Clogged/Missing
	Windows - Cracked/Broken/Missing Panes
	Windows - Damaged Window Sill
	Windows - Inoperable/Not Lockable
	Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound
	Windows - Peeling/Needs Paint
	Windows - Security Bars Prevent Egress
Health & Safety	Air Quality - Mold and/or Mildew Observed
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Air Quality - Sewer Odor Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
	Emergency Fire Exits - Missing Exit Signs
	Flammable/Combustible Materials - Improperly Stored
	Garbage and Debris - Indoors
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
	Infestation - Rats/Mice/Vermin
Pools and Related Structures	Fencing - Damaged/Not Intact
Trash Collection Areas	Chutes - Damaged/Missing Components

Requirements for Unit

Inspectable Item	Observable Deficiency
Bathroom	Bathroom Cabinets - Damaged/Missing
	Lavatory Sink - Damaged/Missing
	Plumbing - Clogged Drains, Faucets
	Plumbing - Leaking Faucet/Pipes
	Shower/Tub - Damaged/Missing
	Ventilation/Exhaust System – Absent/Inoperable
	Water Closet/Toilet - Damaged/Clogged/Missing
Call-for-Aid (if applicable)	Inoperable
Ceiling	Bulging/Buckling/Leaking
	Holes/Missing Tiles/Panels/Cracks
	Peeling/Needs Paint
	Water Stains/Water Damage/Mold/Mildew
Doors	Damaged Frames/Threshold/Lintels/Trim
	Damaged Hardware/Locks
	Damaged/Missing Screen/Storm/Security Door
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting
	Deteriorated/Missing Seals (Entry Only)
	Missing Door
Electrical System	Blocked Access to Electrical Panel
	Burnt Breakers
	Evidence of Leaks/Corrosion
	Frayed Wiring
	GFI - Inoperable
	Missing Breakers/Fuses
	Missing Covers
Floors	Bulging/Buckling
	Floor Covering Damage
	Missing Flooring Tiles
	Peeling/Needs Paint
	Rot/Deteriorated Subfloor
	Water Stains/Water Damage/Mold/Mildew
Health & Safety	Air Quality - Mold and/or Mildew Observed
	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
	Emergency Fire Exits - Missing Exit Signs
	Flammable Materials - Improperly Stored
	Garbage and Debris - Indoors
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping

Inspectable Item	Observable Deficiency
	Infestation - Insects
	Infestation - Rats/Mice/Vermin
Hot Water Heater	Misaligned Chimney/Ventilation System
	Inoperable Unit/Components
	Leaking Valves/Tanks/Pipes
	Pressure Relief Valve Missing
	Rust/Corrosion
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged
	Inoperable
	Misaligned Chimney/Ventilation System
	Noisy/Vibrating/Leaking
	Rust/Corrosion
Kitchen	Cabinets - Missing/Damaged
	Countertops - Missing/Damaged
	Dishwasher/Garbage Disposal - Inoperable
	Plumbing - Clogged Drains
	Plumbing - Leaking Faucet/Pipes
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable
	Range/Stove - Missing/Damaged/Inoperable
	Refrigerator-Missing/Damaged/Inoperable
	Sink - Damaged/Missing
Laundry Area (Room)	Dryer Vent - Missing/Damaged/Inoperable
Lighting	Missing/Inoperable Fixture
Outlets/Switches	Missing
	Missing/Broken Cover Plates
Patio/Porch/Balcony	Baluster/Side Railings Damaged
Smoke Detector	Missing/Inoperable
Stairs	Broken/Damaged/Missing Steps
	Broken/Missing Hand Railing
Walls	Bulging/Buckling
	Damaged
	Damaged/Deteriorated Trim
	Peeling/Needs Paint
	Water Stains/Water Damage/Mold/Mildew
Windows	Cracked/Broken/Missing Panes
	Damaged Window Sill
	Missing/Deteriorated Caulking/Seals/Glazing Compound
	Inoperable/Not Lockable
	Peeling/Needs Paint
	Security Bars Prevent Egress

Requirements for Site

Inspectable Item	Observable Deficiency
Fencing and Gates	Damaged/Falling/Leaning
	Holes
	Missing Sections
Grounds	Erosion/Rutting Areas
	Overgrown/Penetrating Vegetation
	Ponding/Site Drainage (affecting unit)
Health & Safety	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Flammable Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Play Equipment – Broken or Damaged
	Hazards – Other (e.g., outbuildings)
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
	Infestation - Rats/Mice/Vermin
Mailboxes/Project Signs	Mailbox Missing/Damaged
	Signs Damaged
Driveways	Cracks
	Potholes/Loose Material
	Settlement/Heaving
Retaining Walls	Damaged/Falling/Leaning
Storm Drainage	Damaged/Obstructed
Walkways/Steps	Broken/Missing Hand Railing
	Cracks/Settlement/Heaving
	Spalling

**UNIFORM PHYSICAL CONDITION STANDARDS FOR SINGLE FAMILY
HOUSING REHABILITATION**

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Requirements for Building Exterior

Inspectable Item	Observable Deficiency
Doors	Damaged Frames/Threshold/Lintels/Trim
	Damaged Hardware/Locks
	Damaged Surface (Holes/Paint/Rusting/Glass)
	Damaged/Missing Screen/Storm/Security Door
	Deteriorated/Missing Caulking/Seals
	Missing Door
Foundations	Cracks/Gaps
	Spalling/Exposed Rebar
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Flammable/Combustible Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
Infestation - Rats/Mice/Vermin	
Lighting	Broken Fixtures/Bulbs
Roofs	Damaged Soffits/Fascia
	Damaged Vents
	Damaged/Clogged Drains
	Damaged/Torn Membrane/Missing Ballast
	Missing/Damaged Components from Downspout/Gutter
	Missing/Damaged Shingles
	Ponding
Walls	Cracks/Gaps
	Damaged Chimneys
	Missing/Damaged Caulking/Mortar
	Missing Pieces/Holes/Spalling
	Stained/Peeling/Needs Paint
Windows	Broken/Missing/Cracked Panes
	Damaged Sills/Frames/Lintels/Trim
	Damaged/Missing Screens
	Missing/Deteriorated Caulking/Seals/Glazing Compound
	Peeling/Needs Paint
	Security Bars Prevent Egress

Requirements for Unit

Inspectable Item	Observable Deficiency	
Bathroom	Bathroom Cabinets - Damaged/Missing	
	Lavatory Sink - Damaged/Missing	
	Plumbing - Clogged Drains	
	Plumbing - Leaking Faucet/Pipes	
	Shower/Tub - Damaged/Missing	
	Ventilation/Exhaust System – Inoperable (If applicable)	
	Water Closet/Toilet - Damaged/Clogged/Missing	
Ceiling	Bulging/Buckling	
	Holes/Missing Tiles/Panels/Cracks	
	Peeling/Needs Paint	
	Water Stains/Water Damage/Mold/Mildew	
Doors	Damaged Frames/Threshold/Lintels/Trim	
	Damaged Hardware/Locks	
	Damaged/Missing Screen/Storm/Security Door	
	Damaged Surface - Holes/Paint/Rusting/Glass	
	Deteriorated/Missing Seals (Entry Only)	
	Missing Door	
Electrical System	Blocked Access to Electrical Panel	
	Burnt Breakers	
	Evidence of Leaks/Corrosion	
	Frayed Wiring	
	GFI - Inoperable	
	Missing Breakers/Fuses	
	Missing Covers	
Floors	Bulging/Buckling	
	Floor Covering Damage	
	Missing Flooring Tiles	
	Peeling/Needs Paint	
	Rot/Deteriorated Subfloor	
	Water Stains/Water Damage/Mold/Mildew	
Health & Safety	Air Quality - Mold and/or Mildew Observed	
	Air Quality - Sewer Odor Detected	
	Air Quality - Propane/Natural Gas/Methane Gas Detected	
	Electrical Hazards - Exposed Wires/Open Panels	
	Electrical Hazards - Water Leaks on/near Electrical Equipment	
		Flammable Materials - Improperly Stored
		Garbage and Debris - Indoors
		Garbage and Debris - Outdoors
		Hazards - Other
		Hazards - Sharp Edges
		Hazards - Tripping
		Infestation - Insects
		Infestation - Rats/Mice/Vermin
Hot Water Heater	Inoperable Unit/Components	
	Leaking Valves/Tanks/Pipes	

CONSULTATION SURVEY FOR MUNICIPALITIES 2024

A total of 20 municipalities completed the survey. Most of the participants were the Directors of Federal Programs of their municipalities.

Present condition

Around two out of every three (65%) persons indicated that the availability and access to adequate rental housing for low- and moderate-income people is bad or terrible. This includes both affordable housing and housing suitable for people with disabilities and other disadvantaged groups within the population.

In terms of the availability and access to own housing adequate for rental for low- and moderate-income people, three out of every five (60%) individuals consider it to be bad or terrible. Regarding the availability of environments suitable for living in terms of safety and health, among other aspects, three out of every five (60%) persons express that it is good.

