

# GOVERNMENT OF PUERTO RICO

## STATE CONSOLIDATED ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

### 2021 ACTION PLAN

FINAL

May 11, 2021



#### PLAN CONSOLIDADO



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



Annual Action Plan  
2021

## **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 2021 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 2021 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 to act 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, although the PR Health Department is the grantee, the Municipality of San Juan acts as the program administrator in accordance to 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 in the needs identified as part of the consolidated planning processes and the Government of Puerto Rico public policies on housing and community development.

## **2. Summarize the objectives and outcomes identified in the Plan**

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic 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 persons living with HIV.
- 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
- 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.

The specific goals and other summary information is presented in the Appendix.

### **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 2019, the fifth and last year of the Puerto Rico State 2015-2019 Housing and Community Consolidated Plan. During Program Year 2019, 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.

Even with the challenges faced by Puerto Rico in the social and economic context, the State has made progress in meeting its 2019 goals and objectives and is moving forward the 5-year goals.

The summary of each program performance during program year 2019 is included as an Appendix.

### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The State Citizen Participation Plan provides a framework and process by which the PR-State consolidated planning efforts comply with the citizen participation requirements in the regulations. It is the policy of the PRDOH to effectively incorporate meaningful citizen participation and consultation processes into the Consolidated Plan analysis and strategic decision-making processes. This action ensures adequate citizen involvement in the planning, implementation and evaluation of its housing and community development programs with a special emphasis on the participation of low- and moderate-income persons, Local and State government agencies and community organizations. As a result of this policy towards encouraging and facilitating a wide-range participation of residents and stakeholders in the development of all HUD required consolidated planning documents, the PRDOH develops the Five-Year Consolidated Plan, Annual Action Plans, Substantial Amendments, and the Consolidated Annual Performance and Evaluation Report (CAPER). The primary purpose of the participation processes is the



identification of needs, allocation of funding, and program recommendations related to the consolidated planning process.

### **Citizen Participation Actions**

The following citizen participation actions were taken as part of the 2021 Annual Action planning process:

**Telematic Public Hearing Notice:** As required by the regulations the State held a public hearing as part of the Citizen Participation process of the PY 2021 Annual Action Plan. The public hearing notification was published in *El Vocero* newspaper on the edition of Wednesday February 17, 2021. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2021 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 and was disseminated through email blasts to the subrecipients and other interest parties. This expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

The meeting was held on Friday, March 5, 2021, 9:00 a.m. through the Microsoft Teams platform.

State Agencies officials (CDBG, HOME, ESG, HOPWA, HTF) made a presentation of the Planning process and each program. The presentation included a description of: objectives; content of the Plan, the consolidated planning process; identification of needs; proposed strategies and method of distribution and the opportunities for citizens and other stakeholders to comment. Attendees could present proposals and comments about the needs of their communities and how can they be addressed in the plan, as well as recommendations on the strategies and methods of distribution of funds that were presented. Information gathered at the public hearing, was analyzed and a summary of the comments and the state's response is included as an appendix.

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

**Public Comment Period:** The draft plan was made public on April 9th, 2021. Citizens and interested parties had 30 calendar days from the day of the publication to submit written comments. The draft plan was made available at PRDOH web page for the review. Due to the emergency and the security measures that must be taken in the context of COVID-19, persons having difficulty accessing the Plan through the Internet should have had a telephone number available to coordinate an alternative method.

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

A total of two comments were received during the public hearings A table of the summary of public comments received during the public hearing is available in section PR-15. No comments were received after the publication of the draft.

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

No comments from the public hearing were rejected.

## **7. Summary**

The PY 2021 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 overall goal of the State 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. 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 2021 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 in conjunction with three (3) State agencies, responsible of 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, although the Health Department is the State HOPWA grantee, the Municipality of San Juan acts as the program administrator in accordance to 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 2021 were available from the date of its publication on April 9, 2021, for review and submitting comments in the Internet at <https://www.vivienda.pr.gov/cdbg-estado>. Due to the safety measures required in the context of COVID-19, 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

[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

***Questions regarding consolidated planning may be addressed to:***

Ms. Aida Gracia

Special Aide to the Secretary

[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

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

### **1. Introduction**

The Puerto Rico Annual Action Plan 2021 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, 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 achieve 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.

As well, the administrators of other Programs such as HOPWA's director and the ESG Director participate in different multisectoral committees and groups (ex. CoCs, HIV and STDs Public Policy Multisectorial Committee, HIV Integrated Planning Housing Committee), which provide for the coordination with of stakeholders.

This document represents a collective effort from a comprehensive array of State and private organizations. Coordination with all stakeholders was achieved during the two public hearings 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 the Family actively participates in the CoCs and is the Collaborative Agency of the CoC 502. Currently, the Director of ESG Program is represented in both CoCs and is part of the Board of Directors, which facilitates the integration of ESG into the CoC planning processes. Meetings with both CoCs are held regularly. They continue collaborating to maintain veterans functional at zero to prevent and eradicate the situation of veterans, youth and chronic homeless. Similarly, the Department is actively participating of the coordinated entry system committee where different strategies are developed to prevent and eradicate the situation of homeless youth and families with children, as well as families and youth at risk of homelessness. To assure integration and participation of ESG's subrecipients, organizations and municipalities will continue requiring participating in CoC's subcommittees of their area and participating of the coordinated entry system.

As part of the consolidated planning process strategies are defined with the objective of addressing 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

As part of the FY 2020 competition, Puerto Rico received a total of \$20,751,657 in Continuum of **Care** allocated funds for both CoCs. With this funding the homeless strategy will be able to promote community wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effective utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness. As well, in the context of the COVID-19 pandemic and the funding that will be available through ESG, the PRDF sustained meetings with the Directors of both CoCs in order to identify needs and develop the CARES Act amendments.

**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**

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

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	PR Department of Housing
	<b>Agency/Group/Organization Type</b>	Housing PHA 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 Service-Fair Housing Services - Victims Health Agency Child Welfare Agency Other government - State Other government - Local Business Leaders Civic Leaders Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis Lead-based Paint Strategy



	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The agency is part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
2	<b>Agency/Group/Organization</b>	PR Department of the Family
	<b>Agency/Group/Organization Type</b>	Housing PHA 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 Service-Fair Housing Services - Victims Child Welfare Agency Other government - State Other government - Local Business and Civic Leaders

	<b>What section of the Plan was addressed by Consultation?</b>	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
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	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.
3	<b>Agency/Group/Organization</b>	PR Department of Health
	<b>Agency/Group/Organization Type</b>	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

	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment HOPWA Strategy Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	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	<b>Agency/Group/Organization</b>	MUNICIPALITY OF SAN JUAN
	<b>Agency/Group/Organization Type</b>	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
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	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	<b>Agency/Group/Organization</b>	Puerto Rico Housing Finance Authority (PRHFA)
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Other government - State Other government - Local Business and Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	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	<b>Agency/Group/Organization</b>	FEMA
	<b>Agency/Group/Organization Type</b>	Agency - Emergency Management Other government - Federal
	<b>What section of the Plan was addressed by Consultation?</b>	Emergency management
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
7	<b>Agency/Group/Organization</b>	Environmental Protection Agency
	<b>Agency/Group/Organization Type</b>	Other government - Federal
	<b>What section of the Plan was addressed by Consultation?</b>	Environmental protection

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
8	<b>Agency/Group/Organization</b>	US Fish & wildlife Services
	<b>Agency/Group/Organization Type</b>	Other government - Federal
	<b>What section of the Plan was addressed by Consultation?</b>	Ecological services
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
9	<b>Agency/Group/Organization</b>	US Army Corps of Engineers
	<b>Agency/Group/Organization Type</b>	Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
10	<b>Agency/Group/Organization</b>	Departamento de Recursos Naturales y Ambientales
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
11	<b>Agency/Group/Organization</b>	Junta de Calidad Ambiental
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
12	<b>Agency/Group/Organization</b>	Oficina de Gerencia de Permisos
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
13	<b>Agency/Group/Organization</b>	NEGOCIADO DE MANEJO DE EMERGENCIAS Y ADMINISTRACION DE DESASTRES
	<b>Agency/Group/Organization Type</b>	Agency - Emergency Management Other government - Federal
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
14	<b>Agency/Group/Organization</b>	Junta de Planificaci3n
	<b>Agency/Group/Organization Type</b>	Other government - State Planning organization
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
15	<b>Agency/Group/Organization</b>	Asociaci3n de Constructores de PR
	<b>Agency/Group/Organization Type</b>	Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.

16	<b>Agency/Group/Organization</b>	Internet Society of Puerto Rico
	<b>Agency/Group/Organization Type</b>	Services - Narrowing the Digital Divide
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
17	<b>Agency/Group/Organization</b>	CLARO DE PUERTO RICO
	<b>Agency/Group/Organization Type</b>	Services - Broadband Internet Service Providers
	<b>What section of the Plan was addressed by Consultation?</b>	Market Analysis Economic Development Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
18	<b>Agency/Group/Organization</b>	LIBERTY PUERTO RICO
	<b>Agency/Group/Organization Type</b>	Services - Broadband Internet Service Providers
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Market Analysis Economic Development Infrastructure



	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
19	<b>Agency/Group/Organization</b>	Optico fiber by Critical Hub Networks
	<b>Agency/Group/Organization Type</b>	Services - Broadband Internet Service Providers
	<b>What section of the Plan was addressed by Consultation?</b>	Market Analysis Economic Development Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.
20	<b>Agency/Group/Organization</b>	Administracion de Vivienda Publica
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation was made via written communication. The interagency consolidated planning committee expects to continue to strengthen collaboration with this agency to enhance the use of housing and community development funds.

### 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?
Continuum of Care	CoC 502, Balance of State	The goals of the CoC 502 Strategic Plan are focused on addressing homelessness, especially the need of placing in permanent housing unsheltered chronic homeless persons. The population of persons with a chronic homeless problem is one of the priorities for the effects of ESG.
Puerto Rico State Housing Plan	PR Department of Housing	The Consolidated Plan was prepared and developed in accordance with the principles included in the Puerto Rico State Public Policy established by the Office of the Governor.
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.
Puerto Rico CARES Act Strategic Plan	PR Department of the Treasury	CPD Programs and the flexibilities for their implementation incorporated in the framework of the CARES Act, provide a complementary source of funding to help address the needs and impacts of COVID-19.

**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 2021 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:** a stakeholder database containing all contact information of nonprofit organizations, municipalities, and other interested parties and groups was used. This information was used to generate a direct invitation by email for the parties to actively participate in the public hearings and planning process, including agencies, units of local government and NPOs.

**Telematic Public Hearing Notice:** As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2021 Annual Action Plan. on the notification of the hearing was posted in *El Vocero* newspaper on the edition for Wednesday February 17, 2021. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2021 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.

The meeting was held on Friday, March 5, 2021, 9:00 a.m. through the Microsoft Teams platform.

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

A total of two comments were received during the 30-day comment period. A summary of the comments received are included in a summary table at the Appendix.

**Public Comment Period:** The draft plan was made public on April 9th, 2021. Citizens and interested parties had 30 calendar days from the day of the publication to submit written comments. The draft plan was made available at PRDOH web page for the review. Due to the emergency and the security measures that must be taken in the context of COVID-19, persons having difficulty accessing the Plan through the Internet should have had a telephone number available to coordinate an alternative method.

See Appendix for other opportunities for comments and public comment period.

### 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	Telematic Public Hearing	Units of local government, Public Agencies, NPOs, general population	99	1	N/A	<a href="http://www.vivienda.pr.gov">www.vivienda.pr.gov</a>
2	Internet Outreach	NPOs, Public Agencies, Municipalities, General Public	N/A	N/A	N/A	<a href="http://www.vivienda.pr.gov">www.vivienda.pr.gov</a>

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)
3	Newspaper Ad	Units of local government, Public Agencies, NPOs, general population	N/A	1	N/A	
4	E-mail blast	Units of local government and NPOs	N/A	N/A	N/A	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

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

#### Introduction

For the PY 2021, HUD allocated to the PR-State a total of \$46,191,815 among all CPD Programs. Specifically, the allocation by programs is: \$23,780,802 for the CDBG Program activities; \$13,372,676 for the HOME Program activities, \$2,284,366 for the HOPWA Program activities, \$3,551,419 for the ESG Program activities and \$3,202,552 for the Housing Trust Fund activities.

All funds were 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 2021 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$30,570,639.87
- HOME Previous Years EN and CR Resources (Available to commit)- \$34,601,177 (Net of 10% Adm.)
- HOPWA Previous Years – \$2,097,969
- ESG Previous years (Available to commit) - \$0.00
- HTF Previous Years- \$1,362,513 (Net of 10% Adm.)

### 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	23,780,802	475,000	30,570,640	54,826,442	70,306,614	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.



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	13,372,676	15,855	34,601,177	47,989,708	40,001,832	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 (funding for sale projects will be for CHDO's - set aside only). Also, funds will be used for acquisition of housing by homebuyers. Program Income available \$15,855.20 received to date 5/31/2021.

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	2,284,366	0	2,097,969	4,382,335	6,853,098	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	3,551,419	0	0	3,551,419	10,654,257	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	3,202,552	0	1,362,513	4,565,065	9,607,656	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.
Other	public - federal	Other	10,005,815,230	0	0	10,005,815,230	10,005,815,230	\$10,005,815,230 is the combined allocation, FOR UNMET NEEDS (PUB. L. 115-56 AND PUB. L. 115-123) expected to be available as part of the 4th amendment to the DR-2017 Action Plan.

**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 \$3,551,419 that will be received in ESG funds for the PY 2021, \$3,451,419 will be matched with cash and noncash contributions, in accordance to regulations in the 24 CFR 576.201. To meet this requirement, the Puerto Rico Department of Family requests subrecipients to include evidence of matching contributions as part of the application process. The subrecipients are required to match 100% of their ESG award.

However, in extreme cases, PRDF may also choose to exercise the right to use match forgivingness in the amount of only \$100,000 per grant year. This waiver may be provided to sub-recipients who have difficulty meeting their full match requirement only when providing disaster related services, shelter or housing. It will be at the discretion of PRDF to exercise this waiver and to identify the sub-recipients who may benefit from its execution.

For details of HOME, HTF and HOPWA programs got to Appendix.

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

The Puerto Rico Housing Finance owns multiple properties statewide. The abandoned properties are often perceived as a problem, but the State understands that they are an opportunity for redevelopment. The State will implement a strategy to restore the abandoned properties to productive use and to address the need of persons affected by Hurricane Maria. This will require a commitment from different governmental agencies its residents and its neighborhood organizations. The State is committed and will articulate a long-term vision for the community and lay out the strategies to achieve that vision.

Non-entitlement municipalities occasionally donate land or property in support of activities designed to address the needs identified in the plan as part of their contribution to locally administered programs.

**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
<b>1</b>	Provide Decent Housing	2020	2024	Homeless	Statewide	Housing Chronic Homeless Homelessness Prevention	ESG: \$2,716,835	Homeless Person Overnight Shelter: 2560 Persons Assisted
<b>2</b>	Provide Decent Housing (B)	2020	2024	Homeless	Statewide	Homelessness Prevention Create and preserve affordable rental housing	HOME: \$0 ESG: \$568,227	Tenant-based rental assistance / Rapid Rehousing: 2060 Households Assisted
<b>3</b>	Provide Decent Housing (C)	2020	2024	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA: \$2,284,366	HIV/AIDS Housing Operations: 400 Household Housing Unit Other: 420 Other
<b>4</b>	Create Suitable Living Environments	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Housing	CDBG: \$2,664,034	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: \$17,795,501	Other: 191400 Other
6	Provide Decent Housing (D)	2020	2024	Affordable Housing	CDBG- Non-entitlement communities Statewide	Housing Create and preserve affordable rental housing	CDBG: \$2,179,071 HOME: \$9,035,408	Homeowner Housing Added: 20 Household Housing Unit Homeowner Housing Rehabilitated: 15 Household Housing Unit
7	Expand Economic Opportunity	2020	2024	Economic Development	CDBG- Non-entitlement communities	Non-housing Community Development- Economic Dev	CDBG: \$128,772	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	Homeowner Housing Added: 120 Household Housing Unit
10	Provide Decent Housing (F)	2020	2024	Affordable Housing	Statewide	Create and preserve affordable rental housing	HOME: \$3,000,000 HTF: \$2,882,297	Other: 44 Other

Table 6 – Goals Summary

## Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	

2	Goal Name	Provide Decent Housing (B)
	Goal Description	60 Household Assisted are with TBRA.
3	Goal Name	Provide Decent Housing (C)
	Goal Description	
4	Goal Name	Create Suitable Living Enviroments
	Goal Description	
5	Goal Name	Create Suitable Living Enviroments (B)
	Goal Description	
6	Goal Name	Provide Decent Housing (D)
	Goal Description	15 Homeowner Housing Rehabilitated.
7	Goal Name	Expand Economic Opportunity
	Goal Description	
8	Goal Name	Emergency Relief
	Goal Description	
9	Goal Name	Provide Decent Housing (E)
	Goal Description	120 household Assisted with HOME Funds from previous years.

10	Goal Name	Provide Decent Housing (F)
	Goal Description	22 rental units constructed or rehabilitated with HOME Funds and 22 rental units constructed or rehabilitated with HTF Funds.

## 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 2021 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 2021, this equates to \$703,066.29. For the ESG program the Department of the Family will allocate \$248,599 for state administrative purposes, \$17,757 for subgrantees administration, and \$88,785 for HMIS.

The following table includes a description of the funding allocation priorities resulted 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	28	0	0	0	7	0	0	55	10	100

HOPWA	0	0	100	0	0	0	0	0	0	0	<b>100</b>
ESG	83	17	0	0	0	0	0	0	0	0	<b>100</b>
HTF	0	0	0	0	0	0	0	0	0	100	<b>100</b>
Other CDBG- DR	0	0	0	0	0	0	0	0	0	0	<b>0</b>

**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 will 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 the assessment of homelessness, conducted for the purpose of consolidated planning, and the results of the meetings held with CoCs and their organizations. The specific allocation of funds will prioritize the provision of services to address chronic homelessness and the needs identified in the homelessness assessment, particularly. Priority will be given to Emergency Shelters without restrictions and eligible to use their facilities as stabilization units (24 hour, 7 days a week entrance); Emergency Shelters without restrictions on population, age, and time; Emergency Shelter services; and the expansion of Street Outreach services. In the case of the Prevention and Rapid Re-Housing components, priority will be given to people with mental health conditions; projects addressing women's safety; and Shelter proposals that include the Rapid Re-Housing component. Other services that promote economic and personal self-sufficiency will also be prioritized based on the reasons for homelessness, and the current socioeconomic context.

## 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 2021.

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.

The full explanation of the Methods of Distribution to be used during this program year are included in the Appendix Section.

### Distribution Methods

**Table 8 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	CDBG
	<b>Funding Sources:</b>	CDBG

<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The State CDBG allocation for PY 2021 amounts to \$23,780,802. 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.</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 Law 137-2014, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities</p> <p>Administration \$75,447.45</p> <p>Public Service \$66,571.28</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$301,789.81</p> <p>TOTAL \$443,808.54</p> <p>Vieques and Culebra</p> <p>Administration \$86,764.54</p> <p>Public Service \$76,556.97</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$347,058.28</p> <p>TOTAL \$510,379.82</p> <p>PRDOH</p> <p>Planning and Administration \$713,423.90</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>
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	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017 and 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.</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>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p><b>Application Submission</b></p> <p>Application kits or Request for Proposals will be available 30 days from HUD’s approval of the Plan. The proposals and all its components and supporting documentation will be submitted physically on or before 45 days from the publication of the guidelines, no later than 4:30p.m. as registered by the system.</p> <p>Applications for the Emergency Fund may be submitted at any time during Program Year 2021 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</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"> <li>1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation).</li> <li>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.</li> <li>3. Reasonability of the budget.</li> <li>4. Inadequate or incomplete description of activities to be developed.</li> <li>5. Past performance of the non-entitled municipality (open findings).</li> <li>6. Timely expenditure of funds</li> </ol> <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 maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p>
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	<p>When preparing the proposal's budget municipalities must comply with the PRDoH policies and procedures on reasonability of administrative costs published on December, 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><b>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)</b></p>	<p>Not applicable- Please refer to ESG program.</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	<p>Not Applicable- See HOPWA Section.</p>
<b>Describe how resources will be allocated among funding categories.</b>	<p>The State CDBG allocation for PY 2021 amounts to \$23,7805,802 will be distributed among eligible categories of the program.</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>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>All applications for Program Year 2021 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> <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>

	<b>Describe threshold factors and grant size limits.</b>	Under Act 137 of 2014 (as amended) 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.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The expected outcomes measures are included on the appendix section.
<b>2</b>	<b>State Program Name:</b>	Emergency Solutions Grant Program
	<b>Funding Sources:</b>	ESG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Emergency Solutions Grant Program is administered by the Puerto Rico Department of the Family (PRDF). The PRDF uses a method of distribution of funds that consists of publishing a Request for Proposals the first year with a competitive evaluation for prospective subrecipients. For the second year, funds are distributed according to the level of performance of the subrecipients' projects and availability of HUD funds. On PY 2021, the PRDF will be receiving proposals from active, as well as new entities.</p> <p>If there are funds available during the Program Year as a result of the recapture process of surplus funds, they will be distributed according to the needs identified by the PRDF. The criteria for distribution will be notified by invitation.</p> <p>In case of a declared disaster, the PRDF reserves the right to implement the disaster recovery policy (see Appendix section).</p> <p>The ESG allocation for Program Year 2021 is \$ 3,551,419.00. Funding is intended to serve the seventy-eight (78) municipalities across the island within the 10 regions established by the PRDF. The regions established by the PRDF include Mayagüez, Aguadilla, Arecibo, Bayamón, San Juan, Carolina, Caguas, Humacao, Guayama, and Ponce. Non-profit organizations and municipalities that comply with the requirements and evaluation criteria established on this plan will be eligible to receive funds for the categories below.</p> <p>The following is the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> <li>• Outreach and Shelter    \$ 2,130,851.40 (60.0%)</li> <li>• Prevention                    \$ 497,198.65 (14.00%)</li> <li>• Rapid Re-Housing        \$ 568,227.04 (16.00%)</li> <li>• Data Collection (HMIS)    \$ 88,785.48 (2.5%)</li> <li>• Administration            \$ 266,356.43 (7.5%)</li> <li>• Total                            \$ 3,551,419.00 (100%)</li> </ul> <p>The Department of the Family may allocate indirect costs to eligible activities.</p>
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		<p>As described in the following sections, proposals will be evaluated according to the following criteria: (1) entities' performance and expenditure rate in order for proposals to be considered; (2) competitive criteria; and (3) time offering services to the homeless population (applicable to new entities).</p> <p>Proposals will be received by email on or before May 31, 2021. Because of the pandemic, an extension was provided.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>An Evaluation Committee will be appointed with the purpose of carrying out the process of awarding contracts. The Committee will evaluate proposals based on two sets of criteria: (1) strict compliance in order for proposals to be considered; and (2) competitive criteria to determine the amount to be received by the applicants.</p> <p><b>Eligibility Criteria</b></p> <ul style="list-style-type: none"> <li>• Complete the proposal in all its parts and submit the required documentation, as applicable.</li> <li>• Be a municipality or non-profit entity properly incorporated and in Good Standing, as applicable.</li> <li>• Have financial management systems that meet the minimum accounting standards.</li> <li>• Attend the virtual Proposal Application Orientation to be announced publicly during the first week of May 2021.</li> <li>• In the case of shelters, the municipal endorsement is required.</li> <li>• Have the Environmental Assessment, as applicable.</li> <li>• Availability of fund matching (dollar-for-dollar) and its sources.</li> <li>• Active participation in the CoC meetings for the respective geographic area.</li> <li>• Have no pending obligations of previous funding (evidence required).</li> <li>• No open findings of questioned costs, if applicable.</li> <li>• No open allocations of funds (original allocations) from Program Year 2016 or prior.</li> </ul> <p><b>In the case of active subrecipients, the following criteria will be considered:</b></p> <ul style="list-style-type: none"> <li>• In the case of emergency shelters, bed utilization rate of 70% or more</li> <li>• In the case of emergency shelters, the average length of stay in the Shelter is no more than ninety (90) days for the location of temporary or permanent housing.</li> <li>• Have spent at least 75% of the most recent allocation for the requested component.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Continuous participation in the Coordinated Entry System (CES).</li> <li>• Compliance with the Data Entry in the Homeless Management Information System (HMIS).</li> <li>• Compliance with case closing in HMIS for previous allocations.</li> <li>• Competitive Criteria for the Final Granting of Funds:</li> </ul> <p><u>Active Organizations:</u></p> <p><i>Need</i></p> <ul style="list-style-type: none"> <li>• Number of homeless persons identified in the geographic region of service</li> </ul> <p><i>Experience and capacity of impact</i></p> <ul style="list-style-type: none"> <li>• Project Execution Evaluation, by project type</li> <li>• Provide services in more than one component</li> <li>• Provide services to three (3) or more of the following priority populations</li> <li>• Chronic homeless</li> <li>• Domestic violence</li> <li>• Families with children</li> <li>• Youth</li> <li>• Veterans</li> <li>• Mental Health and Problem Substance Use</li> <li>• Older age</li> <li>• Women</li> <li>• Years providing services to homeless population</li> <li>• The entity has case managers and specialized personnel in every area (description of tasks to be carried out for the program)</li> </ul>
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		<p><i>Management and Financial Capacity</i></p> <ul style="list-style-type: none"> <li>• No monitoring findings or if any, there is a corrective action plan</li> <li>• Experience managing federal funds</li> <li>• Availability of credit lines or financing mechanisms</li> </ul> <p>Make refund requests as established in the contract</p>
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable to the ESG Program- (see CDBG section)
	<b>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)</b>	<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 spending rate for allocated funds, and the availability of funds. During PY 2021, 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>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not Applicable- See HOPWA Section.
<b>Describe how resources will be allocated among funding categories.</b>	<p>The following are the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> <li>• Outreach and Shelter    \$2,130,851.40 (60.0%)</li> <li>• Prevention                      \$ 497,198.65 (14.0%)</li> <li>• Rapid Re-Housing            \$ 568,227.04 (16.0%)</li> <li>• Data Collection (HMIS)      \$ 88,785.48 (2.5%)</li> <li>• Administration                \$ 266,356.43 (7.5%)</li> <li>• Total    \$3,551,419.00</li> </ul> <p>The Department of the Family may be allocating indirect costs to eligible activities.</p>

	<b>Describe threshold factors and grant size limits.</b>	<p>The grant size limits established for the ESG Program funds distribution are:</p> <ul style="list-style-type: none"> <li>• Outreach and Shelter    No more than 60.0%</li> <li>• Prevention                      No limits</li> <li>• Rapid Re-Housing            No limits</li> <li>• Data Collection (HMIS)      Does not apply</li> <li>• Administration                No more than 7.5%</li> </ul>
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	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></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"> <li>• Number of people receiving services</li> <li>• Number of people who left the program</li> <li>• Percentage of people who committed (engaged) to receive services</li> <li>• Percentage of people who fulfilled their service plan</li> <li>• Percentage of people who increased their income from any source</li> <li>• Percentage of people located in emergency shelter</li> <li>• Percentage of people located in temporary shelter</li> <li>• Percentage of people placed in permanent housing</li> </ul> <p>EMERGENCY SHELTER</p> <ul style="list-style-type: none"> <li>• Number of people who entered emergency shelter</li> <li>• Number of people who left the program</li> <li>• Percentage of people who fulfilled their service plan</li> <li>• Percentage of people who increased their income from any source</li> <li>• Percentage of people who entered transitional housing</li> <li>• Percentage of people who stayed in the shelter for less than three months</li> <li>• Percentage of people who stayed in the shelter for more than three months</li> <li>• Percentage of people placed in permanent housing</li> </ul> <p>PREVENTION</p>
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		<ul style="list-style-type: none"> <li>• Number of people receiving prevention services.</li> <li>• Number of people who left the program</li> <li>• Number of people receiving economic assistance</li> <li>• Percentage of people who received housing relocation services and stabilization services during the service period</li> <li>• Percentage of people who met their service plan</li> <li>• Percentage of people who increased their income from any source</li> <li>• Percentage of people placed in permanent housing</li> </ul> <p>RAPID RE-HOUSING (RRH)</p> <ul style="list-style-type: none"> <li>• Number of people receiving RRH services.</li> <li>• Number of people who left the program</li> <li>• Number of people receiving economic assistance</li> <li>• Percentage of people who received housing relocation services and stabilization services during the service period</li> <li>• Percentage of people who fulfilled their service plan</li> <li>• Percentage of people who increased their income</li> <li>• Percentage of people placed in permanent housing</li> </ul>
3	<b>State Program Name:</b>	HOME Investment Partnership Program
	<b>Funding Sources:</b>	HOME

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The <b>PRHFA</b> will receive \$13,372,676 in HOME funds for PY 2021. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 82 affordable rental and 135 homeownership housing units. This will be achieved through the Homebuyer Assistance, Rehab or New Construction by Owner (Techo Dorado), Rehabilitation or New Construction for Multifamily Rental Development and Tenant-Based Rental Assistance (TBRA). 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 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 2021 is shown below:</p> <ul style="list-style-type: none"> <li>• Administration \$1,337,268</li> <li>• Homebuyer Assistance \$0.00</li> <li>• Rehab or New Construction by Owner (Techo Dorado) \$9,035,408</li> <li>• Rehab or New Construction for Multifamily Rental Dev. \$3,000,000</li> <li>• Tenant-Based Rental Assistance (TBRA) \$0.00</li> </ul> <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>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Following previous joint efforts and on-going initiatives, the Puerto Rico Housing Finance Authority (PRHFA) will make 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 forthcoming Notification of Funds Availability the Authority will issue. The NOFA intends to leverage funds from multiple sources under joint selection and underwriting criteria compatible with the AP and the Low-Income Housing Tax Credit's (LIHTC) Qualified Allocation Plan (QAP) in order to maximize the use of public and private funds channeled to affordable rental projects meeting the housing needs and goals established in the State Housing Plan. Nonetheless, any representation and/or guideline contained in the NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the NOFA the HOME Program might implement a consolidated application for the HOME, LIHTC, which will combine the requirements of the programs 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 <b>PRHFA</b> in accordance with the applicable regulations.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to the HOME Program- see CDBG section.</p>



<p><b>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)</b></p>	<p>Not applicable to the HOME Program- see ESG section.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable to the HOME Program - See HOPWA Section.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></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><b>Describe threshold factors and grant size limits.</b></p>	<p>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 and a maximum of \$45,000 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>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>The following are the HOME Program Outcome Measures:</p> <ul style="list-style-type: none"> <li>• Homebuyer \$0.00 – A total of 120 homebuyers (served with funds available from previous years)</li> <li>• Techo Dorado \$9,035,408 – A total of 15 housing units</li> <li>• Multifamily Rental Dev. \$3,000,000 – A total of 22 housing units.</li> <li>• Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 60 families (served with funds available from previous years).</li> </ul>
4	<b>State Program Name:</b>	Housing Opportunities Persons With AIDS
	<b>Funding Sources:</b>	HOPWA

<p><b>Describe the state program addressed by the Method of Distribution.</b></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 2021 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to sub recipients. 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><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></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"> <li>• Transmittal Letter - 3 Points</li> <li>• Description organization- 8 Points</li> <li>• Financial and Programmatic Background -4 Points</li> <li>• Action Plan- 35 Points</li> <li>• Budget - 36 Points</li> <li>• Required Documents - 4 Points</li> <li>• Performance – 10 Points</li> <li>• Total 100</li> </ul> <p>Municipal subrecipients</p> <ul style="list-style-type: none"> <li>• Transmittal Letter - 2 Points</li> <li>• General Information Municipality -3 Points</li> <li>• Financial and Programmatic Background - 15 Points</li> <li>• Proposed Project Description - 25 Points</li> <li>• Budget -35 Points</li> <li>• Performance – 20 Points</li> </ul>
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		<ul style="list-style-type: none"> <li>• Total 100</li> </ul>
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable to the HOPWA Program- see CDBG section.
	<b>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)</b>	Not applicable to the HOPWA Program- see ESG section.

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>For PY 2021 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"> <li>• Nutritional Services</li> <li>• Day care</li> <li>• Case Management</li> <li>• Mental Health</li> <li>• Medical services</li> <li>• Permanent housing costs</li> <li>• Any supportive service combined with housing</li> </ul> <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><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The HOPWA Program funds will be distributed in the following categories:</p> <ul style="list-style-type: none"> <li>• Administrative Activities: 10%</li> <li>• TBRA Activities and related: 33%</li> <li>• Housing related Activities: 37%</li> <li>• Supportive Services Activities: 20%</li> </ul> <p>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> <li>• Administration Salud \$68,530</li> <li>• Administration San Juan \$155,108</li> <li>• TBRA \$729,577</li> <li>• Delivery Cost TBRA \$29,246</li> <li>• Operation Costs Transitional Housing and STRMU \$846,238</li> <li>• Supportive Services \$455,667</li> </ul>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>No grant size limits are established for the HOPWA Program funds distribution.</p>



	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>The following are the HOPWA Program Outcome Measures:</p> <ul style="list-style-type: none"> <li>• Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family - 70 Households</li> <li>• Tenant-based rental assistance - 120 Households</li> <li>• Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 80 housing units</li> <li>• Transitional short-term housing facilities developed, leased, or operated with HOPWA funds – 130 Households</li> <li>• Supportive Services – 420 Households</li> </ul>
<b>5</b>	<b>State Program Name:</b>	Housing Trust Fund
	<b>Funding Sources:</b>	HTF

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The <b>PRHFA</b> will receive \$3,202,552 in HTF funds for PY 2021. The resources will be allocated for Multifamily Rental New Construction/Rehabilitation. The funds will be distributed as follow:</p> <p><b>GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2021</b></p> <p><b>Assigned Budget: \$3,202,552</b></p> <p>Distribution by Category:</p> <ul style="list-style-type: none"> <li>• State Administration \$320,255</li> <li>• Multifamily Rental New Construction/Rehabilitation \$2,882,296.80</li> </ul> <p>Description of the Method to Distribute HOME and HTF Funds for Construction and Rehabilitation of Rental Housing</p> <p>As part of the joint efforts and on-going initiatives that relate to the 2020-2024 Puerto Rico State Housing Plan, the Puerto Rico Housing Finance Authority (PRHFA) 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.</p> <p>The <b>PRHFA</b> will receive \$3,202,552 in HTF funds for PY 2021. 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.</p> <p>Eligible Applicants</p> <p>The <b>PRHFA</b> is not limiting the potential pool of applicants for the HTF program. Thus, <b>PRHFA</b> will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in <b>PRHFA</b> 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).</p>
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		The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>Applications requesting <b>HOME and HTF</b> funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State <b>HOME and HTF</b> 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.</p> <p>See the appendix for a description of the scoring <b>method</b> and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the <b>description of the priority funding factors</b>. The QAP and <b>PRHFA</b> NOFA 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.</p>
	<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	Not applicable to the HTF Program- see CDBG section.

<p><b>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)</b></p>	<p>Not applicable to the HTF Program- see ESG section.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>Not applicable to the HTF Program- see HOPWA section.</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The HTF Program funds will be distributed in the following categories:</p> <p>Distribution of HTF Funds</p> <ul style="list-style-type: none"> <li>• Multifamily Rental New Construction or Rehabilitation \$ 2,882,297 - 90%</li> <li>• Administration \$320,255 - 10%</li> <li>• Total \$3,202,552 -100%</li> </ul> <p>The HTF resources will be allocated for particular projects that serve HTF tenant population; these could include special needs population.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p><b>PRHFA</b> will use the maximum per unit subsidy standards adopted by the State <b>HOME</b> 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. For the PY 2021 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFA efforts.</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. 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.</p> <p>The project location and the targeted population will be key factors in determining the grant size limit.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The following are the HTF Program Outcome Measures:</p> <p>Multifamily Rental Dev. \$ 2,882,297– A total of 22 housing units (including funds from previous years)</p>
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**Discussion:**

The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.

## AP-35 Projects – (Optional)

### Introduction:

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

For details on CDBG-DR goals: <https://cdbg-dr.pr.gov/en/action-plan/>

#	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 2021 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 faces in a daily basis.



**AP-38 Project Summary**  
**Project Summary Information**

## **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 2021- \$117,177,690**

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**

### **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 2021.
- 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 to oversee 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 (2015-2019) shows that 98.7% of the statewide population are from hispanic or latino origins and that from this percentage, 95.7% 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 to all Non-Entitlement municipalities that receive CDBG funds allocation during the PY 2021 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. 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 proposal and provide funding for projects Island-wide.

## **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
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 2021 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 CDBG 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 2021 Annual Action Plan:

One Year Goals for the Number of Households to be Supported	
Homeless	2,560
Non-Homeless	2,000
Special-Needs	400
Total	4,960

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	60
The Production of New Units	42
Rehab of Existing Units	15
Acquisition of Existing Units	120
Total	237

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

#### Discussion:

ESG will allocate funds 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 by federal regulations. 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. Meanwhile, HOPWA will provide tenant based rental assistance (TBRA), transitional housing and short-term rent mortgage utility assistance (STRMU) for persons with special needs.

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 disadvantage persons 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 funding will be invested in the creation of housing opportunities and supportive services for homeless population and individuals at risk of homelessness;
- 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, allow 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 of 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, economic shocks, most recently the COVID-19 pandemic, and weak public finances. This scenario has yielded a decade of stagnation, outmigration and debt, which improved after Hurricane María with billions of both private and public reconstruction funds that circulated in the economy. COVID-19 represents another socioeconomic setback. Under these circumstances, the public policy seeks to promote initiatives toward aligning available resources into unified and targeted impact strategies. 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 maximize 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 2021.

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

No CPD funded activity will exclusively serve any of the Public Housing projects located within the Municipality boundaries. Nevertheless, the local public policy service strategy includes the public housing population among the service delivery groups that benefits of the Municipality's public services and community development activities. Various activities included in the 2021 action plan 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

For more information go to appendix.

### **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 achieve resident engagement and community leadership within the housing projects. Through the engagement of the residents, the PR-PHA and the Private Administrators Firm will be able to understand the residents views of their community, particularly the community needs and assets and how the residents view that socio-economic improvements can be achieved.

As previously stated, during the course of the PY 2021, the PR-PHA will undertake the *Tenant Participation Fund Program* and the *Servi Movil* initiative as part of the commitment that the State Government has with the public housing communities to improve their living conditions and engage them in the development of the management activities of their complexes and communities.

As per the participation of homeownership actions, the PR-PHA will promote *Casa Mía*, a concept that promotes homeownership within the low and moderate families in Puerto Rico. This housing initiative will engage the participation of the non-profit sector the mortgage business sector, among other components, to assure the acquisition and occupation of housing units by low-income persons and/or families.

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

As of June 30, 2016, the PR-PHA performance was standard under the HUD-Public Housing standards. Although no problems are in sight that can cause a decrease in the level of performance of the Agency, if needed the State Government Consolidated Plan Agencies will be available to provide technical

assistance, management and financial consultant activities, programmatic and operational advice and capacity building actions, toward the Agency managerial and performance improvement.

**Discussion:**

The State Public Housing strategy is a key element among the PR State Government housing and community development policy. The main responsibility of the public housing initiative falls under the PR-PHA, a subsidiary agency of the State Housing Department, one of the main components of the PR-State Consolidated Plan Institutional Structure.

Under the new State Government vision and the economic hardship and constraints affecting the overall economic system, the alignment and maximization in the use of available resources for common and unified strategies plays an important role in the Housing and Consolidated Plan Strategies and Initiatives.

As a special need population group, the State Government through the PR Department of Housing will be responsible to develop strategic actions to address a number of interrelated community challenges in the areas of education, health, human services, affordable housing job training and creation and other public service offerings. Only with the commitment of promoting the alignment of resources and the maximization of its use, the strategy could achieve positive changes among the public housing communities and improve the living conditions of their residents.

## **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) 2019 there are 2,535 homeless persons in Puerto Rico; seventy-five percent (75%) are unsheltered, and twenty seven percent (27%) are considered chronic homeless. Seventy nine percent (79%) of the homeless population are men, while twenty one percent (21%) 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 2021. 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 65% 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, (Law 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 2019 only twenty-five (25%) of the homeless are sheltered. To increase the number of persons who are placed in emergency shelters, this PY2021 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 sixty-five (65%) 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)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	70
Tenant-based rental assistance	120
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	420
Total	690

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

### **Introduction:**

The enactment of public statutes, ordinances, regulations, administrative procedures and/or processes could have a negative effect in the cost to produce and/or maintain an affordable housing stock in the local market. 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 para 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 described plan, the State Government proposes to take actions that leads 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 that the State Government is addressing through the new government vision is the 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 pro-active 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 2021, 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 an 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 basic 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 permits process and land use policies that will allow the promotion of actions to facilitate affordable housing initiative 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 that 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 economic development vision.

The main action of the Commonwealth is the use of a mechanism of a Unified NOFA. This strategy seeks leveraging expertise with funds and resources available for housing and community development from different programs to support the policies of the State Housing Plan.

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, CDGB 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 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 undertake 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	475,000
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
<b>Total Program Income:</b>	<b>475,000</b>

#### 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.

**For more information go to Appendix.**

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.

### **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. The PRDF is in the process of revising its Written Standards.

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 AP-30 Methods of Distribution, 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 2021 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 AP-30 Methods of Distribution HTF Selection Criteria and AP-50 Geographic Distribution, 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 an 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 AP-30 Methods of Distribution [HTF Selection Criteria] for the specifics of the scoring system. (Section IV of the 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 AP-30 Methods of Distribution, HTF Selection Criteria.

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 AP-30 Methods of Distribution.

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 AP-30 Methods of Distribution.

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 AP-30 Methods of Distribution, 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.

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. For the PY 2021 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFAs efforts.

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 in part AP 90 Program Specific Requirements).

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.

See Appendix AP 30 Methods of Distribution for additional details. HTF Selection Criteria.

**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).

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".

See Appendix.

**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".

The Housing Trust Fund (HTF) statute, section 1338(c)(7)(B)(ii), requires housing for homeownership to have an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (HOME statute). The HTF



Interim Rule at 24 CFR § 93.305(a), requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HTF funds meet the definition of modest housing and that the purchase price of HTF assisted single family housing cannot exceed 95 percent of median purchase price for the area for newly constructed or standard housing.

**Newly Constructed Housing:** The HTF homeownership value limits for newly constructed HTF 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 has 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 HTF homeownership value limit for newly constructed housing in each area.

**Existing Housing:** The HTF homeownership value limit for existing HTF 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 nation-wide 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 HTF homeownership value limits for existing housing in each area.

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

<https://www.hudexchange.info/resource/4982/housing-trust-fund-homeownership-value-limits/>

The recapture provisions are included as attachment appendix of this Plan.

See Appendix.

**11. Grantee Limited Beneficiaries or Preferences.** Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, 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.

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:**

The performance standards of the program, will evolve over the next few years as the ESG Rule is fully implemented and as ESG sub-grantees improve their program outcomes through the evaluation of HMIS data and through integration of ESG services into their local Continuum of Care.