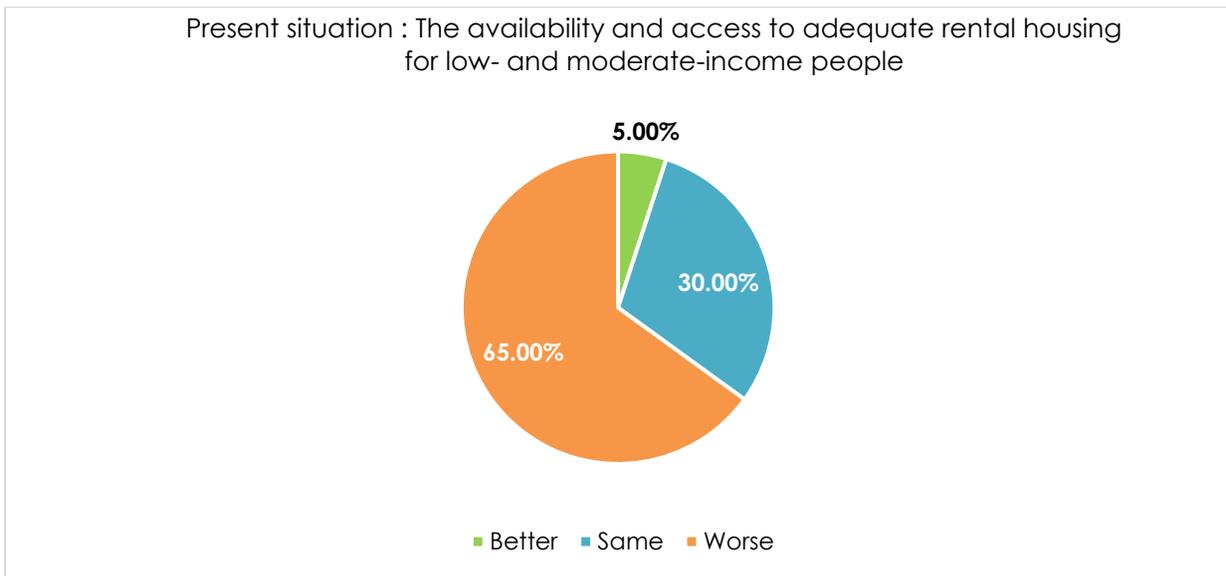
Six out of every ten (60%) persons declare that the availability of economic development opportunities that benefit communities, particularly low- and moderate-income populations is average.

Statement	Excelent	Good	Average	Bad	Terrible	Overall
The availability and access to adequate rental housing for low- and moderate-income people (includes both affordable housing and housing suitable for people with disabilities and other disadvantaged groups within the population).	0	0	7	9	4	20
	0.00%	0.00%	35.00%	45.00%	20.00%	100.00%
The availability and access to own housing adequate for rental for low- and moderate-income people (includes both affordable housing and housing suitable for people with disabilities and other disadvantaged groups within the population).	0	0	8	8	4	20
	0.00%	0.00%	40.00%	40.00%	20.00%	100.00%
The availability of environments suitable for living in terms of safety and health, among other aspects.	0	12	6	1	1	20
	0.00%	60.00%	30.00%	5.00%	5.00%	100.00%
	0	4	12	3	1	20

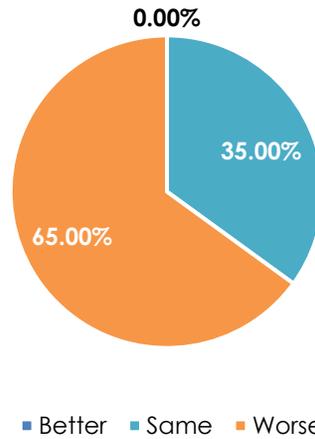
Availability of economic development opportunities that benefit communities, particularly low- and moderate-income populations	0.00%	20.00%	60.00%	15.00%	5.00%	100.00%
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Present situation compared to the situation five years ago

Around two out of every three (65%) persons think that the availability and access to adequate rental housing for low- and moderate-income people is worse today than five years ago. On the subject of the availability and access to own housing adequate for rental for low- and moderate-income people, also two out of every three (65%) persons sense that it is worse. The main reason for considering the situation worse is the shortage of social interest housing.

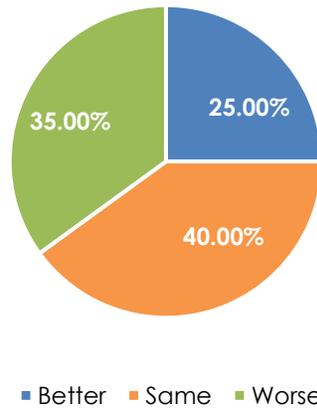


Present situation: The availability and access to own housing adequate for rental for low- and moderate-income people



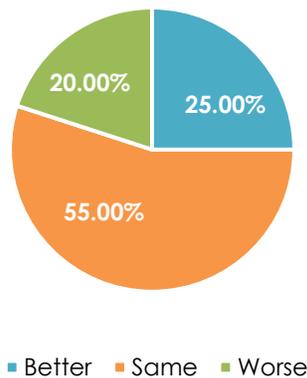
About the availability of environments suitable for living in terms of safety and health, among other aspects, three out of every four (75%) persons consider to be the same or worse than five years ago. The main reasons mentioned for this evaluation include criminality problems in some places and the effects of natural disasters like hurricanes and earthquakes.

Present situation: The availability of environments suitable for living in terms of safety and health, among other aspects.



More than half (55%) of the participants indicate that the availability of economic development opportunities that benefit communities, particularly low- and moderate-income populations is the same now compared to five years ago. Most participants comment about the challenges for economic development and the need, for example, of incentives for businesses.

Present situation: Availability of economic development opportunities that benefit communities, particularly low- and moderate-income populations



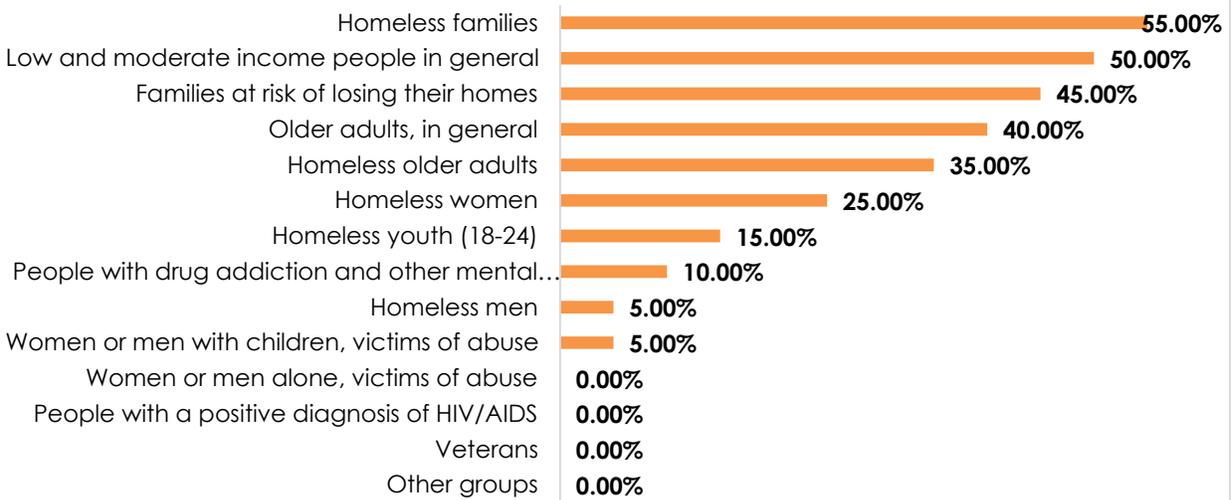
Main needs regarding housing and community development in the municipalities

In general, there are several needs pointed out by most participants. Among them, it is important to highlight:

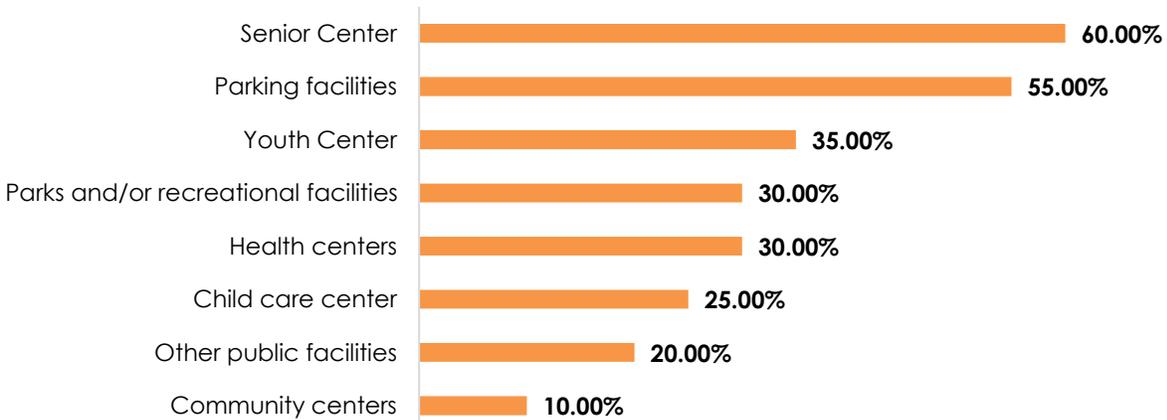
- access to affordable housing (including for rental), especially for low- and moderate-income persons;
- rehabilitation of existing housing (including abandoned structures);
- construction of new social interest housing;
- development of community infrastructure, including parks, community centers, and recreation areas;
- housing and services for persons with disabilities and the elderly; and
- incentivize and provide aid to businesses for the creation of more jobs.

Regarding the populations with more housing needs at present, the most mentioned were homeless families (55%), low- and moderate-income persons in general (50%), and families at risk of losing their homes (45%). Concerning public facilities needed in the municipalities, three out of every five (60%) participants indicate senior centers, more than half (55%) indicate parking facilities, and one third (35%) express youth centers. In terms of improvement to infrastructure, three out of every four (75%) municipalities stated improvement to lightning, half (50%) indicated improvement to sidewalks and 45% mentioned improvement to streets. About the public services needs in the communities, nine out of every 10 (90%) participants declare the assistance at home services for seniors, two out of every five (40%) express transportation services and around one out of every three (35%) indicate programs for emergency payments including utilities, rent and mortgage.

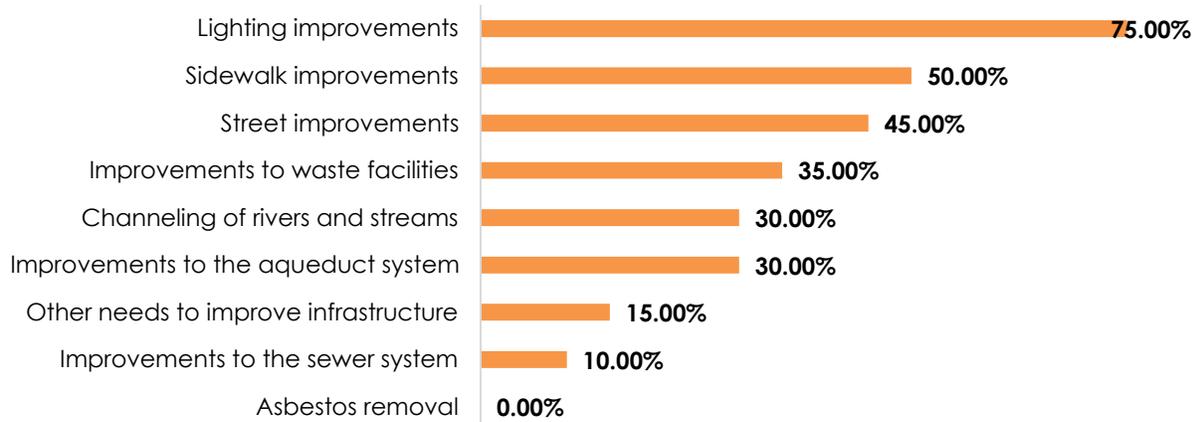
Which are the three populations that currently have the greatest housing needs in your municipality?



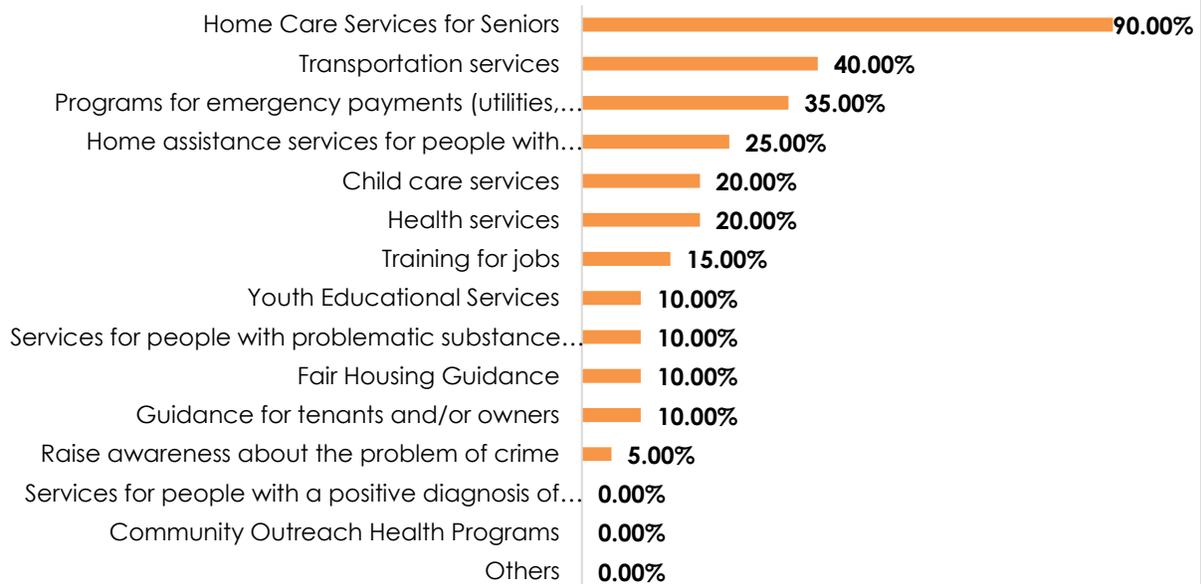
Which of the following public facilities are currently necessary in your municipality? List the three main ones.



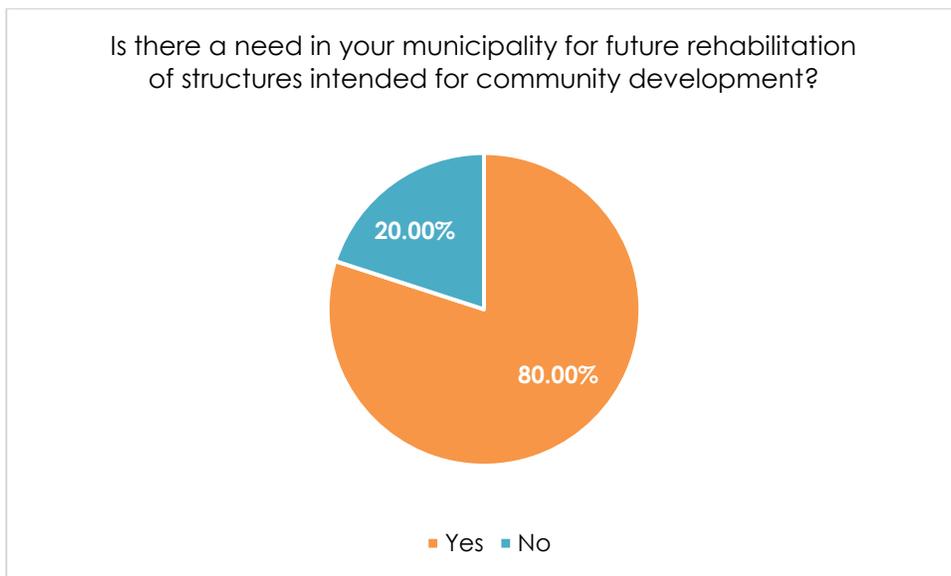
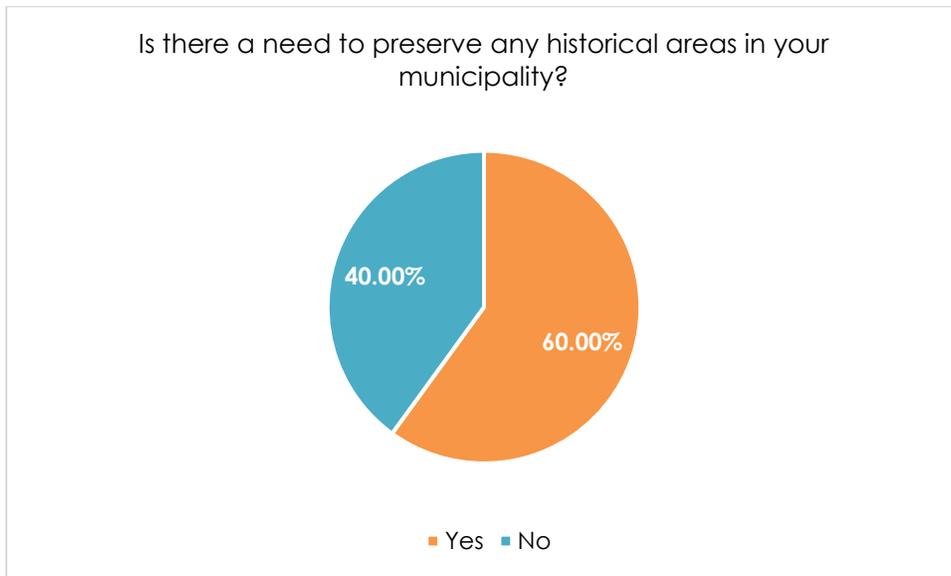
Which of the following infrastructure improvement needs exist in your municipality? List the three main ones.

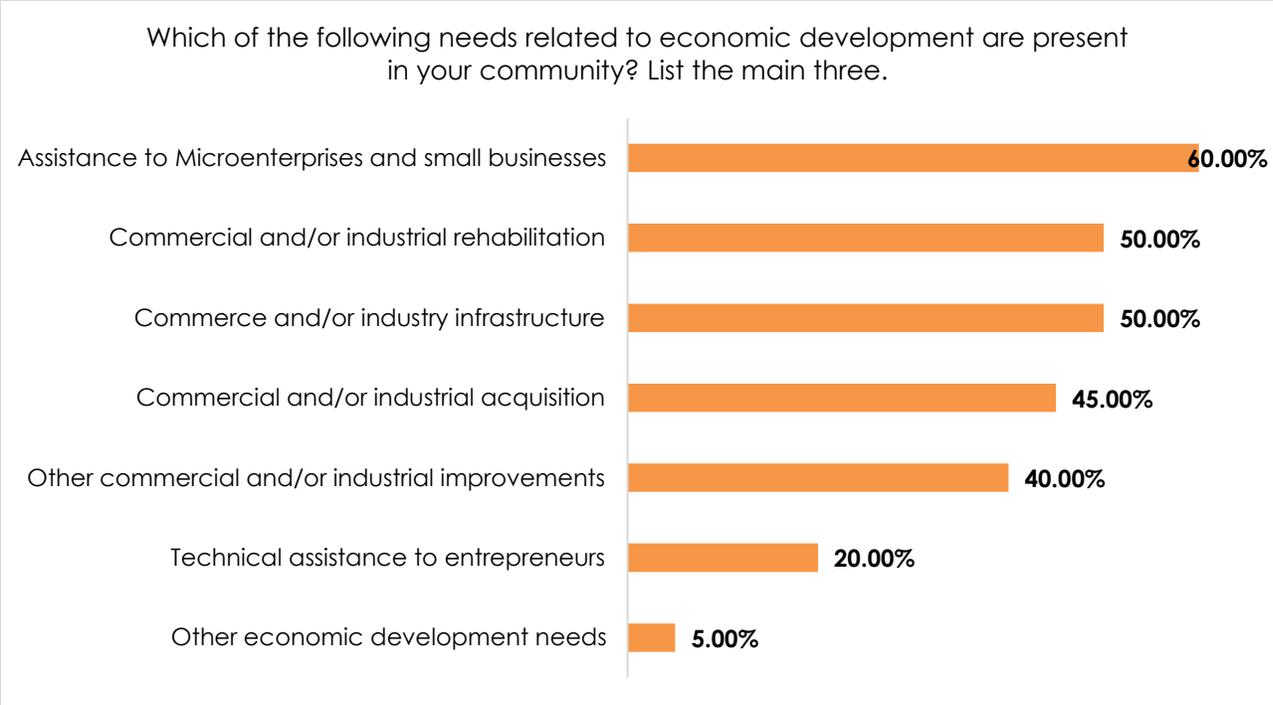


Which of the following public service needs exist in your community? List the top three.