## Attachments

**PUBLIC NOTICE FOR PUBLIC HEARING  
2021 ANNUAL ACTION PLAN**

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<p>1. <b>What is the purpose of the study?</b>          2. <b>What are the research objectives?</b>          3. <b>What is the significance of the study?</b>          4. <b>What are the limitations of the study?</b>          5. <b>What are the conclusions of the study?</b></p>	<p>1. <b>What is the purpose of the study?</b>          2. <b>What are the research objectives?</b>          3. <b>What is the significance of the study?</b>          4. <b>What are the limitations of the study?</b>          5. <b>What are the conclusions of the study?</b></p>
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Il proprietario, con l'elenco dei 1.250 nomi dei soldati reggimenti "quelli che" sono stati uccisi, è stato compilato da un soldato che aveva combattuto in Francia. Il documento è stato conservato in un cassetto di legno in un armadio di legno in un appartamento a New York. Il documento è stato conservato in un cassetto di legno in un armadio di legno in un appartamento a New York.

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1. What is the purpose of the study?  
 2. What are the research objectives?  
 3. What is the research methodology?  
 4. What are the results of the study?  
 5. What are the conclusions of the study?  
 6. What are the limitations of the study?  
 7. What are the implications of the study?  
 8. What are the future research directions?  
 9. What are the contributions of the study?  
 10. What are the key findings of the study?

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- Septin-2 is a protein that is involved in the regulation of the cell cycle.
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GOBIERNO DE PUERTO RICO  
DEPARTAMENTO DE LA VIVIENDA

**AVISO PÚBLICO DE DISPONIBILIDAD DEL BORRADOR DEL PLAN  
DE ACCIÓN CONSOLIDADO DE VIVIENDA Y DESARROLLO COMUNAL DEL ESTADO 2021**

El Departamento de la Vivienda de Puerto Rico (DVPRI), siguiendo las disposiciones de la Ley Federal del Departamento de la Vivienda y Desarrollo Urbano de los Estados Unidos de América (HUD, por sus siglas en inglés) y la reglamentación aplicable, desea notificar a los alcaldes de los 78 municipios; organizaciones sin fines de lucro; organizaciones de base de fe; organizaciones culturales; ambientales y arqueológicas; agencias gubernamentales; empresas privadas; y al público en general, que el Gobierno de Puerto Rico estará radicando ante la Oficina de San Juan de HUD el Plan de Acción Consolidado de Vivienda y Desarrollo Comunal del Estado correspondiente al Año Programa 2021.

De acuerdo con la notificación emitida por el Gobierno federal, el Gobierno de Puerto Rico recibirá la cantidad de \$45,846,551.00 para efectos de los siguientes programas:

Programa	Agencia	Asignación de Fondos para el Año Programa 2021
Community Development Block Grant, (CDBG)	Departamento de la Vivienda	\$23,435,538.00
Emergency Solutions Grant, (ESG)	Departamento de la Familia	\$3,551,419.00
Housing Trust Fund (HTF)	Autoridad para el Financiamiento de la Vivienda	\$3,202,552.00
Home Investment Partnership Program, (HOME)	Autoridad para el Financiamiento de la Vivienda	\$13,372,676.00
Housing Opportunities for Persons With AIDS, (HOPWA)	Departamento de Salud y el Municipio de San Juan	\$2,284,366.00
<b>Total</b>		<b>\$45,846,551.00</b>

Como parte del proceso de análisis, consulta y participación ciudadana de los procesos de planificación consolidada, fueron identificadas las siguientes necesidades y prioridades que serán atendidas con los fondos asignados:

- Mejoras a la infraestructura y facilidades públicas que permita mejorar las condiciones de vida de las comunidades más necesitadas, incluyendo la accesibilidad a las mismas.
- Actividades que promuevan el desarrollo económico y oportunidades de empleo a personas de ingresos bajos y moderados.
- Revitalización de áreas comunitarias en deterioro y las que presenten urgencias inmediatas.
- Prestación de servicios públicos, esenciales y de apoyo para el beneficio de las personas de ingresos bajos y moderados en aquellos sectores de la población con necesidades especiales, incluyendo las personas sin hogar, personas en edad avanzada y personas afectadas por el VIH.
- Actividades para el desarrollo de vivienda asequible para la venta o arrendamiento, ya sea de nueva construcción o rehabilitación de unidades existentes, con prioridad en renta y rehabilitación de vivienda.
- Rehabilitación o conversión de facilidades para el albergue de personas sin hogar y personas afectadas por el VIH.
- Servicios de vivienda para personas sin hogar y en riesgo de perder su hogar.
- Servicios de vivienda transitoria y permanente para personas sin hogar y personas afectadas por el VIH.

Los fondos asignados al Gobierno de Puerto Rico se distribuirán en las categorías que se describen a continuación:

**I. Asignación en Bloque al Estado para el Desarrollo Comunal (CDBG)**

Agencia administradora: Departamento de la Vivienda

Presupuesto asignado del Año Programa 2021:  
\$23,435,538.00

Distribución por categorías:

Asignación a Municipios	\$22,432,471.71
Administración del Estado	\$ 703,066.29
Fondo de Emergencia	\$ 300,000.00

Clientela a servir: los 51 municipios "non-entitlement" (Adjuntas, Aguada, Aguas Buenas, Albonito, Añasco, Arroyo, Barceloneta, Barranquitas, Camuy, Cataño, Ceiba, Ciales, Coamo, Comerio, Corozal, Culebra, Dorado, Florida, Guánica, Guayanilla, Gurabo, Hatillo, Hormigueros, Jayuya, Juncos, Lajas, Lares, Las Marías, Las Piedras, Loíza, Luquillo, Maricao, Maunabo, Moca, Morovis, Naguabo, Naranjito, Oroquieta, Pajitas, Peñuelas, Quebradillas, Rincón, Sabana Grande, Salinas, San Lorenzo, Santa Isabel, Utuado, Vega Alta, Vieques, Villalba y Yabucoa).

En conformidad con los objetivos nacionales del Programa los fondos se utilizarán para llevar a cabo actividades y atender las necesidades de vivienda, desarrollo económico, desarrollo comunal y servicio público que beneficien principalmente a las personas de ingresos bajos y moderados. Entre los objetivos específicos se encuentran, asistir a las unidades de gobierno local en el desarrollo e implantación de estrategias para atender las necesidades antes mencionadas. De igual forma, promover la participación de los diferentes sectores de la comunidad para resolver las necesidades identificadas.

La distribución de los fondos se realizará conforme a la Ley Núm. 137-2014, según enmendada, la cual establece que los mismos serán distribuidos en partes iguales entre todos los municipios catalogados como "non-entitlements", exceptuando los municipios de Vieques y Culebra, a los que se les adjudicará un quince por ciento (15%) adicional al otorgado a los demás municipios.

Desglose para 49 municipios	
Administración (17%)	\$74,337.63
Servicio Público (hasta 15%)	\$65,592.02
Proyecto de Libre Criterio (Vivienda, Desarrollo Comunal o Desarrollo Económico para el apoyo a microempresas) (68%)	\$297,350.50
<b>TOTAL</b>	<b>\$437,280.15</b>
Desglose para Vieques y Culebra	
Administración (17%)	\$85,488.27
Servicio Público (hasta 15%)	\$75,430.83
Proyecto de Libre Criterio (Vivienda, Desarrollo Comunal o Desarrollo Económico para el apoyo a microempresas) (68%)	\$341,953.08
<b>TOTAL</b>	<b>\$502,872.18</b>

Nota: El municipio podrá presentar un solo proyecto por la cantidad de **\$362,942.52**, (49 municipios), o **\$417,383.91** (Vieques y Culebra), eliminando así la categoría de Servicio Público; o asignar una cantidad menor en la categoría de Servicio Público, aumentando la asignación para el Proyecto de Libre Criterio.

**Actividades elegibles para la Asignación Equitativa:**

Los municipios podrán someter propuestas para desarrollar las actividades que se describen a continuación:

**Desarrollo de Comunal** – Bajo esta actividad los fondos se utilizarán para subvencionar proyectos de desarrollo de infraestructura e instalaciones públicas. Esto incluye la construcción de instalaciones de agua, electricidad, teléfono, alcantarillados sanitarios y pluviales, y la construcción y mejoras a instalaciones públicas tales como: proyectos recreativos, deportivos, culturales y educativas, entre otras. También incluye proyectos de construcción y reconstrucción de caminos, carreteras, cunetes, repavimentaciones y puentes, entre otros.

**Rehabilitación de Vivienda** – Permite eliminar condiciones específicas que representen riesgos a la salud y a la seguridad del beneficiario. Provee costos de materiales (55%) y mano de obra (45%).

**Servicio Público** – Esta categoría ha sido establecida para subvencionar proyectos tales como: seguridad pública en las comunidades de alta incidencia criminal, ayudar a prevenir el crimen; atender las necesidades de las personas sin hogar y de la población con necesidades especiales, incluyendo cuidado de la salud, y ofrecer consejería, actividades que promuevan la Ley de Vivienda Justa y la prevención del uso problemático de drogas, actividades relacionadas con la educación y el adiestramiento, así como también otras actividades que se encuentran descritas en la Sección 105 (a) del título I de la Ley de Vivienda y Desarrollo Urbano de 1974, según enmendada. Todas las actividades estarán dirigidas a grupos especiales, de manera que se asegure el desarrollo máximo de las comunidades. Para cada proyecto en esta categoría deberá someterse la guía operacional de la actividad.

**Actividades de desarrollo económico** – Incluye la asistencia a microempresas, dirigida a incentivar empresas existentes o nuevas, cuyos dueños son personas de ingresos bajos o moderados.

**Fondos para Administración** – Los municipios podrán solicitar hasta un máximo de 17% de su asignación para gastos administrativos, según permitido por la reglamentación federal.

**Fondo de Emergencia** – Los municipios podrán solicitar fondos bajo esta categoría, según disponibles. El límite de fondos a solicitar en esta categoría es \$100,000.00. Las actividades bajo esta categoría serán desarrolladas en un periodo máximo de seis (6) meses, conforme a la vigencia del contrato. Considerando que estos fondos son para atender necesidades de urgencia, no se concederán extensiones de tiempo. Por tanto, fondos no gastados y requisados en dicho periodo serán recobrados.

**Programa de Garantía de Préstamos Sección 108**

Cantidad Disponible para Garantía: \$117,177,690.00

El Programa de Garantía de Préstamos, es un recurso para financiar proyectos de impacto, que a su vez promuevan el desarrollo económico de los municipios elegibles. La disponibilidad de fondos varía por municipio y estará sujeta al proceso de evaluación y aprobación de HUD. El Departamento de la Vivienda, se asegurará que ninguna asignación

nación de fondos CDBG que sea comprometida, como garantía de préstamos para determinado municipio, pueda afectar las asignaciones futuras para las restantes unidades de gobierno local. A tales efectos, se requerirá que los municipios pongan a disposición del Departamento de la Vivienda, los libros y otros documentos fiscales para inspección y evaluación.

**Agencia administradora:** Autoridad para el Financiamiento de la Vivienda (AFV)

**Presupuesto asignado al programa HOME:** \$13,372,676.00

**Cientela a servir:** residentes de ingresos bajos y muy bajos de los 78 municipios de Puerto Rico.

**Distribución por Categoría:**

Administración del Estado	\$1,337,268.00
Rehabilitación o nueva construcción por dueño	\$9,035,408.00
Rehabilitación o nueva construcción para alquiler multifamiliar	\$3,000,000.00
<b>Total</b>	<b>\$13,372,676.00</b>

El Programa HOME contribuye a expandir la oferta de vivienda de interés social para familias de ingresos bajos y muy bajos, mediante la provisión de subsidios a gobiernos locales, organizaciones sin fines de lucro, desarrolladores, y otras entidades elegibles, según descritas a continuación. Los fondos pueden ser solicitados, mediante propuestas por municipios; desarrolladores privados; organizaciones de base comunitaria para el desarrollo de viviendas "Community Housing Development Organizations - CHDO"; individuos que solicitan asistencia directa para la compra; y otras organizaciones sin fines de lucro.

Las actividades mencionadas anteriormente, están descritas en el Plan, así como también el método de distribución a seguir. Bajo las actividades elegibles del programa HOME, se atenderán las necesidades de vivienda de los ciudadanos de todo Puerto Rico. Los municipios, organizaciones y desarrolladores interesados en solicitar fondos tendrán oportunidad de someter propuesta. La invitación para la solicitud de fondos será publicada en un periódico de circulación general. Las propuestas se evaluarán conforme a los criterios y requisitos del programa

### III. Programa de Oportunidades de Vivienda "Housing Trust Fund"

**Agencia administradora:** Autoridad para el Financiamiento de la Vivienda

**Presupuesto asignado al programa HTF:** \$3,202,552.00

**Cientela a servir:** 100% de los fondos beneficiarán a personas de extremadamente bajos e ingresos bien bajos.

En cumplimiento con la Sección 1131 del Housing and Economic Recovery Act - 2008 se hace disponible el Housing Trust Fund Plan para el año programa 2021. Este programa tiene como objetivo aumentar y preservar las viviendas asequibles, seguras, higiénicas; para familias con ingresos extremadamente bajos (31%-50% de la mediana) y con ingresos bien bajos (31%-50% de la mediana).

La AFV espera distribuir los fondos de la siguiente manera:

Administración y planificación= \$320,255.00 (10%)

Viviendas Multifamiliares de Alquiler (nueva construcción/rehabilitación)= \$2,882,297.00 (90%)

Total= \$3,202,552.00

### IV. Programa de Soluciones de Emergencia (antes Programa de Albergues Emergencia) ESG

**Agencia administradora:** Departamento de la Familia

**Presupuesto para ESG:** \$3,551,419.00

**Cientela a servir:** Personas sin hogar o en riesgo de estar sin hogar de los 78 municipios de Puerto Rico.

**Distribución por categoría:**

Componentes	Total	Por ciento	Limites Reglamentarios
Alcanzar en la Calle	\$2,130,851.40	60.00%	60.00%
Albergue de Emergencia	\$487,198.65	14.00%	
Prevención	\$568,227.04	16.00%	
Realojamiento Rápido	\$88,785.48	2.50%	NA
Data Collection (HMS)		0.50%	
Gastos Administrativos Entidades	\$266,356.43	7.00%	7.50%
Gastos Administrativos DF			

Total	\$3,551,419.00	100%
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El Programa de Soluciones de Emergencia (ESG, por sus siglas en inglés), tiene como objetivos:

- Alcanzar a los individuos y familias sin hogar que viven en la calle.
- Ubicar rápidamente en alguna modalidad de vivienda a los individuos y familias sin hogar.
- Ayudar a operar y proveer servicios esenciales en los albergues de emergencia para individuos y familias sin hogar.
- Prevenir que individuos y familias lleguen a ser personas sin hogar.

Las actividades elegibles para el año 2021 incluyen, según detallado en la tabla anterior: Alcanzar en la Calle; Albergue de Emergencia; Prevención; Realojamiento Rápido; Data Collection HMS; y Gastos Administrativos a Entidades (municipios y organizaciones de base de fe y sin fines de lucro).

Las prioridades para el año programa incluyen:

- Proyectos de servicios de alcance y de realojamiento rápido
- Albergue de Emergencia sin Barreras (población, edad, horario)
- Alcanzar a los individuos y familias sin hogar que viven en la calle
- Ubicar rápidamente en alguna modalidad de vivienda a los individuos y familias sin hogar
- Ayudar a operar y proveer servicios esenciales en los albergues de emergencia para individuos y familias sin hogar
- Prevenir que individuos y familias lleguen a ser personas sin hogar

El Departamento de la Familia (DF) utiliza un método de distribución de fondos que incluye, presentar una solicitud de propuesta competitiva el primer año, y el segundo año se distribuyen los fondos conforme al nivel de desempeño de los proyectos y disponibilidad de los fondos por parte de HUD.

La disponibilidad de fondos se informa, anualmente, a través de un anuncio público en un periódico de circulación general. También, se informa a los sistemas de cuidado continuo CDC-502 y CDC-503 para que notifiquen a las entidades que ofrecen servicios a las personas sin hogar o en riesgo de estar sin hogar y en las páginas oficiales del Departamento de la Familia.

### V. Oportunidades de Vivienda para Personas con VIH/SIDA (HOPWA)

**Agencia administradora:** Departamento de Salud, en conjunto con el Municipio de San Juan, Oficina Central de Asuntos del Sida y Enfermedades Transmisibles (OCASET).

**Presupuesto para programa HOPWA:** \$2,284,366.00

**Cientela a servir:**

Personas afectadas por el VIH o SIDA y sus familiares, que prueben que su ingreso o el de su familia no excede la categoría de ingresos bajos, según establecida por el Departamento de la Vivienda Federal (HUD), por sus siglas en inglés.

**Categorías de servicio:**

Fondos administrativos:

Departamento de Salud \$68,530.00 (3% de \$2,284,366.00)

Fondos Municipio de San Juan: 2,215,836.00

Fondos administrativos Municipio de San Juan: \$155,108.00

(7% de \$2,284,366.00)

Fondos a ser delegados: \$2,060,728.00

(\$2,284,366.00-\$223,638.00)

**Gran Total:**  
**\$2,284,366.00**

El Programa está dirigido a desarrollar estrategias que permitan satisfacer las necesidades de vivienda complementado con servicios de apoyo a personas de bajos ingresos económicos afectadas por el VIH o SIDA y sus familiares. Su meta es proveer un ambiente de vivienda estable para familias que están experimentando una crisis económica como resultado de complicaciones y situaciones que se presentan en las personas afectadas por el VIH o SIDA. A través del modelo de Cuidado Continuo ("Continuum of Care") se ofrecen servicios preventivos o paliativos que promuevan la calidad de vida.

HOPWA está adscrito al Departamento de Salud de Puerto Rico, bajo la colaboración directa de la Oficina Central para Asuntos del SIDA y Enfermedades Transmisibles (OCASET), pero su administración está delegada al Municipio de San Juan.

Los fondos a ser delegados, podrán ser solicitados por municipios y organizaciones sin fines de lucro, para las actividades siguientes:



Servicio de Vivienda:
Vivienda (pago directo, hipoteca y utilidades a corto plazo (SRM))
Vivienda transitoria (con servicios de apoyo (vivienda hasta 24 meses y servicios de apoyo)
Vivienda permanente (Asistencia en el Pago de Renta Transitoria - Based Rental Assistance, TRA) y viviendas por más de 24 meses con servicios de apoyo)
Vivienda temporal (Albergue)
Servicios de Apoyo:
Servicios nutricionales (alimentación)
Exención fiscal?
Cultura de paz
Manejo de casos
Servicios de salud mental?
Servicios médicos?
Todas las servicios de apoyo en función de mantener una vivienda

Nota: Los servicios de apoyo, excepto servicios nutricionales, están adscritos a servicios de vivienda transitoria o permanente. Como pagador de último recurso, solamente se cubrirán servicios que no sean cubiertos por seguros médicos privados o públicos.

La distribución de fondos se hará conforme a lo descrito en el Plan de Acción desarrollado para el Año Programa 2021. El aviso de solicitud de propuestas para la distribución de los fondos, se informó en la Vista Pública realizada el día 5 de marzo de 2021. Las organizaciones privadas sin fines de lucro y los municipios que no estén incluidos en Área Estadística Metropolitana de Caguas, Guaynabo y San Juan (EMSA, por sus siglas en inglés) serán elegibles para someter propuesta. Los fondos serán distribuidos a base de las propuestas sometidas. Se podrán asignar fondos a organizaciones del EMSA San Juan-Bayamón si quedan remanente de fondos sin adjudicar a las organizaciones del EMSA de Puerto Rico.

**Cómo emitir comentarios**

En cumplimiento con las disposiciones de la Sección 91.115 del Título 24 del Código de Regulación Federal y conforme al Título 1 de la Ley de Vivienda y Desarrollo Comunal del 1974, según enmendada, el Plan de Acción estará disponible a partir de la fecha de publicación de este aviso en:

- Departamento de la Vivienda, Programa CDBG: Sitio de la página Web <https://www.vivienda.pr.gov/cdbg-estad/>
- Departamento de la Familia (Secretaría Auxiliar de Planificación e Informática), Programa ESIC: Sitio de la página Web [www.familia.pr.gov](http://www.familia.pr.gov)
- Departamento de Salud, Programa HOPWA: Sitio de la página Web [www.salud.pr.gov](http://www.salud.pr.gov)
- Autoridad para el Financiamiento de la Vivienda, Programas HOME y HTF: Sitio de la página Web [www.afv.pr.gov](http://www.afv.pr.gov)

Debido a la emergencia y las medidas de seguridad que deben tomarse por el COVID-19, las personas que tengan dificultad para acceder al Plan a través de Internet, deberán comunicarse al 787-274-2527, ext. 5112 para coordinar un método alternativo de acceso.

Se aceptarán comentarios por escrito durante los próximos treinta (30) días, a partir de la fecha de esta publicación. No serán considerados aquellos comentarios recibidos después del 10 de mayo de 2021. Dichos comentarios deberán estar dirigidos a:

[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

*Eda William O. Rodríguez Rodríguez*  
Secretario  
Departamento de la Vivienda  
Gobierno de Puerto Rico

Publicado hoy viernes, 9 de abril de 2021.

# Causa para arresto contra Torres López

► Jefa del NET habría recaudado dinero ilícitamente para la campaña de Ricardo Rosselló

**Melissa Correa Velázquez**  
@melissacv  
melissacv@vocero.com

La jueza Lilliana Blanco, del Tribunal de San Juan, encontró causa para arresto contra la presidenta del Negociado de Telecomunicaciones (NET), Sandra Torres López, por presuntamente recaudar dinero de manera ilegal para la campaña del hoy gobernador Ricardo Rosselló.

Específicamente, Torres López le habría exigido a un exayudante de la agencia vender boletos de \$1,500 para una actividad de recaudación de fondos.

Los fiscales especiales independientes (FEI) Leticia Pabón, Ramón Mendoza y Juan Catalá Suárez llegaron a un acuerdo de cooperación con la exrecaudadora de la campaña de Rosselló, Kathy Erazo.

Los fiscales especiales cuentan con un total de 18 testigos de cargo en este caso.

**EL VOCERO** supo que entre los testigos figurarían la esenadora Zoé Laboy; el representante Ángel Cintrón; la expresidenta de la Comisión de Servicio Público, Teresa Hallana; el agente del PPEL Faustino Meléndez y los abogados de la Oficina de Ética Gubernamental (OEG) Nydia Salavarría y Carlos Capó.

La acusada dijo que no emitiría declaraciones, pero finalmente declaró que es inocente.



A Torres López se le imputa una fianza de \$45,000.  
— John E. Berra Gomez / EL VOCERO

que eran reguladas por el NET.

## Contundente prueba

La presidenta del PPEL, Nydia Como Vives, dijo a preguntas de **EL VOCERO** que la prueba en este caso "es sólida".

"La señora Erazo hizo un ofrecimiento de prueba a los fiscales sobre unos aspectos fundamentales para fortalecer el caso y la declaración jurada que presentó mediante acuerdo de colaboración ocasionó que se incluyera una denuncia adicional. Hasta ese entonces los fiscales tenían dos denuncias, y con esa colaboración de Erazo se obtuvo prueba para una tercera denuncia", afirmó Como Vives.

Agregó que "la señora Erazo estaba siendo investigada por la información que ofreció Ezel López y cuando ella ofrece esta prueba llega a un acuerdo de colaboración y se convierte en testigo de caso".

Comentó que el testimonio de López Vélez fue corroborado con otros testigos.

Por su parte, el director ejecutivo de la Oficina de Ética Gubernamental (OEG), Luis Pérez Vargas, rechazó que su agencia archivara el caso ayer. Mencionó, además, que la OEG refirió el caso a Justicia, agencia que a su vez lo refirió al PPEL.

"El testigo (López Vélez) presentó una declaración jurada y cuando los abogados de la oficina fueron sobre ella, se contradecía a lo que él mencionaba y ante esto la OEG archiva el caso. No es un cierre que hubo hoy (ayer), fue un asunto coordinado y hablado con las demás agencias fiscalizadoras y ese es el reterido habitual de los trabajos... Que lo quieren sacar como una noticia de hoy (ayer), pues posiblemente es para desviar la atención de la acusación", dijo el funcionario.

## Las denuncias que enfrenta

Torres López enfrenta tres denuncias, dos de ellas por violaciones a los artículos 42 (b) y (m) de la Ley de Ética Gubernamental y la otra por infracción al artículo 252 del Código Penal. Estos artículos disponen que un servidor público no puede utilizar los deberes y las facultades de su cargo ni la propiedad o los fondos públicos para obtener directa o indirectamente para él o para una persona privada o negocio, cualquier beneficio que no esté permitido por ley.

Asimismo, establecen que un servidor público no puede, mientras se encuentre en funciones de su trabajo, exigir o solicitar a los demás servidores públicos que hagan contribuciones económicas o que empleen de su tiempo para realizar o participar en una actividad política.

Torres López, a quien se le imputa una fianza de \$45,000, es representada por la abogada Carmen Quiñones.

La imputada será fichada hoy a las 2:00 p.m. en las oficinas del Panel sobre el Fiscal Especial Independiente (PPEI).

El 23 de julio de 2020, el Departamento de Justicia refirió al PPEI a la funcionaria y a Erazo. El exayudante de Torres López, Ezel López Vélez, alegó en el programa televisivo *Hay* y sus *Rayos X* que su exjefa amenazó con sacarlo de su puesto si no vendía los boletos para la campaña de Rosselló en compañías

## Dato relevante

La imputada será fichada hoy a las 2:00 p.m. en las oficinas del PPEI.

PLAN DE ACCIÓN 2021

VISTA PÚBLICA TELEMÁTICA - 5 DE MARZO DE 2021

LISTA DE PARTICIPANTES

Source		Type	Identify	Timestamp	Content
1	Attendee	Question	Anonymous (Unverified)	3/5/21 12:51	Hola Aqui estoy
2	Attendee	Question	Anonymous (Unverified)	3/5/21 13:10	hola
3	Attendee	Question	Vilmary Cardenas-Municipio de Carolina (Unverified)	3/5/21 13:22	Buenos dias
4	Attendee	Question	Anonymous (Unverified)	3/5/21 13:23	Saludos Angel Marrero municipio de Barranquitas, amarrero@barranquitas.pr.gov
5	Attendee	Question	Carmen E Hernandez - Lucha (Unverified)	3/5/21 13:31	Buenos días. No se escucha nada de la vista y tampoco se puede escribir en el chat.
6	Moderator	Announcement	Lymari De Jesus Fuentes (Ldejesus@vivienda.pr.gov)	3/5/21 13:35	Buenos dias:
7	Attendee	Question	Lisaniz Figueroa Oyola (Unverified)	3/5/21 13:36	Municipio de Toa Alta

Source		Type	Identify	Timestamp	Content
8	Moderator	Announcement	Lymari De Jesus Fuentes (Ldejesus@vivienda.pr.gov)	3/5/21 13:36	Estamos confrontando una situación técnica en breves minutos comenzamos. Disculpen los inconvenientes.
9	Attendee	Question	Miriann Matos-Municipio de Hormigueros (Unverified)	3/5/21 13:36	Presente para la Vista Pública 2021
10	Attendee	Question	Lilian Meléndez - Orocovis (Unverified)	3/5/21 13:36	Todavía no comienza?
11	Attendee	Question	Brenda Rodríguez (Unverified)	3/5/21 13:37	Buenos días desde Programa Hogar Seguro I de IPVI de PR Arecibo
12	Attendee	Question	Anonymous (Unverified)	3/5/21 13:38	Buenos días Municipio Las Piedras! no logramos escuchar, en efecto estan conectados?
13	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 13:45	Para record de asistencia, Kayshla Orsini del Municipio de Rincón.
14	Attendee	Question	Anonymous (Unverified)	3/5/21 13:46	Buenos días
15	Attendee	Question	Vilmary Cardenas-Municipio de Carolina (Unverified)	3/5/21 13:48	Si
16	Attendee	Question	Anonymous (Unverified)	3/5/21 13:51	Raymond F. Waters, Director de Programas Federales/ Municipio de Añasco



	Source	Type	Identify	Timestamp	Content
17	Attendee	Question	Anonymous (Unverified)	3/5/21 13:57	Buenos días
18	Attendee	Question	Anonymous (Unverified)	3/5/21 13:58	Municipio de Barranquitas, Norma G Vázquez
19	Attendee	Question	Anonymous (Unverified)	3/5/21 14:00	Saludos, Angel Marrero municipio de Barranquitas, amarrero@barranquitas.pr.gov
20	Attendee	Question	Belinda Hill (Unverified)	3/5/21 14:06	Se va dar la vista publica o la cancelaron para otra fecha?
21	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 14:56	Buen día. Nuestras disculpas po el retraso, la misma se esta presentando segun anunciada. (Belinda Hill (Unverified) asked "Se va dar la vista publica o la cancelaron para otra fecha?")
22	Attendee	Question	YARITZA MUNICIPIO DE GURABO (Unverified)	3/5/21 14:18	SE ESCUCHA MAL
23	Attendee	Question	Anonymous (Unverified)	3/5/21 14:20	Jayuya presente
24	Attendee	Question	Anonymous (Unverified)	3/5/21 14:21	Representacion de Jayuya
25	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 14:27	buen dia, DAMOS POR LEIDO EL AVISO PUBLICADO, GRACIAS(Representacion de Jayuya)

	Source	Type	Identify	Timestamp	Content
26	Attendee	Question	Anonymous (Unverified)	3/5/21 14:27	Donde estan los interpretes?
27	Attendee	Question	William Serrano - Municipio de Ceiba (Unverified)	3/5/21 14:28	Buen dia
28	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 14:29	Secundada
29	Attendee	Question	Lilian Meléndez - Orocovis (Unverified)	3/5/21 14:29	La secundo
30	Attendee	Question	Anonymous (Unverified)	3/5/21 14:29	secundo la mocion
31	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 14:29	Se de por leído
32	Attendee	Question	Anonymous (Unverified)	3/5/21 14:29	Secundo moción para que se de por leído
33	Attendee	Question	Anonymous (Unverified)	3/5/21 14:30	Secundo
34	Attendee	Question	Anonymous (Unverified)	3/5/21 14:31	Saludos, que el anuncio sede por leído

Source	Type	Identity	Timestamp	Content	
35	Attendee	Question	Municipio de Barranquitas (Unverified)	3/5/21 14:34	Creemos que el anfitrión tiene nuestro panel bloqueado ya que no tenemos opción de levantar la mano, ni cámara, ni micrófono. Podrán verificar su panel...
36	Attendee	Question	Sandra Cruz (Unverified)	3/5/21 14:38	Secundado
37	Attendee	Question	Sandra Cruz (Unverified)	3/5/21 14:38	Secundado
38	Attendee	Question	Anonymous (Unverified)	3/5/21 14:40	Buenos días . Veo que han habido problemas técnicos . Pregunto, se va a posponer o vislumbra seguir con las vistas ? Agradeceré nos indiquen . Saludos
39	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:11	Saludos, lamentamos el retraso . La Vista se esta llevando a cabo segun notificado.(Buenos días . Veo que han habido problemas técnicos . Pregunto, se va a posponer o vislumbra seguir con las vistas ? Agradeceré nos indiquen . Saludos )
40	Attendee	Question	Anonymous (Unverified)	3/5/21 14:41	Iris M. Carrasquillo, asesora municipios. Culebra, Corozal, Yabucoa. Saludos
41	Attendee	Question	Anonymous (Unverified)	3/5/21 14:43	se qued'o sin sonido
42	Attendee	Question	Brenda Rodríguez (Unverified)	3/5/21 14:59	En IPV1 de Arecibo lamentablemente no hemos logrado ver ni escuchar las vistas. La pantalla no muestra como comenzadas las mismas.
43	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:02	Necesito la Presentación desde el inicio, pues me encontraba en otra reunión y me integré hace unos minutos con ustedes. Gracias.

Source	Type	Identity	Timestamp	Content	
44	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:10	Buen día. La misma va a ser publicada en las Agencias que componen el Plan .(Jannela Plana García, CorMA (Unverified) asked "Necesito la Presentación desde el inicio, pues me encontraba en otra reunión y me integré hace unos minutos con ustedes. Gracias.")
45	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:02	Soy de Corporación Milagros del Amor
46	Attendee	Question	Anonymous (Unverified)	3/5/21 15:05	Con respecto al Programa CDBG, ¿Cómo puede una organización sin fines de lucro solicitar fondos de Facilidades Públicas para un proyecto de vivienda y servicios especializados para personas sin hogar con impedimentos localizado en alguno de los municipios incluidos en el Plan del Estado? Francisco J. Rodríguez Fraticelli, Presidente Ejecutivo Coalición de Coaliciones Pro Personas sin Hogar de PR, Inc. coaliciondecoaliciones@gmail.com.
47	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:05	Se dejó de ver la presentación de ESG.
48	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:05	No se ve la presentacion
49	Attendee	Question	Anonymous (Unverified)	3/5/21 15:06	No se vé!!!
50	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:07	Se fué el sonido.

Source		Type	Identilly	Timestamp	Content
51	Attendee	Question	Carmen Gabino (Unverified)	3/5/21 15:07	No se vé
52	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:07	Por qué no la escucho?
53	Attendee	Question	Anonymous (Unverified)	3/5/21 15:08	No hay audio!!!
54	Attendee	Question	Carmen Gabino (Unverified)	3/5/21 15:08	Ahora no se oye
55	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:08	Se ve la presentacion, pero no se oye!
56	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:08	No escucho.
57	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:09	No se escucha nada..
58	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:09	Sigo sin escuchar o ella no se oye.
59	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:09	ahora si

Source		Type	Identity	Timestamp	Content
60	Attendee	Question	Vilmarie Rodríguez (Unverified)	3/5/21 15:11	No se escucha
61	Attendee	Question	Anonymous (Unverified)	3/5/21 15:14	Hola Aquí estoy
62	Attendee	Question	Vilmary Cardenas-Municipio de Carolina (Unverified)	3/5/21 15:14	Buenos días
63	Attendee	Question	Carmen E Hernandez - Lucha (Unverified)	3/5/21 15:14	Buenos días. No se escucha nada de la vista y tampoco se puede escribir en el chat.
64	Attendee	Question	Lisaniz Figueroa Oyola (Unverified)	3/5/21 15:14	Municipio de Toa Alta
65	Attendee	Question	Lilian Meléndez - Orocovis (Unverified)	3/5/21 15:14	Todavía no comienza?
66	Attendee	Question	Miriann Matos-Municipio de Hormigueros (Unverified)	3/5/21 15:14	Presente para la Vista Pública 2021
67	Attendee	Question	Brenda Rodríguez (Unverified)	3/5/21 15:14	Buenos días desde Programa Hogar Seguro I de IPVI de PR Arecibo
68	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 15:14	Para record de asistencia, Kayshla Orsini del Municipio de Rincón.

Source		Type	Identify	Timestamp	Content
69	Attendee	Question	Vilmary Cardenas-Municipio de Carolina (Unverified)	3/5/21 15:14	Si
70	Attendee	Question	Anonymous (Unverified)	3/5/21 15:14	Buenos días
71	Attendee	Question	Anonymous (Unverified)	3/5/21 15:14	Raymond F. Waters, Director de Programas Federales/ Municipio de Añasco
72	Attendee	Question	Anonymous (Unverified)	3/5/21 15:14	Buenos días Municipio Las Piedras! no logramos escuchar, en efecto estan conectados?
73	Attendee	Question	Anonymous (Unverified)	3/5/21 15:14	Saludos Angel Marrero municipio de Barranquitas, amarrero@barranquitas.pr.gov
74	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Municipio de Barranquitas, Norma G Vázquez
75	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Saludos, Angel Marrero municipio de Baranquitas, amarrero@barranquitas.pr.gov
76	Attendee	Question	Belinda Hill (Unverified)	3/5/21 15:15	Se va dar la vista publica o la cancelaron para otra fecha?
77	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Jayuya presente

Source		Type	Identify	Timestamp	Content
78	Attendee	Question	YARITZA MUNICIPIO DE GURABO (Unverified)	3/5/21 15:15	SE ESCUCHA MAL
79	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Representacion de Jayuya
80	Attendee	Question	William Serrano - Municipio de Ceiba (Unverified)	3/5/21 15:15	Buen dia
81	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 15:15	Secundada
82	Attendee	Question	Lilian Meléndez - Orocovís (Unverified)	3/5/21 15:15	La secundo
83	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	secundo la mocion
84	Attendee	Question	Municipio de Rincón (Unverified)	3/5/21 15:15	Se de por leido
85	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Secundo moción para que se de por leido
86	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:15	Se dejó de ver la presentación de ESG.

Source		Type	Identify	Timestamp	Content
87	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Secundo
88	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Saludos, que el anuncio sede por leeido
89	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:15	No se ve la presentacion
90	Attendee	Question	Municipio de Barranquitas (Unverified)	3/5/21 15:15	Creemos que el anfitrión tiene nuestro panel bloqueado ya que no tenemos opción de levantar la mano, ni camara, ni microfono. Podran verificar su panel...
91	Attendee	Question	Sandra Cruz (Unverified)	3/5/21 15:15	Secundado
92	Attendee	Question	Sandra Cruz (Unverified)	3/5/21 15:15	Secundado
93	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Buenos días . Veo que han habido problemas técnicos . Pregunto se va a posponer o vislumbra seguir con las vistas ? Agradeceré nos indiquen . Saludos
94	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	His M. Carrasquillo, asesora municipios. Culebra, Corozal, Yabucoa. Saludos
95	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	se qued'o sin sonido

Source	Type	Identify	Timestamp	Content	
96	Attendee	Question	Brenda Rodríguez (Unverified)	3/5/21 15:15	En IPVÍ de Arecibo lamentablemente no hemos logrado ver ni escuchar las vistas. La pantalla no muestra como comenzadas las mismas.
97	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:15	Necesito la Presentación desde el inicio, pues me encontraba en otra reunión y me integré hace unos minutos con ustedes. Gracias.
98	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:15	Soy de Corporación Milagros del Amor
99	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Con respecto al Programa CDBG, ¿Cómo puede una organización sin fines de lucro solicitar fondos de Facilidades Públicas para un proyecto de vivienda y servicios especializados para personas sin hogar con impedimentos localizado en alguno de los municipios incluidos en el Plan del Estado? Francisco J. Rodríguez Fraticelli, Presidente Ejecutivo Coalición de Coaliciones Pro Personas sin Hogar de PR, Inc. coaliciondecoaliciones@gmail.com.
100	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	No se vé!!!
101	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:15	Se fué el sonido.
102	Attendee	Question	Vilmarie Rodríguez (Unverified)	3/5/21 15:15	Municipio de San Juan Presente

Source		Type	Identify	Timestamp	Content
103	Attendee	Question	Carmen Gabino (Unverified)	3/5/21 15:15	No se vé
104	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:15	Por qué no la escucho?
105	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	No hay audio!!!
106	Attendee	Question	Carmen Gabino (Unverified)	3/5/21 15:15	Ahora no se oye
107	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:15	Se ve la presentacion, pero no se oye!
108	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:15	No escucho.
109	Attendee	Question	MIRIANN MATOS (Unverified)	3/5/21 15:15	No se escucha nada.
110	Attendee	Question	Jannela Plana García, CorMA (Unverified)	3/5/21 15:15	Sigo sin escuchar o ella no se oye.
111	Attendee	Question	Cristo Pobre (Unverified)	3/5/21 15:15	ahora sí

	Source	Type	Identify	Timestamp	Content
112	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Donde estan los interpretes?
113	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	Buenos días
114	Attendee	Question	Anonymous (Unverified)	3/5/21 15:15	hola
115	Attendee	Question	Vilmarie Rodriguez (Unverified)	3/5/21 15:15	No se escucha
116	Attendee	Question	Vilmarie Rodríguez (Unverified)	3/5/21 15:16	Municipio de San Juan Presente
117	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:16	Saludos, gracias por atender esta Vista.(Vilmarie Rodriguez (Unverified) asked "Municipio de San Juan Presente")
118	Attendee	Question	Prog. Dame Tu Mano (Unverified)	3/5/21 15:16	Buen dia
119	Attendee	Question	Prog. Dame Tu Mano (Unverified)	3/5/21 15:16	Buen dia
120	Attendee	Question	ARGIE DIAZ (Unverified)	3/5/21 15:17	Debo mencionar que le vamos a estar asignando fondos administrativos para las entidades (municipios y sin fines de lucro)

Source	Type	Identity	Timestamp	Content	
121	Attendee	Question	ARGIE DIAZ (Unverified)	3/5/21 15:17	Debo mencionar que le vamos a estar asignando fondos administrativos para las entidades (municipios y sin fines de lucro).
122	Attendee	Question	Prog. Dame Tu Mano (Unverified)	3/5/21 15:17	IPVI PR Programa Dame Tu Mano Crystal Liz
123	Attendee	Question	Anonymous (Unverified)	3/5/21 15:17	Marisel Canales. Municipio de Toa Baja- mcanales@toabaja.com-presente
124	Attendee	Question	Anonymous (Unverified)	3/5/21 15:18	Buenos dias, Municipio de Yabucoa. Programas Federales
125	Attendee	Question	M (Unverified)	3/5/21 15:19	No se escucha
126	Attendee	Question	Dolores Fernandez, Municipio Culebra (Unverified)	3/5/21 15:19	No se escucha
127	Attendee	Question	Prog. Dame Tu Mano (Unverified)	3/5/21 15:19	IPVI PR Programa Dame Tu Mano Crystal Liz
128	Attendee	Question	Anonymous (Unverified)	3/5/21 15:19	Marisel Canales. Municipio de Toa Baja- mcanales@toabaja.com-presente
129	Attendee	Question	Anonymous (Unverified)	3/5/21 15:19	Buenos dias, Municipio de Yabucoa. Programas Federales

Source		Type	Identify	Timestamp	Content
130	Attendee	Question	M (Unverified)	3/5/21 15:19	No se escucha
131	Attendee	Question	Dolores Fernandez, Municipio Culebra (Unverified)	3/5/21 15:19	No se escucha
132	Attendee	Question	Programas Federales San Lorenzo (Unverified)	3/5/21 15:20	Favor enviar las presentaciones, ya que en momentos se pierde la comunicación y visuales. Gracias
133	Attendee	Question	Programas Federales San Lorenzo (Unverified)	3/5/21 15:20	Favor enviar las presentaciones, ya que en momentos se pierde la comunicación y visuales. Gracias
134	Attendee	Question	Ivonne Vega Ramos - Corporación SANOS (Unverified)	3/5/21 15:20	Para fines de asistencia Ivonne Vega - SANOS
135	Attendee	Question	Ivonne Vega Ramos - Corporación SANOS (Unverified)	3/5/21 15:20	Para fines de asistencia Ivonne Vega - SANOS
136	Attendee	Question	Pedro Santiago Rodríguez (Unverified)	3/5/21 15:21	Saludos! Pedro Santiago Rodríguez, Director Recursos Externos Municipio de Naranjito

Source		Type	Identify	Timestamp	Content
137	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:21	Hemos experimentado la negativa de municipios para la ubicación de albergues basado en discrimen a la población sin hogar, la solicitud del endoso municipal del Programa ESG debe ser revisado y eliminado para evitar la posibilidad de discrimen a leyes de vivienda justa. La determinación de ubicar un albergue en un municipio específico responde a un análisis de datos del HIMS, Censo de Personas sin Hogar, y el Análisis de Brechas que realizan ambos CoCs por regulación de HUD, en los cuales participan, o deben y pueden participar, todos los municipios de PR y el Departamento de la Vivienda y Departamento de la Familia, entre otras agencias con programas relevantes a las necesidades de las personas sin hogar, de acuerdo a la política pública del gobierno federal.
138	Attendee	Question	Pedro Santiago Rodríguez (Unverified)	3/5/21 15:21	Saludos! Pedro Santiago Rodríguez, Director Recursos Externos Municipio de Naranjito
139	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:22	Hemos experimentado la negativa de municipios para la ubicación de albergues basado en discrimen a la población sin hogar, la solicitud del endoso municipal del Programa ESG debe ser revisado y eliminado para evitar la posibilidad de discrimen a leyes de vivienda justa. La determinación de ubicar un albergue en un municipio específico responde a un análisis de datos del HIMS, Censo de Personas sin Hogar, y el Análisis de Brechas que realizan ambos CoCs por regulación de HUD, en los cuales participan, o deben y pueden participar, todos los municipios de PR y el Departamento de la Vivienda y Departamento de la Familia, entre otras agencias con programas relevantes a las necesidades de las personas sin hogar, de acuerdo a la política pública del gobierno federal.