Additionally, three out of every five (60%) municipalities point out their need for preserving historic sites and four out of every five (80%) express the need for future rehab of community development structures. In relation to economic development needs that are present in the communities, three out of every five (60%) participants indicate assistance to micro-enterprises and small businesses, half (50%) of the respondents mentioned commercial and/or industrial rehab and commercial and/or industrial infrastructure, respectively.





Recommendations

Participants had the opportunity of providing ideas to address some housing and community development situations. Regarding the availability and access to adequate housing (for rental and for ownership) low- and moderate-income persons in their municipalities, recommendations include:

- affordable housing programs;
- housing cooperatives;
- rehab of existing housing;
- rent arrears payment programs;
- inclusive zoning for diverse types of housing;
- acquire land or use public land to develop housing;
- plan to reuse abandoned property;
- programs similar to NSP;
- mitigation for housing located in high-risk of natural disaster zones;
- apartments complex for the elderly;
- rehab unused schools for community housing low-cost rental housing projects;
- assistance for persons buying homes;
- construction of low-cost housing;
- incentivize housing owners to rent through programs such as Section 8;
- incentivize persons constructing their own homes;
- incentivize rental housing owners;
- provide property titles for land;
- assist families with housing titles or inheritance problems; and
- legislation to regulate rents.

In terms of the availability of environments suitable for living in terms of safety and health, among other aspects, the municipalities provided the following ideas:

- housing inspections, maintenance, and regulations for security and healthiness;
- incentives for improving housing security and healthiness;
- community education and awareness campaigns about secure practices;
- more security (better equipped police, preventive patrol);
- funding for municipalities to develop recycling and health programs in their communities;
- increase public services percentage for home auxiliaries;
- improve wards and housing;
- paving municipal roads;
- improve recreational areas;
- more surveillance for control access homes;
- developing profiles of housing candidates and having the power to remove him in a 48-hour period for behavior situations;
- fine persons for not complying with public housing regulations;
- develop Security Plans in the communities in coordination with municipal and state police;
- legislations to assure that abandoned properties are clean; and
- less bureaucratic processes to implement laws, regulations, and procedures.

Concerning the availability of economic development opportunities that benefit communities, particularly low- and moderate-income populations and homeless persons, the municipalities recommended the following:

- job and training programs;
- support for entrepreneurs;
- stimulate the creation of small enterprises and community businesses;
- development of business incubators and cooperatives;
- better commercial infrastructure in rural areas;
- develop affordable commerce for rural areas;
- funding for municipalities to acquire structures to develop small businesses;
- incentive programs for small merchants;
- funding to help pay the payroll for the first months of a business;
- job creation;
- training for citizens to be auto sufficient;
- promote microcredits and strengthen cooperatives;
- establish partnership with local enterprises to promote inclusive jobs;
- develop an abandoned properties project to have more facilities for business;
- more care centers for elderly;
- health center in different wards;
- transportation on weekends;
- make people feel safe;
- promote domestic tourism and incentivize small businesses in this area;
- identify investors to spend in the municipality;

- use closed schools to promote economic investment; and
- provide free courses opportunities and aids to support agriculture and small businesses for sewing.

Finally, some municipalities provided some additional comments:

- inclusion and equity approach for the actions and policies implemented;
- use intersectoral collaboration and citizen participation to promote collaboration of the public, private, non-profit and community sectors;
- use a sustainability and resiliency approach in all housing and community development initiatives;
- begin a conversation between Puerto Rico's mayors, the central government, and HUD to increase the allocation of CDBG funds to Puerto Rico;
- CDBG allocations have decreased in the last years for non-entitlement municipalities, which complicates the provision of services to citizens;
- carry out real needs assessments in different communities to be effective in the projects to offer;
- for many merchants it is very difficult to acquire spaces with excessive rents, many permits' requirements and expensive utilities;
- it is very important for citizens to have access to affordable housing.

STATE CONSOLIDATED ACTION PLAN 2024



ESG consultation with the Continuum(s) of Care Report

PLAN CONSOLIDADO



DE VIVIENDA Y DESARROLLO COMUNAL DEL
ESTADO Y PLAN DE ACCIÓN ANUAL

DEPARTAMENTO DE LA
FAMILIA



BACKGROUND

In accordance with the regulation at 24 CFR 91.110, 91.300(b); 91.315(l), states, in the consolidated planning process, must consult with Continuums of Care (CoCs) on a variety of topics, including how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies, and procedures for the operation and administration of the Homeless Management Information System (HMIS).

To comply with these provisions and continue strengthening the collaboration and coordination between the ESG Program and the two continuum of care systems in Puerto Rico (PR502 & PR503), the Puerto Rico Department of the Family conducted a consultation meeting which included a survey of the organizations that are part of both entities. The information was collected through a web-based questionnaire, which was completed by all CoC members participating in the consultation meeting. In addition, ESG Program staff was available to clarify doubts about the instrument.

The invitation to the consultation meeting was addressed to the presidents and executive directors of both CoCs. Appendix A of this document includes evidence of the letters to both CoCs. During the meeting, a brief background about the consultation requirements for the Consolidated Plan and the other

programs that are part of it (CDBG, HOME, HTF, and HOPWA) was provided. In terms of the ESG Program, the following aspects were presented:

- objectives,
- components and eligible populations,
- method of distribution,
- criteria for evaluating proposals, and
- performance measures.

Attachment B of this document includes evidence of the agenda and presentation provided during the meeting.

The participants of the meeting had the opportunity to verbally submit questions, comments, and recommendations. An additional period was provided for the CoC entities to submit their comments.

PARTICIPANTS

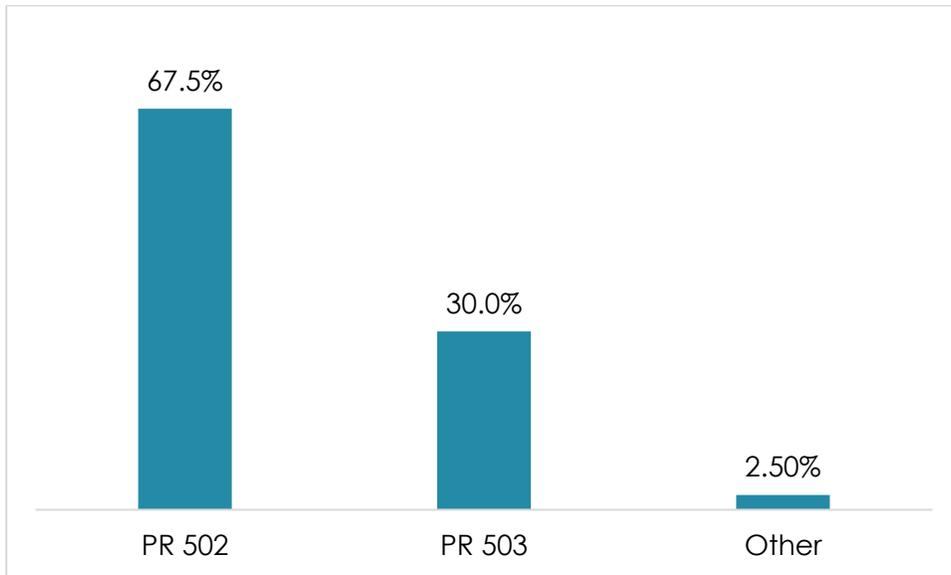
PARTICIPANTS OF THE SURVEY

A total of 41 organizations and municipalities belonging to the CoCs answered the survey. Of these, 40 indicated which CoC they are part of. Twenty-seven are entities that are part of CoC PR 502 (67.5%), 13 of PR 503 (30%) and 1 answered “Other”. On the other hand, twelve (12) of the participating persons represent municipalities, and twenty-six (26) represent non-profit organizations, and three (3) represent agencies from the Government of Puerto Rico.





Organizations and municipalities that participated in the consultation by CoC



Note: the base of this illustration is the 41 organizations, agencies and municipalities that participated in the survey.

PARTICIPANTS OF THE CONSULTATION MEETINGS AND ADDITIONAL OPPORTUNITY FOR WRITTEN COMMENTS

Regarding the consultation meeting, a total of 61 people participated, including the representatives of all consolidated planning agencies. In terms of the representatives of the CoCs, a total of 40 persons attended; 13 persons from the CoC PR 503, representing 11 nonprofit organizations and municipalities, and 27 from the CoC PR 502, representing 27 nonprofit organizations, agencies and municipalities. Appendix C of this document includes evidence of the attendance lists.

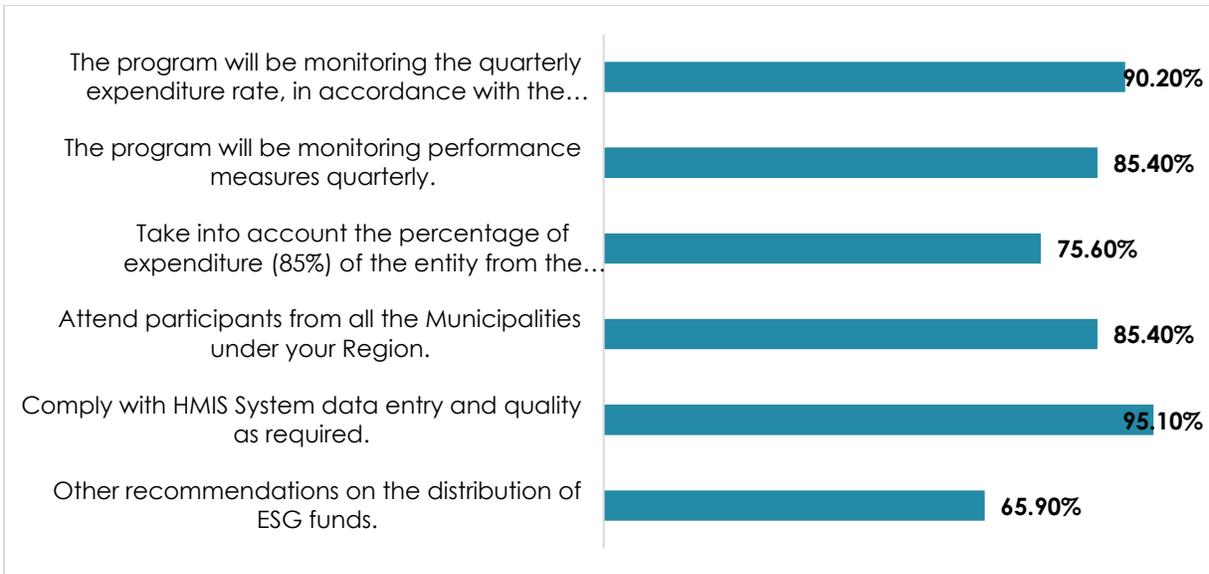
RESULTS OF THE CONSULTATION

SURVEY TO COC MEMBERS

The Puerto Rico Department of Family proposed in the Plan to use a two-year distribution method, wherein in the first year, the organizations and municipalities compete with their respective projects, and in the second year, the funds are distributed according to a series of performance criteria, the entity's compliance with the contract during the program year and the availability of funds from HUD.

As can be seen in the following graph, in general terms, most of the entities that participated in the survey agree with the threshold criteria for proposals and renewals proposed by the program.

Organizations, agencies and municipalities that agree with the threshold requirements for the renovation of contracts

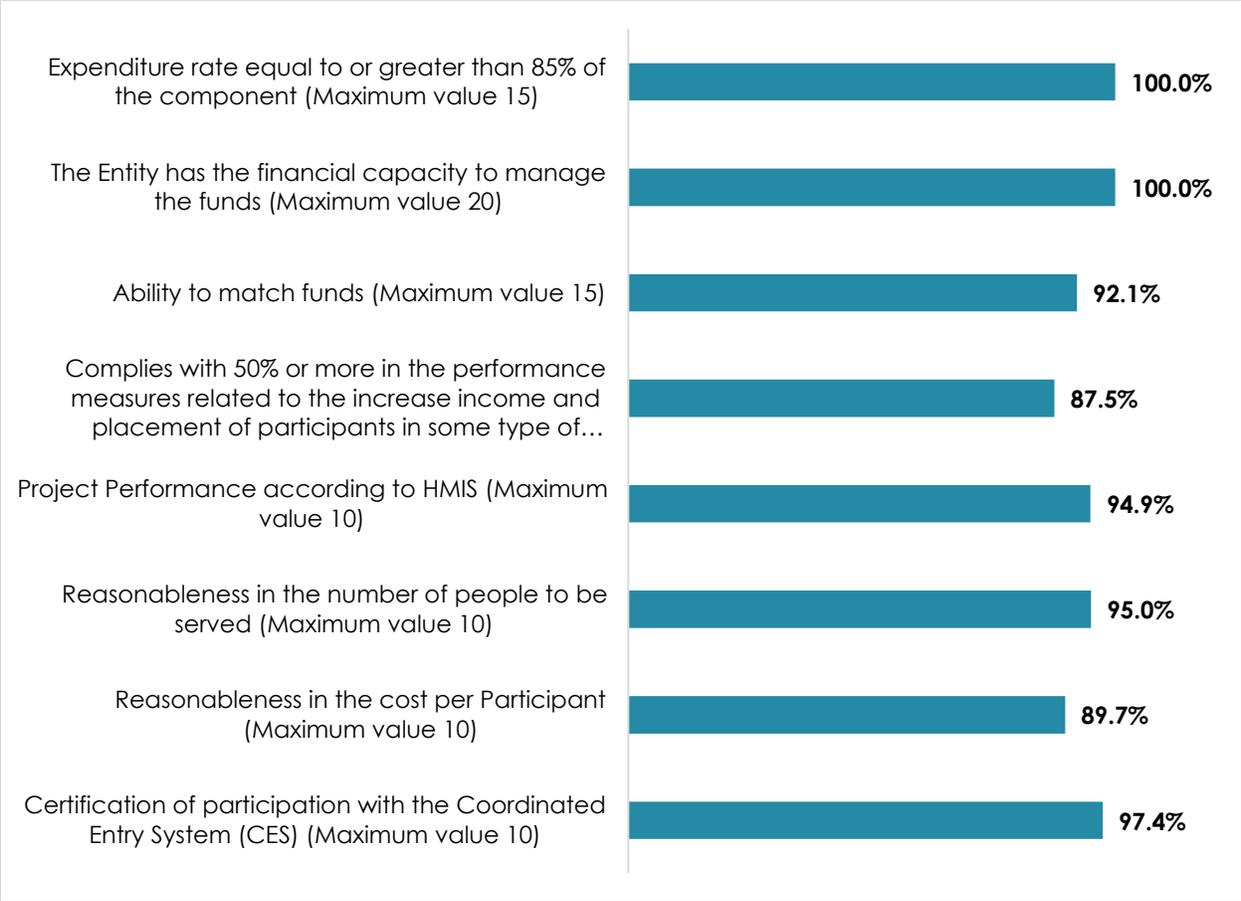


Note: The base of this illustration are the 41 organizations, agencies and municipalities that participated in the survey.

Regarding the specific performance measures that the ESG Program recommends using and their relative weight in the determination to award renewal of a proposal, most participants agree with the criteria and weight implemented. In that instance, all entities (100%) agree with the expenditure rate equal or greater to 85% of the component and financial. Other criteria and their weight that most of the entities agree with are: certification of participation with the Coordinated Entry System (CES) (97.4%), reasonableness in the number of people to be served (95.0%), project performance according to HMIS (94.9%), and ability to match funds (92.1%). Similarly, most entities agree with the criteria and weight for reasonableness in the cost per participant (89.7%) and complies with 50% or more in the performance measures related to the increase income and placement of participants in some type of housing (87.5%).

Some entities provided their recommendations and general comments regarding the evaluation criteria and weight with which they do not agree. In terms of matching funds, the recommendation is lower the match percentage to 30% or lower because it is very challenging for organizations to raise the funds to match. About the reasonableness of cost per participant it is expressed that this varies depending on different factors (such as mental health, problematic drug use, physical health, aging, and lack of housing) and may affect the placement and care of a person. One entity recommended to maintain HMIS numbers up-to-date.

Organizations, agencies and municipalities that agree with the performance criteria established and their relative weight

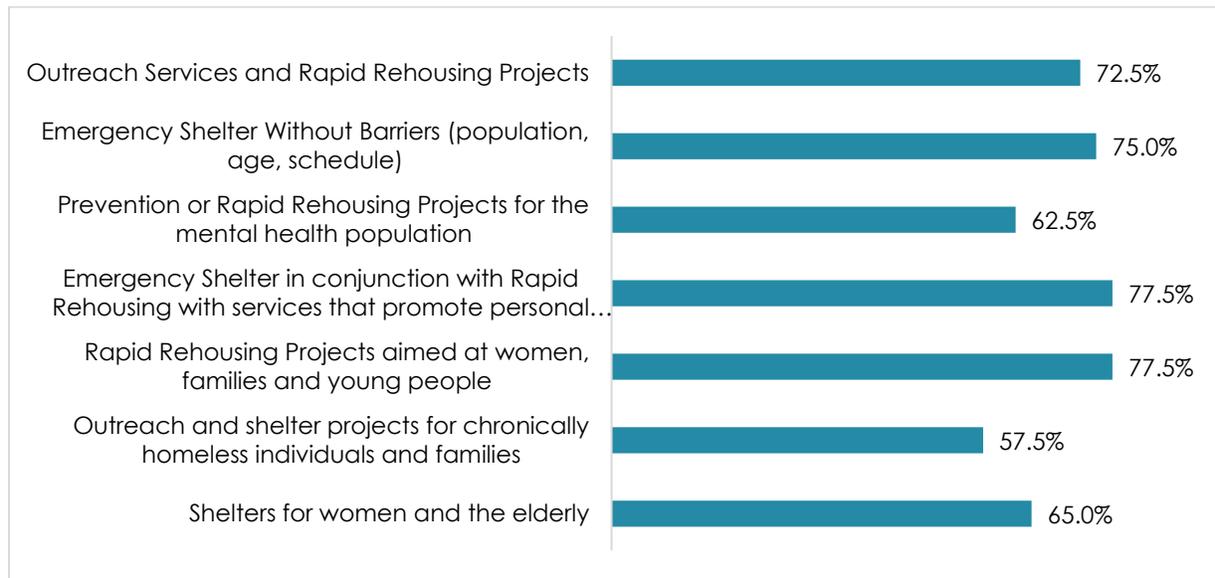


Note: The base of this illustration is the 41 organizations and municipalities that participated in the survey.