Source		Type	Identify	Timestamp	Content
140	Attendee	Question	Lisette M. de Hoyos del Municipio de Jayuya (Unverified)	3/5/21 15:23	Debido a problemas técnicos recomiendo enviar presentaciones a los Municipios
141	Moderator	Response	Lymari De Jesus Fuentes (Ldejesus@vivienda.pr.gov)	3/5/21 15:27	Estaremos haciendo las gestiones para las presentaciones. Y beneficio de todos se publicaran en la pagina web de la agencia para que la puedan acceder.(Lisette M. de Hoyos del Municipio de Jayuya (Unverified) asked "Debido a problemas técnicos recomiendo enviar presentaciones a los Municipios")
142	Attendee	Response	Lisette M. de Hoyos del Municipio de Jayuya (Unverified)	3/5/21 15:36	Gracias(Lisette M. de Hoyos del Municipio de Jayuya (Unverified) asked "Debido a problemas técnicos recomiendo enviar presentaciones a los Municipios")
143	Attendee	Question	Lisette M. de Hoyos del Municipio de Jayuya (Unverified)	3/5/21 15:24	Para fines de asistencia María M. Ortiz de Jesús - Directora Programas Federales del Municipio de Jayuya y Lisette M. de Hoyos Gómez Contable Programa CDBG del Municipio de Jayuya
144	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:25	Considerar la otorgación de adelantos de fondos en el Programa ESG a las propuestas aprobadas, de manera que las organizaciones y municipios puedan comenzar los gastos de fondos sin dificultades financieras para cumplir con el desempeño y metas del programa. Las organizaciones sin fines de lucro enfrentan grandes dificultades para contar con fondos o líneas de crédito para realizar los gastos de los fondos, mientras se facturan y se emiten los reembolsos de fondos gastados.
145	Attendee	Question	Lisette M. de Hoyos del Municipio de Jayuya (Unverified)	3/5/21 15:25	Para fines de asistencia María M. Ortiz de Jesús - Directora Programas Federales del Municipio de Jayuya y Lisette M. de Hoyos Gómez Contable Programa CDBG del Municipio de Jayuya



Source	Type	Identify	Timestamp	Content	
146	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:25	Considerar la otorgación de adelantos de fondos en el Programa ESG a las propuestas aprobadas, de manera que las organizaciones y municipios puedan comenzar los gastos de fondos sin dificultades financieras para cumplir con el desempeño y metas del programa. Las organizaciones sin fines de lucro enfrentan grandes dificultades para contar con fondos o líneas de crédito para realizar los gastos de los fondos, mientras se facturan y se emiten los reembolsos de fondos gastados.
147	Attendee	Question	Lisette M. de Hoyos del Municipio de Jayuya (Unverified)	3/5/21 15:27	Debido a problemas técnicos recomiendo enviar presentaciones a los Municipios
148	Attendee	Question	Anonymous (Unverified)	3/5/21 15:33	Hector Quiñones Municipio de Barceloneta
149	Attendee	Question	Tainachi Fernández Roque, Municipio de Naguabo (Unverified)	3/5/21 15:36	Para efectos de asistencia, Tainachi Fernández Roque, Directora de la Oficina de Progmas Federales Naguabo
150	Attendee	Question	Anonymous (Unverified)	3/5/21 15:36	Hector Quiñones Municipio de Barceloneta
151	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:54	Saludos. Gracias por atender esta Vista Pública 2021.(Hector Quiñones Municipio de Barceloneta )
152	Attendee	Question	Tainachi Fernández Roque, Municipio de Naguabo (Unverified)	3/5/21 15:36	Para efectos de asistencia, Tainachi Fernández Roque, Directora de la Oficina de Progmas Federales Naguabo

Source		Type	Identify	Timestamp	Content
153	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:53	Saludos. Gracias ppor atender esta Vista Pública 2021.(Tainachí Fernández Roque, Municipio de Naguabo (Unverified) asked "Para efectos de asistencia, Tainachí Fernández Roque, Directora de la Oficina de Progmas Federales Naguabo")
154	Attendee	Question	Anonymous (Unverified)	3/5/21 15:41	Carmen Alicia Rosario, Casa del Peregrino Aguadilla. Presente desde las 9:00 aunque comenzó 10:15 . Gracias por el trabajo que están realizando.
155	Attendee	Question	Anonymous (Unverified)	3/5/21 15:43	Carmen Alicia Rosario, Casa del Peregrino Aguadilla. Presente desde las 9:00 aunque comenzó 10:15 . Gracias por el trabajo que están realizando.
156	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:53	Saludos. Gracias por atender esta Vista Pública 2021. (Carmen Alicia Rosario, Casa del Peregrino Aguadilla. Presente desde las 9:00 aunque comenzó 10:15 . Gracias por el trabajo que están realizando. )
157	Attendee	Question	Anonymous (Unverified)	3/5/21 15:43	Para asistencia Geisa Rosario
158	Attendee	Question	Ramfis J. Perez., D.E.- Lucha Contra el Sida, Inc. -sn (Unverified)	3/5/21 15:45	Presente
159	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:47	Se solicita considerar la participación de organizaciones sin fines de lucro en la categoría de TBRA, en especial organizaciones con experiencia en la administración de programas de subsidio de renta a personas sin hogar en los programas de CoC y ESG. Esta consideración está especialmente dirigida a aumentar la protección de la confidencialidad a las personas que viven con vih y personas sin hogar.

Source		Type	Identify	Timestamp	Content
160	Attendee	Question	Plan. Angélica M. Camacho - Aibonito (Unverified)	3/5/21 15:48	Para efectos de asistencia: Plan. Angélica Camachoos de asistencia , Directora de Federales y Planificación – Municipio de Aibonito
161	Attendee	Question	joan Fourquet (Unverified)	3/5/21 15:49	No se escucha
162	Attendee	Question	Anonymous (Unverified)	3/5/21 15:51	Para asistencia Geisa Rosario
163	Attendee	Question	Ramfis J. Perez., D.E.- Lucha Contra el Sida, Inc. -isn (Unverified)	3/5/21 15:51	Presente
164	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:52	Saludos, Gracias po su asistencia.(Ramfis J. Perez., D.E.- Lucha Contra el Sida, Inc. -isn (Unverified) asked "Presente")
165	Attendee	Question	Francisco J. Rodríguez Fraticelli, Coalición de Coaliciones (Unverified)	3/5/21 15:51	Se solicita considerar la participación de organizaciones sin fines de lucro en la categoría de TBRA, en especial organizaciones con experiencia en la administración de programas de subsidio de renta a personas sin hogar en los programas de CoC y ESG. Esta consideración está especialmente dirigida a aumentar la protección de la confidencialidad a las personas que viven con vih y personas sin hogar.
166	Attendee	Question	Plan. Angélica M. Camacho - Aibonito (Unverified)	3/5/21 15:51	Para efectos de asistencia: Plan. Angélica Camachoos de asistencia , Directora de Federales y Planificación – Municipio de Aibonito

Source	Type	Identify	Timestamp	Content	
167	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 15:52	Saludos, Gracias por atender esta Vista Pública 2021.(Plan. Angélica M. Camacho - Aibonito (Unverified) asked "Para efectos de asistencia: Plan. Angélica Camacho de asistencia , Directora de Federales y Planificación – Municipio de Aibonito")
168	Attendee	Question	joan Fourquet (Unverified)	3/5/21 15:51	No se escucha
169	Attendee	Question	Anonymous (Unverified)	3/5/21 15:52	Wanda Ortiz, Municipio de Corozal (Programas Federales)
170	Attendee	Question	Brenda Figueroa (Unverified)	3/5/21 15:55	Brenda Figueroa, Sub-Directora de Programas Federales del Municipio de Patillas para record. b.figueroapatillas@yahoo.com
171	Attendee	Question	Anonymous (Unverified)	3/5/21 15:57	Wanda Ortiz, Municipio de Corozal (Programas Federales)
172	Attendee	Question	Brenda Figueroa (Unverified)	3/5/21 15:57	Brenda Figueroa, Sub-Directora de Programas Federales del Municipio de Patillas para record. b.figueroapatillas@yahoo.com
173	Attendee	Question	Anonymous (Unverified)	3/5/21 15:57	Elsa Puchols Municipio de Toa Baja Presente
174	Attendee	Question	Anonymous (Unverified)	3/5/21 15:57	Elsa Puchols Municipio de Toa Baja Presente
175	Attendee	Question	Juan Correa Burgos -CAPHAЕ (Unverified)	3/5/21 15:58	Favor de enviar las presentaciones

Source	Type	Identify	Timestamp	Content	
176	Moderator	Response	Lymari De Jesus Fuentes (Ldejesus@vivienda.pr.gov)	3/5/21 15:59	Las presentaciones se van a publicar en la pagina WEB para beneficio de todos los participantes y publico en general.(Juan Correa Burgos -CAPHAE (Unverified) asked "Favor de enviar las presentaciones")
177	Attendee	Question	Anonymous (Unverified)	3/5/21 15:59	Saludos, Hector Pagan de La Perla de Gran Precio
178	Attendee	Question	Juan Correa Burgos -CAPHAE (Unverified)	3/5/21 15:59	Favor de enviar las presentaciones
179	Attendee	Question	Anonymous (Unverified)	3/5/21 16:00	Saludos, Hector Pagan de La Perla de Gran Precio
180	Attendee	Question	Iris Carrasquillo- (Unverified)	3/5/21 16:00	HOPWA-La fechas límites son Las mismas para los fondos que distribuye San Juan y los del balance para el Depto. de Salud?
181	Attendee	Question	Iris Carrasquillo- (Unverified)	3/5/21 16:00	HOPWA-La fechas límites son Las mismas para los fondos que distribuye San Juan y los del balance para el Depto. de Salud?
182	Attendee	Question	Para registro de Asistencia Municipio de Florida, Glenda Serrano Negron y Marisa Liz Maisonet Velez (Unverified)	3/5/21 16:00	Estamos presentes desde las 850am Municipio de Florida, Glenda Serrano y Marisa Liz Maisonet, tuvimos muchos problemas con la conexon y nos perdimos parte de la presentacion. Entiendo que nos haran llegar la misma por correo electronico a: pfgmf@yahoo.com GRACIAS
183	Attendee	Question	Saludos... Frank Ferrer - Teen Challenge de PR- ferrer@teenchallengepr.org (Unverified)	3/5/21 16:01	Van a enviar las presentaciones?

Source	Type	Identity	Timestamp	Content	
184	Attendee	Question	Para registro de Asistencia Municipio de Florida, Glenda Serrano Negron y Marisa Liz Maisonet Velez (Unverified)	3/5/21 16:01	Estamos presentes desde las 850am Municipio de Florida, Glenda Serrano y Marisa Liz Maisonet, tuvimos muchos problemas con la conexon y nos perdimos parte de la presentacion. Entiendo que nos haran llegar la misma por correo electronico a: pfgmf@yahoo.com GRACIAS
185	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 16:09	La Presentación estará publicada en el portal del Departamento de la Vivienda. (Para registro de Asistencia Municipio de Florida, Glenda Serrano Negron y Marisa Liz Maisonet Velez (Unverified) asked "Estamos presentes desde las 850am Municipio de Florida, Glenda Serrano y Marisa Liz Maisonet, tuvimos muchos problemas con la conexon y nos perdimos parte de la presentacion. Entiendo que nos haran llegar la misma por correo electronico a: pfgmf@yahoo.com GRACIAS ")
186	Attendee	Question	Iris Carrasquillo- (Unverified)	3/5/21 16:01	No me contestaron la pregunta y cerraron la vista publica.!!!!!!
187	Moderator	Response	Lymari De Jesus Fuentes (Ldejesus@vivienda.pr.gov)	3/5/21 16:03	se contestara via correo electronico(Iris Carrasquillo- (Unverified) asked "No me contestaron la pregunta y cerraron la vista publica.!!!!!!")
188	Attendee	Question	Saludos... Frank Ferrer - Teen Challenge de PR- ferrer@teenchallengepr.org (Unverified)	3/5/21 16:02	Van a enviar las presentaciones?
189	Attendee	Question	Anonymous (Unverified)	3/5/21 16:03	Oficina de Programas Federales de Corozal presente en toda la vista publica, excelente toda la informacion.

	Source	Type	Identify	Timestamp	Content
190	Attendee	Question	Anonymous (Unverified)	3/5/21 16:03	Oficina de Programas Federales de Corozal presente en toda la vista publica, excelente toda la informacion.
191	Attendee	Question	MIRIANN MATOS-Municipio de Hormigueros (Unverified)	3/5/21 16:04	Para fines de asistencia Miriann Matos Municipio de Hormigueros
192	Attendee	Question	Tainachí Fernández Roque, Municipio de Naguabo (Unverified)	3/5/21 16:04	En el caso de los fondos sobrantes para ESG de años anteriores como van a manejar esta situacion con los municipio.
193	Attendee	Question	Iris Carrasquillo- (Unverified)	3/5/21 16:04	No me contestaron la pregunta y cerraron la vista publica.!!!!!!
194	Moderator	Response	Aida Gracia Rivera (Agracia@vivienda.pr.gov)	3/5/21 16:08	Recibimos el comentario, será atendido en el Plan de Acción.(Iris Carrasquillo- (Unverified) asked "No me contestaron la pregunta y cerraron la vista publica.!!!!!!")
195	Attendee	Question	MIRIANN MATOS-Municipio de Hormigueros (Unverified)	3/5/21 16:04	Para fines de asistencia Miriann Matos Municipio de Hormigueros
196	Attendee	Question	Tainachí Fernández Roque, Municipio de Naguabo (Unverified)	3/5/21 16:05	En el caso de los fondos sobrantes para ESG de años anteriores como van a manejar esta situacion con los municipio.

**From:** Victoria Black <[victoriaofthepeople@gmail.com](mailto:victoriaofthepeople@gmail.com)>  
**Sent:** Friday, March 5, 2021 9:25 AM  
**To:** cdbg municipal <[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)>  
**Subject:** 2021 Action Plan - Qualifying projects question

Hello,

I am currently in the process of moving to Puerto Rico from Indiana. I fell in love with the country after visiting Fajardo, Luquillo, Santurce, and Old San Juan for two weeks. It wasn't enough time!

I have questions about the action plan. I hope you can help.

My plan is to establish a Yoga focused tourism (Wellness Tourism) business in PR. I have already taken steps with the National Parks Service to get my permit and begin teaching in May in Old San Juan. I'm interested in other locations as well, but I'm not sure where to find the 51 non-entitlement municipalities. Can you point me to that list?

The other project that I would love to try to link up with a qualified contractor to talk about is an outdoor gym like Tulum's Jungle Gym or Miami Beach's Muscle Beach. As someone who is dedicated to fitness, attractions like these are driving factors when booking trips. The viral nature gym patrons posting online is free advertising and great for tourism.

Are either of these projects that would qualify for public works or facilities, community development and/or economic development? I'm attaching some data to share the value of wellness tourism.

Looking forward to hearing from you,

Nicki

dba soon as Victoria Black Yoga  
[sunriseyogapr.com](http://sunriseyogapr.com)  
[sunriseyogapuertorico.com](http://sunriseyogapuertorico.com)  
[sunriseyogasanjuan.com](http://sunriseyogasanjuan.com)

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# Global Wellness Tourism Economy

NOVEMBER 2018



**GLOBAL WELLNESS  
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# Global Wellness Tourism Economy

NOVEMBER 2018

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## ABOUT THE AUTHORS

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### ABOUT THE GLOBAL WELLNESS INSTITUTE

The Global Wellness Institute (GWI), a 501(c)(3) non-profit organization, is considered the leading global research and educational resource for the global wellness industry and is known for introducing major industry initiatives and regional events that bring together leaders and visionaries to chart the future. GWI positively impacts global health and wellness by advocating for both public institutions and businesses that are working to help prevent disease, reduce stress, and enhance overall quality of life. Its mission is to empower wellness worldwide.

[www.globalwellnessinstitute.org](http://www.globalwellnessinstitute.org)

### ABOUT THE AUTHORS

The *Global Wellness Tourism Economy* report was prepared by Ophelia Yeung and Katherine Johnston, Senior Research Fellows at the Global Wellness Institute. Together, they have four decades of experience leading research and strategy development for businesses, universities, research institutions, and multilateral and government organizations under the auspices of SRI International, a Silicon Valley-based technology and innovation company. Since 2008, Ms. Yeung and Ms. Johnston have worked with the team at what has become the Global Wellness Institute to pioneer groundbreaking research on the global wellness economy and its subsectors. They were assisted in this research by Tonia Callender, GWI Research Fellow.

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Global Wellness  
Tourism Economy

# Executive Summary

NOVEMBER 2018

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**GLOBAL WELLNESS  
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## EXECUTIVE SUMMARY

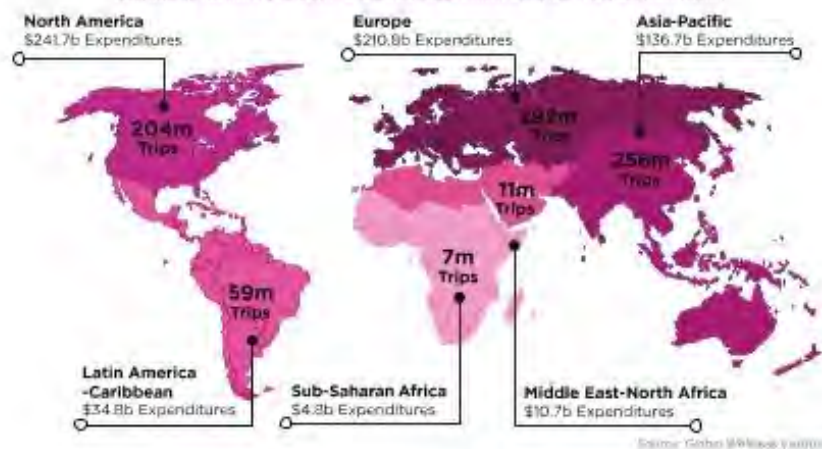
Wellness tourism is travel associated with the pursuit of maintaining or enhancing one's personal wellbeing. GWI estimates wellness tourism is a \$639 billion global market in 2017, growing more than twice as fast as general tourism.

In 2013, the Global Wellness Institute (GWI) unveiled the inaugural edition of the Global Wellness Tourism Economy report — a landmark study that defined the parameters and characteristics of the emerging wellness tourism sector, estimated its global size, and highlighted its far reaching economic impacts. Since then, this tourism segment has accelerated around the world. This updated Global Wellness Tourism Economy report revisits the framework and definition presented in the inaugural report and provides new data and insights on global, regional, and country-level developments.

Estimated at \$639.4 billion in 2017, wellness tourism is a fast-growing tourism segment that has been growing by 6.5% annually from 2015-2017 (more than twice the growth rate for general tourism). Travelers made 830 million wellness trips in 2017, which is 139 million more than in 2015. Growth has been driven by an expanding global middle class, growing consumer desire to adopt a wellness lifestyle, rising interest in experiential travel, and increasing affordability of flights and travel options. Across regions, Europe remains the destination for the largest number of wellness trips, while North America leads in wellness tourism expenditures. Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

### Wellness Tourism by Region, 2017

Number of wellness tourism trips and expenditures (inbound and domestic)



Global Wellness Tourism Economy - November 2018 | iii



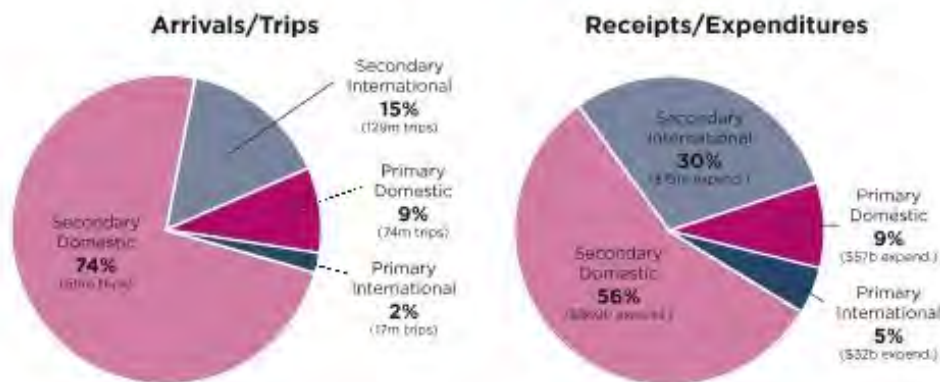
Secondary wellness travelers account for the bulk of wellness tourism trips and growth: 89% of trips and 86% of expenditures.

The wellness tourism market includes two types of travelers: **primary wellness travelers**, who are motivated by wellness to take a trip or choose their destination based on its wellness offerings (e.g., someone visiting a wellness resort or participating in a yoga retreat); and **secondary wellness travelers**, who seek to maintain wellness or engage in wellness activities during any kind of travel (e.g., someone who visits a gym, gets a massage, or prioritizes healthy food when they take a trip). The bulk of wellness tourism is done by secondary wellness travelers, who account for 89% of wellness tourism trips and 86% of expenditures in 2017. Secondary wellness tourism also continues to grow at a faster rate than primary wellness tourism, at 10% compared to 8% annually, from 2015-2017.

Domestic wellness travel dwarfs international wellness travel, but international wellness trips have been growing faster.

Globally, domestic travel accounts for 82% of total wellness tourism trips and 65% of expenditures. International wellness trips represent a proportionally larger share of expenditures because the average level of spending for an international trip is much higher. International wellness tourism trips have also been growing at a faster pace (12% annually) than domestic wellness tourism trips (9% annually) from 2015-2017.

### Secondary and Domestic Wellness Travel Lead In Trips and Expenditures



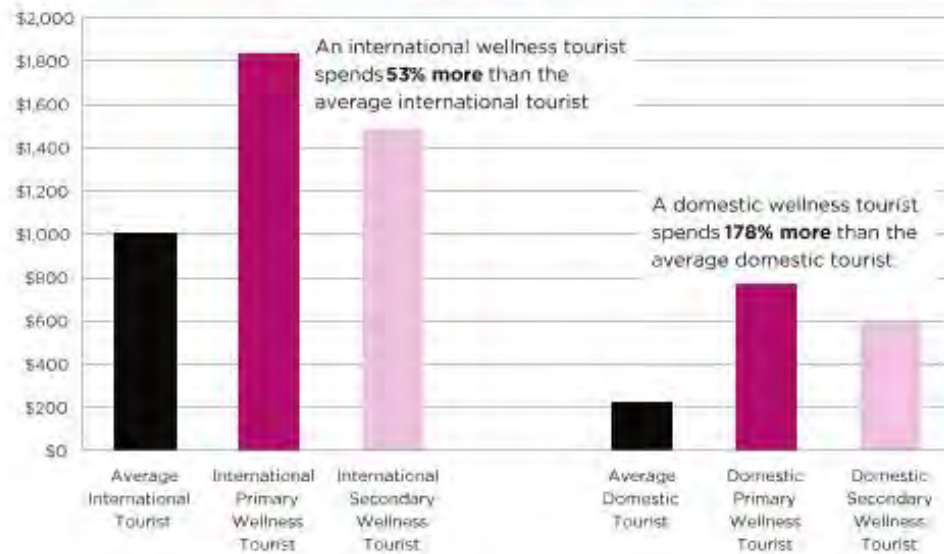
*Note: Figures may not sum to total due to rounding.  
Source: Global Wellness Institute*

iw | Global Wellness Institute

## Wellness tourism is high-yield tourism.

Wellness travelers spend more per trip than the average tourist, and this holds true for both domestic and international travelers. In 2017, international wellness tourists on average spent \$1,528 per trip, 53% more than the typical international tourist. The premium for domestic wellness tourists is even higher. At \$609 per trip, they spend 178% more than the typical domestic tourist.

### Wellness Tourism Spending Premiums, 2017



\*Source: Euromonitor by the Global Wellness Institute, based upon tourism industry data from Euromonitor International.



## Wellness tourism creates opportunities for wellness and all tourism and hospitality-related businesses.

The \$639.4 billion spent globally by wellness travelers is distributed among many segments of the tourism industry, from food and lodging, to activities, excursions, shopping, and other services. Within each segment, some expenditures may include wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), while other expenditures may be "generic" (such as transportation, general food and lodging, or buying souvenirs). As more consumers incorporate wellness into their lifestyles, there are many opportunities for all businesses to infuse wellness into their offerings and capture spending by wellness travelers.

### Wellness Tourism Industry in 2017



*Data combine both inbound/international and domestic wellness tourism spending and also include both primary and secondary wellness trips.*

*Source: Estimates by the Global Wellness Institute, based on tourism industry data from Eurostat and International*

## Wellness tourism will continue its growth momentum as more consumers adopt wellness as a key decision driver.

GWI projects that wellness tourism will grow at an average annual rate of 7.5% through 2022, considerably faster than the 6.4% annual growth forecasted for overall global tourism. We expect that global wellness tourism expenditures will reach over \$919 billion in 2022, representing 18% of the global tourism market. Correspondingly, we project wellness tourism trips to grow by 8.1% annually to 1.2 billion trips in 2022. This growth forecast is well-aligned with the expected growth across many sectors that focus on wellness and holistic health (e.g., fitness/mind-body, healthy eating, organic food, etc.), as more consumers adopt wellness as a dominant lifestyle value and decision driver.

Over half of the projected growth in wellness tourism expenditures (and three-quarters of the growth in wellness trips) through 2022 will take place in Asia-Pacific, Latin America-Caribbean, Middle East-North Africa, and Sub-Saharan Africa, driven by a dramatic increase in both domestic tourism and intra-regional wellness tourism in these markets.

### Wellness Tourism Growth Projections, 2017-2022

	Projected Expenditures (US\$ billions)		Projected Average Annual Growth Rate
	2017	2022	2017-2022
North America	\$241.7	\$311.3	5.2%
Europe	\$210.8	\$275.0	5.5%
Asia-Pacific	\$136.7	\$251.6	13.0%
Latin America-Caribbean	\$34.8	\$54.7	9.5%
Middle East-North Africa	\$10.7	\$18.7	11.8%
Africa	\$4.8	\$8.1	11.1%
<b>Total Wellness Tourism Industry</b>	<b>\$639.4</b>	<b>\$919.4</b>	<b>7.5%</b>

Sources: Global Wellness Institute estimates, based upon tourism industry data from UNWTO and World Travel & Tourism Council (WTTC), and GWI's data and research report.

## Wellness, hospitality, and travel businesses are converging.

Since wellness tourism burst into mainstream consumer consciousness a few years ago, the industry has evolved rapidly. Businesses and governments are investing in developing new strategies, products, experiences, and destinations. Wellness, hospitality, and travel are converging in diverse and unprecedented ways, as businesses experiment with new partnerships and business models to help travelers incorporate wellness into every aspect of their trips.

**Fly healthy and fly well.** Recognizing that air travel can be unhealthy and stressful, airports and airlines are promoting health and wellness programs for their customers. Collaborations among airports, airlines, and wellness businesses are taking many forms: high-end spas, fitness centers, and wellness classes in terminals and airline lounges; in-flight meditation, wellness programming, and sleep aides; healthier food options; and even healthier/biophilic airport design.

**Healthy hotels go mainstream.** As wellness travel becomes more mainstream, many hotels are incorporating wellness into their design, amenities, services, and programming. Wellness features may include bedding and lighting that promote better sleep, windows and shades that block out light and noise, in-room fitness equipment and videos, healthy snacks and menus at restaurants, or on-site spas and gyms. Acquisitions, partnerships, and collaborations between hospitality companies and fitness, spa, and other wellness brands are increasingly common. An emerging trend is the adoption of wellness architecture, biophilic design, and sustainability elements into the entire design of the property.

**Engineering wellness travel experiences.** Consumers increasingly view vacations as an opportunity to experience wellness in new ways, and businesses from cruise lines to tour operators and event organizers are engineering diverse new wellness travel experiences. A number of cruise lines are partnering with wellness industry experts and service providers to raise the quality and sophistication of their wellness offerings or to create wellness-themed voyages.

**Wellness products and brands travel with their customers.** As wellness routines become a daily lifestyle for many consumers, products and brands are following their customers on their travels to help them continue these routines wherever they go (e.g., Westin partnering with Peloton). Some retail and product companies like Lululemon and Free People are extending their wellness-minded brands into experiences, such as offering wellness retreats for their customers.

**A new nexus of travel, work, and wellness.** For those who want to experience a country for a longer duration than the standard vacation, companies such as Roam, Outside, The Remote Experience, and others are offering a combination of coworking, coliving, and travel, enabling people to experience other countries and cultures while working and living with like-minded individuals for a week, a month, or longer. Many provide on-site wellness/fitness amenities, yoga classes, meditation, and other community events.

Clearly, the rise of wellness tourism is enticing new entrants into the market, as well as new forms of competition and partnerships. The integration of business areas along a continuum from hospitality to wellness and healthy lifestyles will continue to gather momentum. We expect more experimentation in different types of integration within this continuum in the future, as different players in the travel, hospitality, spa, fitness, and retail worlds identify what drives their core customers and seek out new ways to distinguish themselves from competitors in this evolving landscape.



## Destination marketing becomes more authentic and place-based.

Since GWI began studying wellness tourism, the number of countries that actively market some form of wellness tourism at the national level has grown from 65 in 2013 to more than 100 in 2018. Importantly, the nature and focus of wellness tourism marketing and development has become more targeted and authentic. Thermal/mineral springs have seen the biggest growth in marketing and development focus, both in countries with longstanding hot spring bathing traditions (across Europe, Latin America, and Asia), as well as in countries with undeveloped geothermal assets (e.g., Kenya, Rwanda, Ethiopia, Saudi Arabia, Cambodia, India).

A small but growing number of destinations are developing a truly authentic and place-based wellness tourism product and brand — from the state of Kerala, India, which branded itself as the “Land of Ayurveda” over two decades ago, to neighboring countries such as Sri Lanka, Nepal, and Bhutan, each promoting wellness tourism experiences that link wellness with yoga, Ayurveda, meditation, spirituality, pilgrimage, indigenous medicine, faith healing, and happiness. Other examples include Costa Rica’s new “Wellness Pura Vida” tourism campaign, and Beverly Hills’ (U.S.) “City of Wellth” tourism campaign to redefine luxury as less about materialism and more about health, purpose, and happiness.

## Wellness tourism brings wide-ranging impacts to destinations and their people.

As wellness tourism evolves, it is becoming recognized as an opportunity to bring wide-ranging benefits to local economies and populations. As such, wellness tourism development is increasingly integrated with regional economic planning and community development. Austria’s Tirol region has leveraged wellness tourism to develop a broader “Cluster Wellness Tirol” network, which now includes more than 100 businesses in telemedicine, food, nutrition, spa equipment and technology, workplace wellness, and other wellness-related fields. Costa Rica’s “Wellness Pura Vida” strategy (currently under development) aims to engage local communities in the planning process and to use wellness tourism development as a catalyst for social and economic growth in seven regions across the country. Rochester, Minnesota’s 20-year, \$5.6 billion Destination Medical Center initiative builds on the world-class reputation of the Mayo Clinic and its massive medical tourism industry (3 million+ visitors per year). Plans include a “heart of the city” urban district where hospitality intersects with healthcare, with healthy design and extensive wellness lifestyle and leisure amenities that will benefit thousands of Mayo Clinic employees/residents alongside the visitors to the clinic and their families.

## In the future, the wellness of travel will increasingly link to the wellness of the place and how we contribute to it.

As more consumers adopt wellness as part of their value system, they will increasingly filter their travel experiences through a holistic wellness lens, and they will increasingly become interested in the wellbeing of the people in the places that they visit. That is one reason why a high-end resort hotel such as The Breakers Palm Beach (U.S.) puts their employee wellness at the center of their brand and their guest experience, or why Westin Hotels & Resorts is expanding its wellness offerings to organize activities that allow guests to give back to the places they are visiting. Recognizing that the wellness of a place is the DNA of its authentic wellness offering, more destinations, regions (such as Wellness Valley in Romagna, Italy and the state of Colorado in the United States), and countries (such as Costa Rica and Bhutan) are prioritizing the wellbeing of their residents and their environment to create their own unique wellness value proposition and brand.

In a holistic wellness framework, being well and doing good are closely connected; we cannot be truly well if our communities and the environment around us are not well. Research from the rapidly expanding fields of happiness, compassion, and altruism suggests that we are more likely to attain a deeper and lasting sense of peace and wellbeing by focusing on others, through helping, giving, and forming deeper connections. In recent years, wellness travel has also been evolving from a focus on being experiential to being transformative. We predict that future wellness travelers will increasingly link personal transformation with the connections they make during travel and their impacts on the people and the places that they touch. Wellness travel will become a more meaningful two-way exchange between the travelers and the destination, instead of a one-sided consumptive and commercial transaction. This consumer evolution, along with the development of wellness tourism, can play an important role in mitigating the negative impacts of over-tourism in some popular destinations and regions.

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# Global Wellness Tourism Economy Full Report

NOVEMBER 2018

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**GLOBAL WELLNESS  
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EMPOWERING WELLNESS WORLDWIDE



## PREFACE

In 2013, the Global Wellness Institute (GWI) unveiled the inaugural edition of the *Global Wellness Tourism Economy* report — a landmark study that defined the parameters and characteristics of the emerging wellness tourism sector, estimated its global size, and highlighted its far reaching economic impacts. In the subsequent five years, GWI's definition and market data for wellness tourism have been widely adopted, cited, and used by the global tourism community, tourism promotion organizations, businesses, and governments.

More importantly, the awareness of and demand for wellness tourism have risen dramatically around the world. Hardly mentioned as a tourism category just five years ago, wellness tourism is now recognized as one of the fastest growing tourism niches, with promises to expand the overall tourism "pie" while mitigating some of the challenges facing many destinations with respect to mass tourism and seasonal fluctuations.

This updated *Global Wellness Tourism Economy* report revisits the framework and definition presented in the inaugural report and provides new data and insights on global, regional, and country-level developments. We highlight the key points that you should know about wellness tourism, whether you are currently working in the field or a newcomer to this space. As tourism evolves continuously to keep pace with global consumer demand for all things experiential and wellness-related, we also share our thinking on the forces that will shape the massive and fast-moving wellness tourism sector in the coming years.

### Research Scope and Methodology

The definitions, conceptual framework, and estimation models for the global wellness tourism economy are developed by the authors under the auspices of the Global Wellness Institute (GWI), consistent with the data and methodologies used in GWI's prior studies. The data presented in this report are for the year 2017. The analysis is based on extensive primary and secondary research conducted from January to September 2018, including literature reviews, data research, and expert interviews.

Country-level wellness tourism data are developed by the authors using our proprietary databases and economic models for wellness tourism, cross-referenced with in-house data and research on the global spa, thermal/mineral springs, workplace wellness, and wellness lifestyle real estate industries. To arrive at our estimates, we also draw from the general international and domestic travel and tourism industry data published by Euromonitor International, and we consult numerous public and private data sources including: World Travel & Tourism Council, World Tourism Organization (UNWTO), World Bank, International Monetary Fund, World Health Organization, International Labour Organization; global travel promotion and booking websites; and numerous country-specific and industry-specific organizations, databases, publications, websites, and media sources.

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## I. THE RISE OF WELLNESS TOURISM

### Infusing wellness into travel is an imperative.

Travel can be bad for our physical and mental health. Crowds, delays, airport security checks, luggage, and many other travel hassles can cause tremendous stress, especially when coupled with jet lag, poor sleep, missed exercise routines, unhealthy food, alcohol, and sun exposure. All too often we return from a trip feeling like we need another vacation in order to recover. A recent Columbia University study of business travelers found that frequent and extensive travel is associated with many physical and behavioral health risk factors, including obesity, high blood pressure, lack of physical activity, smoking, alcohol dependence, trouble sleeping, anxiety, and depression.<sup>1</sup>

In spite of the modern rigors of travel, the act of travel itself has long been considered a wellness-enhancing activity. Since ancient times, people have used travel as a means for rejuvenation and healing. Romans traveled to baths, hot springs, and seaside resorts for treatments, healthier climates, purification, and spiritual rituals. For centuries, pilgrims from around the world have visited the Dead Sea for its therapeutic properties, while Chinese, Japanese, and Koreans have traveled to hot springs for relaxation and community. Russia's first resort spa was constructed in Karelia nearly 300 years ago, in the era of Peter the Great.

Today, many of us look forward to travel as an adventure and as an opportunity to rejuvenate and de-stress. Several years ago, when we conducted a survey that asked consumers what they do to maintain/enhance their personal wellness, respondents selected "take a vacation" as one of their top five activities.<sup>2</sup> In a recent survey of Millennials sponsored by Expedia, four in ten respondents said that their main motivation for their most recent holiday was to reduce stress.<sup>3</sup> As more and more people pay attention to their health, they increasingly want to keep up with their healthy habits when they travel. And a growing segment of travelers are taking trips specifically focused on maintaining and improving their personal health and wellbeing. This shift is driving the growth of wellness tourism.

<sup>1</sup> Rundle, A.G., Revenson, T.A., and Friedman, M. (2018). Business Travel and Behavioral and Mental Health. *Journal of Occupational & Environmental Medicine*, 60(7), 612-616. See also: Rundle, A. (2018). Just How Bad Is Business Travel for Your Health? Here's the Data. *Harvard Business Review*. <https://hbr.org/2018/05/just-how-bad-is-business-travel-for-your-health-heres-the-data#article-top>.

<sup>2</sup> This survey was conducted by the authors as part of an SRI International/Global Spa Summit study of 1,077 consumers worldwide in 2010. See: SRI International/Global Spa Summit (2010). *Spas and the Global Wellness Market: Synergies and Opportunities*.

<sup>3</sup> 42% of younger Millennials and 58% of older Millennials (across eight countries) selected "to reduce stress" in response to the question "Thinking about the last time you went on holiday, what were your main motivations?" See: Expedia and Future Foundation (2016). *Millennial Traveller Report: Why Millennials will shape the next 20 years of travel*.

## Holistic health and prevention are already at the center of consumer decision-making.

Wellness tourism is about much more than where people visit and what they do while on a trip — it is an extension of the values and lifestyle of the traveler. Consumer interest in a lifestyle of health and sustainability used to be the domain of a small, educated, niche group of early adopters who have catalyzed many sectors including organic and local foods; yoga and meditation; solar panels and recycling; and niche tourism movements like ecotourism and sustainable tourism. But these preferences have rapidly gone mainstream over the span of the last ten years, as consumers try to stave off chronic disease and deteriorating mental health associated with our increasingly sedentary, unhealthy, digitized, and stressful lifestyles. All around the world, more people are incorporating elements of health, prevention, self-actualization, experience, and mindfulness into their daily lives — from what they eat to how they relax and exercise, and from their work environments to the design of their homes and communities. It is not a surprise that people now expect to continue their healthy lifestyles and wellness routines when they are away from home.

The wellness industry is well-positioned to help consumers reclaim travel as an opportunity for rest and relaxation, rejuvenation, discovery, joy, and self-actualization — all elements of living a well life. It is important to note that the wellness tourism market is not limited to people traveling to destination spas, wellness centers, and yoga retreats. People concerned about their health and wellbeing will increasingly incorporate their wellness priorities into decision-making for any kind of leisure or business trip, and they will expect the market to meet their needs. This study explores and quantifies the size of these opportunities for the tourism industry on a global basis.

Wellness tourism is the powerful intersection of two large and growing industries: the \$2.6 trillion tourism industry and the \$4.2 trillion wellness industry.

As one of the world's largest industries, travel and tourism directly supports more than 118 million jobs and contributes 3.2% to global GDP (or \$2.6 trillion in 2017, according to the World Travel & Tourism Council).<sup>8</sup> The rise of the global middle class — alongside the modern human need for rest and relaxation, adventure, and new experiences — continues to fuel a tourism industry whose worldwide growth has surpassed that of many major industries such as manufacturing, financial services, and retail.

As mentioned above, demographic and lifestyle trends are driving an exponential growth of consumer interest in all things related to wellness. The Global Wellness Institute (GWI) estimates the size of the global wellness economy to be \$4.2 trillion in 2017, encompassing *wellness tourism; wellness real estate; workplace wellness; spas; thermal/mineral springs; fitness & mind-body; healthy eating, nutrition, & weight-loss; traditional & complementary medicine; preventive & personalized medicine and public health; and personal care, beauty, & anti-aging.*

Importantly, both tourism and the overall wellness economy are projected to grow at a faster rate than the global economy. Wellness tourism is clearly positioned at an important intersection between these two giants, and many stakeholders — including the hospitality industry, wellness businesses, and residents and governments of destination countries and regions — stand to benefit from this opportunity.

<sup>8</sup> World Travel & Tourism Council (2019). *Travel & Tourism Economic Impact 2018*. World, London, UK: WTTC.



## II. FIVE KEY THINGS TO KNOW ABOUT WELLNESS TOURISM

### What is wellness tourism?

In a sense, people who take any kind of vacation for leisure, rest, and relaxation are improving their wellness as part of tourism. However, this broad definition is not particularly useful for governments and businesses seeking to target consumers and to develop and promote this sector. Therefore, the Global Wellness Institute (GWI) has established a definition that captures the motivations and characteristics of people engaging in wellness tourism, so that businesses and other stakeholders can understand and tap into its vast opportunities.

GWI defines **wellness tourism** as *travel associated with the pursuit of maintaining or enhancing one's personal wellbeing*.

With so much unwellness embedded in today's travel, wellness tourism brings the promise of combating those negative qualities and turning travel into an opportunity to maintain and improve our holistic health.

### Wellness Travel Can Improve Rather Than Harm Your Health

Unwell Travel	Wellness Travel
 Unhealthy & over-eating	 Rest & rejuvenation
 Travel stress	 Disease prevention & management
 Excessive drinking	 Extend & discover healthy lifestyles
 Poor sleeping	 Authentic & transformative experiences
 Disruption of fitness routine	 Meaning, connection, & joy

*(Source: Global Wellness Institute)*

This definition of wellness tourism is derived from GWI's definition of **wellness: the active pursuit of activities, choices, and lifestyles that lead to a state of holistic health**. This is consistent with the World Health Organization's definition of health as a state of complete physical, mental, and social wellbeing.<sup>1</sup> It goes beyond mere freedom from disease or infirmity and emphasizes the proactive maintenance and improvement of health and wellbeing.

<sup>1</sup> Constitution of the World Health Organization: Principles, <http://www.who.int/about/mission/en/>

One way to understand wellness is to consider health as a continuum that extends from illness to a state of optimal wellbeing.<sup>4</sup> On one end, patients with poor health engage the medical paradigm to treat illnesses; they interact reactively and episodically with doctors and clinicians who provide care. On the opposite end, people focus proactively on prevention and maximizing their vitality. They adopt attitudes and lifestyles that prevent disease, improve health, and enhance their quality of life and sense of wellbeing. In other words, wellness is proactive, preventive, and driven by self-responsibility. Wellness tourism is the extension of this consumer value and worldview.



<sup>4</sup> The continuum concept is adapted from Dr. Jack Travis' Illness-Wellness Continuum. Travis is one of the pioneers of the modern wellness movement in the late 1970s.

## Wellness tourism is not medical tourism.

Wellness tourism is often conflated with medical tourism — not only by consumers, but in destination marketing. This confusion is caused by an incomplete understanding of these markets and inconsistent usage of terminologies by destinations, government organizations, and promotion agencies. Sometimes the term “health tourism” is also used as a catch-all to describe many types of medical and wellness services and activities — from open heart surgery and dental care to destination spas and yoga retreats — causing further confusion.

In fact, these two sectors operate largely in separate domains and meet different consumer needs. Referring to the health continuum that we discussed above, medical tourism primarily addresses the “poor health” end of the market, with patients traveling to another place for specific medical treatments or enhancements. Top medical tourism procedures include cosmetic surgery, orthopedic surgery, cardiac surgery, and dental procedures. Patients and their families are attracted by the availability, better quality, and/or price of care at the destinations. Therefore, successful medical tourism depends upon the status of a country’s broader medical sector, along with appropriate government regulations, patient safeguards, training standards, insurance frameworks, travel and visa restrictions, and other issues that drive the patient’s experience and treatment outcomes.

Wellness tourism attracts consumers who are at the opposite end of the wellness continuum — those seeking activities and destinations that extend their wellness lifestyle and help them proactively maintain and improve their health and wellbeing. The appeal and success of wellness tourism depends on an entirely different set of factors, business models, customer mindsets, human resources, and industry culture, and it is more closely aligned with leisure, recreation, and hospitality.

### Understanding the Difference Between Wellness Tourism and Medical Tourism

REACTIVE	PROACTIVE
Medical Tourism	Wellness Tourism
Travel to receive treatment for a diagnosed disease, ailment, or condition, or to seek enhancement.	Travel to maintain, manage, or improve health and wellbeing.
Motivated by desire for lower cost of care, higher quality care, better access to care, and/or care not available at home.	Motivated by desire for healthy living, disease prevention, stress reduction, management of poor lifestyle habits, and/or authentic experiences.
Activities are reactive to illnesses, medically necessary, invasive, and/or overseen by a doctor.	Activities are proactive, voluntary, non-invasive, and non-medical in nature.

Source: Global Wellness Institute

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To be sure, there is some overlap between medical tourism and wellness tourism. For example, some top-end destination spas and many traditional health resorts across Europe offer treatments that can be both curative and preventive in nature, and that are typically administered by licensed medical professionals. These include DNA testing, executive checkups, acupuncture, detoxes and cleanses, hydrotherapy, and complementary and holistic medicine services. But in general, the types of visitors, activities, services, businesses, and regulations involved are very different between medical tourism and wellness tourism, even though they may share a dependence on a region's basic tourism and hospitality infrastructure and amenities.

Overall, we do not recommend that destinations merge these two types of tourism in their marketing and development strategies because it can cause customer confusion. Over-emphasizing their convergence may risk diluting the appeal of both segments. From a wellness tourism perspective, travelers may not enjoy destinations that are full of recovering or sick patients. From a medical tourism perspective, highlighting spa, wellness, and leisure offerings may weaken the destination's image as lacking in medical rigor and quality. However, both types of tourism depend upon a strong hospitality infrastructure (e.g., flight connections, accommodations, ground transportation, etc.) to flourish, so a general attention to basic tourism infrastructure will clearly benefit both sectors.

## Who are the wellness travelers?

There is a common misconception that wellness travelers are a small, elite, and wealthy group of leisure tourists who visit destination spas, health resorts, or yoga and meditation retreats. In fact, wellness travelers comprise a much broader and more diverse group of consumers with many motivations, interests, and values. GWI identifies two types of wellness travelers:

**Primary wellness traveler:** A traveler whose trip or destination choice is primarily motivated by wellness.

**Secondary wellness traveler:** A traveler who seeks to maintain wellness while traveling or who participates in wellness experiences while taking any type of trip for leisure or business.

### Distinguishing Primary and Secondary Wellness Travelers

Primary Wellness Tourists	Secondary Wellness Tourists
<ul style="list-style-type: none"> <li>• Visiting a destination spa (such as Canyon Ranch, Rancho La Puerta, Chiva Som, Ananda, Gwinganna, SHA Wellness, Lanserhof, etc.)</li> <li>• Vacationing at a hot springs resort for a long weekend</li> <li>• Staying at an ashram for a meditation retreat</li> <li>• Taking a weekend spa trip for rejuvenation and stress reduction</li> <li>• Traveling to a wellness center for a full-scale executive health checkup</li> <li>• Taking a wellness cruise</li> <li>• Staying at an eco-spa or jungle spa resort for a week</li> <li>• Participating in a yoga retreat that includes healthy food and meditation in a natural setting</li> </ul>	<ul style="list-style-type: none"> <li>• A business or leisure traveler who actively seeks out healthy accommodations, food, and fitness options during a trip</li> <li>• A family that spends a day at a hot springs bathing establishment as part of a holiday trip</li> <li>• A vacationer at a beach resort who wants to visit the spa and salon a few times during the trip</li> <li>• A cruise tourist who specifically selects a ship with extensive spa, beauty, and fitness amenities</li> <li>• An adventure tourist who visits an eco-spa after a long day of hiking or biking</li> <li>• A tour group traveler who gets a Thai massage or reflexology treatment, or visits a hammam, as part of the tour experience</li> </ul>

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By this definition, people who travel to a wellness resort, yoga retreat, or boot camp are primary wellness travelers. These are typically very committed wellness consumers who proactively maintain a healthy lifestyle, seek mental/spiritual balance, and/or are socially and environmentally conscious. When these same consumers travel for business and other purposes, they are likely to incorporate their own wellness values into their decisions about hotels, restaurants, activities, etc., and so they are also likely to be secondary wellness travelers on most trips. On the other hand, secondary wellness travelers also encompass a much broader cross-section of consumers who have varying degrees of interest in wellness and are inclined to express them in many different ways during travel.

Importantly, primary and secondary wellness travel can be done by the same person on different trips, and these two types of wellness travel reinforce one another. Over time, some secondary wellness travelers will decide to take a primary wellness trip, as their interest in and experience with wellness grows. For example, a person who visits a day-use hot spring during a family vacation (secondary wellness travel) may later be motivated to plan a weekend getaway staying at a hot spring resort (primary wellness travel).

Rising incomes and education levels, alongside growing concerns with chronic diseases and environmental issues, are driving accelerated consumer interest in wellness. As more people integrate holistic health and the prevention of disease into their lifestyles and their travel, we expect rising interest in both primary and secondary wellness travel, as well as the increasing crossover of secondary wellness travelers into primary wellness travel experiences.

Every destination has something unique to offer wellness travelers.

Because wellness is multidimensional — spanning the physical, mental, social, emotional, spiritual, and environmental spheres — wellness travel is also multifaceted. It encompasses a large and diverse set of activities and pursuits, including preventive health services, spa, beauty, fitness, personal growth, nature, and much more. This in turn creates opportunities for all kinds of businesses and providers.

### Holistic Values Drive Activities and Choices of Wellness Travelers



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Like other forms of specialty travel, wellness travel is not a cookie-cutter experience. Every destination has its own distinct flavors in relation to wellness, linked with its local culture, natural assets, foods, etc. Some travelers may be satisfied with a generic massage, exercise class, or smoothie. The more discerning and sophisticated wellness travelers — especially those in the Millennial generation — are interested in what the destination offers that is different from someplace else. These unique and authentic experiences can be built upon indigenous healing practices; ancient/spiritual traditions; native plants and forests; special muds, minerals, and waters; vernacular architecture; street vibes; local ingredients and culinary traditions; history and culture, etc. Because each destination is different, there is always something unique to offer wellness travelers.

### Every Destination Has Something Unique to Offer



## Wellness tourism brings benefits to businesses and stakeholders beyond the wellness sectors.

The wellness tourism economy is much larger than a narrowly-defined set of typical wellness businesses, such as spas, wellness retreats, thermal/mineral springs, and boot camps. Wellness travelers (especially secondary wellness travelers) are looking to continue their wellness lifestyle during travel, and this lifestyle may encompass healthy eating, exercise/fitness routines, mind-body practices, nature experiences, connections with local people and culture, etc., thereby creating opportunities for businesses such as yoga studios, gyms and fitness centers, healthy food stores/markets, events, arts and crafts, museums, and many others.

In addition to wellness experiences, all wellness tourists need transportation, food, and lodging, and they will likely seek out shopping or entertainment. All of these business — whether they are wellness-specific or not — benefit from wellness tourism and are part of the wellness tourism economy. There are numerous opportunities to infuse wellness into all kinds of amenities and services, which can help businesses differentiate, provide more value, and capture higher spending by wellness travelers. Examples include: airport spas that target wellness travelers in transit; wellness-centered hotels for those who want better sleep and regular fitness routines; specialty restaurants serving healthy, organic, or local cuisine; transportation companies that use clean fuels or low-/zero-emission vehicles; or gift shops that sell products that are connected to unique local wellness traditions.

Wellness tourism may help destinations mitigate the negative impacts of mass tourism or over-tourism. Because wellness travelers tend to be high-spenders and favor experiences that are authentic and unique, there is less pressure for destinations to engage in a “race to the bottom” strategy that competes on price and quantity.

Wellness tourism also provides destinations with an opportunity to reduce the seasonality of visitor flows. For example, ski destinations can attract wellness travelers interested in hiking and other outdoor activities in the summertime, while beach destinations can appeal to travelers who are looking for a more tranquil environment to destress or take a retreat in the wintertime.

There are many stakeholders who can collaborate to develop and benefit from wellness tourism, including many government players involved in tourism, economic, social, health, and environmental development. Collaboration of communities, private businesses, and public-sector stakeholders across these sectors will be critical for destinations and regions to develop wellness tourism successfully and to maximize the positive economic and social impacts.

### Many Stakeholders Can Collaborate and Benefit from Wellness Tourism



Source: Global Wellness Institute

## Measuring Wellness Tourism

GWI measures wellness tourism by aggregating the trip expenditures of people who are defined as wellness tourists. These expenditures include lodging, food and beverage, activities and excursions, shopping, in-country transportation (travel within the country), and other services (e.g., concierge, telecommunications, travel agent services, travel insurance, etc.).

We include expenditures made by both international and domestic travelers:

**International wellness tourism expenditures:** All receipts earned by a country from inbound wellness tourists visiting from abroad, with an overnight stay.

**Domestic wellness tourism expenditures:** All expenditures in a country made by wellness tourists who are traveling within their own country, with an overnight stay.

Within each of the international and domestic tourism segments, we estimate the portion of trips and expenditures that are represented by wellness tourists, including both the primary and secondary wellness tourism segments:

**Primary wellness tourist:** A tourist whose trip or destination is primarily motivated by wellness.

**Secondary wellness tourist:** A tourist who seeks to maintain wellness while traveling, or who participates in wellness experiences while taking any type of trip, for leisure or business.

Finally, we aggregate the spending of primary and secondary wellness tourists, both international/inbound and domestic, across 212 countries, to arrive at the size of the global wellness tourism industry.

<sup>10</sup> Following the convention for calculation of international tourism statistics, we exclude international airfare from the calculation of wellness tourism. The international airfare paid by international tourists does not necessarily accrue to the country he/she is visiting. Therefore, expenditures on international airfare are typically not included in the tourism receipts reported by individual countries, but instead are covered in a different line item in balance of payment statistics.





### III. THE WELLNESS TOURISM ECONOMY

At \$639 billion, wellness tourism is a significant and fast-growing segment of global tourism, growing more than twice as fast as general tourism.

In the 2013 Wellness Tourism Economy inaugural study, GWI defined wellness tourism as *travel associated with the pursuit of maintaining or enhancing one's personal wellbeing*, and we measured the size of global wellness tourism for the first time. Fast forward five years, wellness tourism is now widely recognized as a fast-growing, high-opportunity tourism niche segment. GWI estimates that wellness tourism expenditures reached \$639.4 billion in 2017, as compared to \$563.2 billion in 2015. The sector's 6.5% annual growth rate from 2015-2017 is more than double the 3.2% annual growth rate for general tourism. Wellness travelers made 830 million international and domestic wellness trips in 2017, which is 139 million more than in 2015. Wellness trips account for 6.6% of all tourism trips but represent 16.8% of total tourism expenditures. This is because wellness travelers tend to spend much more per trip than the average traveler.

Europe remains the region with the largest number of wellness trips. North America continues to lead in wellness tourism expenditures because average spending per trip is higher. In the past five years, Asia has made the most gains in the number of wellness trips and wellness tourism expenditures, with demand stimulated by strong economies and an expanding middle class.

#### Wellness Tourism Trips and Expenditures by Region, 2015 and 2017

	Number of Trips (millions)		Expenditures (US\$ bilions)	
	2015	2017	2015	2017
North America	186.5	204.1	\$215.7	\$241.7
Europe	249.9	291.8	\$193.4	\$210.8
Asia-Pacific	193.9	257.6	\$111.2	\$136.7
Latin America-Caribbean	46.8	59.1	\$30.4	\$34.8
Middle East-North Africa	8.5	11.0	\$8.3	\$10.7
Africa	5.4	6.5	\$4.2	\$4.8
<b>Total Wellness Tourism Industry</b>	<b>691.0</b>	<b>830.0</b>	<b>\$563.2</b>	<b>\$639.4</b>

Source: "The 2018 Wellness Tourism Economy Inaugural Study," published and distributed by Wellness Tourism Economy and Wellness Economics. All figures are estimates and subject to change without notice. All figures are in US\$ bilions.

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Wellness tourism is heavily concentrated in several major countries across North America, Europe, and Asia-Pacific. The United States alone accounts for over one-third of global revenues. The top five countries (United States, Germany, China, France, Japan) represent 59% of the global market, and the top twenty countries represent 84%. Since 2013, China has continued to move up in the rankings for wellness tourism expenditures (and is now in the top three). India has moved into the top ten, while Malaysia has entered the top twenty for the first time (supplanting Russia).

### Top Twenty Wellness Tourism Destination Markets, 2017

	Number of Trips (millions)	Direct Employment (millions)	Expenditures (US\$ billions)	Rank in 2017
United States	176.5	1.89	\$226.0	1
Germany	66.1	1.13	\$65.7	2
China	70.2	1.78	\$31.7	3
France	32.4	0.31	\$30.7	4
Japan	40.5	0.18	\$22.5	5
Austria	16.8	0.16	\$16.5	6
India	56.0	3.74	\$16.3	7
Canada	27.5	0.29	\$15.7	8
United Kingdom	23.2	0.20	\$13.5	9
Italy	13.1	0.15	\$13.4	10
Mexico	18.7	0.49	\$12.8	11
Switzerland	9.7	0.10	\$12.6	12
Thailand	12.5	0.53	\$12.0	13
Australia	10.0	0.11	\$10.5	14
Spain	16.8	0.10	\$9.9	15
South Korea	19.6	0.43	\$7.2	16
Indonesia	8.3	1.31	\$6.9	17
Malaysia	8.3	0.18	\$5.0	18
Turkey	9.1	0.05	\$4.4	19
Brazil	10.5	0.13	\$4.3	20

Source: Global Wellness Institute. Expenditures include domestic wellness tourism spending and direct and indirect foreign and secondary wellness trips.

Source: Global Wellness Institute. Expenditures include domestic wellness tourism spending and direct and indirect foreign and secondary wellness trips.

## Wellness tourism growth is distributed across the world.

The rapid growth of wellness tourism around the world has been stimulated by a rising global middle class, growing consumer desire to adopt a wellness lifestyle, rising interest in experiential travel, and increasing affordability of flights and travel options. The developing markets in Asia-Pacific, Latin America-Caribbean, Middle East-North Africa, and Sub-Saharan Africa have posted robust growth in recent years. While these regions represented only 40% of wellness trips in 2017, they accounted for 57% of the increase in trips since 2015. China and India are both growth leaders, adding over 21 million and 17 million wellness trips respectively (inbound and domestic) from 2015-2017. Wellness tourism also continues to grow steadily across the leading developed markets, including the United States and several major European countries.

### Leading Growth Markets for Wellness Tourism Trips, 2015-2017

	Number of Wellness Arrivals/Trips Added from 2015-2017 (millions)	Average Annual Growth Rate from 2015-2017
China	21.9	20.6%
India	17.3	20.3%
United States	15.4	4.7%
Germany	7.5	6.2%
Spain	5.2	17.5%
Mexico	3.3	10.3%
Malaysia	3.3	28.6%
Vietnam	3.2	22.8%
Chile	3.2	29.3%
Thailand	2.7	13.1%
Japan	2.7	3.5%
Italy	2.7	12.2%
Indonesia	2.7	21.5%
United Kingdom	2.6	6.1%
Russia	2.3	8.4%
Czech Republic	2.2	18.1%
Austria	2.2	7.3%
Canada	2.2	4.2%
Poland	2.0	14.7%
Brazil	1.9	10.4%
France	1.8	2.8%
South Korea	1.6	4.5%
Australia	1.5	8.3%
Slovakia	1.4	36.9%
Philippines	1.1	31.1%

Notes: Trips:



## Domestic wellness travel dwarfs international wellness travel, but international wellness trips have been growing faster.

For most people, it is easier and cheaper to travel domestically than overseas, especially for shorter trips. Worldwide, there are more than eight times as many domestic trips taken as international trips each year (11.2 billion domestic trips versus 1.3 billion international trips in 2017).<sup>8</sup> Likewise, wellness travel is much more likely to be domestic travel rather than international travel. This is especially the case in very large countries like the United States, Canada, or China, where traveling internationally is much more expensive and time consuming. It is less true in Europe, where cross-border travel is easy and not much different from traveling state-to-state within the United States.

Globally, domestic travel accounts for 82% of total wellness tourism trips and 65% of expenditures. International wellness trips account for a proportionally larger share of expenditures because the average level of spending for an international trip is much higher. International wellness tourism trips have also been growing at a faster pace (12% annually) than domestic wellness tourism trips (9% annually) from 2015-2017.

### Domestic Wellness Travel Leads in Trips and Expenditures



Countries with the Most DOMESTIC Wellness Tourism Trips	Countries with the Most INBOUND/INTERNATIONAL Wellness Tourism Trips
1. United States	1. United States
2. China	2. Mexico
3. Germany	3. China
4. India	4. Austria
5. Japan	5. France

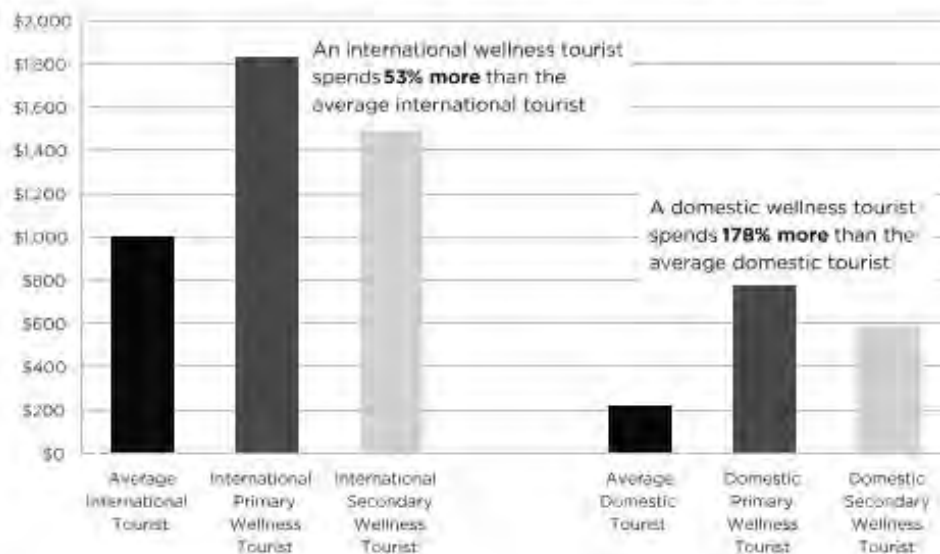
Sources: Euromonitor LLP and Global Wellness Institute. <https://www.euromonitor.com/wellness-tourism> and <https://www.globalwellnessinstitute.com/>

<sup>8</sup> Data from Euromonitor International.

## Wellness tourism is high-yield tourism.

Wellness travelers spend more per trip than the average tourist, and this holds true for both domestic and international travelers. In 2017, international wellness tourists on average spent \$1,528 per trip, 53% more than the typical international tourist. The premium for domestic wellness tourists is even higher, at \$609 per trip and 178% more than the typical domestic tourist. This is because wellness travelers are typically more affluent, educated, and well-traveled, and they tend to be early adopters who will try out new and novel experiences.

### Wellness Tourism Spending Premiums, 2017



Source: Wellness by destination premiums based on data from the Global Wellness Institute's 2017 Wellness Economics Report.

There is wide variation in the wellness tourism premiums across different countries, as spending patterns are affected by many factors, including the nature of the country's wellness tourism offerings, the types of visitors and source countries, and the balance of secondary versus primary wellness tourism trips taken in that country. The table below illustrates the wellness tourism spending premiums in the twenty largest wellness tourism markets (by expenditures). Among these largest markets, the international wellness trip premium ranges from 20%-74%, while the domestic trip premium ranges widely from 28%-162%.

### Wellness Tourism Spending Premiums in the Top Twenty Largest Destination Markets, 2017

	Average Spending per INBOUND/ INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trips	Average Trip	Wellness Trip	Average Trip
United States	<b>\$3,812</b>	\$2,689	<b>\$1,139</b>	\$716
Germany	<b>\$1,901</b>	\$1,180	<b>\$902</b>	\$536
China	<b>\$2,226</b>	\$1,417	<b>\$232</b>	\$146
France	<b>\$1,166</b>	\$759	<b>\$889</b>	\$554
Japan	<b>\$2,192</b>	\$1,436	<b>\$488</b>	\$307
Austria	<b>\$1,189</b>	\$780	<b>\$831</b>	\$524
India	<b>\$2,937</b>	\$1,941	<b>\$58</b>	\$36
Canada	<b>\$1,052</b>	\$731	<b>\$527</b>	\$291
United Kingdom	<b>\$1,535</b>	\$883	<b>\$405</b>	\$229
Italy	<b>\$1,325</b>	\$907	<b>\$953</b>	\$642
Mexico	<b>\$801</b>	\$493	<b>\$577</b>	\$450
Switzerland	<b>\$2,070</b>	\$1,227	<b>\$731</b>	\$457
Thailand	<b>\$1,885</b>	\$1,206	<b>\$191</b>	\$120
Australia	<b>\$2,992</b>	\$2,490	<b>\$866</b>	\$487
Spain	<b>\$1,547</b>	\$1,004	<b>\$240</b>	\$148
South Korea	<b>\$2,054</b>	\$1,307	<b>\$205</b>	\$126
Indonesia	<b>\$1,184</b>	\$793	<b>\$251</b>	\$115
Malaysia	<b>\$1,109</b>	\$717	<b>\$267</b>	\$102
Turkey	<b>\$891</b>	\$537	<b>\$271</b>	\$159
Brazil	<b>\$1,572</b>	\$1,188	<b>\$366</b>	\$243

Source: The Wellness Economics Group, "Wellness Tourism Spending Premiums in the Top Twenty Largest Destination Markets, 2017."

Wellness Economics Group, "Wellness Tourism Spending Premiums in the Top Twenty Largest Destination Markets, 2017."



## Wellness tourism creates opportunities for wellness and all tourism and hospitality-related businesses.

The \$639.4 billion spent globally by wellness travelers is distributed among many segments of the tourism industry, from food and lodging, to activities, excursions, shopping, and other services. Within each segment, some expenditures may include wellness-focused activities (such as visiting a hot spring, getting a massage, or taking a meditation or fitness class), while other expenditures may be generic (such as transportation, general food and lodging, or buying souvenirs). As more consumers incorporate wellness into their lifestyles, there are many opportunities for the “generic” businesses to infuse wellness into their offerings, which can help them differentiate, provide more value, and capture higher spending by wellness travelers. For example, mainstream hotel brands are now promoting wellness features such as in-room exercise equipment and special beds and lighting that help people sleep better. Airports are offering in-transit gyms, spas, and walking circuits around their terminals, and airlines are promoting in-flight meditation and stretching apps. Museums offer yoga and meditation classes right in their art galleries, while gift shops stock products connected to unique local wellness traditions and stories.

### Wellness Tourism Industry in 2017



US\$639.4 billion spent globally by wellness travelers in 2017. Data includes both generic and wellness-focused activities, and also includes both primary and secondary wellness data.

Source: Estimates by the Global Wellness Institute, based on various industry sources and proprietary information.

Spa tourism remains a significant and high-growth segment within wellness tourism.

While wellness tourism is much broader than spa tourism, spas represent a core business within the wellness tourism market. In 2017, spa tourism represented \$30.91 billion in expenditures, with 450.0 million spa-related trips taken. Spa tourism expenditures have grown by 8% annually since 2015.

### Spa Tourism Represents About 48% of Global Wellness Tourism Expenditures



Source: Axiom Research

## Wellness tourism will continue its growth momentum.

When GWI first started measuring wellness tourism five years ago, we predicted that the wellness tourism market would grow twice as quickly as overall tourism, and that has turned out to be correct. Wellness tourism expenditures have grown at a rapid 7.6% average annual rate over the last five years, increasing from \$438.6 billion in 2012 to \$639.4 billion in 2017. During this same five-year period, overall tourism expenditures grew by only 3.0% annually.<sup>10</sup>

We project that this trend will continue into the next five years. Primary wellness travelers will become increasingly sophisticated and discerning with respect to their trip intentions and requirements — whether it means going deeper into certain wellness modalities (for example, following a yoga or fitness “guru”), pursuing a holistic experience that incorporates authenticity and local flavors, or pushing the boundary on transformative journeys. Secondary wellness travelers, who represent the bulk of wellness trips, will also grow as more people incorporate their wellness lifestyles and values into their travel. The aspects of travel that touch wellness will continue to expand beyond the conventional spheres — such as healthy rooms, fitness facilities/programming, massages, and healthy food — and will extend to new and different opportunities to be stimulated or destress, immerse in local cultures, connect with nature, delve deeper into our selves, or foster personal growth.

### Wellness Tourism Growth Projections, 2017-2022

	Projected Expenditures (US\$ billions)		Projected Average Annual Growth Rate
	2017	2022	2017-2022
North America	\$241.7	\$311.3	5.2%
Europe	\$210.8	\$275.0	5.5%
Asia-Pacific	\$136.7	\$251.6	13.0%
Latin America-Caribbean	\$34.8	\$54.7	9.5%
Middle East-North Africa	\$10.7	\$18.7	11.8%
Africa	\$4.8	\$8.1	11.1%
<b>Total Wellness Tourism Industry</b>	<b>\$639.4</b>	<b>\$919.4</b>	<b>7.5%</b>

Source: Global Wellness Institute | <http://globalwellnessinstitute.org/2017/06/06/2017-2022-projections-wellness-tourism/>  
The IMF used CTRV projections for 2017-2022.

<sup>10</sup> These figures combine both inbound/international and domestic tourism expenditures. General tourism industry data and projections are drawn from Euromonitor International.

GWI projects that **wellness tourism will grow at an average annual rate of 7.5% through 2022, considerably faster than the 6.4% annual growth forecasted for overall global tourism.** We expect that global wellness tourism expenditures will reach over \$919 billion in 2022, representing 18% of the global tourism market. Correspondingly, we project wellness tourism trips to grow by 8.1% annually to 1.2 billion trips in 2022. This growth forecast is well-aligned with the expected growth across many sectors that focus on wellness and holistic health (e.g., fitness/mind-body, healthy eating, organic food, etc.), as more consumers adopt wellness as a dominant lifestyle value and decision driver. Over half of the projected growth in wellness tourism expenditures (and three-quarters of the growth in wellness trips) through 2022 will take place in Asia-Pacific, Latin America-Caribbean, Middle East-North Africa, and Sub-Saharan Africa, driven by a dramatic increase in both domestic tourism and intra-regional wellness tourism in these markets.



## IV. EMERGING BUSINESS MODELS AND THE FUTURE OF WELLNESS TOURISM

### Wellness, hospitality, and travel businesses are converging.

Since wellness tourism burst into mainstream consumer consciousness a few years ago, the industry has evolved rapidly. Businesses and governments are investing in developing new strategies, products, experiences, and destinations. Wellness, hospitality, and travel are converging in diverse and unprecedented ways, as businesses experiment with new partnerships and business models to offer expanded services and programming that will help travelers incorporate wellness into every aspect of their trips.

#### Fly healthy and fly well.

Recognizing that air travel can be an unhealthy and stressful experience, airports and airlines are promoting health and wellness programs for customers, combating long travel times, disrupted sleep, cramped spaces, and stress. Collaborations among airports, airlines, and wellness businesses are taking many forms:

- At airport terminals and airline lounges around the world, travelers can now find yoga classes, spas, quiet relaxation areas, nap pods, healthier foods, VR technology, and even therapy dogs. In Singapore, travelers at Changi Airport can relax in fitness lounges, high-end spas, and a rooftop pool and jacuzzi; visit outdoor flower gardens; or even try the meditative art of wood-carving. In Switzerland, Zurich provides rentals of inline skates, bicycles, and Nordic walking poles to encourage travelers to exercise in the conservation area just outside the airport. Qatar's Hamad Airport has a Vitality, Wellbeing, and Fitness Centre with a pool, hydrotherapy services, and showers. The American Heart Association is partnering with airports across the United States to map out guided walking circuits throughout airport terminals. Many airports are also experimenting with biophilic and healthy design approaches, such as adding natural daylight, plant walls, outdoor and indoor green spaces, and natural and locally-sourced materials.
- In-flight services on many airlines now include health-conscious cuisine, wellness programming, and sleep and relaxation products. Lufthansa provides its passengers with specially-designed sleep masks, while Qantas, Hawaiian Airlines, Cathay Pacific, and other airlines offer in-flight meditation and wellness programming as part of their in-flight entertainment packages.
- Partnerships between the airline industry and wellness industries have led to expanded health and wellness offerings. American Express is partnering with Exhale to open airport spas. Singapore Airlines is working with Canyon Ranch to ease the stress of its long-haul flights with offerings focusing on sleep, cuisine, and guided stretching. Qantas has partnered with Bodhi Wellness Spa to provide guided stretching and meditation at its new lounge in Perth. Delta Airlines recently offered a promotion with Equinox, allowing customers to visit Equinox gyms or access online classes via their smart device if they had recently flown on the airline.

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- Established wellness enterprises are expanding their markets and services to travel venues. Be Relax Spá has expanded its operations and offerings (new juice bars) to nearly two dozen airports on three continents. Sleep pod companies such as Izzieep in Mexico and NapCity in the Americas and Germany offer specialized sleep services. New airport facilities and programs by fitness newcomers such as Roam Gym and FlyFit have expanded the choices for fitness enthusiasts with time to spare during transit.
- Social media and a variety of apps are enabling savvy air travelers to find the health and wellness services they need. The Sanchify App provides an efficient way to search airports for healthy choices, including gyms, spas, and pools. LoungeBuddy helps users find the airport lounge with their desired services and allows them to use their phone to book a space. For those seeking tips from seasoned travelers, blogs such as Your Fit Trip (food) and Fittest Travel (fitness) provide travelers with wellness tips and information.

## Healthy hotels go mainstream.

As wellness travel becomes more mainstream, many hotels are incorporating wellness into their design, amenities, services, and programming. Wellness features may include bedding and lighting that promote better sleep; windows and shades that block out light and noise; in-room fitness equipment and videos; healthy snacks, minibars, and menus at restaurants; or on-site spas and gyms.

- In conjunction with industry experts such as the Joffrey Ballet and Nora Tobin, Marriott has created a variety of new health and wellness offerings, including in-room fitness programming, immersive wellness retreats, healthy food, and outdoor fitness options. Since pioneering its iconic Heavenly® Bed concept in 1999, Westin has expanded to a fully integrated health and wellness strategy that addresses six pillars of wellbeing for guests (eat, sleep, move, feel, work, and play well), supported by a new \$30 million "Let's Rise" global brand campaign that communicates Westin's commitment to guests' wellbeing. Hilton has introduced its "Five Feet to Fitness" program, which provides over 11 different pieces of fitness equipment in guest rooms. Six Senses is highlighting "Eat and Sleep with Six Senses" to allow guests to focus on sleep quality and healthy eating. Accor has launched specialized wellness programs across its luxury brands; for example, the Pullman brand offers a "Sleep, Food, Sport, + Spa" program across its hotels and is piloting "Dream," a neuroscience-based active sleep technology.
- Partnerships and acquisitions have allowed some larger hotel brands to quickly enhance their health and wellness offerings. Major hotel brands are partnering with a diverse array of fitness companies such as Technogym, Reebok, and Peloton to reach more wellness-minded consumers. Marriott, Four Seasons, Wyndham, and MGM have benefitted from the expertise of companies such as Delos (Stay Well™), to design guest rooms that provide extensive wellness amenities and services for travelers. Hyatt acquired both Miraval and Exhale to create strategic partnerships with existing wellness and fitness leaders. AccorHotels is also partnering with Banyan Tree to increase its wellness offerings.
- An emerging trend in hotels is the adoption of design principles such as wellness architecture, biophilic design, and sustainability elements into entire design of the property. For example, The Hotels has been a leader in implementing biophilic, healthy, and sustainable design features throughout its properties, aiming to stimulate guests' five senses and activate public spaces.

A recent study by Terrapin Bright Green found that biophilic design in hotels has a strong impact on guest experience; for example, in the six Manhattan hotels they studied, 36% of guests actively or passively used hotel lobbies with biophilic design, while only 25% of guests spent time in conventional hotel lobbies.<sup>61</sup> In the future, we expect to see more evolution, differentiation, and experimentation in these areas.

## Engineering new wellness travel experiences.

Consumers are increasingly viewing vacations as an opportunity to experience wellness in new ways, and tourism-related businesses from cruise lines to tour operators and event organizers are engineering diverse new wellness travel experiences.

- Cruise lines have not only brought sumptuous spas and workout spaces on board, but many are now showcasing other aspects of health and wellness including healthy food, relaxation, meditation, and wellness-themed excursions. In Asia, Chinese travelers have driven the rise of health and wellness offerings on several cruise lines. The Genting Dream, part of the Dream Cruises line in Asia, has a 4,000 square-meter spa with all of the latest Western and Asian spa treatments, in addition to a first-rate gym, fitness studio, and yoga and Pilates classes. Star Clippers has introduced complimentary yoga, meditation, and fitness classes on some of its cruises. In addition to high-tech gym equipment, Silver Sea cruises provides complimentary massages and wellness-themed classes including cooking and fitness. Many cruise ships are adding new therapies onboard, such as acupuncture and minimally-invasive beauty treatments that are typically offered at medical spas (e.g., botox and fillers).
- A number of cruise lines are partnering with wellness industry experts and service providers to raise the quality and sophistication of their wellness offerings, or to create wellness-themed voyages. Lindblad Expeditions has formed a partnership with Exhale, while Seabourn is collaborating with Dr. Andrew Weil, an expert in integrative medicine, to launch wellness cruises. Holland America is working with O (the Oprah Magazine) to offer meditation and healthy lifestyle programming on some of its cruises, and Windstar cruises now has James Beard Award nominee chefs creating its menus. MSC cruises, which highlights its partnerships with Technogym, has developed a comprehensive wellness program that includes a pre-cruise wellness assessment. In 2017, MSC also partnered with Weight Watchers to launch the first "Weight Watchers Rejuvenation Vacation at Sea" cruise. The first entirely health and wellness-themed cruise line, Blue World Voyages, is slated to launch in 2019.
- Meanwhile, tour operators and event organizers are helping travelers to find their desired wellness travel experiences. Virtuoso (a high-end network of travel companies) has a wellness travel community that provides wellness travelers everything they need to create a tailored wellness vacation. In Africa, longstanding safari operators like Micato Safaris, as well as newer tour operators like Satori Africa (the first Africa-based wellness travel company), are combining wellness offerings such as yoga, meditation, massage, trail running, and healthy/ local cuisine with traditional safari activities. In North America, Wanderlust festivals with yoga and meditation instructors, musicians, and chefs, have drawn over 100,000 wellness enthusiasts to take part in wellness related activities in popular travel destinations.

<sup>61</sup> Terrapin Bright Green (2017). *Human Spaces 2.0: Biophilic Design in Hospitality*. <https://www.terrapinbrightgreen.com/report/human-spaces-2-0/>



## Wellness products and brands travel with their customers.

As wellness routines become a daily lifestyle for many consumers, products and brands are following their customers on their travels to help them continue these routines wherever they go.

- To allow its loyal cycling customers to continue to train when traveling, Peloton has partnered with Westin and some other Marriott brands to offer its bikes in hotel guest rooms and gyms. Equinox, known for its luxury gyms in major U.S. metropolitan areas, has created its own hospitality brand and will open its first hotel in New York City's Hudson Yards development in 2019. It has announced plans to build as many as 75 fitness-centric hotels in the world.
- Some retail and product companies are projecting their customer values and expanding their product brands into wellness travel experiences. Lululemon and Free People, both athleisure retailers, have created wellness retreats for their customers. ClassPass, which offers fitness subscription packages that permit customers to take a variety of studio classes, has just announced its first Getaways break in the Hamptons, New York, and it plans to roll out more short trips to other vacation destinations soon.

## A new nexus of travel, work, and wellness.

For those who want longer time to experience a country than the standard vacation, several innovative companies have combined coworking and travel with wellness:

- Roam, Outsite, The Remote Experience, WY\_CO, CoWoLi, Nomad House, and Unsettled are coliving and coworking enterprises that allow people to experience other countries and cultures while working and living with like-minded individuals. These companies typically offer private accommodations with shared living spaces, working spaces, and other community amenities, in addition to the opportunity to experience a city or region for a week, a month, or more. Many also provide on-site wellness/fitness amenities, yoga classes, meditation, and other community events. WeWork, which started with coworking and coliving properties and recently branched into fitness with Rise by We, has quietly entered the hospitality space with short-term rental rooms/studios in New York City.
- Some coworking travel groups, such as Behere and Hera Hub, cater exclusively to women, helping them to maintain their health and wellness routines while safely exploring new cities and settings across the globe. Behere gives clients access to local gym and fitness studios, while Hera Hub has created spa-inspired environments within its shared spaces.

Clearly, the rise of wellness tourism is enticing new entrants into the market, as well as new forms of competition and partnerships. The integration of business areas along a continuum from hospitality to wellness and healthy lifestyles will continue to gather momentum. We expect more experimentation in different types of integration within this continuum in the future, as different players in the travel, hospitality, spa, fitness, and retail worlds identify what drives their core customers and seek out new ways to distinguish themselves from competitors in this evolving landscape.

Wellness tourism brings wide-ranging opportunities and benefits to destinations and their people.

**Destination marketing becomes more authentic and place-based.**

At the national and regional levels, destination marketing for wellness tourism has both expanded and evolved in recent years. When GWT first measured wellness tourism in 2013, we counted 65 countries that were actively marketing some form of wellness tourism at the national level; that number has expanded to more than 100 countries in 2018 (see *Appendix A*). National governments and tourism ministries are rapidly catching on to the growing consumer interest in and enormous potential of this sector. Even more importantly, the nature and focus of wellness tourism marketing and development in the public sector is evolving to become more targeted and authentic, as understanding of what it is evolves and as traveler desires grow more sophisticated.

- When GWT first studied this sector five years ago, most destination marketing for wellness tourism was relatively generic (i.e., focused on spas) or tended to conflate wellness with medical tourism. Today, marketing approaches are more nuanced and more distinct from medical tourism, as countries start to link their wellness tourism offerings with their own natural and cultural assets. Thermal/mineral springs have seen the biggest growth in marketing and development focus. Most countries with longstanding hot spring bathing traditions (across Europe, Latin America, and Asia) are reinvigorating and investing in these assets and more actively marketing them as a key wellness tourism opportunity; meanwhile, countries with undeveloped geothermal assets are now seeking investments to create new high-value wellness tourism offerings (e.g., Kenya, Rwanda, Ethiopia, Saudi Arabia, Cambodia, India).
- A small but growing number of destinations are developing a truly authentic and place-based wellness tourism product and brand. The state of Kerala, India, was an early pioneer in this regard by branding itself as the “Land of Ayurveda” over two decades ago, successfully building a high-value wellness tourism offering to combat mass tourism and reduce seasonality. Today, neighboring countries Sri Lanka, Nepal, and Bhutan each promote unique, culturally-rooted wellness tourism experiences that link wellness with yoga, Ayurveda, meditation, spirituality, pilgrimage, indigenous medicine, faith healing, and happiness. On the other side of the world, Costa Rica is now building upon the uniquely Costa Rican “Pura Vida” concept to build a “Wellness Pura Vida” tourism campaign, which will develop seven areas of the country for wellness tourism around their unique natural and cultural features. In the United States, the city of Beverly Hills — long known for its five-star, high-end offerings — has launched the “City of Wealth” tourism campaign to redefine luxury as less about materialism and more about health, purpose, and happiness.

## Wellness tourism becomes integrated with regional and community development.

As public sector understanding of wellness tourism evolves, some regions no longer see it as an isolated niche tourism offering for a small segment of wealthy tourists, but rather as an opportunity to bring wide-ranging benefits to local economies and populations. In some places, wellness tourism development is starting to be integrated with local and regional urban planning, economic development, and community development initiatives:

- A few regions and metropolitan areas are connecting wellness tourism with broader development of a wellness industry cluster that can grow local business and employment opportunities. For example, Austria's Tirol region was an early pioneer in marketing wellness tourism over two decades ago, launching an Alpine wellness concept and developing wellness hotels that would combat the seasonality of its mainstay ski tourism. In the early-2000s, the region expanded on this success by creating the "Cluster Wellness Tirol" initiative to cultivate other economic opportunities and innovation around wellness. Today, over 100 wellness-related businesses in the region are part of this cluster network, ranging from telemedicine, to food production and nutrition, to spa equipment and technology, to workplace wellness, and much more. In the United States, the Lake Nona master-planned community near Orlando, Florida, started out as an industry cluster initiative to attract world-class biomedical, health, and human performance-focused companies. The region is building on this success to create wellness lifestyle real estate and amenities for both residents and visitors. Wellness tourism amenities include a hotel with Delos Stay Well™ rooms, a planned integrated wellness/performance/fitness facility and institute, and a planned performance resort and spa with a wellness-focused design.
- Some regions are developing their wellness tourism assets and amenities not as standalone offerings for tourists, but in a manner that will simultaneously benefit local residents alongside tourists. For example, as part of its "Ibiza is Wellness" rebranding campaign, Ibiza, Spain, has created an online map and directory of local businesses, facilities, and services across 16 categories of wellness. This effort aims to support local residents in accessing local healthy lifestyle services, while also cultivating a healthy, holistic, and sustainable tourism product that builds on the island's natural and cultural assets and combats seasonality and low-value mass tourism. Costa Rica's "Wellness Pura Vida" strategy (currently under development) has as one of its aims to engage local communities in the planning process and to use wellness tourism development as a catalyst for social and economic growth in seven regions across the country. Rochester, Minnesota's 20-year, \$5.6 billion Destination Medical Center initiative builds on the world-class reputation of the Mayo Clinic and its massive medical tourism industry (3 million+ visitors per year). Plans include a "heart of the city" urban district where hospitality intersects with healthcare, with healthy design and extensive wellness lifestyle and leisure amenities that will benefit the thousands of Mayo Clinic employees who live and work in the community, alongside the visitors to the clinic and their families.