With respect to the priorities of components and populations proposed by the Puerto Rico Department of the Family, a majority of the entities agree with the priorities of components proposed, as illustrated in the following graph. Around four out of every five (77.5%) participants consider the priority should be in the implementation of emergency shelters in conjunction with rapid re-housing with services that promote personal and economic self-sufficiency, and rapid rehousing projects aimed at women, families and young people. Also, three out of every four (75.0%) entities point to Emergency Shelter Without Barriers

(population, age, schedule) as a priority and 72.5% mentioned outreach services and rapid rehousing projects.

Organizations, agencies and municipalities that agree with the areas of priorities proposed by the PR Department of Family



Note: The base of this illustration is the 41 organizations, agencies and municipalities that participated in the survey.

In addition, the participants made recommendations on which ESG activities should be prioritized, including the following:

- Emergency shelter
- Rapid rehousing
- Outreach
- Prevention
- Housing

- Shelter for women and elderly people
- Case management
- Supporting services (health, education, training, among others)
- Percentage of attention to the population within the expenditure rate presented
- Category 1 and 4 (persons that qualify under the homeless definition)
- Occupation
- All
- Emergency and permanent housing.

Other recommendations aimed at addressing the performance standards to be reported to the Department of the Family to measure the performance of ESG Program projects include:

- expenditure rate
- population served
- extend the first 25% for an additional month
- extend the 90-day period in shelter considering the lack of available housing units
- include the amount of time it takes to place a person in permanent housing
- consider the areas to be measured based on the current reality with health, education and housing gaps

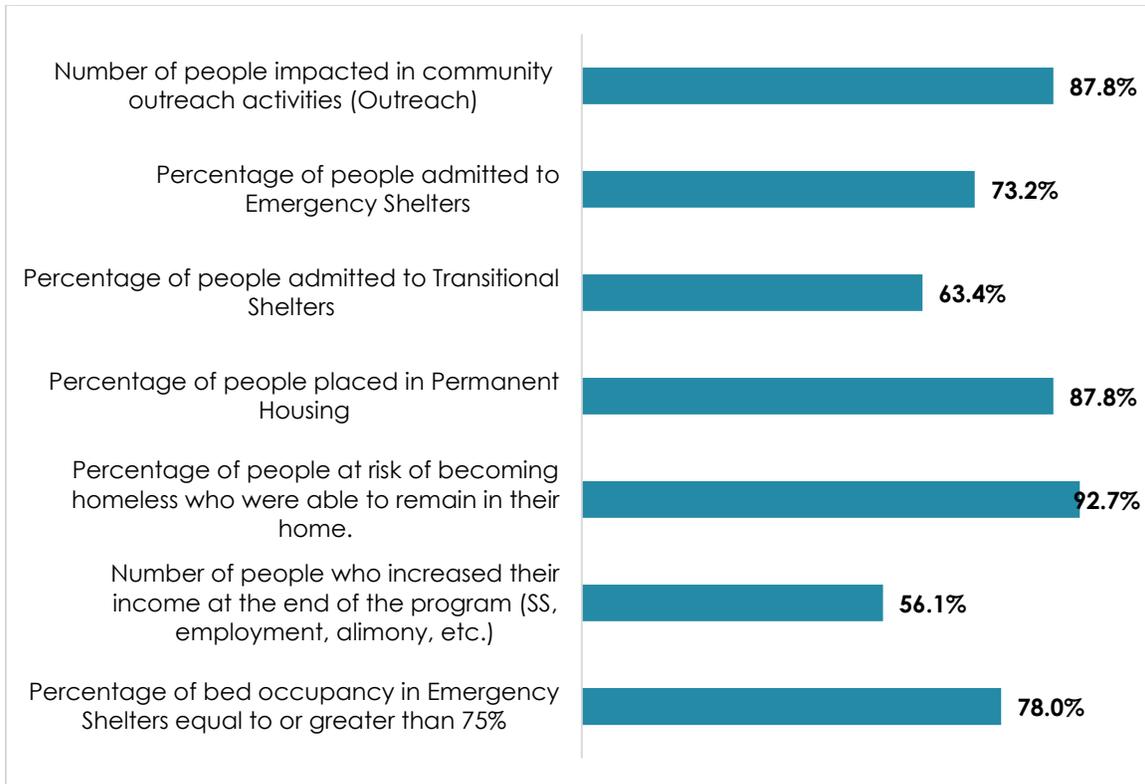
- to have a process of assistance and support to allow entities to comply with what is requested in monitoring
- entities' track record
- amount of homeless persons served according to the expenditure rate
- amount of time that participants are sheltered
- occupation and rehousing
- return to homelessness and how much time
- 20-25% of people served in outreach are place in housing
- allocated budget is on par with served participants
- evaluate the execution of outreach and shelters projects to determine the time on the street of the participants until they are placed in permanent housing
- continue working in compliance with quality and execution standards to get more homeless people into housing.

On the other hand, most survey participants indicated that the indicators considered as execution measures that were presented are very important. Nine out of every 10 (92.7%) participants selected the percentage of people at risk of becoming homeless who were able to remain in their home, and around nine out of every 10 (87.8%) mentioned number of people impacted in community outreach activities (Outreach) and percentage of people placed in Permanent

Housing, respectively. Other execution measures that participants understand should be reported by projects are:

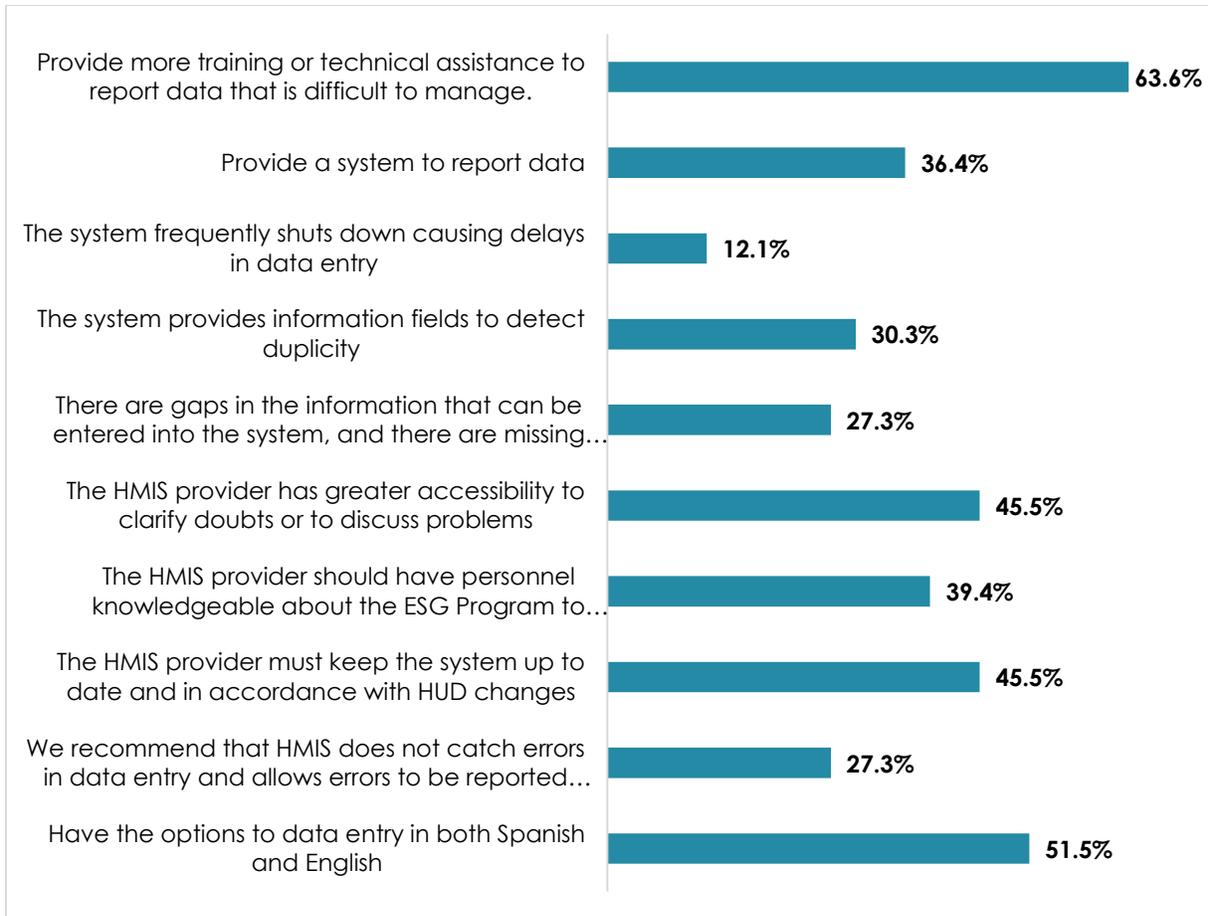
- increase the time for emergency shelters
- direct services in programs to achieve self-sufficiency
- housing placement period
- consider particular characteristics of populations
- individual achievements of participants
- cost-effectiveness of served participants compared to allocated funds
- amount of persons that do want to be placed in housing
- referrals from shelter to rapid rehousing
- referrals to courts
- income generated during and after being in the program
- not returning to homelessness
- length of stay
- outreach cases to be closed in 90 days if they are not served
- participation homeless persons PIT count and active participation in the CoC
- open cases in HMIS for over 90 days after the assistance ended.

Organizations, agencies and municipalities that considered very important the indicators for evaluating proposals by the PR Department of Family



When asked which databases domestic violence survivor service providers use in their area, most participants mentioned the HMIS. They also indicated others such as an internal database of the organization, CES, Client Track – DV (and Client Track – comparable database), and Conexión Boricua. Regarding recommendations and comments for HMIS, three out of every five (63.6%) participants propose to provide more training or technical assistance to report data that is difficult to manage. More than half (51.5%) persons indicate that there should be the option to data entry in both Spanish and English.