## **In the future, the wellness of travel will increasingly link to the wellness of the place.**

As more consumers adopt wellness as a dominant value, they will increasingly filter their travel experiences through a holistic wellness lens. Analysts have taken note of the rising traveler interest in authenticity – that is, things rooted in local culture, traditions, history, and/or natural environment. When a recent Expedia survey asked Millennial travelers from China, Brazil, United States, and United Kingdom about their travel preferences, 60-78% of respondents agreed or strongly agreed that “When I travel, the most important thing for me is to experience the authentic culture of the place.”<sup>11</sup>

Wellness travelers will continue to seek out and expect healthy rooms, food, amenities, and programming, but they are also increasingly interested in how people live and if people are well cared for in the places that they visit. That is one reason why a high-end resort hotel such as The Breakers Palm Beach (U.S.) would place their employee wellness at the center of their brand and their guest experience. Serenbe, a healthy/sustainable residential development outside of Atlanta, Georgia, has become a popular tourism destination based on its overall wellness design and the culture of its residential community. Recognizing that the wellness of a place is the DNA of its authentic wellness offering, more destinations, regions (such as Wellness Valley in Romagna, Italy and the state of Colorado in the United States), and countries (such as Costa Rica and Bhutan) are prioritizing the wellbeing of their residents and their environment to create their own unique wellness value proposition and brand.

<sup>11</sup> Expedia and Future Foundation (2016). *Millennial Traveler Report: Why Millennials will shape the next 20 years of travel*.

## From “Me” to “We:” from consuming to contributing.

In a holistic wellness framework, being well and doing good are closely connected; we cannot be truly well if our communities and the environment around us are not well. Research from the rapidly expanding fields of happiness, compassion, and altruism suggests that we are more likely to attain a deeper and lasting sense of peace and wellbeing by focusing on others, through helping, giving, and forming deeper connections. Some hospitality leaders are already taking note. For example, as a result of consumer research that supports this emerging consumer value, Westin Hotels & Resorts has organized and sponsored activities that allow guests to give back to the places they are visiting, such as plogging (a Swedish fitness craze that combines picking up litter while jogging) or pairing beach clean-ups with paddleboarding activities. Pushing its core wellness concept further into the idea of contribution, Westin also launched its ThreadForward program to upcycle used hotel bed linens into pajamas for children in need.

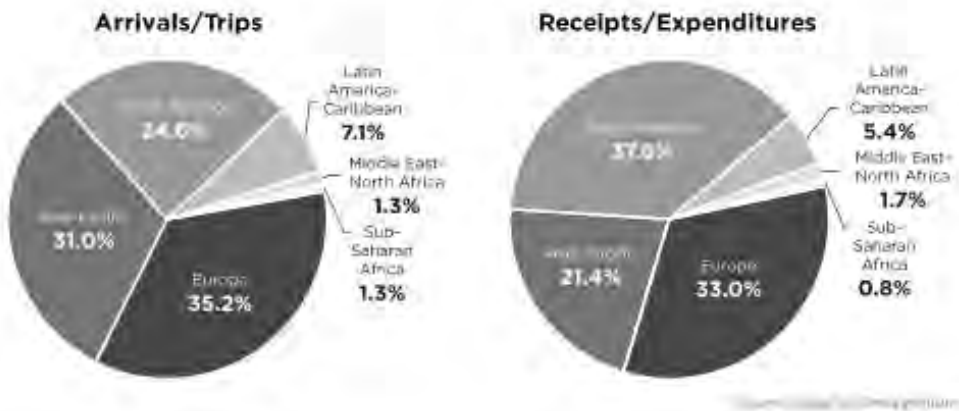
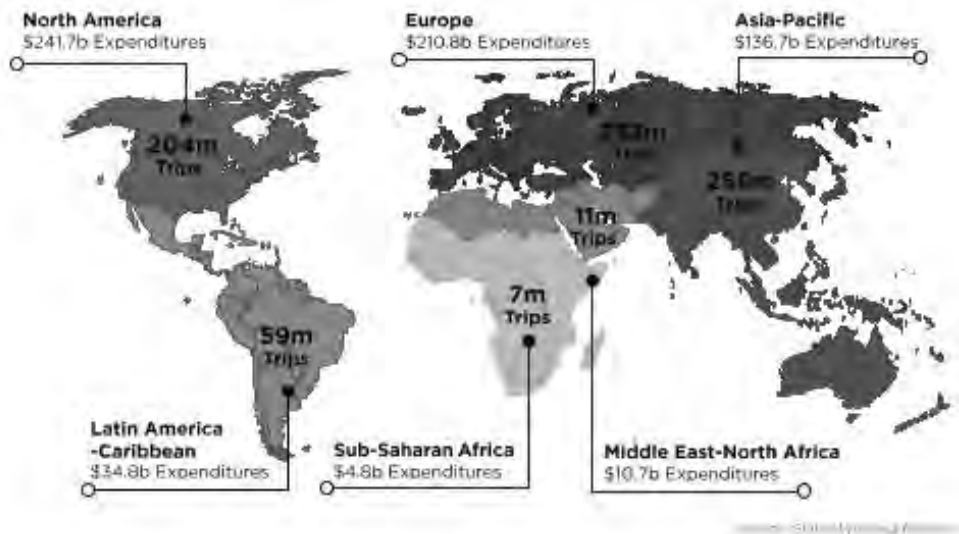
In recent years, wellness travel has also been evolving from a focus on being experiential to being transformative. Much of this transformation is still centering on “Me” — as in, how “I” will evolve or grow through “my” travel experience. However, GWI predicts that a “We” perspective will grow as our quest for wellbeing continues to evolve, and wellness travel will see a shift from a *consumptive* to a *contribution* mindset. Future wellness travelers will increasingly link personal transformation with the connections they make during travel and their impacts on the people and the places that they touch, so that wellness travel will become a more meaningful two-way exchange between the travelers and the destination, instead of a one-sided consumptive and commercial transaction. This consumer evolution, along with the development of wellness tourism, can play an important role in mitigating the negative impacts of over-tourism in some popular destinations and regions.

As we look into the future, we see an escalation of consumer adoption and understanding of wellness as a holistic and dominant lifestyle value. How the tourism and hospitality industry will enable the realization of these values and lifestyles and capture these opportunities will determine its growth path and success in the future.

## V. REGIONAL HIGHLIGHTS

### Wellness Tourism by Region, 2017

Combined Inbound/International and Domestic Wellness Tourism Trips and Expenditures



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## Asia-Pacific Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 257.6 million (15.3% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$136.7 billion (10.9% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 13.0%

**Average Expenditure per Trip:**

\$1,741 for intl./inbound (33% premium); \$268 for domestic (120% premium)

**Direct Jobs:** 10.1 million

### Top Ten Wellness Tourism Markets in Asia-Pacific, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
China	7,724.5	62,442.2	70,166.5	\$31,705.9
Japan	1,585.5	38,900.0	40,485.5	\$22,466.1
India	4,542.4	51,426.3	55,968.6	\$16,299.7
Thailand	5,691.9	6,764.1	12,456.0	\$12,018.4
Australia	876.2	9,122.1	9,998.3	\$10,520.9
South Korea	1,709.8	17,008.8	19,618.3	\$7,186.6
Indonesia	5,183.5	3,151.7	8,335.2	\$6,928.5
Malaysia	3,331.7	4,956.1	8,287.8	\$5,019.2
Vietnam	3,149.5	6,465.8	9,615.3	\$4,001.1
New Zealand	341.1	2,735.5	3,077.5	\$3,036.0

Notes: China includes both inbound and domestic wellness trips. Expenditures may include non-wellness travel, premium and premium wellness experiences. Source: Estimates by the Global Wellness Institute and its member countries. Data from 2015 to 2017 is shown.

### Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
China	\$2,226	\$1,417	\$232	\$146
Japan	\$2,192	\$1,436	\$488	\$307
India	\$2,937	\$1,941	\$58	\$36
Thailand	\$1,885	\$1,208	\$191	\$120
Australia	\$2,992	\$2,490	\$866	\$487
South Korea	\$2,054	\$1,307	\$205	\$126
Indonesia	\$1,184	\$793	\$251	\$115
Malaysia	\$1,109	\$717	\$267	\$102
Vietnam	\$959	\$634	\$152	\$97
New Zealand	\$2,758	\$2,115	\$766	\$478

Notes: China includes both inbound and domestic wellness trips. Premiums are calculated as the difference between wellness and non-wellness spending. Source: Estimates by the Global Wellness Institute and its member countries. Data from 2015 to 2017 is shown.



## Asia-Pacific Wellness Tourism Developments

- Wellness tourism continues its rapid growth trajectory in the Asia-Pacific region, as more stressed-out people look to travel for respite and rejuvenation. To meet the growing wellness sophistication of Asian travelers, wellness travel offerings have expanded tremendously in breadth and depth, moving far beyond typical offerings such as detox, weight loss, spa treatments in a gazebo, and yoga on the beach. Across Asian destinations, there is tremendous increase in demand for all types of wellness modalities and experiences — from sound therapy to tai chi, and from meditation to spiritual guidance. Many travelers are interested in what a specific place has to offer, creating opportunities for destinations to dig into their own traditions, healing modalities, natural settings, and local ingredients to create a differentiated experience. With the alarming rise of air pollution across major metropolitan cities in China, India, and other Asian countries, some travelers are even traveling in search of healthier air, planning “lung-cleansing” and “smog-escape” wellness trips.
- Although less than half of the nations in the Asia-Pacific region promote wellness on their national tourism websites, this number has grown by more than 60% over the last five years (from 13 to 21 countries). Many of the countries that do market wellness tourism are also actively engaged in supporting the development of their nation’s wellness offerings, often centered around thermal tourism sites. Some countries are promoting other aspects of their wellness sectors, such as beauty and traditional bathhouses in South Korea; healthy eating in Vietnam; meditation, Ayurveda, and yoga in Sri Lanka and India; and spirituality, meditation, and healing in Nepal and Bhutan. Several countries, including Sri Lanka, Bhutan, Malaysia, China, the Philippines, and India, provide economic incentives to companies investing in wellness-related developments. For example, India, through its Market Development Assistance Scheme, supports new and redevelopment projects in the wellness tourism sector.
- India and other destinations in South Asia and the Himalayan region are capitalizing on the rising global interest in yoga, meditation, and Ayurvedic health to promote wellness tourism. In 2016, India set up a National Medical & Wellness Tourism Promotion board to provide policy advice on these sectors. Measures to support wellness tourism include guidelines for quality and training, financial assistance, and investment promotion for wellness centers catering to tourists. Sri Lanka aggressively promotes wellness tourism with an Ayurvedic flavor, in conjunction with its wildlife, history, nature, and cultural offerings, and the country has seen a tremendous rise in investment and arrivals. Bhutan’s distinct focus on low-volume, high-spend tourism (requirement of \$200-250 spending per day) aligns well with its growing wellness tourism industry, which has received massive investment that turns its various assets — nature, hot springs, antiquity, culture, spiritual heritage, and happiness — into specially curated healing journeys for guests.
- The Chinese wellness tourism sector, while enormous, mostly caters to its domestic travelers. The interest and appetite for wellness travel continue to rise among Chinese consumers, many of whom are rediscovering their wellness heritage and healing systems — from Traditional Chinese Medicine (TCM) and herbal medicine, to qigong, meditation, and martial arts. In recent years China has placed increased attention on developing its health and wellness industry, marketing to both domestic and international tourists the variety of health and wellness services offered across the country, especially those derived from TCM. Since the first Chinese Wellness Tourism Conference was held in 2016, a number of health and wellness conferences

have emerged, including the Wellness China Expo, to promote wellness tourism products, investment, and financing.

- Some countries are leveraging their advanced medical industries and wellness sectors to cross-promote wellness and medical tourism, such as Malaysia, Singapore, South Korea, Thailand, and Philippines. Their strengths in both segments allow them to tap into overlapping opportunities, such as: stressed out executives who want a medical checkup, detox, meditation, and life coaching while on vacation; patients recovering from minor procedures (and their families) looking for a healing setting; as well as travelers seeking TCM, Ayurveda, Tibetan, and other integrative medicine and related wellness modalities to address chronic health or mental wellness issues.
- Australia is both a major source and destination for wellness travelers. Australians are enthusiastic and sophisticated wellness consumers, and the diversity, vast size, and resources of the country create many opportunities to combine wellness with outdoor, nature, adventure, cultural, culinary, and other travel interests. Already home to a number of well-known wellness resorts and hot springs, Australia now also hosts a growing number of festivals and events that focus on wellness. The potential for wellness tourism has caught the government's attention. Tourism Australia has named wellness as one of five key niches for regional tourism development and is now actively promoting private investment in this sector.
- A relatively recent development in Asia-Pacific is the integration of wellness and wellness tourism into large-scale urban planning and economic development projects. For example, Malaysia's large-scale Medini Iskandar development combines wellness-driven urban living and tourism facilities with advanced health services, medical tourism, and smart-city infrastructure and design. South Korea's Jeju Island project is expanding from its traditional medical tourism focus to add holistic and wellness amenities and services for tourists, as well as resort-style residential living with wellness-inspired design and amenities that capitalize on the island's natural beauty and environment.

## Spas

- Asia-Pacific remains the region with the highest number of spas and the fastest growth, with the hotel/resort spa category leading in new investments and openings. Much of the growth is driven by demand from enthusiastic wellness travelers. Whether primary or secondary, wellness travelers seek a wide range of wellness experiences and options at their destination, while also expecting more personalization. Luxury urban hotels and resort hotels have been best able to adapt their facilities and offerings to meet these demands, and numerous luxury hotels have opened with sumptuous spas in diverse markets stretching from China to Vietnam to the Maldives.
- There is a marked increase among Asian hotels and resorts advertising their spas and wellness packages, and also developing offerings to meet the fast-growing demand for retreats along a full range of wellness themes/interests — yoga, meditation, detox, fitness/boot camp, personal transformation, surfing, etc. More spas are promoting traditional Asian wellness modalities and programming, from Ayurvedic treatments to TCM, from chi gong to yoga and meditation, and from Tibetan medicine to Balinese healing. In countries such as Sri Lanka and India, a growing number of hotel/resort spas and traditional Ayurvedic resorts are transforming themselves into

destination spas and wellness retreats that provide a holistic package of services, experiences, or journeys. The Carnoustie Group, known for its Ayurveda and wellness resorts in India, has announced plans to develop luxury wellness centers throughout China.

- The underlying demand for the Asian spa industry is driven by growing consumer interest in living healthier and more fulfilled lives, against the rise of chronic disease, stress levels, mental imbalance, and unhappiness. It is increasingly common for consumers to turn to body work to relieve stress and chronic pain, and to seek treatments that help maintain vitality and good health. Interest in yoga, meditation, and mind-body practices is on the rise across the region. In many Asian metropolises, spas have turned into urban sanctuaries where guests seek much more than just a facial or massage, but a full range of holistic wellness experiences. The need to inject wellness into ever busier lives has given rise to half-day and one-day urban retreat programs that combine a range of modalities (meditation, yoga, coaching/spiritual guidance, body work, hydrotherapy, sound healing, energy treatments, etc.). The Four Seasons in Hong Kong, for example, has created a "Masters of Wellness" program that allows guests to learn from top-notch visiting healers and wellness experts in various therapies and treatments.
- Asia has some of the fastest growing beauty markets in the world, and the spa industry reflects this consumer interest. Cosmoprof Asia, the premier beauty and spa event of Asia, grows every year in size and scope. Asian spas, focused on the beauty aspect of wellness, have expanded their services to meet a growing demand for cosmetic enhancements. Consumers from Korea to China to India are sophisticated in what they seek and expect results in their spa and beauty treatments. Less stringent industry regulation sometimes allows the region's spa industry to offer technology-enhanced treatments that may not be available in North America and Europe.

## Thermal/Mineral Springs

- With its vast thermal resources and bathing traditions dating back more than a thousand years, Asia is home to the largest thermal/mineral springs markets in the world. Countries are recognizing the potential of springs for wellness tourism and economic development, and a growing number of destinations (including Japan, Taiwan, New Zealand, Australia, Vietnam, and Laos) are highlighting their hot springs attractions to international visitors.
- The Chinese hot spring sector, while enormous, mainly caters to domestic visitors. The industry comprises the remnants of historic Soviet-style sanatoria, rustic day-use hot springs/traditional bathhouses, and privately-owned and operated hot springs resorts and towns focused on recreation and family holidays. In order to raise standards and industry quality, China has established a national hot spring committee and regulations related to water quality, safety management, and the rating of "hot springs towns." Over the past five years, the industry has experienced strong growth, changing business models, and increased private investment, encouraged by rising consumer interest in healthy lifestyles and wellness tourism on the one hand, and government support for preventive health on the other hand. There are opportunities to upgrade existing facilities to world-class standards, and to integrate TCM with European-style hydro/balneotherapy to create Chinese-style hot spring wellness resorts. Some resorts also see potential for packaging employer-sponsored hot springs wellness holidays, developed as part of companies' employee wellness programs, which can create additional revenue for the sector (especially in the low seasons).

- While Japan's hot spring inns are gaining in popularity among international tourists, most of these properties continue to operate in their traditional style, without facility upgrades or modernization of offerings to cater to a rising clientele of international wellness tourists. Recently, the industry has received substantial new investments in preparation for a visitor surge for the 2020 Tokyo Olympics. These include new high-end bathing facilities and hotels/resorts with onsen in the center of Tokyo, and several large hotel brands such as InterContinental and Marriott opening new properties with their own private and communal hot springs.
- Elsewhere in East Asia, South Korea and Taiwan also have active hot springs sectors and traditions, evolving out of historical Japanese cultural influence. In recent years, Taiwan's hot springs sector has benefitted from aggressive tourism promotion to attract international visitors, families, wellness tourists, and even the MICE market. The sector is also actively linking hot springs to other types of tourism and interests. Taiwan hosts an annual Hot Spring & Fine Cuisine Festival, and a healthy hot spring cuisine concept has emerged focusing on locally-sourced fresh fish and vegetables. Hiking to one of Taiwan's more than 100 wild/undeveloped hot springs has also become a popular niche wellness tourism activity.
- Australia and New Zealand are leveraging their thermal resources aggressively for tourism promotion. The Peninsula Hot Springs in Australia is undergoing a significant expansion that will add overnight accommodations, new hot pools, ice cave/blunge pools, a group sauna area, an amphitheater, a "Food Bowl" that will promote organic produce, and expanded wellness programming. It is also working to create an official hot springs region near its location in Victoria. New Zealand is developing the city of Rotorua as a wellness destination focusing on its healing hot springs and mineral baths. The government is co-investing with private investors in a new hot spring facility (total investment US\$21.5m) on the lakefront, with the aim of developing a world-class spa, a thermal and wellness tourism district with linkages to the local Maori culture. Other thermal springs around the country (e.g., Te Aroha and Okoroire) are seeking investments to upgrade facilities and create new destinations for luxury and short-break tourism.
- South and Southeast Asian countries also have considerable thermal resources but are generally at earlier stages of development. In recent years, governments that have designated hot spring areas for tourism development include Thailand (Klong Thom as a pilot "spa city"), Cambodia (Kampong Speu province), and Laos (Hiem district hot springs in Huaphan province). India has hundreds of hot springs, many of which are located near temples with religious significance. In 2016, the State of Uttarakhand tourism department announced plans to develop the region as a thermal wellness destination, with world-class facilities to be built across five thermal sites (including spa complexes, golf courses, yoga and meditation centers, etc.). In Bhutan and Nepal, thermal springs traditionally have been used for medical and therapeutic purposes (rather than recreation), and they are therefore tied to the indigenous healing systems and spiritual heritage and remain rustic and undeveloped. There is an emerging interest in Nepal to further develop these resources into wellness tourism destinations by tying thermal bathing with yoga, Ayurveda, and even shamanism.



## Europe Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 291.8 million (8.1% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$210.8 billion (4.4% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 5.5%

**Average Expenditure per Trip:**

\$1,209 for intl./inbound (65% premium); \$594 for domestic (105% premium)

**Direct Jobs:** 3.2 million

### Top Ten Wellness Tourism Markets in Europe, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
Germany	6,197.3	59,855.8	66,053.1	\$65,746.3
France	5,840.3	25,573.4	32,413.7	\$30,714.6
Austria	7,000.8	9,849.6	16,849.3	\$16,509.8
United Kingdom	3,613.1	19,579.1	23,192.2	\$13,478.1
Italy	2,530.5	10,574.0	13,104.5	\$13,428.4
Switzerland	4,070.6	5,620.6	9,741.2	\$12,571.3
Spain	4,109.4	14,735.7	18,845.1	\$9,885.6
Turkey	3,119.0	5,942.1	9,066.1	\$4,387.7
Russia	2,093.6	13,733.0	15,826.6	\$3,997.4
Portugal	1,582.9	3,010.0	4,592.9	\$3,405.2

Note: Data represents both arrival and outgoing wellness trips. Expenditures data includes non-resident and resident wellness expenditures. Source: Estimates by the Global Wellness Institute and Eurostat based on data from Eurostat for arrivals.

### Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
Germany	\$1,901	\$1,180	\$902	\$536
France	\$1,166	\$759	\$889	\$554
Austria	\$1,189	\$780	\$831	\$524
United Kingdom	\$1,535	\$883	\$405	\$229
Italy	\$1,325	\$907	\$953	\$642
Switzerland	\$2,070	\$1,227	\$731	\$457
Spain	\$1,547	\$1,006	\$240	\$148
Turkey	\$891	\$537	\$271	\$159
Russia	\$384	\$201	\$233	\$123
Portugal	\$1,101	\$710	\$563	\$357

Note: Data figures include both pricing premium and average domestic trip. Source: The Global Wellness Institute. All data is preliminary and may change.

## Europe Wellness Tourism Developments

- Wellness tourism has deep roots in Europe. For centuries, people have traveled within the region to take advantage of hot springs, alpine air, sea breezes, slow food, and idyllic landscapes, in order to escape from everyday life and pursue recreation and healing. Europeans are sophisticated wellness consumers, based on longstanding cultural and historical traditions across the region, and this influences their propensity for wellness travel. In a Eurobarometer survey of 30,000 Europeans across 33 countries, 13% indicated that wellness/spa/health treatments were their primary or secondary motivation for going on holiday in 2015 (and the share of trips for which wellness was a primary motivation has doubled, from 3% in 2010 to 6% in 2015). In several countries, the propensity for primary-motivation wellness trips is very high, including Iceland (19% of survey respondents), Sweden (17%), Hungary (16%), Portugal and Slovakia (15%), and Czech Republic (10%).<sup>29</sup>
- Europe's wellness tourism industry continues to leverage its historic wellness assets, while upgrading its infrastructure (spas, wellness hotels, health resorts, etc.) and service offerings to attract the modern consumer. Throughout the region, governments and destinations are looking to wellness tourism to diversify their tourism sector, carve out a unique niche, reduce seasonality, combat over-tourism in some cases, and bring more benefits to their local communities and small businesses. For example, Russia's tourism plan for 2020 emphasizes the importance of enhancing spa and wellness sector quality and offerings to attract domestic and international wellness tourists. Italy recently launched Terme d'Italia, a project aimed at stimulating demand for spas and wellness resorts in eight regions. Azerbaijan, a relative newcomer that has received attention from the National Geographic Traveler Awards, is highlighting its thermal wealth and the unique quality of its mud to elevate its wellness tourism standing.
- A majority of the countries in Europe promote some form of wellness on their national tourism websites, with many highlighting their well-developed and historic thermal resources and spas. A smaller, but still considerable, number of countries also focus on developing this sector as part of their national tourism development/marketing strategies. Ten nations, including Slovenia and Montenegro have national initiatives designed to encourage investment in wellness sectors. Finland, for example, seeks to use public-private partnerships to enhance its wellness tourism offerings. Similarly, Croatia hopes to create a spa tourism zone around one of its leading thermal spas, providing financial incentives for wellness tourism projects in this area.

<sup>29</sup>1) European Commission (2016). *Preferences of Europeans towards Tourism*, Flash Eurobarometer Report No. 432. 2) European Commission (2011). *Survey on the attitudes of Europeans towards tourism*, Flash Eurobarometer Report No. 329. Both available at: <https://ec.europa.eu/growth/tools-databases/vto/eurobarometer>.

- In Central and Eastern Europe, wellness tourism is intrinsically linked to thermal resources and an extensive network of historic health resorts and sanatoria, where guests stay for doctor-supervised, water-based medical treatments, financed wholly or partially by national insurance systems. Many of these sanatoriums are now undergoing renovations, modernization, and wellness menu enhancements (mostly with private investment) in order to attract a younger clientele who are seeking wellness rather than medical treatments, and who are more likely to spend on room upgrades, add-on services, and a higher quality experience.
- The quest for differentiation and authenticity has led many industry players to refocus on their own traditions and wellness modalities in designing destinations and crafting guest experiences. Some look to their bathing traditions; for example, Finnish saunas, Austrian sauna aufguss, and Russia banya all offer distinctive experiences that combine wellness with rituals, community, fun, and entertainment, within a specific cultural context. With Scandinavians consistently ranking as the happiest people in the world, there is also surging interest in Nordic lifestyle concepts such as hygge ("cozy" for the Danish and Norwegians) and lagom ("balanced" or "just right" for the Swedish), which can be incorporated into facility design, guest experiences, wellness offerings, and marketing/promotion.
- Wellness trips and retreats that are built around a specific wellness activity are on the rise, from boot camps to meditation and silence retreats. There is more demand to combine activities in nature with wellness modalities, such as hiking to a scenic location for meditation, or yoga and tai chi in an outdoor setting. Short-haul, weekend getaways continue to grow — not only for couples and girlfriends, but increasingly for families (including multi-generations) — and destinations are modifying their amenities and programming to accommodate this trend.

## Spas

- Across the region, the spa market has been growing at a steady pace alongside stable economic growth and rising consumer interest in services and activities that align with their wellness lifestyle. Spa offerings are proliferating to provide novelty, diversity, and choices to customers. Some spas are expanding along a full range of holistic health and preventive services that extend to nutritional advice, sleep therapy, sound therapy, gut microbe analysis, energy healing, and so forth. Others are adopting wellness and healing modalities from different traditions and cultures: Finnish saunas, Japanese onsens, Turkish hammams, Traditional Chinese Medicine, and Ayurveda are no longer confined to their country or region of origin, or to niche spas. At the same time, establishments that provide a single, specialized wellness service/treatment also continue to grow, from beauty treatments, massage, and reflexology, to reiki, flotation tanks, cryotherapy, salt caves, etc., competing with similar offerings at conventional full-service day spas and hotel/resort spas.
- Spas are also responding to a rising need for mental wellness and stress reduction, along with growing interest in igniting and supporting behavioral change that will lead to a more healthful, balanced, and fulfilled life for guests outside of the spa. To complement body/energy work, many spas are beginning to offer more personalized and tailored services, such as nutritional assessments, individual counseling/advice, holistic personal wellness plans, coaching, etc. Overall, there is a gradual shift and expansion in offerings, as more spas recognize that they are no longer operating within the confines of the spa sector but competing in a much broader and quickly evolving landscape of the wellness industry.



- Consumer adoption and understanding of wellness is quickly evolving, and many spas are undergoing redesign/refurbishments of their facilities and offerings, reflecting emerging needs and preferences, such as: the desire for community (e.g., creating club-like settings and atmospheres, or group programs and classes that facilitate connections among guests); intergenerational wellness experiences (e.g., “better-aging” modalities; kids/teen spa treatments, classes, and activities); water for healing (e.g., hydrotherapy, watsu, therapeutic thermal/mineral spring bathing and treatments); and using nature to enhance our sense of wellbeing (e.g., forest bathing; use of natural, organic, and local ingredients, biophilic design of facilities).

## Thermal/Mineral Springs

- Thermal and mineral springs have been a part of wellness rituals in many European countries for centuries, and they are intrinsically linked to the strong bathing culture and tradition across the continent. Natural therapies related to water are as extensive as they are varied: balneotherapy, thalassotherapy, mud, salts, algae, etc.
- European countries that have a large sector of sanatoria-style health resorts catering to government-funded patients are looking to upgrade, privatize, and diversify many of these establishments. Investments are being made in thermal resorts and spas all over Europe, some in major expansions of well-established assets — for example, the addition of a subterranean spa, a Retreat Lagoon, hotel, and restaurant at the renowned Blue Lagoon in Iceland. Some investments aim to introduce cross-cultural bathing experience, such as introducing Japanese-style onsens or Turkish baths to European bathers at existing or new thermal resorts. Many facilities receive new investments to add spa and complementary wellness services, facilities, and programming that will appeal to a broader range of guests, such as health food restaurants, beauty treatments, fitness studios, and mind/body classes.
- With the rise of wellness and wellness tourism, thermal/mineral springs across Europe are viewed as a vital resource for tourism and economic development. Many new investments and marketing initiatives have been launched in recent years, from “the Year of Healthy Waters” promotion in Slovenia, to a Spain-Portugal partnership to jointly promote thermal establishments along their border. “Roman Thermal Spas of Europe” is a multi-country (Greece, Germany, Hungary, Portugal, France, and Bulgaria) partnership to develop and promote thermal tourism packages involving spas and health resorts with a Roman origin. Greece and Turkey, among other countries, have placed hot springs at the center of their tourism promotion themes, seeking investments to modernize and upgrade thermal offerings.

## North America Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 204.1 million (4.6% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$241.7 billion (5.8% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 5.2%

**Average Expenditure per Trip:**

\$3,285 for intl./inbound (44% premium); \$1,058 for domestic (57% premium)

**Direct Jobs:** 2.2 million

### Wellness Tourism Markets in North America, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
United States	9,360.2	167,179.1	176,539.3	\$226,017.7
Canada	2,207.8	25,318.2	27,526.0	\$15,652.6

Note: These figures include both primary and secondary wellness trip expenditures and contain both wellness and inbound and domestic expenditures. Source: Estimates by the Global Wellness Institute, based on industry data from 2015 to 2017.

### Wellness Tourism Spending Premiums in North American Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
United States	\$3,812	\$2,680	\$1,139	\$716
Canada	\$1,052	\$731	\$527	\$291

Note: These figures reflect both primary and secondary wellness trip expenditures. Source: Estimates by the Global Wellness Institute, based on industry data from 2015 to 2017.

## North America Wellness Tourism Developments

- Over one-third of the states in the United States now promote some form of wellness tourism on their official state tourism marketing website (by comparison, only eight states were marketing the sector in 2013). These are primarily concentrated in the western United States and typically highlight their natural hot springs and/or spas. A few states also emphasize a broader, more holistic approach to wellness; for example, New Mexico highlights its Native American-inspired traditions and treatments, while Maine markets meditation and yoga amidst its natural scenery. For Canada, six out of its eleven provinces actively promote wellness to tourists. While hot spring bathing figures prominently, some of the major tourist destinations, such as Ontario and British Columbia, also focus on spas and general wellness offerings. While state, provincial, and local tourism boards are starting to take notice of the growth in this sector, most of the wellness tourism developments, investments, and marketing campaigns in North America continue to be driven by private businesses.
- The rise of wellness travel is driving new positioning and promotion strategies in North America's hospitality industry. Industry leaders recognize the growing demand for wellness, not just at destination getaways but also in urban locations. Companies such as Canyon Ranch and Six Senses are expanding from their base of destination resorts into major U.S. metropolitan areas (e.g., Six Senses announced that their first North American property will be a luxury urban hotel adjacent to Manhattan's popular High Line). Luxury brands such as Four Seasons, Ritz-Carlton, and Mandarin Oriental have created wellness programs and health and fitness offerings that rival the top destination spa resorts. Mandarin Oriental hotels, for example, have on-site wellness professionals who offer customized Pilates, yoga, meditation, and tai chi classes. Meanwhile, numerous brands are rolling out new wellness initiatives to appeal to the growing number of business and leisure travelers who value healthy food, fitness, and mind-body balance. Leisure hotels aggressively market wellness weekends and rejuvenation retreats, and they promote their wellness offerings and environments as distinguishing characteristics. Business hotels address the time constraints of their guests by providing options such as shorter massages or in-room fitness equipment. Hilton, for example, launched "Five Feet to Fitness," which provides more than 11 different equipment and accessory options to guests in premium fitness rooms (which cost \$45 more than a standard room).
- Many hotel chains have developed partnerships with recognized wellness industry leaders to increase flexibility and offer expanded services/programming to guests. These partnerships can range from streaming content (e.g., Pilates, yoga, meditation) to providing interactive fitness equipment (e.g., Peloton). Examples of partnerships between major brands include: Shangri-La and Lululemon; Mandarin Oriental Hotels and the Mayo Clinic; Park Hyatt Hotels and MNDFL Meditation; Fairmont Hotels with Reebok and Technogym; and Wyndham Hotels and Resorts with Stay Well™/Dafos. For urban hotels where space is more challenging, some brands have formed partnerships with local boutique exercise studios, massage therapists, and spas to package offerings close to their properties.
- Airports and airlines continue to step up their wellness amenities to target secondary wellness travelers (i.e., those who want to maintain wellness during travel). Airport spas — in small kiosks and stores within terminals, as well as in airline first-class lounges — have proliferated in North American airports. Offerings can range from saunas, massages, manicures, pedicures,

and haircuts to oxygen therapy, cryotherapy, guided meditation, and VR-assisted relaxation. While airline lounges are generally reserved for first- and business-class passengers or club members, many airlines sell spa access for a daily or half-day fee. Wellness services are also extended in other ways. American Express partners with Exhale to offer spa services at airport lounges. Delta has employee-only spas at several airports. Canyon Ranch is partnering with Singapore Airlines to step-up wellness amenities for passengers on ultra-long-haul flights. Additional airport wellness offerings on the rise include "silent airports," yoga rooms, in-transit fitness clubs, therapy dogs, napping pods and suites, treadmill desks, and designated terminal walking circuits.

## Spas

- The spa industry has enjoyed steady growth in North America, driven by a steady economy and rising consumer spending on all things related to wellness. Growth has been led by hotel/resort spas as well as medical spas. A 2017 ISPA survey reported that 42% of hotel/resort sector respondents cite "wellness, health and fitness" as the top trend affecting the spa industry.<sup>15</sup> Luxury branded hotels (e.g., Four Seasons, Fairmont, Ritz-Carlton, etc.) increasingly use their spas and wellness programs as a marketing tool for hotel guests and to generate revenue from non-guest customers. Some hotels have begun charging a general resort fee whether guests use the wellness amenities or not.
- Medical spas are enjoying rising demand, reflecting increased consumer interest in self-care, maintenance, anti-aging, and beauty. While the majority of customers are women between the ages of 35-54, there is also rising interest from men and under-35 customers. According to the American Med Spa Association, in recent years there is a pronounced increase in demand for less invasive treatments such as injectables, chemical peels, and non-surgical skin tightening, in addition to body sculpting and tattoo removal. Many medical spas are investing in a more spa-like and less clinical/medical environments and atmospheres for their customers. Capitalizing on rising demand and the success of single service models such as Drybar (for blowouts), Alchemy 43 has attracted seed funding to launch a series of locations that focus on Botox and fillers in a spa/salon-like setting in major cities.
- Franchises such as Massage Envy, Elements Massage, Massage Heights, and Hand & Stone continued to grow from 2015-2017, particularly in the suburbs and secondary city markets, but at a slower rate as compared to the previous two years. This leveling of growth is probably attributed to a maturing market, cost pressures, and aggressive discounting and competition from small, single-service establishments (e.g., reflexology centers, Thai massage clinics, etc.). GWI estimates that there were about 2,500 franchised spas in the United States in 2017, up from about 1,500 locations just five years earlier in 2012.<sup>16</sup>

<sup>15</sup> International SPA Association (2017). *2017 U.S. Spa Industry Study*. Lexington, KY: International SPA Association.

<sup>16</sup> Global Wellness Institute analysis of data from Entrepreneur.com. *Global Wellness Tourism Economy - November 2018* | 55

- Zeel, a pioneer in the model of massage-on-demand, has expanded to more than 75 U.S. cities, and has launched a new platform that places licensed massage therapists on-demand at hundreds of spas, salons, and hotel partners, to help manage staffing and demand surges. Meanwhile, Soothe — a newcomer to massage-on-demand — recently raised \$31 million in new capital to fund expansion in the U.S. market and to launch new services in the UK and Australia. Similar on-demand and app-based services are also proliferating in the salon and beauty sector, with the growth of companies such as Giamsquad, BeGlammed, TheGlamApp, and BeautyLink.

## Thermal/Mineral Springs

- The majority of thermal/mineral springs are located in the Western and Southwestern United States and Western Canada, and these establishments tend to be fairly rustic bathing- and swimming-focused facilities. The thermal/mineral springs sector is quite underdeveloped in North America as compared to other wellness sectors, mainly because North Americans have not developed the type of bathing culture prevalent in much of Europe and East Asia. But that is changing, with a rising interest in and visitation to springs due to a confluence of consumer values and lifestyle preferences. Overall, more people are looking to nature and its power to calm and rejuvenate. Across North America and especially in Canada, consumers are discovering the healing powers of water, from Nordic spa circuits to hydrotherapy. Finally, the rise of loneliness has created awareness of the value of "third places" — social environments outside of home and work, where people can find community with one another. These trends, and the accessibility and affordability of visiting hot springs, are expected to drive the growth of the springs sector (and other wellness sectors) over the next decade.
- Business owners and investors are taking note of these trends and are renovating, expanding, and reopening historic hot springs facilities in many locations across the United States. Multi-million dollar expansions continue at California's iconic Two Bunch Palms and Glen Ivy Hot Springs. Several new facilities and reopenings of shuttered properties are slated over the next few years in Arizona, Wyoming, Montana, and California, while longer-term thermal spring redevelopment projects are in the works from California to Texas to South Dakota.

## Latin America-Caribbean Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 59.1 million (12.4% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$34.8 billion (7.0% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 9.5%

**Average Expenditure per Trip:**

\$1,067 for Intl./Inbound (31% premium); \$380 for domestic (26% premium)

**Direct Jobs:** 1.4 million

### Top Ten Wellness Tourism Markets in Latin America-Caribbean, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
Mexico	9,262.3	9,368.8	18,631.7	\$12,845.0
Brazil	190.1	10,344.3	10,534.4	\$4,068.9
Chile	1,139.5	5,790.0	7,929.6	\$2,223.5
Argentina	339.2	3,983.1	4,322.4	\$2,112.4
Dominican Rep.	828.3	186.4	1,014.7	\$1,352.6
Costa Rica	791.3	206.1	999.4	\$1,350.0
Peru	292.4	1,987.1	2,284.5	\$1,262.9
Ecuador	571.2	438.7	1,010.9	\$1,059.6
Colombia	160.5	1,744.6	1,905.1	\$984.9
Jamaica	539.2	120.3	660.1	\$739.0

Note: These figures include both inbound and secondary wellness trips. Expenditures include both inbound and secondary wellness expenditures. Expenditures for the Dominican Republic include both inbound and secondary wellness expenditures.

### Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
Mexico	\$801	\$493	\$577	\$450
Brazil	\$1,572	\$1,109	\$366	\$243
Chile	\$734	\$458	\$204	\$152
Argentina	\$1,257	\$1,044	\$423	\$243
Dominican Rep.	\$1,543	\$1,016	\$400	\$243
Costa Rica	\$1,678	\$1,065	\$107	\$54
Peru	\$1,423	\$852	\$422	\$317
Ecuador	\$1,423	\$915	\$561	\$475
Colombia	\$1,350	\$1,071	\$440	\$241
Jamaica	\$1,313	\$912	\$255	\$214

Note: These figures include both inbound and secondary wellness trips. Expenditures for the Dominican Republic include both inbound and secondary wellness expenditures.

## Latin America-Caribbean Wellness Tourism Developments

- There is strong momentum to develop wellness tourism in Latin America and the Caribbean based on the region's diverse natural and cultural assets, alongside the motivations of key visitor segments: rest and relaxation; experiencing nature, biodiversity, adventure, active vacations, and ecotourism; and beauty and medical tourism. Many countries are discovering the potential of promoting thermal/mineral springs in conjunction with wellness tourism. Overall, we observe destinations adopting different strategies and positioning based on their unique assets and advantages. Caribbean tourism and destination marketing organizations are working to promote the region as a wellness destination by adopting spa facility standards, training personnel, and creating a wellness tourism identity. Nonetheless, the promotion of wellness tourism in the region will continue to be affected by various natural and human-made events and issues, such as hurricanes, earthquakes, safety, and travel warnings.
- Over half of the governments in the Latin America-Caribbean region actively market their wellness tourism offerings on their national visitor websites. Interest in wellness tourism among national tourism ministries and promotion boards has grown rapidly, given that only six countries in the region were promoting the sector just five years ago. The marketing focus varies greatly — from thermal springs to spas and wellness resorts — oftentimes tying into unique local geographic or cultural features. About 10 percent of the countries (e.g., Guatemala and Jamaica) have prioritized their wellness tourism sectors for support and development, and several nations (e.g., Colombia and Dominica) have identified wellness sector projects for investment promotion.
- To appeal to visitors who are already familiar with spas and R&R offerings, many destinations (e.g., Mexico and several Caribbean countries) are upgrading their spas and reorienting their programming and positioning from luxury and pampering to active lifestyle and holistic wellness. These initiatives include building new wellness resorts/retreats, as well as developing rigorous programs and offerings of holistic wellness that focus on prevention and human performance, integrative medicine, and indigenous healing modalities.
- In countries with advanced medical and esthetic markets, the promotion of wellness tourism often builds off of strengths in beauty enhancement treatments (e.g., Argentina, Brazil), strong medicine and surgery sectors (e.g., Mexico, Cuba, Colombia), and the therapeutic properties of thermal/mineral waters (e.g., Ecuador). These nations' clinics and hospitals are partnering with resorts and hotels to create facilities that have the same attributes as U.S. medical spas.
- Countries such as Costa Rica and Belize are well-established eco-tourism destinations that have pioneered concepts such as jungle/eco-spas. Visitors who are interested in nature and biodiversity are already taking advantage of offerings such as coffee scrubs and volcanic mud wraps, or doing yoga and meditation retreats against a backdrop of pristine nature and diverse wildlife. Costa Rica has the ambition of branding its country as not only a wellness destination, but as a country of wellness, with special attention to the wellbeing of the people and the protection of its natural environment and cultural heritage. It has recently expanded its national promotional slogan from "Pure Vida" to "Wellness Pure Vida," and it is working on a long-term strategy to develop seven areas of the country around their unique wellness tourism assets.

## Spas

- The spa market in Latin America and the Caribbean is robust, reflecting strong tourism arrivals, steady economic growth, and rising interest in wellness among both residents and visitors. Hotel and resort developments have been especially strong in popular destinations (e.g., Mexico, Costa Rica, Colombia, Brazil, Belize, St. Kitts, etc.), and spas are nearly ubiquitous, as guests have come to expect spa services in resorts and city hotels alike. Many resort hotels are transforming their spas and expanding their offerings to meet the growing demand for more holistic wellness services, therapies, and programming that target prevention rather than pampering (e.g., hydrotherapy, circuit training, tai chi, meditation, etc.). Some are drawing inspiration from indigenous healing modalities (e.g., Mexican sweat lodges or *temazcals*) to create new experiences for guests interested in authenticity and local cultures.
- The region's spa sector has a strong association with beauty and slimming. Beyond spas catering to tourists, there is a robust market for esthetic and body treatments for a growing middle class, marked by the arrival of chains/franchises and the proliferation of massage clinics and esthetic salons in major urban areas (especially in Mexico and Brazil). Product companies are leveraging the region's biodiversity and local ingredients to create treatments tailored to specific health, wellness, beauty, and anti-aging needs. In particular, Jamaica, Nicaragua, Costa Rica, and Mexico are encouraging the promotion of locally made skincare products and native-based treatments in their spa industry.

## Thermal/Mineral Springs

- Latin America and the Caribbean hosts extensive thermal/mineral water resources that extend from the Sierra Madre mountains in Central America to the Guaraní Aquifer in the Southern Cone. The region's rich natural offerings (biodiversity, beaches/coastlines, jungles and forests, wildlife, etc.), combined with its history and culture, offers tremendous opportunities for differentiation and unique positioning. However, today most facilities are traditional/rustic bathing and swimming establishments (e.g., *balnearios* and *baños termales*) or modern/themed waterparks primarily used by residents and regional tourists for recreation. Countries in the region are in various stages of development to exploit new opportunities in this sector.
- Brazil has the largest and most developed thermal tourism sector in the region, with several major spa towns/regions hosting dozens of large-scale recreational resorts and waterparks. There are many major investments and new projects in the pipeline. In the Olímpia region, the \$29 million Hot Beach waterpark and resort opened in 2017. The Foz de Iguaçu region is investing heavily in its facilities, including development of the new Foz de Iguaçu Blue Park (the world's largest artificial thermal beach when completed, and inspired by Orlando theme parks) and a \$242 million expansion of its flagship Itaipuland thermal park (adding 2,500 timeshare apartments and an entertainment/hospitality complex). Other major developments include the Gramado Termas Resort (Brazil's first indoor thermal waterpark, with timeshare apartments), as well as new ancillary attractions in the Rio Quente Hot Park (rafting, archery, zipline, and a 1,200-person concert/event center).



- Nicaragua, Ecuador, and Colombia have recently begun to explore and develop their natural springs, through site surveys and inventories, feasibility studies, and private-public partnerships. Other countries such as Jamaica and Mexico have made aggressive investments to upgrade hospitality infrastructure and complementary wellness services around the springs in order to target international tourists. In Argentina, where thermal springs are promoted by many provinces but lacking in basic tourism infrastructure, the government is conducting assessments to determine how to standardize and improve quality and services. The Uruguayan government has made the thermal sector a major tourism development priority, investing in a cluster of six hot springs on its western coast and opening a new 4-star resort, Salinas del Almiron in 2016. Costa Rica, with its well-developed eco/nature tourism clientele, is working to heighten the quality and diversity of its offerings with new investments in hot spring parks and hotels.
- Some countries focus on the therapeutic benefits of thermal springs as a healthcare and medical tourism resource. The Chilean government, for example, subsidizes older citizens to visit hot springs for rest and recuperation. Guatemala has many medical thermal spas and medical centers that offer rehabilitation, nutrition services as well as yoga. Its tourism promotion emphasizes the use of hot spring and mineral treatments in combination with the latest medical technology. Similarly, Cuba emphasizes the medicinal properties of its historic thermal/mineral springs and baths as it promotes itself as a medical travel destination.

## Middle East-North Africa Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 11.0 million (13.4% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$10.7 billion (13.3% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 11.8%

**Average Expenditure per Trip:**

\$1,305 for Intl./inbound (44% premium); \$599 for domestic (65% premium)

**Direct Jobs:** 0.3 million

### Top Ten Wellness Tourism Markets in Middle East-North Africa, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
UAE	1,191.2	652.7	1,843.9	\$3,750.0
Morocco	1,320.1	1,473.4	2,793.5	\$1,717.8
Israel	319.1	625.7	944.8	\$1,131.3
Jordan	306.8	157.4	464.3	\$604.3
Bahrain	271.1	57.1	328.2	\$563.8
Saudi Arabia	119.1	538.8	658.5	\$492.2
Oman	211.9	166.7	380.6	\$473.5
Egypt	635.5	588.0	1,223.4	\$427.3
Iran	272.3	326.1	600.4	\$388.5
Tunisia	397.1	189.2	577.3	\$313.8

Note: These figures include both primary and secondary arrivals/trips. Expenditures may include non-commercial (e.g., private) and personal wellness tourism spending. Source: Estimates by the Global Wellness Institute based on industry reports, data, and government statistics.

### Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
UAE	\$2,046	\$1,451	\$2,011	\$1,284
Morocco	\$956	\$635	\$309	\$197
Israel	\$2,453	\$1,621	\$557	\$354
Jordan	\$1,701	\$1,138	\$523	\$334
Bahrain	\$1,821	\$919	\$1,229	\$784
Saudi Arabia	\$940	\$626	\$705	\$443
Oman	\$1,904	\$1,217	\$416	\$265
Egypt	\$601	\$398	\$78	\$50
Iran	\$1,168	\$795	\$215	\$157
Tunisia	\$623	\$255	\$367	\$241

Note: These figures include both primary and secondary arrivals/trips. Expenditures may include non-commercial (e.g., private) and personal wellness tourism spending. Source: Estimates by the Global Wellness Institute based on industry reports, data, and government statistics.

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## Middle East-North Africa Wellness Tourism Developments

- Several Middle East and North Africa region countries prominently promote wellness tourism on their national tourism websites, but many focus exclusively on spas (e.g., Dubai, Abu Dhabi, Qatar, Morocco, and Egypt). Tunisia and Algeria tend to highlight their traditional thermal offerings, while Jordan promotes a diverse wellness tourism experience that extends from natural healing around the Dead Sea, to spas and meditation tourism. Israel has leveraged the therapeutic properties of the Dead Sea for wellness tourism as well as promoting skincare/cosmetic products. However, thousands of sinkholes have closed down beaches, damaged resorts, and halted developments, highlighting the conflict between fragile natural resources and the tourism and economic development that depends on them.
- Many regions within Egypt are historically famous for therapeutic tourism anchored on unique natural features, e.g., the black sands of the Safage/Red Sea region, the sand baths and hot springs in the Siwa Oasis, and sulfur springs in Helwan. These regions currently receive local and regional tourists, and their offerings tend to be European-style natural resource-based therapies that occupy the grey area between wellness and medical tourism. National and regional government authorities (including Ministries of Environment and Health) have recently started to redevelop and promote these regions, and they are seeking investments to build new therapeutic and wellness resorts.
- While wellness tourism in the Gulf region continues to be dominated by secondary wellness travelers — those who have come to expect extensive spa and fitness facilities in both city and resort hotels when they travel — the region is starting to develop offerings that cater to primary wellness travelers. The Gulf's first holistic wellness retreat/destination spa opened at the Retreat Palm Dubai in 2017, and the integrative Zala Wellness Destination Retreat is currently under construction in Qatar. The healthy hotel concept is also growing in the region: The Al Shagab healthy/active lifestyle concept hotel opened in Qatar's Education City in 2016. In Dubai, Smartotels is launching its FORM Hotel concept in 2018, focused on wellbeing, lifestyle, and technology-driven and socially-responsible design.
- Several Gulf country governments (e.g., Bahrain, Kuwait, Saudi Arabia) are looking to tourism for economic diversification strategy and investing in large-scale resort spa developments. They often use "health tourism" as an umbrella term to capture both wellness tourism and medical tourism, which they are also targeting. Some countries are spending billions of dollars to build large-scale mixed-use projects that combine residential, tourism/hospitality, commercial, and health/medical components, aiming to promote tourism and economic development while encouraging healthy lifestyles among the local population. Most of these projects include green/sustainable building, outdoor and fitness amenities, world-class medical services, alternative/complementary wellness services, and other offerings for residents and visitors. Examples include the Dubai Healthcare City/WorldCare Wellness Village in UAE; the Dilmunia Island project in Bahrain; the Kuwait Silk City project, and the Qatar Foundation Stadium and Health & Wellness Precinct/Education City project.

## Spas

- This region has long had a reputation for leisure, shopping, and beach tourism, and the spa sector may be finally catching up with its highly developed hospitality industry. Hotels continue to be built at a rapid pace, and spas are now seen as integral/central part of hotels from the mid-price ranges and up. Some hotels leverage the region's hammam tradition to create a more culturally authentic experience. The UAE and Qatar have benefitted from significant investments in new hotels and resort properties in preparation for Expo 2020 and the FIFA World Cup 2022. A number of high-end spas have been planned or opened recently in new hotels and resorts, and as part of entertainment/retail complexes in Doha and UAE. Across the Middle East and North Africa, a rising consumer preference for healthy lifestyles has increased demand for wellness services, especially in spa and fitness. Saudi Arabia is often regarded as a high-potential market with its rapidly growing population, rising incomes, and a growing chronic disease epidemic.
- Spas in the region have long been associated with beauty and pampering. The UAE continues to be the region's largest spa market, with its cosmopolitan residents increasingly adopting health and wellness lifestyles that include spa-going, fitness, and healthy eating. The market serves a diverse customer base, including middle/professional-class expatriates, wealthy Emiratis, and European tourists who expect high quality services. Increasing demand for spa/wellness services and programming has driven growth in hotel and resort spas, as well as international brands, chains, and franchises, enhancing treatment offerings at a variety of price points. Competition is especially tough in the day spa market, where new entrants and aggressive promotion and discounting have created intense price pressures for many businesses.

## Thermal/Mineral Springs

- Tunisia and Algeria have the region's most established thermal bathing and thalassotherapy sectors, rooted in the French tradition of "thermalisme." In recent years, many formerly medical-oriented thermal centers have been adding complementary spa treatments, recreational options, lodging, and other offerings to attract wellness tourists. Governments in both countries have long supported the therapeutic and medical use of thermal/mineral/sea waters, and both countries have national tourism strategies that leverage thermal resources for diversification and growth. Several major projects are underway throughout Tunisia, where there are plans to privatize some of the historic thermal centers and build 54 new ones by 2020. There are many new developments in Algeria, where 70 springs have been granted to private investors, 13 new private facilities have opened, and \$100 million is being invested to modernize eight publicly-owned thermal centers and 40 traditional thermal hammams. Both countries are also raising quality standards through workforce training (Algeria) and new ISO certification for thalassotherapy facilities (Tunisia).
- Meanwhile, several countries that do not have an established hot springs industry or tradition are recognizing the value of these natural resources for tourism development. For example, Oman is now promoting its natural springs on its national tourism website. Saudi Arabia is promoting investment in hot springs to establish therapeutic, recreational, and wellness resorts that will attract domestic and regional tourists for both wellness and medical tourism. Even Iraq has recently reopened its historic Hammam al-Ajlil, a historic hot springs facility that used to receive thousands of wellness and medical tourism visitors prior to the war.

## Sub-Saharan Africa Wellness Tourism Highlights (2017)



**Number of Wellness Trips:** 6.5 million (10.1% CAGR from 2015-2017)

**Wellness Tourism Expenditures:** \$4.8 billion (7.0% CAGR from 2015-2017)

**Projected Wellness Tourism Expenditures CAGR (2017-2022):** 11.1%

**Average Expenditure per Trip:**

\$1,215 for intl./inbound (63% premium); \$194 for domestic (126% premium)

**Direct Jobs:** 0.5 million

### Top Ten Wellness Tourism Markets in Sub-Saharan Africa, 2017

	Number of Arrivals/Trips (thousands)			Receipts/Expenditures (US\$ millions)
	Inbound/Intl.	Domestic	Total	
South Africa	1,466.9	2,555.7	4,022.6	\$2,250.3
Kenya	212.6	57.0	269.6	\$412.3
Mauritius	184.1	1.8	186.0	\$315.1
Tanzania	169.2	43.7	212.9	\$302.7
Seychelles	105.3	4.3	109.7	\$282.8
Uganda	143.7	39.1	182.8	\$146.6
Nigeria	101.7	24.3	126.6	\$134.0
Madagascar	59.1	16.0	75.1	\$120.5
Zimbabwe	136.1	51.0	187.2	\$117.8
Botswana	107.0	71.7	268.7	\$115.0

Note: Data represents both direct and indirect wellness trips. Expenditures may include non-wellness tourism. Premiums represent wellness tourism spending. Source: Estimates by the Global Wellness Institute using data submitted by the Global Wellness Institute members.

### Wellness Tourism Spending Premiums in the Top Ten Markets, 2017

	Average Spending per INBOUND/INTERNATIONAL Trip		Average Spending per DOMESTIC Trip	
	Wellness Trip	Average Trip	Wellness Trip	Average Trip
South Africa	\$1,208	\$983	\$187	\$36
Kenya	\$1,870	\$1,242	\$260	\$87
Mauritius	\$1,705	\$1,366	\$611	\$333
Tanzania	\$1,732	\$1,247	\$220	\$89
Seychelles	\$2,679	\$1,835	\$146	\$68
Uganda	\$960	\$778	\$218	\$49
Nigeria	\$1,225	\$680	\$377	\$329
Madagascar	\$1,995	\$1,632	\$167	\$138
Zimbabwe	\$754	\$497	\$296	\$152
Botswana	\$528	\$233	\$152	\$81

Note: Data represents direct and indirect wellness tourism spending. Premiums represent wellness tourism spending. Source: Estimates by the Global Wellness Institute using data submitted by the Global Wellness Institute members.

## Sub-Saharan Africa Wellness Tourism Developments

- Several African countries are actively promoting wellness tourism, including Mauritius, Namibia, South Africa, and Tanzania, primarily focusing on spa offerings to diversify from the traditional safari or beach tourism for international visitors. By comparison, no countries in Africa were promoting wellness tourism when GWI first started studying this sector in 2013. While “spafari” – high-end safari lodges that offer spas services – has been around for a while, many destinations have moved from a spa/pampering focus to holistic wellness, adding offerings such as “mindfulness safaris,” “yoga in the wilderness,” and “body treatments in the bush,” and incorporating local ingredients and treatments/therapies rooted in African traditions.
- All across Africa, from island resort destinations (e.g., Seychelles, Mauritius, Madagascar) to the Southern and Eastern African nations strong in the safari/wildlife/ecotourism niche, destinations are adding wellness offerings to their product mix. We have also seen tremendous growth in the number of wellness retreats and yoga retreats in Africa, combining wellness with complementary travel interests in the eco, adventure, spiritual, and cultural categories. The natural beauty and wilderness across this vast continent create unique opportunities, such as stargazing in Namibia, meditation among wildlife in Zambia, and long uninterrupted beach walks in Mozambique.
- Overall, wellness tourism has the potential to offer enormous economic, social, conservation, and branding benefits to the African continent. Tourism has long been an ambassador industry for any country or region. With its focus on holistic health, healing, and authentic experiences, wellness tourism highlights and promotes a country's strengths that are rooted in nature, culture, heritage, and traditions. These are strong counters to the negative images often promoted in the media about Africa (e.g., underdevelopment, disease, political instability, etc.). Because indigenous culture and the environment are so important in this niche market, wellness tourism can increase the motivations among government, businesses, and communities to protect wildlife, natural resources, and local culture and promote environmental sustainability. As a continent, Africa consists of dozens of countries, each with unique cultures and traditions in wellness. With wellness experiences increasingly linked to the wellness of the place, wellness tourists are more aware of and interested in what each destination has to offer, the local people, and their communities. Therefore, it will be important in Africa to ensure that wellness tourism development is aligned with the development needs of local communities and brings benefits in all aspects (economic, social, environmental, etc.).

## Spas

- Many countries in Sub-Saharan Africa have well-established spa industries (e.g., South Africa, Nigeria, Kenya, Mauritius, etc.) but in most countries, spa clients are expats or wealthy/upper-middle-class consumers who have traveled internationally and have been exposed to spas elsewhere. While this is changing, the perception of spa as a luxury service for the wealthy can narrow the market growth opportunities. Other forces that may hold back the industry include the lack of standards/regulations and skilled workforce.
- In the past, spa offerings/products/menus have been relatively homogenous and based on western spa models. In recent years, there is increasing interest in and demand for uniquely African wellness treatments and healing traditions. Offerings from *calabash* massage to the *izinyawo* foot cleanse to drumming meditation and healing are increasingly appearing in spas across the region. There is also rising demand for homegrown products and brands, especially herbal blends and natural and organic beauty/skin care products that are rooted in local ingredients and traditions. Many African ingredients (e.g., argan oil, shea butter, rooibos, etc.) have already found their way into mainstream beauty/skin products around the world. There is also more awareness of the need to cater to different skin types. With consumer interest pushing the global beauty/skincare industry toward natural and new botanical ingredients, the continent's rich cultural heritage and biodiversity offers exciting opportunities.

## Thermal/Mineral Springs

- Many countries in Sub-Saharan Africa are rich in thermal waters, but the thermal/mineral bathing sector remains primitive and underdeveloped across the region. South Africa is the only country with a significant thermal/mineral springs industry. Its hot spring resorts tend to focus on recreation and leisure (rather than health and wellness offerings), and most offer relatively rustic accommodations (e.g., camping, cabins, and self-catering chalets). These almost exclusively serve the domestic market. A number of historic hot springs resorts in South Africa, dating from the early 20th century, have fallen into disuse and disrepair, and efforts to renovate and revitalize these facilities have been limited and small in scale. Meanwhile, Namibia recently made significant investments in modernizing its two major hot springs resorts (Gros Barmen in 2014 and Ai-Ais in 2017), and Madagascar has renovated and reopened its historic Hotel Thermal Ranomafana.
- Kenya and Rwanda, both of which have robust and high-growth tourism industries, are now looking to tap their undeveloped thermal water resources to boost wellness tourism. Thermal/mineral waters can help diversify their tourism offerings and can appeal to wealthy, safari-seeking international visitors as well the growing market of intra-regional African travelers. Rwanda is currently seeking investment to develop its first hot springs-based wellness and eco resorts (at Gihaya Island and Rubavu). Kenya recently opened the KenGen Olkaria Geothermal Spa, the continent's largest thermal bathing facility, modeled after Iceland's Blue Lagoon.





## APPENDIX A: COUNTRIES CURRENTLY PROMOTING WELLNESS TOURISM

This list is current as of August 2018.

### Asia-Pacific

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism Is a Target for National Investment Promotion
Australia	Yes	No	No
Bhutan	Yes	Yes	Yes
Cambodia	Yes	No	No
China	No	Yes	Yes
Fiji	Yes	No	Yes
French Polynesia	Yes	No	No
Guam	Yes	No	No
India	Yes	Yes	Yes
Indonesia	Yes	No	No
Japan	Yes	No	No
Laos	Yes	No	No
Malaysia	Yes	Yes	Yes
Maldives	Yes	Yes	Yes
Nepal	Yes	No	No
New Caledonia	Yes	No	No
New Zealand	Yes	No	Yes
Philippines	Yes	Yes	Yes
Samoa	Yes	No	No
South Korea	Yes	Yes	No
Sri Lanka	Yes	No	No
Taiwan	Yes	No	Yes
Thailand	No	Yes	No
Vietnam	Yes	Yes	No

## Europe

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism is a Target for National Investment Promotion
Andorra	Yes	Yes	No
Armenia	Yes	Yes	No
Austria	Yes	No	No
Azerbaijan	No	Yes	Yes
Bosnia Herzegovina	Yes	No	No
Bulgaria	Yes	Yes	Yes
Croatia	Yes	Yes	Yes
Cyprus	Yes	No	No
Czech Republic	Yes	Yes	No
Denmark	Yes	No	No
Estonia	Yes	Yes	Yes
Finland	Yes	Yes	Yes
France	Yes	Yes	No
Georgia	Yes	Yes	Yes
Germany	Yes	No	No
Greece	Yes	No	No
Hungary	Yes	Yes	Yes
Iceland	Yes	No	No
Ireland	Yes	No	No
Italy	Yes	No	No
Kazakhstan	Yes	Yes	No
Kyrgyzstan	Yes	No	No
Latvia	Yes	Yes	No
Lithuania	Yes	Yes	Yes
Luxembourg	Yes	No	No
Malta	Yes	No	No
Monaco	Yes	No	No
Montenegro	Yes	Yes	Yes
Netherlands	Yes	No	No
Norway	Yes	No	No
Poland	Yes	Yes	Yes
Portugal	Yes	No	No
Romania	Yes	Yes	Yes
Serbia	Yes	Yes	Yes
Slovakia	Yes	Yes	Yes
Slovenia	Yes	Yes	Yes

Spain	Yes	No	No
Sweden	Yes	No	No
Switzerland	Yes	Yes	Yes
Turkey	Yes	No	Yes
Turkmenistan	Yes	No	No

## North America

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism is a Target for National Investment Promotion
United States (state-level)			
Arizona	Yes		
Arkansas	Yes		
Colorado	Yes		
Connecticut	Yes		
Florida	Yes		
Hawaii	Yes		
Idaho	Yes		
Indiana	Yes		
Maine	Yes		
Michigan	Yes		
Nevada	Yes		
New Mexico	Yes		
Utah	Yes		
Vermont	Yes		
Virginia	Yes		
Washington	Yes		
West Virginia	Yes		
Wyoming	Yes		
Canada (provincial-level)			
Alberta	Yes		
British Columbia	Yes		
Manitoba	Yes		
Ontario	Yes		
Saskatchewan	Yes		
Yukon	Yes		

## Latin America-Caribbean

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism Is a Target for National Investment Promotion
Anguilla	Yes	No	No
Argentina	Yes	Yes	No
Aruba	Yes	No	No
Bahamas	Yes	Yes	No
Barbados	Yes	No	No
Bermuda	Yes	No	No
Chile	Yes	No	No
Colombia	Yes	No	Yes
Costa Rica	Yes	No	Yes
Cuba	Yes	Yes	No
Curacao	Yes	No	No
Dominica	Yes	Yes	Yes
Ecuador	Yes	Yes	No
Grenada	Yes	No	No
Guadeloupe	Yes	No	No
Guatemala	Yes	Yes	Yes
Jamaica	Yes	Yes	Yes
Mexico	Yes	No	No
Nicaragua	Yes	Yes	No
Paru	Yes	No	No
St. Kitts & Nevis	Yes	No	No
St. Lucia	Yes	No	No
St. Martin / Sint- Maarten	Yes	No	No
Turks & Caicos Islands	Yes	No	No
Uruguay	Yes	Yes	Yes

## Middle East-North Africa

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism Is a Target for National Investment Promotion
Algeria	Yes	No	Yes
Egypt	Yes	Yes	No
Iran	No	No	Yes
Israel	Yes	No	No
Jordan	Yes	Yes	Yes
Kuwait	Yes	No	No
Morocco	Yes	Yes	Yes
Oman	Yes	No	No
Qatar	Yes	Yes	Yes
Saudi Arabia	No	No	Yes
Tunisia	Yes	Yes	Yes
United Arab Emirates			
Abu Dhabi	Yes	No	No
Dubai	Yes	No	No
Rajman	Yes	No	No

## Sub-Saharan Africa

	National/Official Tourism Website Promotes Wellness Tourism	National Tourism Strategy Addresses Wellness Tourism	Wellness Tourism Is a Target for National Investment Promotion
Ethiopia	No	Yes	Yes
Ghana	No	Yes	No
Kenya	No	Yes	Yes
Mauritius	Yes	No	No
Namibia	Yes	No	Yes
Rwanda	No	No	Yes
South Africa	Yes	No	No
Tanzania	Yes	No	No



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Canyon Ranch® has been a trailblazer and an industry-leading proponent of the wellness lifestyle and real estate living for nearly 40 years, operating the world's most celebrated collection of life-enhancement properties. Canyon Ranch has wellness destinations in Tucson, Arizona and Lenox, Massachusetts. In addition, Canyon Ranch operates the world's largest day spa at The Venetian® & The Palazzo® hotels in Las Vegas, Nevada and 22 Canyon Ranch at Sea wellness facilities onboard luxury cruise ships: Cunard Cruise Line, Oceania® Cruises, Regent Seven Seas Cruises®, and on Celebrity Cruises®. Canyon Ranch is a 13-time winner of Travel + Leisure's Best Spa Award, an 11-time recipient of the Condé Nast Traveler Best Destination Spa Award, is honored by Town & Country as one of the 'Best Luxury Spas in the World' in their 2017 Spa Awards and is recognized as the 'Best Wellness Program' by Virtuoso's 'Best of the Best' 2017 awards. Visit Canyon Ranch at [www.canyonranch.com](http://www.canyonranch.com).

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Booker by MINDBODY is transforming the way beauty and wellness services are managed by local businesses and discovered by consumers. Booker replaces everything from manual methods to disconnected software, and unifies the essential components of running a service business into a single web-based platform accessible from any device. Booker was acquired by MINDBODY, the leading technology platform for the fitness, beauty and wellness.

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services industries, in April 2018. Together, Booker and MINDBODY also enable beauty and wellness businesses to sell their services online through their website and a network of partner sites and apps, creating a seamless online booking experience for consumers. For more information on Booker, visit [www.booker.com](http://www.booker.com), and for more on how MINDBODY is helping people lead healthier, happier lives by connecting the world to wellness, visit [www.mindbodyonline.com](http://www.mindbodyonline.com).

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The HydraFacial Company is revolutionizing skin health for aesthetic professionals and their clients. Innovating for over 20 years, we have 54 patents issued/pending and numerous awards including New Beauty's Best, 4 years running. We are loved around the world, found in over 10,000 locations throughout 80 countries. The HydraFacial is a 3-step, 30-minute treatment that cleanses, extracts, and hydrates while quenching skin with vital nutrients like antioxidants, peptides, and hyaluronic acid. The amazing results are both instant and long-lasting, improving the appearance of fine lines, enlarged pores, congested skin, and dark spots. For more information, visit HydraFacial at [www.HydraFacial.com](http://www.HydraFacial.com).

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## bodyholiday Saint Lucia

### BODYHOLIDAY

BodyHoliday in Saint Lucia is not only a great beach vacation but it has been famed for its unique approach to health and wellbeing. The experience is a combination of the very best of a vacation combining individual tailored classes in fitness, nutrition, lifestyle and overall wellness. It is designed to be the most relaxing, rejuvenating beach vacation in the world. BodyHoliday makes a promise, "Give us your body for a week and we'll give you back your mind". It offers a range of personalized treatment, therapies while taking advantage of the most comprehensive activity and exercise schedules. What makes it

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Cannuka is a medically inspired natural skincare line that combines two powerful ingredients: cannabis CBD and Manuka honey. Together, the unique healing properties of cannabis CBD and Manuka honey provide a daily skin therapy that both calms and heals skin – for your face, lips, cuticles, elbows, and anywhere else there's dryness or inflammation. In fact, it's the natural, potent anti-inflammatory characteristics of the ingredients that make it so effective. Inflammation is the one constant in skin problems, and Cannuka is specifically designed to help reduce inflammation and soothe skin. Visit Cannuka at [www.cannuka.com](http://www.cannuka.com).



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#### **LAKE AUSTIN SPA RESORT**

The award-winning 40-room luxury wellness resort in Austin, Texas has been at the forefront of organic gardening and healthy cuisine for 20 years. Today, a luxe water taxi transports guests to the idyllic lakeside destination to enjoy science backed wellness classes on the water, Culinary Experience weeks and cooking classes, hiking, yoga and more than 130 weekly classes. Over 100 unique and healing services are offered at the resort's 25,000-square foot LakeHouse Spa. Sublime interiors with original art and antiques, coupled with breathtaking interactions in nature and Conscientious Cuisine prepared by Executive Chef Stéphane Beaucamp create an immersive wellness experience for guests seeking respite and retreat. Visit Lake Austin Spa Resort at [www.lakeaustin.com](http://www.lakeaustin.com).



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#### RANCHO LA PUERTA

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#### SUBZ3RO

Founded in 2016, the subz3ro experience takes the spa concept on a new dimension where ground-breaking and innovative cold therapy treatments are taking the wellness sector by storm. Recently recognized as Top Luxury Spa Mexico and Global Leader in Cryotherapy, subz3ro specializes in cryostimulation - a form of Cold Therapy, which safely reduces the skin's surface temperature below zero, reducing the body's chronic inflammation and improving overall wellness. Although often considered a recovery treatment for elite athletes, subz3ro's success has been its focus on leveraging cryostimulation as an alternative to invasive treatments such as BOTOX® and PRP, reducing cellulite and spider veins to rejuvenate and enhance the appearance and feel of the skin. Visit subz3ro at [www.subz3ro.mx](http://www.subz3ro.mx).



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## Comentarios a la Vista Pública

### Plan de Acción Anual 2021

11 de marzo de 2021

La Organización Camp Hope es una organización de Base de Fe que cuenta con 100 cuerdas de terreno en el Municipio de Cidra en el Bo. Beatriz. De este terreno surge el Río Bayamón. Conocemos que después de los impactos atmosféricos y económicos que ha sufrido Puerto Rico, se requiere desarrollar comunidades resilientes y estamos interesados en preparar un Plan de Desarrollo Comunitario que pueda cubrir las necesidades del Municipio de Cidra y la Región Central-Este. Este plan consideraría desarrollar un proyecto autosuficiente energéticamente y utilizando estrategias de desarrollo agrícola (comunidad verde). Además, esta comunidad resiliente deberá cubrir las necesidades sociales del área proveyendo destrezas de empleabilidad a estudiantes de escuela superior y personas de edad avanzada que residan en el lugar.

Esta organización está compuesta por otras organizaciones que sirven hace mucho tiempo en Puerto Rico tales como: Proyecto Nacer en Bayamón que atiende familias de padres adolescentes, Instituto Psicotraumatológico de Puerto Rico que atiende la necesidad de salud mental, médicos, pastores conciliares y arquitectos, entre otros.

Cada programa implementado reconstruirá familias y comunidades; así como generará una inversión a largo plazo en el capital social, fortalecerá la economía y sentará bases para la estabilidad de Puerto Rico en la Región Central-Este;

Nuestro interés, es comenzar con un proceso de planificación ordenada, que responda a las necesidades de las comunidades. Un ejemplo en el Municipio de Cidra fue el Barrio Bayamón que durante los huracanes sufrió deslizamientos de tierra que afectaron la comunidad. Este plan atendería todas las comunidades de su región no tan sólo la vivienda, sino sus necesidades sociales formando así comunidad.

Participamos de estas Vistas Públicas entendiendo que la Agencia Federal aún no ha asignado los Fondos CDBG para el próximo año, pero queremos dejar consignado nuestro interés de responder a la necesidad de la comunidad del Municipio de Cidra y su Región.

Mayra N. López Carro, PPL  
Lic. 015  
Departamento de Estado



5 de abril de 2021

Sra. Lisdell Flores  
Presidente CoC 502  
Vega Alta, Puerto Rico

Sa. Yessenia Mójica  
Presidente CoC 503  
Caguas, Puerto Rico

**Vía correo electrónico**

Saludos! El Departamento de la Familia, en conjunto con el Departamento de la Vivienda de Puerto Rico y otras agencias gubernamentales, se encuentran en el proceso de preparar el Plan de Acción Anual 2021, como parte de los requisitos de la normativa federal aplicable a los fondos del *Community Development Block Grant (CDBG)*, *Home Investment Partnership Program (HOME)*, *Emergency Solutions Grant (ESG)*, *Housing Opportunities for Persons With Aids (HOPWA)* y el *Housing Trust Fund (HTF)*.

Según la reglamentación aplicable, el Plan de Acción 2021 será sometido a HUD en o antes del 15 de mayo de 2021. Próximamente, se estará publicando el borrador de Plan, para obtener el insumo de la ciudadanía y entidades interesadas.

Como parte de los procesos de planificación de uso de los fondos, se requiere realizar una consulta a los Sistemas de Cuidado Continuo en la jurisdicción (24 CFR 91.110), para obtener su insumo con respecto a:

- método de distribución de los fondos ESG;
- el Desarrollo de estándares de desempeño y manera de evaluar los resultados de los programas y actividades; y
- el desarrollo de políticas y procedimientos para la administración y manejo del sistema Homeless Management Information System (HMIS) en el cual se les requiera participar.

Programa de Soluciones de Emergencia (ESG)  
Edificio Mercantil II, Plaza Suite 1602  
Hato Rey, Puerto Rico 00918  
[programaesg@familia.pr.gov](mailto:programaesg@familia.pr.gov)





Consideramos de suma importancia contar con el insumo de las entidades en el CoC, que trabajan en el día a día con estos temas. Agradeceremos que en la medida en que sea posible, puedan enviarnos sus recomendaciones sobre estos temas en o antes del 9 de mayo de 2021. Como anejo a esta comunicación se incluye la presentación de la Vista Pública ofrecida llevada a cabo el pasado 5 de marzo de 2021, la cual continua la descripción del método de distribución del Programa. De tener alguna pregunta o necesitar alguna información adicional, puede comunicarse con esta servidora al correo electrónico: [argie.diaz@familia.pr.gov](mailto:argie.diaz@familia.pr.gov)

Gracias y nuestros deseos de salud y bienestar durante esta difícil situación que enfrenta el País, con la pandemia del COVID-19.

Atentamente,

Argie Díaz  
Directora Ejecutiva  
Programa ESG, asignación del Estado

Programa de Soluciones de Emergencia (ESG)  
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Government of Puerto Rico  
Department of Housing

## PUBLIC NOTICE

### INTENTION TO AMEND THE PUERTO RICO STATE COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN FOR PROGRAM YEAR 2021 TO ADD ADDITIONAL ALLOCATED FUNDS

Based on the regulation in the 24 CFR 91.505, 24 CFR 91.115(c)(2) and (i), and the flexibilities provided by the US Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) Program and Consolidated Plan Requirements to facilitate the incorporation of increased funding as a result of an allocation error for FY 2021, the Puerto Rico Department of Housing (PRDoH) would like to notify municipalities, citizens, and other interested entities, of its intention to amend the Program Year (PY) 2021 State Community Development Block Grant (CDBG) Action Plan. The purpose of this amendment is to add additional allocated funds.

A copy of this amendment will be available at <https://www.vivienda.pr.gov>.

In line with the flexibilities provided by HUD, Citizens, municipalities, and entities interested in providing comments will have three (3) calendar days from this publication, until July 2, 2021.

Written comments will be accepted via e-mail at:  
[cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov)

Comments received after the period designated in this notice will not be considered.

  
William Rodríguez Rodríguez, Esq.  
Secretary

Published today, June 29, 2021

#### BACKGROUND

On May 13, 2021, the United States Department of Housing and Urban Development (**HUD**) informed the Government of Puerto Rico about a correction in the amount of funds allocated for the State CDBG PY 2021.

Public Law 116-260 contains FY 2021 funding for HUD's Office of Community Planning and Development's (**CPD**) formula programs, including CDBG. After issuing the original allocation announcement letters, HUD discovered an error in the formula calculation for the CDBG program. The correction of this error resulted in an increase in the allocation for Puerto Rico's State CDBG PY 2021. Puerto Rico's original CDBG allocation was \$23,435,538. The corrected amount of allocated available funds for Puerto Rico's State CDBG PY 2021 is \$23,780,802.

The purpose of this document is to amend the CDBG Annual Action Plan for PY 2021 to add these additional allocated funds, and thus adjust the allocation included in the action plan.

#### PUBLIC PARTICIPATION

24 CFR 91.505 requires notification to the public when changes substantially amend an Annual Action Plan. Substantial amendments to the consolidated plan are subject to the citizen participation requirement in the grantee's citizen participation plan, that provides a period of no less than 30 days for comments. According to the flexibilities provided by HUD, there must be a reasonable opportunity to comment of at least 3 days. Therefore, citizens, municipalities, and entities interested in commenting on the amendment will have 3 calendar days from the date of this publication June 29, 2021, until July 2, 2021.

Written comments will be accepted at [cdbg-municipal@vivienda.pr.gov](mailto:cdbg-municipal@vivienda.pr.gov).



#### AMENDMENT

For purposes of distributing the State CDBG PY 2021 corrected allocation, PRDoH will be using the formula established in Puerto Rico's Act No. 137-2014, as amended. Thus, funds will be equally allocated to all municipalities, except for Vieques and Culebra, where both will receive an additional 15% above the Equal Allocation Grant. PRDoH, as administrator of the CDBG State Program, will keep 3% of grants for administration.

Distribution	CDBG Original Allocation for Program Year 2021	CDBG Corrected Allocation for Program Year 2021
TOTAL ALLOCATION	\$23,435,538	\$23,780,802
State Planning and Administration	\$703,066.29	\$713,423.90
Allocation to municipalities for eligible activities, including administration	\$22,482,471.71	\$22,767,378.10
Emergency Fund	\$300,000	\$300,000.00

Based on this method of distribution, the State CDBG PY 2021 corrected allocation to municipalities will be the following:

Municipalities	CDBG Corrected Allocation for Program Year 2021
Non-entitlement municipalities (49 municipalities)	\$443,808.54
Non-entitlement municipalities (Vieques and Culebra)	\$510,379.82

Funds may be used for CDBG eligible activities, including administration (17%), public services (up to 15%), housing, public facilities and economic development (assistance to microenterprises), among others, in accordance to the Program's Action Plan and the guidelines to be published by the PRDoH. As well funds can be used within these activities for projects to prepare, prevent and respond to COVID-19.

<b>Breakdown for Non-entitlement municipalities (49 municipalities)</b>	
Administration (up to 17%)	\$78,447.45
Public service project (up to 15%)	\$66,571.28
Other projects	\$301,789.81
Total Allocation	\$443,808.54
<b>Breakdown for Non-entitlement municipalities (Vieques and Culebra)</b>	
Administration (up to 17%)	\$86,764.57
Public service project (up to 15%)	\$76,556.97
Other projects	\$347,058.28
Total Allocation	\$510,379.82

## SUMMARY OF PUBLIC COMMENTS AND PRDoH's RESPONSE

No comments were received during the comment period.

**PY 2021 Annual Action Plan Puerto Rico**

**APPENDIX**

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## Executive Summary

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

### 2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

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.

The specific goals and other summary information is 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 2021 is presented in the following table.

Goal	Category	Geographic Area	Needs Addressed	Funding	
Provide Decent Housing	Homeless	Statewide	Chronic Homeless	ESG :	\$2,716,835
	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		
Provide Decent Housing (B)	Homeless	Statewide	Homelessness Prevention	ESG :	\$568,227.04
				HOME :	\$0.00
	Start Year: 2020	End Year: 2024	Outcome: Availability/accessibility	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. 60 total.				
	Goal Outcome Indicator	Quantity	UoM		
	Tenant-based rental assistance / Rapid Rehousing	2,060	Households Assisted		



Provide Decent Housing (C)	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA :	\$2,284,366
	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	400	Household Housing Unit		
	Other	420	Other		
Create Suitable Living Environments	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public improvemt	CDBG :	\$2,624,846
			Non-housing Community Development- Public Services		
	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		

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<b>Create Suitable Living Environments (B)</b>	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Facilities	CDBG :	\$17,533,731
			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		
<b>Provide Decent Housing (D)</b>	Affordable Housing	CDBG- Non-entitlement communities Statewide	Housing	CDBG :	\$2,147,017
				HOME :	\$2,000,000
	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	15	Household Housing Unit		
	Homeowner Housing Added	20	Household Housing Unit		

Expand Economic Opportunity	Other	CDBG- Non-entitlement communities	Non-housing Community Development- Economic Dev		CDBG :	\$126,878
	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- Non-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	120	Household Housing Unit		
Provide Decent Housing (F)	Affordable Housing		Housing	HOME :	\$3,000,000
				HTF :	\$2,882,297
	Start Year: 2020	End Year: 2024	Outcome: Affordability	Objective: Provide decent affordable housing	
	Description:				
	Rehabilitation and production of rental housing.				
	Goal Outcome Indicator	Quantity	UoM		
	Rental units constructed	22	Household Housing Unit		
	Rental units rehabilitated	22	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:

1. The economy of Puerto Rico grew 1.5% in Fiscal Year 2019. This is the first time the local economy reported growth since 2012, when the Island benefited from a close to \$7.0 billion allocation from the American Recovery and Reinvestment Act (ARRA), a post U.S. 2009 Financial Crisis economic stabilization program. Nevertheless, COVID-19 is expected to dampen growth in Fiscal Year 2020 and 2021. Unemployment claims reached 164,049 by the week of August 8th. Although the Government of Puerto Rico does not have official economic projections that account for the impact of the pandemic, there is a consensus among local economist that the economy will show a considerable decline during the third and fourth quarters of Fiscal Year 2020 and the first semester of Fiscal Year 2021. The Bureau of Labor Statistics reported that 117,000 salary jobs were lost by the end of March 2020 (year to year). With the opening of the economy, private employment improved in May and June of 2020, but by the end of the month 76,000 had not been recovered, which amounts to a 11% reduction in contrast to June 2019.

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2. The economy has undergone structural challenges that will continue to limit long term growth prospects. Covid-19 is adding to this challenge, even considering the more than \$5.0 billion that have been allocated to the Government of Puerto Rico from the CARES Act.
3. It is reasonable to assume that COVID-19 will have a disproportionate impact on low and moderate income households, as the industries that are directly impacted by the pandemic are the hospitality, entertainment and retail industries, which have a disproportionate amount of workers earning low wages.
4. Moreover, a wave of inward migration for Puerto Ricans that have lost their jobs in the U.S. is occurring, as alerted the moving industry. This trend will have social consequences and will increase the demand for the safety net. The need for affordable housing, transitional and permanent housing for homeless persons or in risk of, supporting services, job creation and retention initiatives and economic development programs.
5. Mortgage delinquency rates and foreclosures continue to be high in Puerto Rico, which reflects the weak financial situation of consumers and of the effect of the economic situation on the risk of homelessness.
6. The greatest need is among low- and moderate-income households that live in households with one or more severe housing problems: lacks kitchen or complete plumbing, severe overcrowding, severe cost burden, which accounted for 44% of households. More than 56,855 households with incomes up to 100% AMI reported living in a substandard housing, of which 86% (49,080) were low- and moderate-income households.
7. Puerto Rico has experienced a demographic transformation. The elderly population, those 65+, has experience a consistent increase, while persons with ages below 54 years old are declining. The number of children is declining at the fastest rate.
8. Elderly households living alone are those who are more vulnerable given that more than 175,000 have an independent living difficulty, of which 33%, or approximately 58,000, are estimated to be low- and moderate-income households.
9. During the most recent Point in Time Survey conducted in the Island (2019), a total of 2,535 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 2,321 households, out of which 7.1% were households with at least one adult and one child. In those households without children most persons are over 24 years old (98%), while in the case of households with at least one child, the majority of the household members are under age 18 (56.7%). The 27% are chronically homeless, while 49.5% suffer from chronic substance abuse. Of persons counted, 38.8% were severely mentally ill, 5.2% have been victims of domestic violence, and 6.8% are affected by HIV/AIDS. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population.
10. 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.
11. Domestic violence constitutes one of the gravest and most complex problems affecting Puerto Rican society. As the Prologue to Law 54 for the Prevention and Intervention with

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Domestic Violence of August 15, 1989 indicates, domestic violence threatens the integrity of the family and its members and constitutes a serious threat to the stability and preservation of civilized coexistence in our society. Puerto Rico police statistics show that the problem of domestic violence has become increasingly complex. The most recent data (2019) shows a total of 6,725 cases of domestic violence.

12. As of July 31, 2020, a total of 50,223 HIV/AIDS cases have been reported in the Island. Out of these cases, 29,811 persons died, representing a fatality rate of 59% Individuals living with HIV/AIDS and their families present a series of needs related to housing and complimentary services.

13. Other 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.

14. Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provides a baseline for determining the needs for public services. 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 and disadvantaged youth.

15. Non-entitlement municipalities have many infrastructure needs. Traditionally, most CDBG allocations have addressed infrastructure needs of low income communities.

### **3. Evaluation of past performance**

This Consolidated Annual Performance Report (CAPER), provides an overview of the progress made during PY 2019, the fifth and last year of the Puerto Rico State 2015-2019 Housing and Community Consolidated Plan. During Program Year 2019, 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.

Even with the challenges faced by Puerto Rico in the social and economic context, the State has made progress in meeting its 2019 goals and objectives and is moving forward the 5-year goals. The following is a summary of each program performance during program year 2019:

#### **HOPWA Program**

The major initiative undertaken during this program year included:

- 1) Completed 1 monitoring Review;
- 2) Provided assistance to eligible families under the following programs:
  - a) Tenant Based Rental Assistance to 133 families;
  - b) Short- Term Rental, Mortgage and Utilities to 45 families;
  - c) Transitional Housing to 95 families and;
  - d) Supportive Services to 813 participants.