Organizations, agencies and municipalities that have a recommendation for the HMIS provider according to options included by the PR Department of Family



Note: The base of this illustration is the 33 organizations, agencies and municipalities that answer this question in the survey.

Other recommendations include:

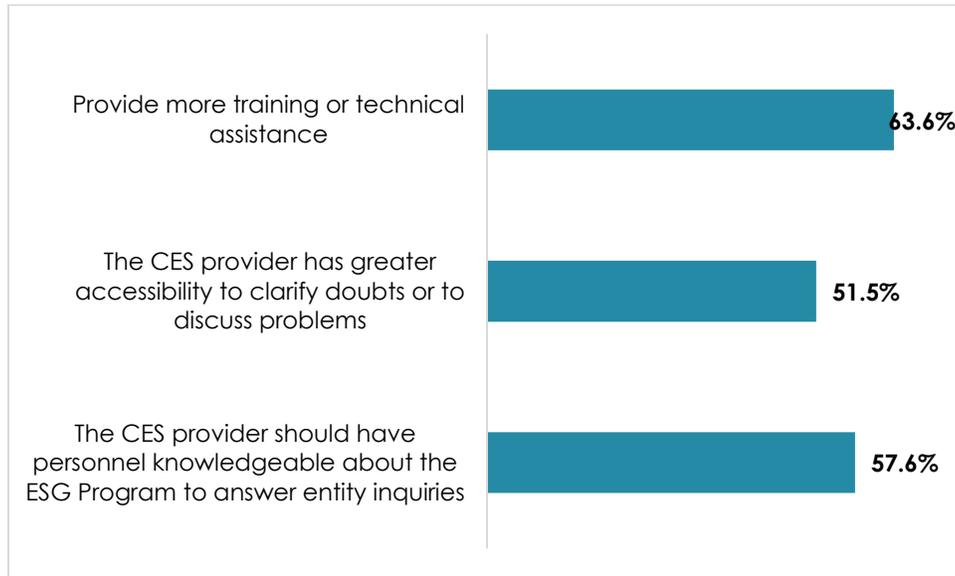
- That ESG inform HMIS of current contracts and proposals to ensure compliance in the inventory;
- Better monitoring of timeliness and data quality of ESG projects;
- At the moment we have problems with issuance and access of referrals and reports;
- The license cost does not allow greater aid to be extended to entities;

- Records in the HMIS system need to be kept open for more than 90 days until the participant leaves the unit;
- To be available in Spanish and English;
- It is recommended to include practice sessions in training.

On the other hand, concerning the CES, three out of every five (63.6%) participants indicate that the CES should provide more training and technical assistance, and around six out of every 10 (57.6%) express that the CES provider should have personnel knowledgeable about the ESG Program to answer entity inquiries. Regarding the frequency of the entities referring cases to the CES, three out of every 10 (28.1%) entities make less than five referrals per month, half (50.0%) make between five to 10 referrals per month, and one out of every five (21.9%) make between 11 to 20 referrals monthly. In terms of the monthly number of referrals from the CES, two out of every five (42.4%) entities receive less than five referrals, almost half (45.5%) of the entities receive from five to 10 referrals, and one out of every 10 (12.1%) receive 11 to 20 referrals per month. About the CES response to the referrals made by the entities, two out of every three (64.7%) entities state that it is excellent. Concerning the CES working hours for the cases referrals, one out of every four (23.5%) entities express that it does not work for them. These entities indicate that the CES should have a 24/7 available line or extended hours after 4 PM and weekends. Some entities have experienced difficulties in receiving referrals from the CES, including the need for the CES to

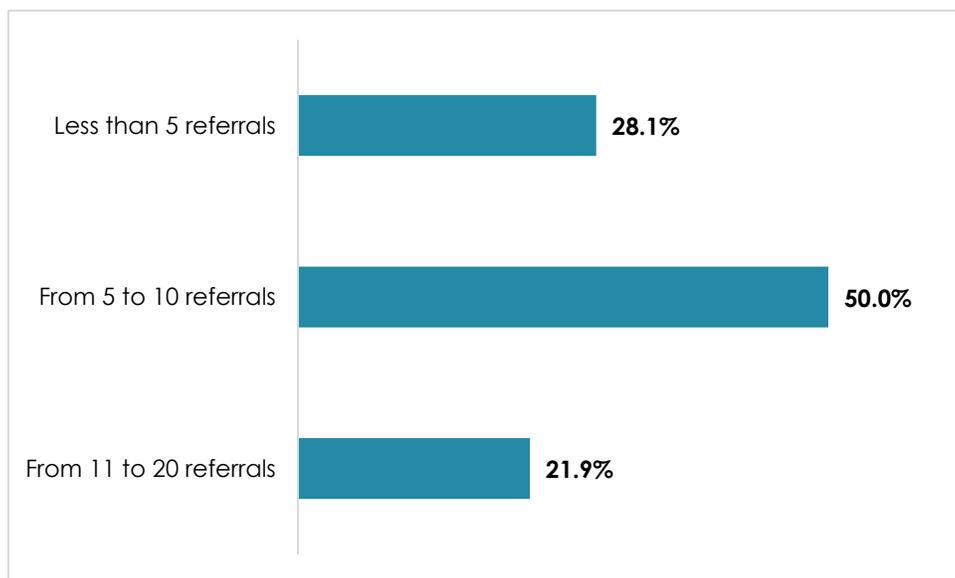
have better knowledge of the population that each project serves, the need of fast placement, limited information and that they only work the day shift.

Organizations, agencies and municipalities that have a recommendation for the CES provider according to options included by the PR Department of Family



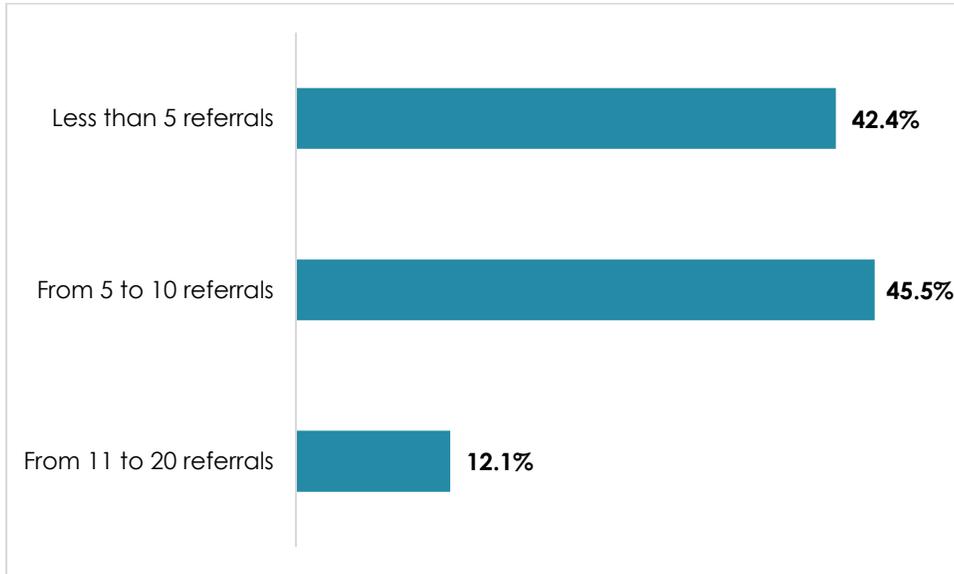
Note: The base of this illustration is the 33 organizations, agencies and municipalities that answer this question in the survey.

Monthly referrals to the CES make by organizations, agencies and municipalities



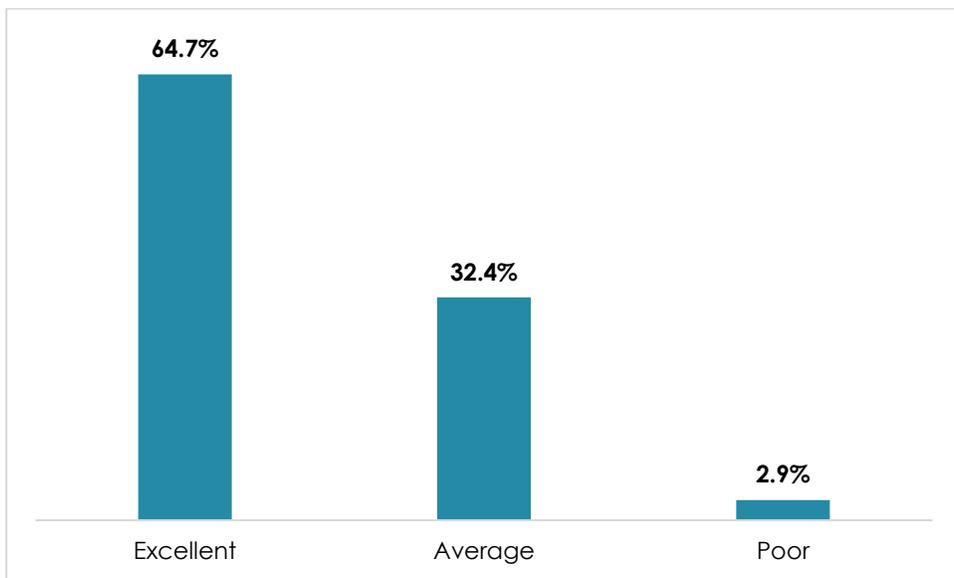
Note: The base of this illustration is the 32 organizations, agencies and municipalities that answer this question in the survey.