As per the service activities undertaken in PY 2019, 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 PRDOH and the MSJ expenses, the twenty-eight (28) granted sub-recipients contracts expended 57.15% of the funds delegated to undertake the contracted activities by June 30, 2018. HOPWA funds were used to support the following eligible activities:

- **Tenant-Based Rental Assistance (TBRA) Program:** This activity was undertaken by twelve (12) Municipalities. A total of \$756,873.00 was allocated to TBRA, from this total, \$29,111.00 were allocated to delivery costs and \$727,762.00 for direct housing assistance. A total of 133 families benefited from the activity and the total expenses amounted to \$491,960.00, representing 30.41% of the allocated funds and expend a 34.6% of the allocation.
- **Short-Term Rent, Mortgage, and Utilities (STRMU) Assistance Program:** According to data presented by the regional sub-recipients, a total of 45 households were assisted. From the total of assisted households, fifteen (15) households received mortgage assistance payments, twenty-three (23) households received rental assistance payments and seven (7) received utility assistance only. The amount allocated for this category was \$176,005.00.
- **Supportive Services Program:** Services were provided to 908 households as follow:
  - Supportive Services provided by sub-recipients that also delivered HOPWA housing subsidy assistance, served a total of 95 households. Funds allocated for this service amounted to \$335,615.25.
  - Supportive Services provided by sub-recipients that only provided supportive services, served a total of 813 households. The amount of funds allocated in this type of service was \$403,702.62.
- **Transitional Housing:** A total of 95 household were benefitted through twelve (12) organizations funded for this purpose. The amount allocated for these services was \$604,520.00.

#### **ESG Program**

ESG Program During Program year 2019, ESG funds were used to conduct street outreach, provide emergency shelter and rapid rehousing opportunities for homeless persons and homeless prevention activities. The largest proportion of funds were focused on providing outreach services and shelter to persons literally homeless. This is due to the characteristics observed in the 2019 PIT Count, which reflected that out of the 2,535 persons identified the day of the count, 75% were unsheltered.

#### **HOME Program**

ProgramThe 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.

#### **Housing Trust Fund (HTF)**

The Housing Trust Fund (HTF) down payment assistance to homebuyers promote the acquisition of existing affordable housing for homeownership tenure to very and extremely low-income families is encountering challenges. HTF funds are used to subsidized part of the down payment and closing costs to prospective homebuyers in order to reduce the monthly mortgage payments. However, prospected beneficiaries, which are extremely low-income families, are not qualifying for private mortgage loans. The goal was to impact 3 families. Additional efforts are being undertaken to identify families that may qualify for a mortgage loan.

#### **CDBG**

CDBG funds were used in accordance to 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 have 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 1,286,882 low and income persons received benefit of community development projects aimed to improve living conditions and infrastructure. A total of \$6,021,015.66 was disbursed for this activity.
- **Public services** – A total of 125,284 low and income persons received benefit to attend special needs population. The total disbursed for this activity was \$1,060,987.58.



- **Housing rehabilitation** – As part of strategy to provide decent housing and suitable living environment to low- and moderate-income persons, 846 were rehabilitated.



**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**

Person or entity who provided the comments	Program	Summary of comment	Response
Mayra N. López Carrero, PPL  CH Living Community, Inc., Camp Hope	General comment	In its comment the Organization provides a summary of an initiative in the Municipality of Cidra and the East Central Region and expressed its interest in participating of projects that respond to the community's needs in that area.	As part of the fund distribution processes, the organization is encouraged to keep in touch - through press announcements and the websites of the agencies that make up the consolidated planning process and the municipalities - to learn about the proposal processes and its requirements.

Person or entity who provided the comments	Program	Summary of comment	Response
Victoria Black Yoga	CDBG	Victoria Black Yoga was interested in knowing where she could find a list of the 51 non entitlement municipalities, due to her interest of establishing a Yoga focused tourism (Wellness Tourism) business in PR. As well, she wanted to know if these types of projects would qualify for public works or facilities, community development and/or economic development.	<p>The 51 non-entitlement municipalities include the following:</p> <ul style="list-style-type: none"> <li>• Adjuntas</li> <li>• Aguada</li> <li>• Aguas buenas</li> <li>• Aibonito</li> <li>• Añasco</li> <li>• Arroyo</li> <li>• Barceloneta</li> <li>• Barranquitas</li> <li>• Camuy</li> <li>• Cataño</li> <li>• Ceiba</li> <li>• Ciales</li> <li>• Coamo</li> <li>• Comerio</li> <li>• Corozal</li> <li>• Culebra</li> <li>• Dorado</li> <li>• Florida</li> <li>• Guánica</li> <li>• Guayanilla</li> <li>• Gurabo</li> <li>• Hatillo</li> <li>• Hormigueros</li> <li>• Jayuya</li> <li>• Juncos</li> <li>• Lajas</li> <li>• Lares</li> <li>• Las Marías</li> <li>• Las Piedras</li> <li>• Loíza</li> <li>• Luquillo</li> <li>• Maricao</li> <li>• Maunabo</li> <li>• Moca</li> <li>• Morovis</li> <li>• Naguabo</li> <li>• Naranjito</li> <li>• Orocovis</li> <li>• Patillas</li> <li>• Peñuelas</li> <li>• Quebradillas</li> <li>• Rincón</li> <li>• Sabana grande</li> </ul>

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Person or entity who provided the comments	Program	Summary of comment	Response
			<ul style="list-style-type: none"> <li>• Salinas</li> <li>• San lorenzo</li> <li>• Santa Isabel</li> <li>• Utuado</li> <li>• Vega Alta</li> <li>• Vieques</li> <li>• Villalba</li> <li>• Yabucoa</li> </ul> <p>In terms of the eligibility of the project, it will depend of many factors, including the municipality in which the projects will be established and the CDBG programs that that municipality will be implementing, based on the needs identified in the plan and their public participation processes.</p>

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

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

##### **HOME:**

PRHFA coordinates with other agencies to speed up the permitting processes of projects.

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 \$67.7 million in Puerto Rico's economy.

Tax Credit Program (Act No. 140 of October 4, 2001) (program currently under moratory)

Offers tax credits for investing in new construction or in substantial rehabilitation of housing units for rent to low-income families.

This increases the inventory of social interest housing in the Island.

In addition, it guarantees rent affordability for low income families.

Such credit stimulates the substantial rehabilitation of existing facilities and structures that will help renovate and repopulate the urban centers of our towns.

The local Tax Credit Program is a new \$15 million program managed by the Development and Financing Area.

##### 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 1.5% 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 \$150,000.

#### Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

#### New Market Tax Credits

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). In 2011, the PRHFA in collaboration with Citigroup launched "El Fondo de Desarrollo Comunitario", a \$45 million revolving loan program to grant loans to affordable housing developers in the Island.

#### Subsidy Contracts Administration

The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for all 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.



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

### **ESG Disaster Funding Policy**

The Department of the Family seeks to be a strong partner to local geographies affected by natural disasters and health emergencies, such as COVID-19. In these situations, the DF will leverage all resources under its purview to provide support to vulnerable homeless clients. The ESG funding awarded to Puerto Rico is one of the resources that the DF may use to support homeless people impacted by natural disasters.

In order to provide flexible and meaningful support, the DF reserves the right to focus funding awarded under previous years grants and corresponding eligible component types to the most impacted areas. In these situations, the DF may make targeted grant sub awards to subrecipients that are governments and/or nonprofits. These awards may be used to address direct deficits to existing programs, comply with local preparedness needs and requirements, provide temporary support to expand shelter/program occupancy or fund a new activity such as street outreach or case management that can be utilized to move new and existing clients into permanent housing. The DF may also make strategic awards to renovate shelters damaged by the disaster. All activity that may be funded must still align with regulations that govern the Emergency Solutions Grant and with the local policies and procedures.

The DF will temporarily modify its traditional rating and ranking process to award funding to areas of the Commonwealth experiencing disasters. The modification of the traditional rating and ranking process serves two purposes. First, it acknowledges that areas affected by disasters may not have the bandwidth to put forward applications. Second, it allows funding to be focused on the areas where it is most needed and will have the greatest impact.

### *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 that 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.

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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

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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. For homebuyer sales projects completion will be evidenced when the last unit is sold. If the homebuyer transfers the property, either voluntarily 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. 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 **PRHFA's** 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

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the termination event, obtains an ownership interest in the housing.

### **Puerto Rico Housing Finance Authority – HTF Recapture Provisions**

The affordability restriction running with the deed will ensure that all of the HTF 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 HTF investment (net proceeds available from sale). Net Proceeds are defined as the sales price minus superior loan repayment and any closing costs. The **PRHFA** will not recapture more that 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 HTF-assistance. Thus, net proceeds will first cover the HTF assistance, secondly, any initial investments from the homebuyer and finally any surplus will be shared between the **PRHFA** and the beneficiary.

The **PRHFA** will share any net proceeds if the net proceeds are not sufficient to recapture the full HTF 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 HTF funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

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

$$\frac{\text{homebuyer investment}}{\text{HTF investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{amount to homeowner}$$

If net proceeds are not enough to cover HTF assistance, then the homebuyer will not recuperate their investment. Capital improvements will be defined as any structural improvement made to the property that increased the unit's value and be explicit in the 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 **PRHFA** will share any appreciation in the value of the HTF-assisted unit with the homebuyer. 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 Program Income.

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 HTF assistance- including any program income- that enabled the homebuyer to buy the unit (down payment, closing costs, interest subsidies, or other HTF-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 HTF eligible activities.

The HTF-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. 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 HTF assistance from the net proceeds.

#### TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

HTF Investment per unit	Length of Affordability
Less than \$30,000	10 years
\$30,000 - \$50,000	20 years
Over \$50,000	30 years

The aforementioned 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. The time limit for such lien will be determined by the amount of the subsidy granted by the State HTF 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

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**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 HTF-assistance.

### **Puerto Rico Housing Finance Authority – HTF Resale Provisions**

#### **Description of the Resale Guidelines for the Homebuyer Activity:**

Provisions follow the requirements established to ensure affordability in compliance with 24 CFR 93.305(b) titled Qualification as Affordable Housing; modest housing requirements for homeownership; resale or recapture requirements.

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HTF 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 HTF assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFA's** 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 extremely low or very-low income homebuyer. Recapture provisions allow for sale at fair market value.

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

**TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS**

<b>HTF Investment per unit</b>	<b>Length of Affordability</b>
Less than \$30,000	10 years
\$30,000 - \$50,000	20 years
Over \$50,000	30 years

The period of affordability will be based on the total amount of HTF 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 **[extremely-low or very]** 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 **HTF**-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to **[extremely-low or very low-income]** Homebuyers.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure. 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.

- (11) 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.
- (12) The Homebuyer must meet the affordability requirements for not less than the applicable period specified in the previous table, beginning after project completion.
- (13) 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 **HTF** improvements, approved by the **HTF** 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.
- (14) The **PRHFA** would conduct periodic inspections on the **HTF** assisted housing during the affordability period to verify program compliance.
- (15) 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 an extremely low-income family and will use the property as its principal residence. The resale price at resale should provide the

original **HTF**- 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. The housing will remain affordable to a reasonable range of extremely low-income Homebuyers. Any improvements on the property will require written consent from the **PRHFA**. Additionally, any approval of improvements on the property will require the submission of quotes from a valid contractor.

- (16) The **HTF** 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.
- (17) The property must be sold to a homebuyer complying with the following criteria applicable to HTF regulations at 24 CFR § 93.305(b), 24 CFR § 93.2, and 24 CFR § 93.250: At a price that is affordable to a family at below 30 percent (extremely low income) or below 50 percent (very low income) 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 pending on compensatory factors.
- (18) 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.
- (19) **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.**

The **PRHFA** will receive \$13,372,676 in HOME funds for PY 2021. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 82 affordable rental and 135 homeownership housing units. This will be achieved through the Homebuyer Assistance, Rehab or New Construction by Owner (Techo Dorado), Rehabilitation or New Construction for Multifamily Rental Development and Tenant-Based Rental Assistance (TBRA). 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 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 2021 is shown below:

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GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2021	
Assigned Budget:	\$13,372,676.00
State Administration:	\$1,337,268
Homebuyers Assistance:	\$0.00
Rehab or New Construction for Multifamily Rental Development:	\$3,000,000
Rehab or New Construction by Owner (Techo Dorado)	\$9,035,408
Tenant-Based Rental Assistance (TBRA)	\$0.00

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

Following previous joint efforts and on-going initiatives, the Puerto Rico Housing Finance Authority (PRHFA) will make 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 forthcoming Notification of Funds Availability the Authority will issue. The NOFA intends to leverage funds from multiple sources under joint selection and underwriting criteria compatible with the AP and the Low-Income Housing Tax Credit's (LIHTC) Qualified Allocation Plan (QAP) in order to maximize the use of public and private funds channeled to affordable rental projects meeting the housing needs and goals established in the State Housing Plan. Nonetheless, any representation and/or guideline contained in the NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the NOFA the HOME Program might implement a consolidated application for the HOME, LIHTC, which will combine the requirements of the programs to promote the development of multifamily rental projects.

Outreach for program funds is based on the methodology for open market competition. A notice of HOME funds to be released under the NOFA will be published in a general circulation newspaper. The number, nature and location of public hearings will be announced in the 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. The announcement could be jointly with other funding programs (if 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](http://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 4% tax-exempt bonds, where, depending of the merits and conditions of the project, HOME funds might be awarded. Although projects under the 4% tax-exempt bonds are not presently subject to a competitive cycle, HOME funds might be awarded. **As of today, \$685,893,650 (2018-2019) in private activity bond volume-related 4% tax-exempt credits are available. Funds from year 2020 were requested but are pending as of today.**

The public hearing is announced with the publication of the NOFA, inviting all interested parties to attend the conference in order to learn in advance about the requirements established to access all programs funds. Once the application dates are established, the proponents submit 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 \$13,372,676.00 for the eligible activities established in the SYHS, amended accordingly to reflect funding changes and the needs and policy priorities announced in the State Housing Plan 2014-2018. Additional details are provided in the 2020-2024 Consolidated Plan and State Housing Plan. 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, 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

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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:

BASIC THRESHOLD REQUIREMENTS	
Authority's HOME Program application and inspection fees:	<ul style="list-style-type: none"> <li>• CHDOs: \$0.00</li> <li>• 1% of 1% of requested amount; with a minimum payment of \$2,500 and a maximum of \$10,000. This is a non-refundable and non-transferable payment.</li> <li>• \$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.</li> </ul>
2. Application's Agreement and Certification was:	<ul style="list-style-type: none"> <li>• Signed by the Owner, the President or Secretary of the General Partner.</li> <li>• Person who signed is a duly authorized officer of the applicant (as evidenced by an applicable resolution).</li> <li>• Document shows corporate seal (Please, make sure the seal is legible in digital documents).</li> </ul>
3. Submitted certified copies of the organizational documents of <b>all entities</b> (for example: owner, general partners, sponsors, developer, officers, members, etc.) involved in the project, including:	
a)	Certificate of Incorporation (in USA and PR, as might apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
b)	Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
c)	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).
d)	IRS form SS-4, Application for Employer Identification Number, or other evidence indicating taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
e)	Names, addresses and telephone numbers of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor.
f)	The owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, must demonstrate (through a certification letter from the Director of the Authority's Audit and Compliance Department) that they comply with Section 42/HOME 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 funds and in which they have an interest or participation.

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BASIC THRESHOLD REQUIREMENTS	
g)	Financial statements ( <b>updated within six months of the application</b> ) of the owner, developer, general partners, sponsors and principal officers of each entity. Financial statements will be <b>audited</b> if they belong to juridical persons; <b>compiled</b> or <b>revised</b> if they belong to natural persons. 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 \$500,000.00
h)	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.
i)	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
j)	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
k)	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.
l)	Certification attesting that Owner, Developer, General Partner/Manager and Sponsor 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.
The owner, developer, general contractor and their respective shareholders, directors, officers and partners, as applicable, must demonstrate via <u>sworn statement</u> ( <i>affidavit</i> ) 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. All previous must also evince 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 or its employees. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority/HOME programs.	
Any identity of interest with any other party involved with the project has been identified and explained in the application package.	
they have not been involved or are in any conflict of interests (fact or appearance) in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant with regard to any of the Authority's programs.	
Projected income & expenses schedule and a pro-forma cash flow, for the applicable compliance period, showing a feasible operation and certified by the proposed management agent.	



BASIC THRESHOLD REQUIREMENTS
Designer's Preliminary Opinion Letter with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.
Applicant demonstrates readiness to proceed, through <b>submission</b> of:
Certification of the percentage of construction completion prepared by the resident inspector and lender's inspector for projects under construction. Both reports are required. <b>(Be advised that existing construction might affect the environmental review and eventual assignment of HOME Funds).</b>
Unexpired evidence of site control (99 years or more is required for lease contracts under HOME-AP).
Unexpired Construction Permit, Green Construction Permit or Notification of Construction Permit issued by the applicable permitting office and agencies endorsement letters, as applicable.
Written unqualified endorsement from the Mayor of the Municipality where the project will be located. The letter must indicate any other municipal assistance that the project will receive.
Technical Assistance or Final Determination Letter from the State Historic Preservation Office (36 CFR 800).
Wetland Inventory Map from the US Fish and Wildlife Service (Wetlands Protection-Executive Order 11990). The project location must be identified in the map. The project must be out of any wetland or a mitigation measure should have been <u>completed and approved</u> by the Corps of Engineers or the Department of Natural Resources.
FEMA Map (Floodplain Management Act (24 CFR 55, Executive Order 11988)
The project location must be identified in the NFIP map. The project must be located out of the 100-year floodplain, coastal high hazard areas and Floodways. If the project is located in the 100-year floodplain, an approved letter of map amendment (LOMA) or letter of map revision (LOMR) by FEMA must be submitted.
USFWS Map (Coastal Barrier Resources Act (24.CFR 58.6(b)(2)). The project location must be identified in the map. Federal assistance may not use in the Coastal Barrier Resources System.
Certification of consistency filed with the State Coastal Management Program, if required.
Technical Assistance or Final Determination Letter from the U.S. Fish & Wild Life Service-Department of Interior -(Endangered Species Act (50 CFR 402). The technical assistance shall indicate that no endangered species are affected by the project. If mitigation required as per Final Determination, must specify expected timeframe and cost for required actions.
Noise Study for any proposed project of new construction, major rehabilitation, or conversion located: <ul style="list-style-type: none"> <li>• 1,000 feet of a major noise source, road or highway</li> <li>• 3000 ft. of a railroad; or</li> <li>• 5 miles of a civil airport</li> </ul> <p>Noise Study must be in accordance to the requirements set forth in the American National Standard Method for the Physical Measurement of Sound. The result of the noise level must comply with the acceptable noise level of 65 decibels established in 24 CFR 51.100 Noise Abatement and Control. The Noise Study must comply with the HUD Noise Guidebook. Day/Night Noise Electronic Assessment Tool. (<a href="https://www.onecpd.info/resource/313/hud-noise-guidebook/">https://www.onecpd.info/resource/313/hud-noise-guidebook/</a>).</p>

BASIC THRESHOLD REQUIREMENTS
Archaeological, if required by the SHPO pursuant to its review under Section 106, or if required by the Institute of Puerto Rican Culture (ICP), or copy of the recommendation issued by the ICP as part of the construction permit consultancy process evidencing that the study is not required.
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.
Resumes, applicable licenses and contracts with the Development team in place: <ul style="list-style-type: none"> <li>• Architect/Designer</li> <li>• General Contractor</li> <li>• Resident Inspector</li> <li>• Management Agent</li> <li>• Consultant Agent</li> </ul>
Final construction drawings and outline specifications certified by the licensed professional (project architect or engineer in charge of design) submitted to the competent permitting office.
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.
Conditional or firm financing commitment, specifying terms of each financing source. Projects with permanent financing other than the Authority's will need a letter of intent from the financial institution. The letter should detail: <ul style="list-style-type: none"> <li>• amount and term of the loan;</li> <li>• fixed interest rate;</li> <li>• non-recourse nature of the loan;</li> <li>• amortization period;</li> <li>• prepayment penalties; and</li> <li>• agreements governing the various reserves which are capitalized at closing</li> </ul>
Phase I environmental assessment report. (Must comply with ASTM E 1527-13 or any updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations).
Comprehensive market study report by an Authority approved provider that is also unaffiliated to the developer ( <b>prepared within six months of the application</b> ).
Appraisal report of site and project performed by an Authority approved appraiser unaffiliated to the developer ( <b>prepared within six months of the application</b> ).
For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment report prepared by a licensed architect or engineer unaffiliated to the developer that includes: an opinion of proposed construction budget and assesses the condition, among other, of site, structural systems (roof, bearing walls and columns, foundations),



BASIC THRESHOLD REQUIREMENTS	
plumbing systems, electrical systems, fire protection systems, building envelope and insulation, interiors (including units and common areas); and mechanical systems; in projects with more than 26 units, it must specify the remaining useful life of major systems; and paint testing and/or risk assessment report, for substantial rehabilitation projects.	
Site selection standards checklist evidencing compliance with 24 CFR 983.57(e).	
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.	
Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, and 49 CFR 24.101(b).	
Letter of intent to sign the Land Use Restrictive Covenant Agreement for the HOME program, including: designation of HOME-assisted units (24 CFR 92.252(j)); occupancy of assisted units (24 CFR 92.216(a) and 92.252(a) and (b)); initial and ongoing rent restrictions (24 CFR 92.252(a) through (c) and (f)); tenant eligibility (24 CFR 92.203 and 92.252(h) and (i)); and period of affordability (24 CFR 92.252(e)).	
Certification from applicant as to Federal, State, or Local subsidies received or expected to be received for the development and operation of the project. If executed, copies of subsidy/grant contracts or commitment letters must be submitted with the application.	
If the project has, or will have, Federal, State, or Local subsidies copies of the contracts or firm commitment letters must be attached to the owner's subsidy certification, as applicable.	
Detail sources and uses of funds schedule and projected cash flow during construction period.	
ADDITIONAL TRESHOLDS REQUIREMENTS	
1. "Non Profit Organizations ( <b>NP</b> ) requesting funds from the Community Housing Development Organization (CHDO) Set-Aside must file an independent application to be certified as an organization within the meaning of 24 CFR 92.2, Subpart A, and comply with the following requirements:	
The NP is organized under State or local laws, as evidenced by a Certificate of Organization issued by the State Department.	
No part of its earnings, inure to the benefit of any member, founder, contributor, or individual as evidenced by its Articles of Incorporation.	
Evidence that it is a qualified organization by including copy of the IRS document designating the NP as a 501(c)(3) or 501(c)(4) entity; is classified as a subordinate of a central	

BASIC THRESHOLD REQUIREMENTS
organization non-profit under section 905; or is a wholly-owned entity that is regarded as an entity separate from its exempted owner for tax purposes.
The NP is not affiliated with or controlled, nor receives direction from individuals, or entities seeking profit from the organization.
Evidence that the NP has among its purposes the provision of decent housing that is affordable to low and moderate-income people.
Evidence that the NP conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems".
Evidence of demonstrated capacity for carrying out activities assisted with HOME funds; and that the NP has a history of at least one year of serving the community within which housing to be assisted with HOME funds is to be located.
The NP maintains at least one-third of its governing board's membership for residents of low-income community residents or elected representatives of low-income neighborhood organizations or, if chartered by a State or local government or sponsored or created by a for-profit organization, complies with applicable membership restrictions; and provides a formal process for low-income beneficiaries to advise on its activities regarding affordable housing projects.
If the owner, developer or sponsor applies under the Authority's HOME program Community Housing Development Organization (CHDO) set aside must include evidence of such application meeting the requirements in 24 CFR 92.300(a)(2) to (4), as applicable.
Projects financed by Rural Housing Services/ HUD 202 Program or any other federal, state or local program funding-source not included under the NOFA must submit reservation or commitment letter with the application. The letter must identify the funding amount.
Affirmative Fair Housing Marketing Plan.
Projects with tax exempt financing, certifications from: financing institution stating the tax exempt status of the obligations to be issued to finance the Project, and Owner's Tax Attorney and/or CPA opinion regarding this matter.

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 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,

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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.

Point Ranking Evaluation		Score
<b>I</b>	<b>Project Location</b>	Up to 12 pts
<b>I.1</b>	<b>Location.</b> Project located within one of the following areas:	Up to 5 pts
	5 points: 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.	5
	<b>Documentation required:</b> 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.	3
	More than 20% and less than 30% below poverty line.	2
	More than 30% and less than 40% below poverty line.	1
	<b>Documentation required:</b> certification of location by a licensed land surveyor; census tract number; census tracts "% Below Poverty Line" as per the Federal Financial Institutions Examination Council's (FFIEC) 2015 Census Report. Any project property straddling the limit of the designated census tract will be considered as located within.	

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	Point Ranking Evaluation	Score
	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	1
	<b>Documentation required:</b> 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	<b>Desirable Activities</b>	Up to 7 pts
I.2.1	<b>General.</b> Projects located within 500 meters of the following amenities will be awarded a point each, up to 5 points:	Up to 5 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; no other listed use is eligible if located within a shopping mall).	1
	Grocery store or supermarket with meat, produce and dairy.	1
	Hospital, diagnostic and treatment center (CDT) or federally qualified health center.	1
	Pharmacy.	1
	Federal post office.	1
	Public transit terminal (bus, <i>públicos</i> ).	1
	<b>Documentation required:</b> 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	<b>Targeted.</b> 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:	Up to 2 pts
	Single headed household:	
	Grocery store with WIC contract.	1
	Licensed or chartered child-care facility.	1
	<b>Documentation required:</b> name and physical address of facilities; verification of inclusion in the WIC Vendor Registry published at <a href="http://wicpuertorico.com">wicpuertorico.com</a> ; child care facility charter issued by ACUDEN.	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	<b>Documentation required:</b> name and physical address of facilities.	
	Homeless (as defined under HEARTH Act):	

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	Point Ranking Evaluation	Score
	Certified WIOA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	<b>Documentation required:</b> name and physical address of facilities; authorization for WIOA training center issued by Local Workforce Development Area; copy of license issued by ASSMCA.	
	<b>Documentation required:</b> 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.	
<b>I.3</b>	<b>Undesirable Activities.</b> Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to 5 points, if located:	Down by as many as 5
	Within one-eighth mile of a:	
	Junkyard.	-1
	Landfill or dumpsite.	-1
	Industrial site.	-1
	Airport.	-1
	Wastewater treatment plan.	-1
	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
	<b>Documentation required:</b> 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.	
<b>II</b>	<b>Project Characteristics</b>	Up to 52 pts
<b>II.1</b>	<b>Infill or nuisance.</b> Projects will be awarded one point if proposed to develop an infill site or a site expropriated as part of a nuisance abatement process; and one additional point, up to 5 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 5 pts
	<b>Documentation required:</b> aerial photograph for each infill site showing adjoining properties; cadastral numbers of properties; nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	

	Point Ranking Evaluation	Score
II.2	<b>Historic property.</b> A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic place or a contributing resource to a federally designated Historic District.	3
	<b>Documentation required:</b> 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; State Historic Preservation Office's (SHPO) certification of contributing resource.	
II.3	<b>Adaptive reuse.</b> The residential use is an adaptive reuse of an existing non-residential property.	1
	<b>Documentation required:</b> appraisal certifying present land use of the property.	
II.4	<b>Site Characteristics.</b>	Up to 9 pts
II.4.1	<b>Mobility.</b> Projects (or the totality of the building sites, in the case of scattered-site projects), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 4 points, as follows:	Up to 4 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
	<b>Documentation required:</b> 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
	<b>Documentation required:</b> 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; approval from Municipality and competent transit authority, if applicable; 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
	<b>Documentation required:</b> a separate architectural 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; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	The project provides an enclosed (covered, secured room within the building limits) bicycle storage facility for residents on the ground floor with at least one bicycle rack space for every two units; and an unenclosed bicycle storage facility	1

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	Point Ranking Evaluation	Score
	accessible to visitors with at least one bicycle rack space for every 10 vehicle-parking spaces.	
	<b>Documentation required:</b> ground floor plan certified by the project's designer showing location and capacity of facilities.	
<b>II.4. 2</b>	<b>Urban Considerations.</b> 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 5 points, as follows:	Up to 5 pts
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.	1
	<b>Documentation required:</b> 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
	<b>Documentation required:</b> 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
	<b>Documentation required:</b> site plan certified by the project's designer showing the location of the building's main entrance(s).	
	The commercial spaces offered to the project tenants serve the general public and can be directly accessed from a public space.	1
	<b>Documentation required:</b> entry-level floor plan certified by the project's designer identifying commercial spaces and access from a public space; deed identifying commercial use.	
	The project dedicates an open garden or plaza to public use connected to or adjoining a sidewalk or roadway.	1
	<b>Documentation required:</b> site plan certified by the project's designer identifying public space, area and relation to a sidewalk or roadway; documentation supporting property dedication to public use.	
<b>II.5</b>	<b>Building Characteristics.</b>	Up to 10 pts
<b>II.5. 1</b>	<b>Unit Mix.</b> Projects might earn up to 2 points for a unit mix preferring 2-bedroom units as follows:	Up to 2 pts
	75% or more non elderly 2-bedroom units	2
	50% or more non elderly 2-bedroom units	1
	<b>Documentation required:</b> floor plans certified by the project's designer; project pro-forma.	

	Point Ranking Evaluation	Score
<b>II.5.2</b>	<b>Accessibility.</b> Exceeding the allocation required under 24 CFR 8.22(b), projects could earn up to 3 points for the amount of fully accessible units for mobility disabilities (compliant with requirements applicable to Type A dwellings as defined under section 1003 of ICC ANSI A117.1 (2009)), as follows:	Up to 3 pts
	At least 20% of total units are fully accessible units for mobility disabilities.	3
	At least 15% of total units are fully accessible units for mobility disabilities.	2
	At least 10% of total units are fully accessible units for mobility disabilities.	1
	<b>Documentation required:</b> floor plans and elevations certified by the project's designer showing accessibility features; designer's certification of compliance; designer's opinion letter specifying compliance; affirmative marketing plan in provided Fair Housing format.	
<b>II.5.3</b>	<b>Building Amenities.</b> Projects will be awarded one point, up to 5 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 5 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 an 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.	1
	Equipped exercise room or rooms with an aggregate area of no less than 300 sq. ft.	1
	Common laundry or laundries equipped with at least a washer-dryer pair per 15 units or washer/dryer combo provided in each unit.	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
	Ceiling fans for all bedrooms and living room areas.	1
	<b>Documentation required:</b> floor plans and elevations certified by the project's designer showing designated spaces and floor area; designer's certification of compliance.	
<b>II.6</b>	<b>Innovative Design.</b> The Authority favors projects that advance the State Housing Plan's policy that seeks to identify, adopt and implement design, construction and rehabilitation standards and technologies that are appropriate for the Island's climate, aimed at reducing construction costs and promoting energy efficiency.	Up to 14 pts
<b>II.6.1</b>	<b>Cost Containment.</b> The Authority's total development cost for new construction averages close to \$232,504 for non-elderly units and \$180,632 for elderly; substantial rehabilitation averages close to \$167,552 and \$130,771, respectively. Projects that demonstrate the capacity to effectively curb costs while complying with applicable standards, threshold requirements and minimum scoring, might earn up to 5 points, as follows:	Up to 5 pts
	Total development cost per unit more than 20% below the applicable benchmark.	5
	Total development cost per unit more than 15% below the applicable benchmark.	3



	Point Ranking Evaluation	Score
	Total development cost per unit more than 10% below the applicable benchmark.	1
	<b>Documentation required:</b> construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328, certified by the proposed general contractor or project designer; project development costs; construction cost estimate prepared and certified by a third-party (licensed architect or engineer, Professional Cost Estimator or a Certified Cost Professional); Sources and Uses of Funds; required fees to cover the Authority's third-party assessment of proposed cost estimates.	
<b>II.6.2</b>	<b>Energy Efficiency.</b> Projects might earn up to 9 points by advancing energy efficiency and green design best-practices and protocols, as follows:	Up to 9 pts
	A point each will be awarded for any project that specifies and factors-in the initial costs of any the following:	Up to 5 pts
	All appliances initially placed in common areas and apartments, and/or building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, and/or windows, doors, and skylights), as well as their replacement are specified to be Energy Star-qualified.	1
	Kitchen range directly vents to exterior and all hoods vent to the exterior tampered; Energy Star qualified bath fan where required with timer or humidistat.	1
	Energy Star qualified light fixtures throughout.	1
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's Water Sense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.	1
	Recycling space and equipment, including recycling bins for each apartment.	1
	<b>Documentation required:</b> architectural drawings specifying spaces, equipment and/or systems required; designer's certification of compliance; construction cost estimates identifying initial cost of equipment; proposed covenant provision for on-going replacements adopting most current program standard.	
	Construction permit is a Green Construction Permit ( <i>Permiso de Construcción Verde</i> ) from OGPe.	3
	<b>Documentation required:</b> Copy of Green Construction Permit from OGPe.	
	An Enterprise Green Communities' pre-build or a LEED Neighborhood Development Plan certification completed at date of application.	1
	<b>Documentation required:</b> Copy of certification.	
<b>II.7</b>	<b>Construction Readiness.</b> Project has one of the following:	Up to 10 pts
	Unexpired construction permit or notification of approval of the construction permit.	10
	<b>Documentation required:</b> Document issued by the Permits Management Office (OGPe), an Autonomous Municipality or a <i>Profesional Autorizado</i> .	
<b>III</b>	<b>Housing Needs Characteristics</b>	Up to 9 pts
<b>III.1</b>	<b>Income Targeting.</b> A project might earn 3 points if at least 50% of the units in the project are targeted for households with incomes at 50% AMI.	3
	<b>Documentation required:</b> Restrictive covenant agreement provision; tenant selection procedures.	

	Point Ranking Evaluation	Score
<b>III.2</b>	<b>Targeted Units.</b> A project will be awarded up to 3 points if it sets-aside the applicable percentage of units for any of the following special populations categories identified in both the State Housing Plan and the Consolidated Plan: elderly households (62 years and older); homeless persons or families as defined under the HEARTH Act; single headed households; persons with HIV/AIDS:	Up to 3 pts
	At least 75% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	3
	At least 50% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	2
	At least 25% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	1
	<b>Documentation required:</b> restrictive covenant agreement provision recording the targeted set-aside for the length of the compliance period; for permissible target populations under the applicable provisions of the programs subsidizing the project, an affirmative marketing plan in the provided Fair Housing format and tenant selection procedures.	
<b>III.3</b>	<b>Preservation.</b> To strengthen the State Housing Plan policies that seek 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
	<b>Documentation required:</b> Comprehensive capital needs assessment certified by a licensed architect or civil engineer 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 a 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
	<b>Documentation required:</b> Housing market study must demonstrate the capacity of the project to compete for market rate tenants; copy of existing HAP, if applicable.	
<b>IV</b>	<b>Project Developer Characteristics</b>	Up to 9 pts
<b>IV.1</b>	<b>Experience.</b> Developer, General Partner or Managing Partner can demonstrate successful record and full compliance participating in same capacity in the development of Tax Credit projects 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 HOME, project demonstrating utilization of HOME program or in combination with other programs; if proposing to use HOME in combination with any other federal or state program, project utilization of HOME combined with Tax Credits, project-based rental assistance or another federal or state program subsidizing development costs, long-term operations or providing long-term rental assistance.	Up to 3 pts
	Similar or deeper share of income targeted populations.	Up to 3 pts
	<b>Documentation required:</b> Copy of IRS form 8609 for LIHTC projects; relevant project documentation; letter certifying compliance issued by the Authority or the Department of Housing.	
<b>IV.2</b>	<b>Financial Strength.</b> Developer, general partner and manager partner have:	Up to 3 pts

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	Point Ranking Evaluation	Score
	Combined current liquid assets equivalent to the greater of one million dollars (\$1,000,000) or 5% of the total development costs.	2
	<b>Documentation required:</b> Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	
	Combined net worth equivalent to the greater of three million dollars (\$3,000,000) or 15% of total development costs.	1
	<b>Documentation required:</b> Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	
<b>V</b>	<b>Financing Characteristics</b>	Up to 13 pts
<b>V.1</b>	<b>Funds Leveraging.</b> The leveraging of capital funding from public grants or non-financing sources, other than those being managed by the Authority, the Department of Housing or the Municipalities is encouraged by awarding a project up to 5 points as follows:	Up to 5 pts
	At least 15% of the total development cost covered by other sources of public funding.	5
	At least 10% of the total development cost covered by other sources of public funding.	3
	<b>Documentation required:</b> Sources and uses of funds; binding commitment, agreement or award documentation.	
<b>V.2</b>	<b>Local Government Funding.</b> Up to 5 points are awarded for 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 5 pts
	At least 5% of the total development cost.	5
	At least 3% of the total development cost.	3
	At least 1% of the total development cost.	1
	<b>Documentation required:</b> sources and uses of funds; binding commitment, agreement, contract, award or documentation supporting property transaction or construction tax abatement.	
<b>V.3</b>	<b>Operating Expenses.</b> 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
	For developments with 79 units or less, a PUPA not less than \$3,000 but not more than \$3,600.	
	For developments with 80 to 120 units, a PUPA not less than \$2,900 but not more than \$3,400.	
	For developments with 121 units or more, a PUPA not less than \$2,800 but not more than \$3,400.	
	<b>Documentation required:</b> Certification provided by the management agent.	
<b>V.4</b>	<b>State Funding.</b> Projects which have been contributed federal or State-owned land for redevelopment will be awarded 2 points.	2 pts
	<b>Documentation required:</b> Copy of long-term lease agreement, deed, or letter of commitment.	

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	Point Ranking Evaluation	Score
<b>VI</b>	<b>Supportive Services</b>	Up to 5 pts
<b>VI.1</b>	<p><b>Supportive Services.</b> To advance the public policy of the State Housing Plan 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 5 points for sustaining a funding allocation for the provision of supportive services of the type: 1) authorized under a federally subsidized program and that can be funded with resources obtained directly as a grantee in competitive or demonstrative grants, or as a recipient of any admissible operational assistance (i.e., CoC, VASH, GPD, SSVF, Veteran Per Diem, CDBG, 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 CSG, 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 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.	5
	Up to 3% of the project's annual operational cost for the length of the compliance period of affordability.	3
	Up to 1% of the project's annual operational cost for the length of the compliance period of affordability.	1
	<p><b>Documentation required:</b> Pro-forma; agreement provisions specifying operational budget commitment; if available, binding commitment, agreement or award documentation. On-going compliance will have to be demonstrated through: financial reporting evidencing compliance with funding commitment; and supporting documentation of managed, contracted or purchased services funded or authorized by any federally subsidized program; relevant reporting under Act 224-2003.</p>	
	<b>Maximum Score</b>	<b>100</b>
<b>VII</b>	<b>Tie-Breaking Criteria</b>	
	Will favor the project that is the readiest to proceed.	
	Will favor the project that is located in an urban area as defined in I.1.	
	Will favor the project with highest average debt service coverage ratio (ADSCR).	
	Will favor the project that is located in a QCT and contributes to a concerted Community Revitalization Plan consistent with the policies of the Commonwealth or of a Municipality. Endorsement from competent entity must be provided, if case arises.	
	Will favor the project that is located in a non-metropolitan Municipality with the least amount of HOME funds allocated from the Authority's HOME program for Construction and Rehabilitation of Rental Housing.	

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 PRDOH 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.

**3. 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)

**4. 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.

**5. 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.

**6. 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 subsidy per family is up to \$45,000.00.

Nevertheless, the amount of the subsidy to be awarded could be higher if the subsidy layering analysis done to the family in compliance with 24 CFR 92.250(b), justify a higher subsidy.

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

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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 (TECHO DORADO)  
**HOME Allocation:** \$9,035,408

**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 housing rehabilitation standards. 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 Housing Rehabilitation Standards 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.

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- 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 living in Puerto Rico for at least one year 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.

**ACTIVITY NAME: REHAB OR NEW CONSTRUCTION FOR MULTIFAMILY RENTAL DEVELOPMENT**  
**HOME Allocation: \$3,000,000**

**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, HOME Program property standards, and Commonwealth construction requirements. 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) (NUEVO COMIENZO)

**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.

**ACTIVITY NAME:** HOME PROGRAM PLANNING AND ADMINISTRATION

**HOME Allocation:** \$1,337,269

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 2021 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

**7. 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 and a maximum of \$45,000 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.

**8. 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 120 homebuyers (served with funds available from previous years)
- Techo Dorado \$9,035,408 – A total of 15 housing units
- Multifamily Rental Dev. \$3,000,000 – A total of 22 housing units.
- Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 60 families (served with funds available from previous years).

## **AP-50 Geographic Distribution – 91.320(f)**

### **General Allocation Priorities**

#### **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 2021 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 PIs 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 2021 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.

**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.

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

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

No CPD funded activity will exclusively serve any of the Public Housing projects located within the Municipality boundaries. Nevertheless, the local public policy service strategy includes the public housing population among the service delivery groups that benefits of the Municipality's public services and community development activities. Various activities included in the 2021 action plan 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 2021:

- Homeownership initiatives will be offered to public housing residents with the objective of assisting them to acquire an affordable housing unit and obtain the unit title;
- 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;
- The PR-PHA will create the *Tenant Participation Fund Program*, a new initiative that seeks to improve the public services alternatives offered to the public housing residents. This initiative will promote full participation by the residents in the process of determining their community needs and identifying the service proposals that better fits the empowerment and self-sufficiency needs of the residents;
- Through the PR-State Agencies components and the local governments, the PR-PHA will coordinate public services actions to address the basic and essential needs of the population and communities. Among the initiatives toward this objective is the *Servi Movil* concept. This concept seeks to bring the basic and essential public services programs to the housing complex. This includes the development of health fairs, job fairs, universities fairs, recreational and sports fairs, among the other governmental services;

The PR-PHA will continue undertaking extraordinary improvements actions in public housing projects to improve the physical conditions of the projects and the housing units. In particular, the new State Government will give emphasis to the rehabilitation and modernization of the Elderly Public Housing Projects.



## Program Specific Requirements

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

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

##### 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/>

#### Housing Trust Fund (HTF)

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Reference 24 CFR 91.320(k)(5)

**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.

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	\$98,743	\$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.

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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 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 PRDOH 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

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useful life of less than the period of affordability shall be considered for future replacement.

A Capital Needs Assessment (CNA) 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 6-10. The second 5-year update will be done in year 10 and will cover years 11-20.
  - 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 6-10. 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 PRDOH standards and who performs the assessment and supplies the PRDOH 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.

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- 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 PRDOH 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.

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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 HOME Program Rehabilitation and new Construction Standards, 2015 "*Estandares de rehabilitación y nueva construcción, 2015*".

#### 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

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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

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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.

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- 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.
  - o If 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.

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- 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.
  - h. 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

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- 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 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

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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**

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- 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.
  - iii. 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**

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.

## **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 will be 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 HUD's 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.D.
- 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 PRDOH 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 property standards 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 PRDOH 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 PRDOH will be qualified to perform the assessment of the UPCS

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

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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**

9. All additions, alterations or renovations shall comply with latest local building and the International Energy Conservation Code of Puerto Rico, 2011.
10. Comply with Energy Star standards and above code where feasible and contributing to significant energy savings.
11. 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.
12. 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

## 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/Failing/Leaning
	Holes
Boundaries	Missing Sections
	Erosion/Slumping/Spills
	Overgrown/Penetrating Vegetation
Health & Safety	Ponding/Slow Drainage
	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
Mailboxes/Protect Signs	Infestation - Insects
	Infestation - Rats/Mice/Vermin
	Mailbox Missing/Damaged
Parking Lots/Driveways/Roads	Signs Damaged
	Cracks
	Ponding
	Potholes/Loose Material
	Settlement/Heaving
Play Areas and Equipment	Damaged/Broken Equipment
	Deteriorated Paved Area Surface
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space
Retaining Walls	Damaged/Failing/Leaning
Storm Drainage	Damaged/Obstructed
Stairways/Steps	Broken/Missing Hand Railing
	Cracks/Settlement/Heaving
	Tripping/Exposed Rebar

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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/Rotting/Glass)
	Damaged/Missing Screen/Storm/Security Door
	Deteriorated/Missing Caulking/Seals
	Missing Door
Fire Escapes	Blocked Egress/Ladders
	Visibly Missing Components
Foundations	Cracks/Gaps
Health and Safety	Spalling/Exposed Rebar
	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
Lighting	Infestation - Insects
	Infestation - Rats/Mice/Vermox
	Broken Fixtures/Bulbs
Roofs	Damaged Soffits/Fascia
	Damaged Vents
	Damaged/Clogged Gutter
	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/Colored Compounds
	Peeling/Needs Paint
	Security Bars Prevent Egress

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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 - Indirect
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping Hazards
	Infestation - Insects
HVAC	Infestation - Rats/Mice/Vermes
	Boiler/Pump Leaks
	Fuel Supply Leaks
	General Rust/Corrosion
Roof Exhaust System	Misaligned Chimney/Ventilation System
	Roof Exhaust Fan(s) Inoperable
Sanitary System	Broken/Leaking/Clogged Floors or Drains
	Missing Drain/Cleanout/Manhole Covers

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Requirements for Common Areas	
Inspectible 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/Thresholds/Lintels/Trim
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Grass)
Storage	Doors - Damaged/Missing Screen (Storm/Security Door)
	Doors - Deteriorated/Missing Seals (Entry Only)
	Doors - Missing Door
	Drivet Vent - Missing/Damaged/Inoperable
	Electrical - Blocked Access to Electrical Panel
	Electrical - Burnt Breakers
	Electrical - Evidence of Leaks/Contaminant
	Electrical - Frayed Wiring
	Electrical - Missing Breakers
	Electrical - Missing Covers
	Floors - Bulging/Buckling
	Floors - Floor Covering Damaged
	Floors - Missing Floor/Trim
	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
	Luxatory Sink - Damaged/Missing
	Lighting - Missing/Damaged/Inoperable Fixture
	Mailbox - Missing/Damaged
	Outlet/Switches/Cover Plates - Missing/Broken
	Pedestrian/Wheelchair Ramp
	Plumbing - Clogged Drains
	Plumbing - Leaking Faucet/Spout
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable
	Range/Stove - Missing/Damaged/Inoperable
	Refrigerator - Damaged/Inoperable
	Restroom Cabinet - Damaged/Missing
	Shower/Tub - Damaged/Missing

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Inoperable 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 Closets/Toilet - Damaged/Damaged/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/Venoms
Roofs and Related Structures	Roofing - Damage/Not Intact
Trash Collection Areas	Chutes - Damaged/Missing Components

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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/Crown
	Peeling/Waxed Paint
	Water Stains/Water Damage/Mold/Mildew
Doors	Damaged Frames/Threshold/Doors/Trim
	Damaged Hardware/Locks
	Damaged/Missing Screen/Storm/Security Door
	Damaged Surface - Nails/Paint/Rusting/Glass/Flitting
	Deteriorated/Missing Seals (Entry Only)
Electrical System	Missing Door
	Blocked Access to Electrical Panel
	Burnt Breakers
	Evidence of Loose/Corrosion
	Exposed Wiring
	GFI - Inoperable
	Missing Breakers/Fuses
Floors	Missing Covers
	Bulging/Buckling
	Floors Covering Damage
	Missing Flooring Tiles
	Peeling/Flaking 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 - Inducers
	Garbage and Debris - Outdoors
Hazards - Other	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping

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inspectable item	Observable Deficiency
	Infestation - Insects
	Infestation - Rats/Mice/Vermis
Hot Water Heater	Misaligned Chimney/Ventilation System
	Inoperable Unit/Components
	Leaking Valves/Tanks/Pipes
	Pressure Relief Valve Missing
	Rust/Corrosion
HVAC System	Connections/Refrigerant 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 Drain
	Plumbing - Leaking Faucet/Pipes
	Range Hood/Exhaust Fan - Excessive Noise/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/Flaking Paint
	Water Stains/Water Damage/Mold/Mildew
Windows	Cracks/Broken/Missing Panes
	Damaged Window Sill
	Missing/Deteriorated Caulking/Seals/Glazing Compartment
	Inoperable/Not Lockable
	Peeling/Flaking Paint
	Security Bars Prevent Egress

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Requirements for Site	
Inspectable Item	Observable Deficiency
Fencing and Gates	Damaged/Falling/Leaning
	Holes
	Missing Sections
Grounds	Erosion/Runoff Areas
	Overgrowth/Penetrating Vegetation
	Ponding/Site Drainage (offering 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
Driveway	Cracks
	Potholes/Loose Material
	Settlement/Heaving
Retaining Wall	Damaged/Falling/Leaning
Storm Drainage	Damaged/Distructed
Walkways/Stairs	Broken/Missing Hand Railing
	Cracks/Settlement/Heaving
	Spalling

91

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

1012

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Requirements for Building Exterior	
Inspectable Item	Observable Deficiency
Doors	Damaged Frames/Threshold/Unters/Trim
	Damaged Hardware/Locks
	Damaged Surface (Holes/Paint/Routing/Glaze)
	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
	Debris and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
Lighting	Infestation - Rats/Mice/Vermis
	Broken Fixtures/Bulbs
Roofs	Damaged Soffits/Panels
	Damaged Vents
	Damaged/Clogged Drains
	Damaged/Torn Membrane/Missing Ballast
	Missing/Damaged Components from Downspout/Gutter
	Missing/Damaged Shingles
Walls	Ponding
	Cracks/Gaps
	Damaged Chimneys
	Missing/Damaged Caulking/Mortar
	Missing Braces/Studs/Siding
	Stained/Peeling/Needs Paint
Windows	Broken/Missing/Cracked Panes
	Damaged Sills/Frames/Unters/Trim
	Damaged/Missing Screens
	Missing/Deteriorated Caulking/Seals/Glazing Compound
	Peeling/Needs Paint
	Security Bars Prevent Egress

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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)
Casing	Water Closet/Toilet - Damaged/Clogged/Missing
	Bulging/Bubbling
	Holes/Missing Tiles/Panels/Cracks
	Peeling/Needs Paint
Doors	Water Stains/Water Damage/Mold/Mildew
	Damaged Frames/Threshold/Lintels/Trim
	Damaged Hardware/Locks
	Damaged/Missing Screen/Storm/Security Door
Electrical System	Damaged Surface - Holes/Paint/Rusting/Glaze
	Deteriorated/Missing Seals (Entry Only)
	Missing Door
	Blocked Access to Electrical Panels
Floors	Circuit Breakers
	Evidence of Leaks/Corrosion
	Frayed Wiring
	GFI - Inoperable
	Missing Breakers/Fuses
	Missing Covers
Health & Safety	Bulging/Bubbling
	Floor Covering Damage
	Missing Flooring Tiles
	Peeling/Needs Paint
	Rot/Deteriorated Surface
	Water Stains/Water Damage/Mold/Mildew
Hot Water Heater	Air Quality - Mold and/or Mildew Detected
	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/over 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/Varnen
	Inoperable Unit/Components
	Leaking Valves/Tanks/Pipes

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## Appendix D – ESG Written Standards

## Grantee SF-424's and Certification(s)

OMB Number: 4646-0004  
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424																			
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision																	
		<b>* If Revision, select appropriate item(s):</b> <input type="text"/> <b>* Other (Specify):</b> <input type="text"/>																	
<b>* 3. Date Received:</b> <div style="background-color: yellow; width: 100px; height: 1.2em;"></div>		<b>* 4. Applicant Identifier:</b> <input type="text"/>																	
<b>5a. Federal Entry Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>																	
<b>State Use Only:</b>																			
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>																	
<b>8. APPLICANT INFORMATION:</b>																			
<b>* a. Legal Name:</b> <input type="text" value="PR State Department of Housing"/>																			
<b>* b. EncrypTaspyar Identification Number (EIN/TIN):</b> <input type="text" value="36-0550579"/>		<b>* c. Organizational DUNS:</b> <input type="text" value="1356874840003"/>																	
<b>d. Address:</b>																			
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"><b>* Street1:</b></td> <td><input type="text" value="PO Box 21365"/></td> </tr> <tr> <td><b>Street2:</b></td> <td><input type="text"/></td> </tr> <tr> <td><b>* City:</b></td> <td><input type="text" value="San Jose"/></td> </tr> <tr> <td><b>County/Parish:</b></td> <td><input type="text"/></td> </tr> <tr> <td><b>* State:</b></td> <td><input type="text" value="PR - Puerto Rico"/></td> </tr> <tr> <td><b>Province:</b></td> <td><input type="text"/></td> </tr> <tr> <td><b>* Country:</b></td> <td><input type="text" value="USA - UNITED STATES"/></td> </tr> <tr> <td><b>* Zip / Postal Code:</b></td> <td><input type="text" value="00528-1360"/></td> </tr> </table>				<b>* Street1:</b>	<input type="text" value="PO Box 21365"/>	<b>Street2:</b>	<input type="text"/>	<b>* City:</b>	<input type="text" value="San Jose"/>	<b>County/Parish:</b>	<input type="text"/>	<b>* State:</b>	<input type="text" value="PR - Puerto Rico"/>	<b>Province:</b>	<input type="text"/>	<b>* Country:</b>	<input type="text" value="USA - UNITED STATES"/>	<b>* Zip / Postal Code:</b>	<input type="text" value="00528-1360"/>
<b>* Street1:</b>	<input type="text" value="PO Box 21365"/>																		
<b>Street2:</b>	<input type="text"/>																		
<b>* City:</b>	<input type="text" value="San Jose"/>																		
<b>County/Parish:</b>	<input type="text"/>																		
<b>* State:</b>	<input type="text" value="PR - Puerto Rico"/>																		
<b>Province:</b>	<input type="text"/>																		
<b>* Country:</b>	<input type="text" value="USA - UNITED STATES"/>																		
<b>* Zip / Postal Code:</b>	<input type="text" value="00528-1360"/>																		
<b>e. Organizational Unit:</b>																			
<b>Department Name:</b> <input type="text" value="PR State Department of Housing"/>		<b>Division Name:</b> <input type="text" value="CDBG Program"/>																	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>																			
<b>Prefix:</b> <input type="text" value="Mrs."/>		<b>* First Name:</b> <input type="text" value="Arce"/>																	
<b>Middle Name:</b> <input type="text"/>		<b>* Last Name:</b> <input type="text" value="Rocha Rivera"/>																	
<b>Suffix:</b> <input type="text"/>		<b>Title:</b> <input type="text"/>																	
<b>Organizational Affiliation:</b> <input type="text" value="PR State Department of Housing"/>																			
<b>* Telephone Number:</b> <input type="text" value="(408) 244-2577"/>		<b>Fax Number:</b> <input type="text" value="(408) 758-8263"/>																	
<b>* Email:</b> <input type="text" value="agrac@dcvixiende.org.pr"/>																			

Application for Federal Assistance SF-424	
<p>* 9. Type of Applicant 1: Select Applicant Type:</p> <p>3: State Government</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>* Other (specify):</p>	
<p>* 10. Name of Federal Agency:</p> <p>U.S. Department of Housing and Urban Development</p>	
<p>11. Catalog of Federal Domestic Assistance Number:</p> <p>14.928</p> <p>CFDA Title:</p> <p>HOPE Program</p>	
<p>* 12. Funding Opportunity Number:</p> <p>* Title:</p>	
<p>13. Competition Identification Number:</p> <p>Title:</p>	
<p>14. Areas Affected by Project (Cities, Counties, States, etc.):</p> <p>Add Attachment    Delete Attachment    View Attachment</p>	
<p>* 15. Descriptive Title of Applicant's Project:</p> <p>Block Grant assistance to benefit low and moderate income families and individuals to obtain decent housing, a suitable living environment and expanded economic opportunities.</p>	
<p>Attach supporting documents as specified in agency instructions.</p> <p>Add Attachments    Delete Attachments    View Attachments</p>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="00"/>	* b. Program/Project: <input type="text" value="00"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2021"/>	* b. End Date: <input type="text" value="06/30/2022"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="23,750,802.00"/>
* b. Applicant:	<input type="text" value=""/>
* c. State:	<input type="text" value=""/>
* d. Local:	<input type="text" value=""/>
* e. Other:	<input type="text" value=""/>
* f. Program Income:	<input type="text" value=""/>
* g. TOTAL:	<input type="text" value="23,750,802.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/>	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," provide explanation and attach:	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001)	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may access this list, is contained in the announcement of agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="William"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Rodriguez"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="DE STATE DEPARTMENT OF HOUSING SECRETARY"/>	
* Telephone Number: <input type="text" value="787-274-2522"/>	* Fax Number: <input type="text" value="787-738-9262"/>
* Email: <input type="text" value="w.rodriquez@elecomco.pr.gov"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="May 26, 21"/>

# ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0008  
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance; and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4726-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-618), as amended relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290a(d)(3) and 290a(e)(3)), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.


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Standard Form 424D (Rev. 7-97)  
Prescribed by GMS Circular A-102



11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7329) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11690; (d) evaluation of flood hazards in floodplains in accordance with EO 11885; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523), and; (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-203).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 108 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from: (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	PA, State Department of Housing Services
APPLICANT ORGANIZATION	DATE SUBMITTED
PA, State Department of Housing Services	May 5, 2021

SF-424D (Rev. 7-87) Back

Government of Puerto Rico  
Puerto Rico Planning Board  
PO Box 41119, Minillas Station  
San Juan, PR 00940-1119

### ACKNOWLEDGEMENT OF RECEIPT

The Puerto Rico Planning Board, designated as the Single Point of Contact (SPOC) by Executive Order 12372 and Administrative Bulletin 4184 as amended, has received for review and comments the following:

- |  |   |
|--|---|
| <input type="checkbox"/> Notice of intent or pre-application | <input checked="" type="checkbox"/> Application |
| <input type="checkbox"/> State Plan                          | <input type="checkbox"/> Block Grant            |
| <input type="checkbox"/> Other                               |   |

Title of Project: Block Grant Assistance to Benefit low and moderate income families and individuals to obtain decent housing a suitable living environment and expanded economic opportunities

CFDA Number: 14.228

Applicant: Puerto Rico State Department of Housing

The State Application Identifier (SAI) number assigned is:

**PR (G) 21-98-0511-271-S**

The SAI number must be incorporated in Item 7 of Standard Form (SF-424) in the application submitted to the Federal Agency, and in any subsequent document that relates to this proposal.


Applicant is reminded to inform SPOC of approval or denial of federal assistance 5 days after formal notification.

Date: May11, 2021 By: Roberto Gonzalez-Navarro (signed)  
Office of Federal Affairs



Application for Federal Assistance SF-424		
<div> <div> * 1. Type of Submission:  <input type="checkbox"/> Preproposal  <input checked="" type="checkbox"/> Application  <input type="checkbox"/> Changed/Correction Application </div> <div> * 2. Type of Application:  <input checked="" type="checkbox"/> New  <input type="checkbox"/> Continuation  <input type="checkbox"/> Revision </div> <div> * If Revision, select appropriate letter(s):  <input type="text"/>  * Other (Specify):  <input type="text"/> </div> </div>		
<div> * 3. Date Received:  <input type="text"/> </div> <div> 4. Applicant Identifier:  <input type="text"/> </div>		
<div> 5a. Federal Entity Identifier:  <input type="text"/> </div> <div> 5b. Federal Award Identifier:  <input type="text"/> </div>		
State Use Only:		
<div> 6. Date Received by State:  <input type="text"/> </div> <div> 7. State Application Identifier:  <input type="text"/> </div>		
8. APPLICANT INFORMATION:		
<div> * a. Legal Name:  <input type="text"/> </div>		
<div> <div> * b. Employer/ taxpayer Identification Number (EIN/TIN):  <input type="text"/> </div> <div> * c. Organization's DUNS:  <input type="text"/> </div> </div>		
9. Address:		
<div> * Street:  <input type="text"/> </div> <div> Street2:  <input type="text"/> </div> <div> * City:  <input type="text"/> </div> <div> County/Parish:  <input type="text"/> </div> <div> * State:  <input type="text"/> </div> <div> Province:  <input type="text"/> </div> <div> * Country:  <input type="text"/> </div> <div> * Zip / Postal Code:  <input type="text"/> </div>		
10. Organizational Unit:		
<div> Department Name:  <input type="text"/> </div> <div> Division Name:  <input type="text"/> </div>		
11. Name and contact information of person to be contacted on matters involving this application:		
<div> Prefix:  <input type="text"/> </div> <div> * First Name:  <input type="text"/> </div> <div> Middle Name:  <input type="text"/> </div> <div> * Last Name:  <input type="text"/> </div> <div> Suffix:  <input type="text"/> </div>		
<div> Title:  <input type="text"/> </div>		
<div> Organizational Affiliation:  <input type="text"/> </div>		
<div> * Telephone Number:  <input type="text"/> </div> <div> Fax Number:  <input type="text"/> </div>		
<div> * Email:  <input type="text"/> </div>		

<b>Application for Federal Assistance SF-424</b>	
* 9. Type of Applicant 1: Select Applicant Type:	
<input type="checkbox"/> A. State Government	
Type of Applicant 2: Select Applicant Type:	
<input type="checkbox"/>	
Type of Applicant 3: Select Applicant Type:	
<input type="checkbox"/>	
* Other (specify):	
<input type="text"/>	
* 10. Name of Federal Agency:	
<input type="text" value="U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT"/>	
11. Catalog of Federal Domestic Assistance Number:	
<input type="text" value="14.241"/>	
CFDA Title:	
<input type="text" value="Housing Opportunities for Persons With AIDS (HOPWA) Programs"/>	
* 12. Funding Opportunity Number:	
<input type="text"/>	
* Title:	
<input type="text"/>	
13. Competition Identification Number:	
<input type="text"/>	
Title:	
<input type="text"/>	
14. Areas Affected by Project (Cities, Counties, States, etc.):	
<input type="text"/> <input type="checkbox"/> All Areas <input type="checkbox"/> Certain Areas <input type="checkbox"/> Specific Areas	
* 15. Descriptive Title of Applicant's Project:	
<input type="text" value="Action Plan 2021- Assistance to non-profits, faith based organizations, and municipalities which provide housing and supportive services to low income families and individuals with HIV/AIDS"/>	
Attach supporting documents as specified in agency instructions.	
<input type="checkbox"/> None <input type="checkbox"/> Yes <input type="checkbox"/> No	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="ES-00"/>	* b. Program/Project: <input type="text" value="ES-00"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2021"/>	* b. End Date: <input type="text" value="06/30/2022"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="2,251,366.00"/>
* b. Applicant:	<input type="text" value="0.00"/>
* c. State:	<input type="text" value="0.00"/>
* d. Local:	<input type="text" value="0.00"/>
* e. Other:	<input type="text" value="0.00"/>
* f. Program Income:	<input type="text" value="0.00"/>
* g. TOTAL:	<input type="text" value="2,251,366.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach: <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001) <input checked="" type="checkbox"/> ** I AGREE. <small>** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input type="text" value="Dr."/>	* First Name: <input type="text" value="Cecilia"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Kellada Lopez"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Secretary of Health"/>	
* Telephone Number: <input type="text" value="017-765-2029"/>	Fax Number: <input type="text"/>
* Email: <input type="text" value="dxcarrion.kellada@es.gub.ve"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="04/27/2021"/>
Dr. Cecilia Kellada Lopez, MD.	

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

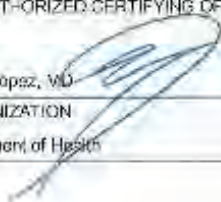
**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4726-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685 1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§525 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§801 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.



11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7224-7329) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11980; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1966, as amended (42 U.S.C. §§1901 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1986 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470); EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§169a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
 Dr. Carlos Meléndez López, MD	Secretary of Health
APPLICANT ORGANIZATION	DATE SUBMITTED
Puerto Rico Department of Health	04/23/2021

SP-424D (Rev. 7-97) Back

Government of Puerto Rico  
Puerto Rico Planning Board  
PO Box 41119, Minillas Station  
San Juan, PR 00940-1119

### ACKNOWLEDGEMENT OF RECEIPT

The Puerto Rico Planning Board, designated as the Single Point of Contact (SPOC) by Executive Order 12372 and Administrative Bulletin 4184 as amended, has received for review and comments the following:

- |  |   |
|--|---|
| <input type="checkbox"/> Notice of intent or pre-application | <input checked="" type="checkbox"/> Application |
| <input type="checkbox"/> State Plan                          | <input type="checkbox"/> Block Grant            |
| <input type="checkbox"/> Other                               |   |

Title of Project: Action Plan 2021 - Assistance to non-profits, faith based organizations, and municipalities which provide housing and supportive services to low income families and individuals with HIV/AIDS

CFDA Number: 14.241

Applicant: Department of Health

The State Application Identifier (SAI) number assigned is:

**PR (G) 21-99-0511-272S**

The SAI number must be incorporated in Item 7 of Standard Form (SF-424) in the application submitted to the Federal Agency, and in any subsequent document that relates to this proposal.

Applicant is reminded to inform SPOC of approval or denial of federal assistance 5 days after formal notification.

Date: May11, 2021

By: Roberto Gonzalez-Navarro (signed)  
Office of Federal Affairs

Application for Federal Assistance SF-424			
<b>* 1. Type of Assistance:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Change/Corrected Application		<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	
		<b>* If Revision, select appropriate letter(s):</b> <input type="text"/> <b>* Other (Specify):</b> <input type="text"/>	
<b>* 3. Date Received:</b> <input type="text"/>		<b>4. Applicant/Center:</b> <input type="text"/>	
<b>5a. Federal Entity Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>	
<b>State Use Only:</b>			
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>	
<b>8. APPLICANT INFORMATION:</b>			
<b>* a. Legal Name:</b> Puerto Rico State Department of Public Safety			
<b>* b. Employer/assigner Identification Number (LEIN):</b> <input type="text"/>		<b>* c. Organization's DUNS:</b> <input type="text"/>	
<b>9. Address:</b>			
<b>* Street:</b>	<input type="text"/>		
<b>Street2:</b>	<input type="text"/>		
<b>* City:</b>	<input type="text"/>		
<b>County/Parish:</b>	<input type="text"/>		
<b>* State:</b>	<input type="text"/>		
<b>Province:</b>	<input type="text"/>		
<b>* Country:</b>	<input type="text"/>		
<b>* Zip / Postal Code:</b>	<input type="text"/>		
<b>c. Organizational Unit:</b>			
<b>Department Name:</b> <input type="text"/>		<b>Division Name:</b> <input type="text"/>	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>			
<b>Prefix:</b>	<input type="text"/>	<b>* First Name:</b>	<input type="text"/>
<b>Middle Name:</b>	<input type="text"/>		
<b>* Last Name:</b>	<input type="text"/>		
<b>Suffix:</b>	<input type="text"/>		
<b>Title:</b>	<input type="text"/>		
<b>Organizational Affiliation:</b>			
<input type="text"/>			
<b>* Telephone Number:</b>		<b>* Fax Number:</b>	
<input type="text"/>		<input type="text"/>	
<b>* Email:</b> <input type="text"/>			

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type:		
As State Government:		
Type of Applicant 2: Select Applicant Type:		
Type of Applicant 3: Select Applicant Type:		
* Other (specify):		
* 10. Name of Federal Agency:		
U.S. Department of Housing and Urban Development		
11. Catalog of Federal Domestic Assistance Number:		
E4,231		
CFDA Title:		
ESG Program		
* 12. Funding Opportunity Number:		
* Title:		
13. Competition Identification Number:		
Title:		
14. Areas Affected by Project (Cities, Counties, States, etc.):		
	Add Attachment	Delete Attachment
* 15. Descriptive Title of Applicant's Project:		
Funding for street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance and ERI.		
Attach supporting documents as specified in agency instructions.		
Add Attachments	Delete Attachments	View Attachments



Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="NY"/>	* b. Program/Project: <input type="text" value="PR"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="07/01/2021"/>	* b. End Date: <input type="text" value="09/30/2022"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="2,051,418.00"/>
* b. Applicant:	<input type="text" value=""/>
* c. State:	<input type="text" value=""/>
* d. Local:	<input type="text" value=""/>
* e. Other:	<input type="text" value=""/>
* f. Program Income:	<input type="text" value=""/>
* g. TOTAL:	<input type="text" value="2,051,418.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12872 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12872 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12872 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12872.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="Dr."/>	* First Name: <input type="text" value="Cecilia"/>
Middle Name: <input type="text" value="Anne"/>	
* Last Name: <input type="text" value="Gonzalez-Wegman"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="PR State Department of Family Secretary"/>	
* Telephone Number: <input type="text" value="787-254-4900"/>	* Fax Number: <input type="text" value="787-254-4900"/>
* Email: <input type="text" value="Cecilia.Wegman@state.gov"/>	
* Signature of Authorized Representative: <input type="text"/>	* Date Signed: <input type="text" value="10/01/2021"/>

# ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4340-0009  
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. We record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4720-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1686-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1942 (42 U.S.C. §§290dd-3 and 290ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Previous Edition Usable

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Standard Form 424D (Rev. 7-87)  
Prescribed by OMB Circular A-102

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1505 and 7324-7326) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11736; (c) protection of wetlands pursuant to EO 11980; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 175(c) of the Clean Air Act of 1965, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting nonpoint or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 105 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1995 and GVB Circular No. A-123, "Audit of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 108(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from: (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	PR State Department of the Environment Secretary
APPLICANT ORGANIZATION	DATE SUBMITTED
PR State Department of the Environment	NOV 9, 2021

SF 424D (Rev. 1/87) Back

Government of Puerto Rico  
Puerto Rico Planning Board  
PO Box 41119, Minillas Station  
San Juan, PR 00940-1119

### ACKNOWLEDGEMENT OF RECEIPT

The Puerto Rico Planning Board, designated as the Single Point of Contact (SPOC) by Executive Order 12372 and Administrative Bulletin 4184 as amended, has received for review and comments the following:

- |  |   |
|--|---|
| <input type="checkbox"/> Notice of intent or pre-application | <input checked="" type="checkbox"/> Application |
| <input type="checkbox"/> State Plan                          | <input type="checkbox"/> Block Grant            |
| <input type="checkbox"/> Other                               |   |

Title of Project: Funding for street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS

CFDA Number: 14.231

Applicant: Department of Family

The State Application Identifier (SAI) number assigned is:

**PR (G) 21-98-0511-275-S**

The SAI number must be incorporated in Item 7 of Standard Form (SF-424) in the application submitted to the Federal Agency, and in any subsequent document that relates to this proposal.

Applicant is reminded to inform SPOC of approval or denial of federal assistance 5 days after formal notification.

Date: May11, 2021

By: Roberto Gonzalez-Navarro (signed)  
Office of Federal Affairs



Application for Federal Assistance SF-424		
<div> <div> * 1. Type of Submission:  <input type="checkbox"/> Preapplication  <input checked="" type="checkbox"/> Application  <input type="checkbox"/> Changes/Corrected Application </div> <div> * 2. Type of Application:  <input checked="" type="checkbox"/> New  <input type="checkbox"/> Continuation  <input type="checkbox"/> Revision </div> <div> * If Revision, select appropriate letter(s):  <input type="text"/>  * Other (Specify):  <input type="text"/> </div> </div>		
<div> * 3. Date Received:  <input type="text"/> </div> <div> 4. Applicant Identifier:  <input type="text"/> </div>		
5a. Federal Entity Identifier: <input type="text"/>		5b. Federal Award Identifier: <input type="text"/>
State Use Only: <div> 6. Date Received by State: <input type="text"/> </div> <div> 7. State Application Identifier: <input type="text"/> </div>		
<b>b. APPLICANT INFORMATION:</b>		
* a. Legal Name: <input type="text" value="Puerto Rico Housing Finance Authority"/>		
* b. Employer/Contributor Identification Number (EIN/TIN): <input type="text" value="69-3433752"/>		* c. Organizational DUNS: <input type="text" value="0903918019680"/>
<b>d. Address:</b>		
<div> * Street1: <input type="text" value="PO Box 71361"/> </div> <div> Street2: <input type="text"/> </div> <div> * City: <input type="text" value="San Juan"/> </div> <div> County/Parish: <input type="text"/> </div> <div> * State: <input type="text" value="PR; Puerto Rico"/> </div> <div> Province: <input type="text"/> </div> <div> * Country: <input type="text" value="USA; UNITED STATES"/> </div> <div> * Zip / Postal Code: <input type="text" value="00936-8461"/> </div>		
<b>e. Organizational Unit:</b>		
Department Name: <input type="text" value="PR Housing Finance Authority"/>		Division Name: <input type="text" value="H082 - Housing"/>
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<div> Prefix: <input type="text" value="Mr."/> </div> <div> * First Name: <input type="text" value="Gonzalo"/> </div> <div> Middle Name: <input type="text" value="Manuel"/> </div> <div> * Last Name: <input type="text" value="Munoz Rivera"/> </div> <div> Suffix: <input type="text"/> </div> <div> Title: <input type="text" value="COMM. Program Acting Director"/> </div> <div> Organizational Affiliation:  <input type="text" value="Puerto Rico Housing Finance Authority"/> </div> <div> * Telephone Number: <input type="text" value="787-946-0945"/> </div> <div> Fax Number: <input type="text"/> </div> <div> * Email: <input type="text" value="gonzalo.munoz@hfa.pr.gov"/> </div>		

Application for Federal Assistance SF-424	
* 9. Type of Applicant 1: Select Applicant Type: <input type="text" value="State Government"/>	
Type of Applicant 2: Select Applicant Type: <input type="text"/>	
Type of Applicant 3: Select Applicant Type: <input type="text"/>	
* Other (specify): <input type="text"/>	
* 10. Name of Federal Agency: <input type="text" value="U.S. Department of Housing and Urban Development"/>	
11. Catalog of Federal Domestic Assistance Number: <input type="text" value="14.239"/>	
CFDA Title: <input type="text" value="HOME Program"/>	
* 12. Funding Opportunity Number: <input type="text" value=""/>	
Title: <input type="text" value=""/>	
13. Competition Identification Number: <input type="text" value=""/>	
Title: <input type="text" value=""/>	
14. Areas Affected by Project (Cities, Counties, States, etc.): <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachments"/> </div>	
* 15. Descriptive Title of Applicant's Project: <input type="text" value="Expand the affordable housing offer for low and very low income families by providing subsidies to local governments, non profit organizations, developers, and other eligible entities."/>	
Attach supporting documents as specified in agency instructions. <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="ER"/>	* b. Program/Project: <input type="text" value="EP"/>
Attachment additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="10/01/2021"/>	* b. End Date: <input type="text" value="09/30/2022"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="13,372,576.00"/>
* b. Applicant:	<input type="text" value=""/>
* c. State:	<input type="text" value=""/>
* d. Local:	<input type="text" value=""/>
* e. Other:	<input type="text" value=""/>
* f. Program Income:	<input type="text" value=""/>
* g. TOTAL:	<input type="text" value="13,372,576.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach: <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1001) <input checked="" type="checkbox"/> ** I AGREE ** The list of certifications and assurances, or an internal site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix: <input type="text" value="JCE"/>	* First Name: <input type="text" value="Blanca"/>
Middle Name: <input type="text" value="E"/>	
* Last Name: <input type="text" value="Fernandez-Gonzalez"/>	
Suffix: <input type="text" value=""/>	
* Title: <input type="text" value="PR Training Program Assistant Exec. Director"/>	
* Telephone Number: <input type="text" value="877-946-0015"/>	* Fax Number: <input type="text" value=""/>
* Email: <input type="text" value="blanca.fernandez@fda.gov"/>	
* Signature of Authorized Representative: <input type="text" value="Blanca Fernandez"/>	* Date Signed: <input type="text" value="09/05/2021"/>

# ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4540-0009  
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4726-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. §90, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4901 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1686-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §724), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§623 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 d-1,5 and 260 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Standard Form 424D (Rev. 7-87)  
Prescribed by OMB Circular A-102



11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to an interest in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7326) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a-6a to 276a-7), the Copeland Act (40 U.S.C. §276a and 16 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires residents in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11989; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1965, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-593); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-203).
16. Will comply with the Wild and Scenic Rivers Act of 1966 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 105 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470); EO 11593 (Identification and protection of historic properties); and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-135, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 105(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Perpetrating a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
 Blanche E. Terrell	Executive Director
APPLICANT ORGANIZATION	DATE SUBMITTED
Philadelphia Blended Authority	07/06/2021

SP-4240 (Rev. 7/97) Back

Government of Puerto Rico  
Puerto Rico Planning Board  
PO Box 41119, Minillas Station  
San Juan, PR 00940-1119

### ACKNOWLEDGEMENT OF RECEIPT

The Puerto Rico Planning Board, designated as the Single Point of Contact (SPOC) by Executive Order 12372 and Administrative Bulletin 4184 as amended, has received for review and comments the following:

- |  |   |
|--|---|
| <input type="checkbox"/> Notice of intent or pre-application | <input checked="" type="checkbox"/> Application |
| <input type="checkbox"/> State Plan                          | <input type="checkbox"/> Block Grant            |
| <input type="checkbox"/> Other                               |   |

Title of Project: Expand the affordable housing offer for low and very low income families by providing subsidies to local governments, non-profit organizations, developers, and other eligible entities

CFDA Number: 14.239

Applicant: Puerto Rico Housing Finance Authority

The State Application Identifier (SAI) number assigned is:

**PR (G) 21-98-0511-274-S**

The SAI number must be incorporated in Item 7 of Standard Form (SF-424) in the application submitted to the Federal Agency, and in any subsequent document that relates to this proposal.

Applicant is reminded to inform SPOC of approval or denial of federal assistance 5 days after formal notification.

Date: May11, 2021 By: Roberto Gonzalez-Navarro (signed)  
Office of Federal Affairs

Application for Federal Assistance SF-424			
* 1. Type of Submission:		* 2. Type of Application: <small>If Revision, select appropriate letter(s):</small>	
<input type="checkbox"/> Preapplication		<input checked="" type="checkbox"/> New	
<input checked="" type="checkbox"/> Application		<input type="checkbox"/> Continuation	
<input type="checkbox"/> Changed/Corrected Application		<input type="checkbox"/> Revision	
* 3. Data Received:		4. Applicant Identifier:	
5a. Federal Entity Identifier:		5b. Federal Award Identifier:	
State Use Only:			
6. Date Received by State:		7. State Application Identifier:	
8. APPLICANT INFORMATION:			
* a. Legal Name: Puerto Rico Housing Finance Authority			
* b. Employer/ taxpayer Identification Number (EIN/TIN):		* c. Organizational DUNS:	
65-0433752		09059-8010000	
d. Address:			
* Street1:	PO Box 71260		
* Street2:			
* City:	San Juan		
* County/Parish:			
* State:	PR: Puerto Rico		
* Province:			
* Country:	USA: UNITED STATES		
* Zip/Postal Code:	00936-8461		
e. Organizational Unit:			
Department Name:		Division Name:	
PR Housing Finance Authority		HCF Program	
f. Name and contact information of person to be contacted on matters involving this application:			
Prefix:	Mr.	* First Name:	David
Middle Name:	Manuel		
* Last Name:	Mogron-Pineda		
Suffix:			
Title: HCF Program Acting Director			
Organizational Affiliation:			
Puerto Rico Housing Finance Authority			
* Telephone Number:	787-946-0040	Fax Number:	
* Email:	david.m.mogron@hcf.pr.gov		

Application for Federal Assistance SF-424	
<b>* 9. Type of Applicant 1: Select Applicant Type:</b> <input type="text" value="A: State Government"/>	
<b>Type of Applicant 2: Select Applicant Type:</b> <input type="text"/>	
<b>Type of Applicant 3: Select Applicant Type:</b> <input type="text"/>	
<b>* Other (specify):</b> <input type="text"/>	
<b>* 10. Name of Federal Agency:</b> <input type="text" value="U.S. Department of Housing and Urban Development"/>	
<b>11. Catalog of Federal Domestic Assistance Number:</b> <input type="text" value="14.275"/>	
<b>CFDA Title:</b> <input type="text" value="HIV Program"/>	
<b>* 12. Funding Opportunity Number:</b> <input type="text"/>	
<b>* Title:</b> <input type="text"/>	
<b>13. Competition Identification Number:</b> <input type="text"/>	
<b>Title:</b> <input type="text"/>	
<b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b> <input type="text"/> <div> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachments"/> </div>	
<b>* 15. Descriptive Title of Applicant's Project:</b> <input type="text" value="Increase and preserve affordable, safe and hygienic housing for families with extremely low income and very low income."/>	
<b>Attach supporting documents as specified in agency instructions</b> <div> <input type="button" value="Add Attachments"/> <input type="button" value="Delete Attachments"/> <input type="button" value="View Attachments"/> </div>	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: <input type="text" value="PR"/>	* b. Program/Project: <input type="text" value="PR"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
17. Proposed Project:	
* a. Start Date: <input type="text" value="10/01/2021"/>	* b. End Date: <input type="text" value="01/30/2022"/>
18. Estimated Funding (\$):	
* a. Federal:	<input type="text" value="3,202,552.00"/>
* b. Applicant:	<input type="text" value=""/>
* c. State:	<input type="text" value=""/>
* d. Local:	<input type="text" value=""/>
* e. Other:	<input type="text" value=""/>
* f. Program Income:	<input type="text" value=""/>
* g. TOTAL:	<input type="text" value="3,202,552.00"/>
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? <input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text" value=""/> <input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review. <input checked="" type="checkbox"/> c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", provide explanation and attach <input type="text"/> <input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>	
21. "By signing this application, I certify (1) to the statements contained in the list of certifications" and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances" and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 28, Section 1005) <input checked="" type="checkbox"/> I AGREE <small>* The list of certifications and assurances, or an internet site where you may obtain the list is contained in the announcement or agency specific instructions.</small>	
Authorized Representative:	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="Blanco"/>
Middle Name: <input type="text" value="P."/>	
* Last Name: <input type="text" value="Bernandez-Gonzalez"/>	
Suffix: <input type="text" value=""/>	
* Title: <input type="text" value="PR Housing Finance Authority, Mayor, P.R."/>	
* Telephone Number: <input type="text" value="787-946-0345"/>	* Fax Number: <input type="text" value=""/>
* Email: <input type="text" value="blanco.fernandez@pr.gov"/>	
* Signature of Authorized Representative: <input type="text" value="Blanco Fernandez"/>	* Date Signed: <input type="text" value="07/08/2021"/>

# ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0008  
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1581-1583, and 1585-1586), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-516), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.


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11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-645) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a-1 to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(e) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11890; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 173(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to precluding components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133 "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
 Dennis M. Hunsicker	Executive Director
APPLICANT ORGANIZATION	DATE SUBMITTED
EE-Boating Finance Authority	07/06/2021

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Government of Puerto Rico  
Puerto Rico Planning Board  
PO Box 41119, Minillas Station  
San Juan, PR 00940-1119

### ACKNOWLEDGEMENT OF RECEIPT

The Puerto Rico Planning Board, designated as the Single Point of Contact (SPOC) by Executive Order 12372 and Administrative Bulletin 4184 as amended, has received for review and comments the following:

- |  |   |
|--|---|
| <input type="checkbox"/> Notice of intent or pre-application | <input checked="" type="checkbox"/> Application |
| <input type="checkbox"/> State Plan                          | <input type="checkbox"/> Block Grant            |
| <input type="checkbox"/> Other                               |   |

Title of Project: Increase and preserve affordable, safe and hygienic housing for families with extremely low income and very low income

CFDA Number: 14.275

Applicant: Puerto Rico Housing Finance Authority

The State Application Identifier (SAI) number assigned is:

**PR (G) 21-98-0511-273-S**

The SAI number must be incorporated in Item 7 of Standard Form (SF-424) in the application submitted to the Federal Agency, and in any subsequent document that relates to this proposal.

Applicant is reminded to inform SPOC of approval or denial of federal assistance 5 days after formal notification.

Date: May11, 2021

By: Roberto Gonzalez-Navarro (signed)  
Office of Federal Affairs



## STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

**Affirmatively Further Fair Housing** – The State will affirmatively further fair housing.

**Uniform Relocation Act and Anti-displacement and Relocation Plan** – It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

**Anti-Lobbying** – To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-113, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

**Authority of State** – The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

**Consistency with plan** – The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the State's consolidated plan.

**Section 3** – It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701a) and implementing regulations at 24 CFR Part 75.

  
\_\_\_\_\_  
Signature of Authorized Official

August 13, 2021  
\_\_\_\_\_  
Date

Governor  
\_\_\_\_\_  
Title

#### **Specific Community Development Block Grant Certifications**

The State certifies that:

**Citizen Participation** -- It is following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

#### **Consultation with Local Governments --**

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

**Local Needs Identification** -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

**Community Development Plan** -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

**Use of Funds** -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
2. **Overall Benefit.** In the aggregate, not less than 70 percent of the CDBG funds, including Section 108 guaranteed loans, received by the State during the following fiscal year(s) 2021; 2022; 2023 [a period designated by the State of one, two, or three specific consecutive fiscal year(s)] will be used for activities that benefit persons of low and moderate income.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG Funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.


In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

**Excessive Force** — It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

**Compliance with Anti-discrimination laws** — The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

**Compliance with Laws** — It will comply with applicable laws.

  
\_\_\_\_\_  
Signature of Authorized Official

August 13, 2021  
\_\_\_\_\_  
Date

Governor  
\_\_\_\_\_  
Title

**Specific HOME Certifications**

The State certifies that:

**Tenant Based Rental Assistance** -- If it plans to use HOME funds for tenant-based rental assistance, tenant-based rental assistance is an essential element of the State's consolidated plan.

**Eligible Activities and Costs** -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR §92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

**Subsidy Layering** -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance that is necessary to provide affordable housing.

  
\_\_\_\_\_  
Signature of Authorized Official

August 13, 2021  
\_\_\_\_\_  
Date

Governor  
\_\_\_\_\_  
Title

### **Emergency Solutions Grant Certifications**

Each State that seeks funding under the Emergency Solutions Grants Program must provide the following certifications:

**Matching Funds** – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2).

**Discharge Policy** – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

**Confidentiality** – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

**Major rehabilitation/conversion/renovation** – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 5 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

**Essential Services and Operating Costs** – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

**Renovation** – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

**Supportive Services** – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

**Homeless Persons Involvement**—To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

**Consolidated Plan**—All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD approved consolidated plan.

  
\_\_\_\_\_  
Signature of Authorized Official

August 13, 2021  
\_\_\_\_\_  
Date

Governor  
\_\_\_\_\_  
Title



**Housing Opportunities for Persons With AIDS Certifications**

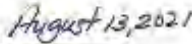
The State HOPWA grantee certifies that:


**Activities** – Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** – Any building or structure assisted under the program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years, in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance;
2. For a period of not less than 3 years, in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

  
\_\_\_\_\_  
Signature of Authorized Official

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Title

## APPENDIX TO CERTIFICATIONS

### INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

#### **Lobbying Certification**

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.