Monthly referrals received from the CES by organizations, agencies and municipalities



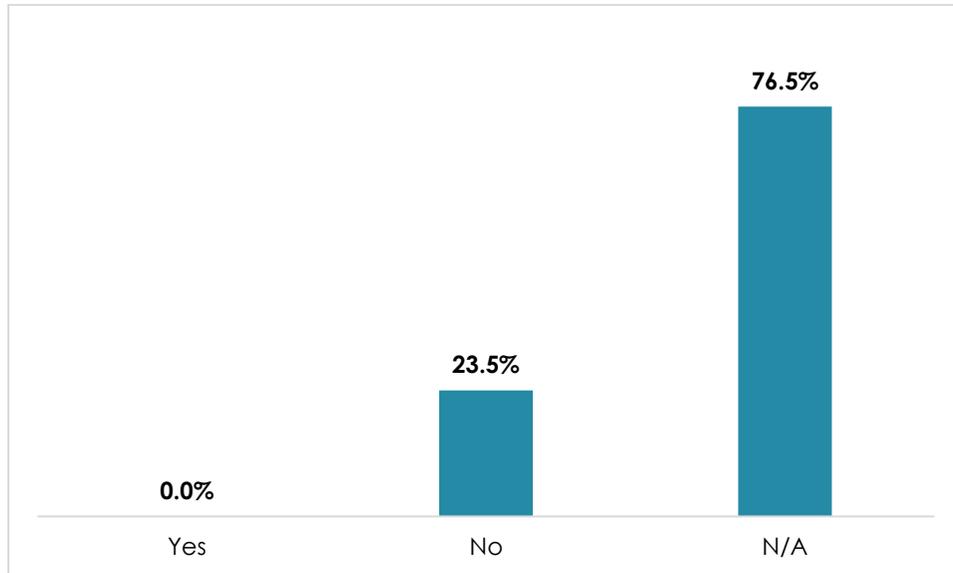
Note: The base of this illustration is the 33 organizations, agencies and municipalities that answer this question in the survey.

Evaluation of the CES response to referrals make by organizations, agencies and municipalities



Note: The base of this illustration is the 34 organizations, agencies and municipalities that answer this question in the survey.

Organizations, agencies and municipalities opinion about if the CES work hours for case referral



Note: The base of this illustration is the 34 organizations, agencies and municipalities that answer this question in the survey.

CONSULTATION MEETINGS

In relation to the consultation meeting, a total of 23 people submitted comments through the annotation sheet provided by the ESG Program or verbally. In addition, written comments were received via email from the CoC PR 503. The following tables contain a summary of all the comments and recommendations provided during the sessions, organized into four categories: Performance Standards, Distribution of Funds, HMIS Policies and Procedures, and Other. It also includes the response of the ESG Program or how the program would address it in the action plan, as applicable.

	Performance Standards	ESG State Program response
1.	There is a need to extend the 90-day period participants can stay in an emergency shelter because of the lack of affordable housing.	It is recognized that the time established by the program regarding the stay of participants in emergency shelters is for 90 days. This can be considered to expand the margin due to the lack of affordable housing in PR.
2.	A request is made to lower the percentage required to match funds.	Matching ESG funds dollar for dollar is part of the federal regulations.
3.	The monitoring and follow-up processes for the program are important, but entities need assistance and support to meet the requirements.	The ESG Program offers training and technical assistance every Thursday on different compliance topics including Use and Management of Funds, Compliance with the Contract, Compliance with 2 CFR Part 200, Eligible Expenses by Components, among others.
5.	A request is made for the Coordinated System work schedule to be 24/7 or that it be considered to have on call lines for 7 days for referrals.	It is important to mention that the entities must also be available 24/7 to fulfill the barrier-free access of the participants.
6.	Update the ESG written standards and make sure that they are aligned with the CoC written standards.	ESG State Program written standards were recently revised. In the future, ESG written standards can be further evaluated to be aligned with both the CoC PR-502 and CoC PR-503 written standards as long as they are in compliance with ESG regulations.
7.	For the shelter component, performance must be measured by how effective and diligent you are in placing persons in permanent housing.	Placing persons in permanent housing will be one of the performance criteria for evaluating emergency shelters.

	Performance Standards	ESG State Program response
8.	<p>Outreach measures must show if at least 20% of the people served are placed in housing in 90 days. Consider statistics at the national level.</p> <p>Service has to be given directly on the street. Occupancy in shelters remains very low with people on the street and beds available in shelters. Housing first is difficult to implement. The monitoring of these services should be reinforced more.</p> <p>It is essential to use different outreach strategies to address young people needs.</p>	<p>Outreach services are part of the aspects monitored by the Program.</p> <p>The program will continue to provide education and technical assistance to projects to strengthen outreach efforts.</p>
13.	<p>Non-congregated shelters are affected because of the shortage of permanent housing. Analyze that these 90 days are not enough and affects compliance.</p>	<p>It is recognized that the time established by the program regarding the stay of participants in emergency shelters is for 90 days. This can be considered to expand the margin due to the lack of affordable housing in PR.</p>
14.	<p>That the 90-day thing is evaluated in the metrics is affecting entities. It should be removed as a metric for the evaluations.</p>	<p>It is recognized that the time established by the program regarding the stay of participants in emergency shelters is for 90 days. This can be considered to expand the margin due to the lack of affordable housing in PR.</p>

	Distribution of funds	ESG State Program response
1.	<p>Implement a mechanism for geographic distribution of funds determine through strategic planning for the population to be served.</p>	<p>For the 2024 proposal, the ESG State Program will award a bonus to the 15 municipalities with the greatest incidence of homeless persons in Puerto Rico according to the last PIT count.</p>
2.	<p>Consider for the distribution of funds, the need in terms of the</p>	

	Distribution of funds	ESG State Program response
	concentration of persons by geographic area	
3.	Redirect ESG efforts to prevent and eradicate homelessness, emphasizing prevention and diversion activities.	The percentage of funds for the Prevention component will be increase from 14% to 18% and RRH reduce from 16% to 12%.
4.	Strengthen communication and collaboration between the CoC PR-503 and ESG State, especially for the investment of emergency services funds in the CoC PR-503 geographic area.	The ESG State Program executive director has a seat in both CoC PR-502 and CoC PR-503. Collaboration and communication with the CoCs will continue to be a priority. All these aspects can be discussed and coordinated in the CoCs . It is important that the management staff of the ESG Program be warned of the plenary meetings so that there is participation in the program.

	HMIS Policies and Procedures	ESG State Program response
1.	Develop policies and procedures in coordination with the CoC PR-503 to ensure that subrecipients of ESG funds fully comply with the data entry requirements of the HMIS (Homeless Management Information System) and the policies established in the Procedures Manual of the CoC PR-503.	The ESG Program seeks to continue receiving feedback and recommendations of CoC for the development and strengthening of policies and procedures and will promote further training regarding HMIS and CES.
2.	Coordinate with CoC PR-503 to design strategies to improve data quality and timeliness in projects funded with ESG funds.	
3.	There is a request for more training about the HMIS and the CES.	

	Other	ESG State Program response
1.	Promote crisis housing projects that are flexible and adaptable to the needs of all subpopulations (youth, women (who are not	Women and youth, among other subpopulations were included in the action plan as priorities subpopulations, in

	Other	ESG State Program response
	fleeing violence), families with children, LGBTTQI+, among others).	order to promote projects that are flexible and adaptable to their needs.
2.	Consider within the consolidated planning process the availability of other sources of funds that can be used to ensure the sustainability of ESG-CV funded shelters.	ESG-CV funds are a special allocation and are not recurring. ESG funds, in general, should be seen as a complimentary source of funding not a supplementary fund. In the particular case of ESG regular allocation, the state will be allocating the maximum amount allowed by the regulation for operational costs of shelters.
3.	Have RRH units in a project based mode that serve as crisis or bridge housing, so that individuals or families facing a housing crisis could go directly to permanent housing without the need to identify a unit.	RRH is an eligible activity that has been implemented by the state as part of the ESG Program. It is important to mention, however, that there are differences in terms of how the activity is implemented under ESG and under CoC in which is considered a permanent housing alternative.
4.	Stipulate in the Action Plan that at least part of the funds will be disbursed in advance to the organizations that do not have the capital to finance the proposals until the Puerto Rico Department of the Family (PRDF) reimburses them (which is a process that usually takes too long).	The ESG State Program has already implemented the advance payment for ESG regular funds. Information will be clarified in the Action Plan.
5.	Accelerate PRDF's contracting processes with municipalities and organizations to improve timely project execution.	The PRDF Program has made arrangements and contracting processes with ESG State Program subrecipients is reasonably diligent.
6.	Standardize and report on the competition processes for ESG funds so entities can be properly informed to participate.	For the 2024 proposal, the ESG State Program will publish a NOFO with all the instructions and documentation required for the submission of the proposals. The NOFO will take into consideration the recommendations provided during this consultation.
7.	Monitor compliance with performance measures and include technical assistance (TA) and individualized improvement plans. Provide TA to low-performing organizations in coordination with the CoCs.	The ESG State Program is always available to coordinate with the CoCs for all necessary TA sessions. The program has also implemented capacity building initiatives such as "ESG te Orienta", consisting of webinar regarding program, requirements and regulations.
8.	To guarantee compliance with federal regulations regarding the required collaboration and coordination between CoCs and ESG recipients, it is suggested that PRDF, as the ESG State recipient, and the	The ESG State Program executive director has a seat in both CoC PR-502 and CoC PR-503. Collaboration and communication with the CoCs will continue to be a

	Other	ESG State Program response
	CoCs enter into a collaboration agreement or MOU that covers essential aspects including, but not limited to, performance, CES, HMIS, minimum standards, planning, reporting, and Housing First approach.	priority. All these aspects can be discussed and coordinated in the CoCs meetings.
9.	Approve proposals that comply with the best practices and the necessary elements to provide a quality service and be successful. Update the minimum service standards by component (aligned with those of the CoCs) and implement them. Review policies and procedures to ensure they do not add requirements beyond those required by regulations.	The ESG State Program always evaluates proposals based on criterion to promote best practices and quality services. All standards, policies, and procedures are aligned with applicable federal, state, and local regulations.

