

STATE CONSOLIDATED PLAN 2015-2019 ACTION PLAN 2016



COMMONWEALTH OF PUERTO RICO

Office Of The Commissioner Of Municipal Affairs
Puerto Rico Department of Health
Puerto Rico Department of the Family
Puerto Rico Housing Finance Authority

April 12, 2016

DRAFT FOR PUBLIC COMMENTS

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan

Autorizado por la Comisión Estatal de Elecciones
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Executive Summary

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

1. Introduction

The Annual Action Plan of the Commonwealth of Puerto Rico is the housing and community development plan required by the United States Department of Housing and Urban Development (HUD) to guide the distribution of its annual Community Planning and Development (CPD) formula grant funds.

HUD resources addressed by the Annual Action Plan include the state's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs.

The Office of the Commissioner of Municipal Affairs, created by Act No. 81-1991, as amended, is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico to oversee the development of the consolidated plan and its related processes. The OCMA also administers the Community Development Block Grant Program (CDBG) for non-entitlement municipalities. Other agencies currently responsible for the administration of Programs are:

- The Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG);
- The Puerto Rico Department of Health, which administers the Housing Opportunities for Persons with AIDS Program (HOPWA) in conjunction with the Municipality of San Juan; and
- The Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME).

The *Annual Action Plan* addresses the community needs of the State Jurisdiction in the context of the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended. Based on the needs assessment, which required the undertaking of a research and consultation process, the State developed the set of goals, strategies and activities to be undertaken during Program Year 2016.

2. Summarize the objectives and outcomes identified in the Plan

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

Provide Decent Housing

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

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 (on a single year basis) in the following table:

Table 1: Goal Summary Information Per Year

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2015	2019	Homeless		Homelessness Prevention	ESG: \$2,260,083	Homelessness Prevention: 4,600 Persons Assisted
2	Provide Decent Housing (B)	2015	2019	Homeless		Homelessness Prevention	ESG: \$1,170,846	Tenant-based rental assistance / Rapid Rehousing: 1,880 Households Assisted
3	Provide Decent Housing (C)	2015	2019	Affordable Housing Non-Homeless Special Needs		Housing	HOPWA: \$1,320,012.05	Tenant-based rental assistance / Rapid Rehousing: 115 Households Assisted HIV/AIDS Housing Operations: 135 Household Housing Unit
4	Create Suitable Living Environments	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG: \$2,526,240	Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Environments (B)	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem	CDBG: \$13,797,156	Other: 200000 Other
6	Provide Decent Housing (D)	2015	2019	Affordable Housing		Housing	CDBG: \$2,066,362	Homeowner Housing Rehabilitated: 730 Household Housing Unit
7	Expand Economic Opportunity	2015	2019	Economic development		Non-housing Community Development- Economic Develo	CDBG: \$1,145,666	Jobs created/retained: 12 Jobs Businesses assisted: 12 Businesses Assisted
8	Provide Decent Housing (E)	2015	2019	Affordable Housing		Housing	CDBG: \$170,035	Homeowner Housing Added: 50 Household Housing Unit
9	Create Suitable Living Environments (C)	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public improvem	CDBG: \$291,489	Other: 300 Other
10	Provide Decent Housing (F)	2015	2019	Affordable Housing		Housing	HOME: \$892,613	Homeowner Housing Added: 25 Household Housing Unit
11	Provide Decent Housing (G)	2015	2019	Affordable Housing		Housing	HOME: \$5,801,987	Rental units constructed: 500 Household Housing Unit
12	Provide Decent Housing (H)	2015	2019	Affordable Housing		Housing	HOME: \$1,338,920	Rental units constructed: 120 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	Supportive Servs. to Special Populations & Homeless	2015	2019	Non-Homeless Special Needs		Special Population - Elderly Special Population- Abused Women Special Population- Disability Special Population- HIV AIDS Special Population- Substance Abusers Special Population- Public Housing Homeless	HOPWA: \$343,609.23	Public service activities other than Low/Moderate Income Housing Benefit: 310 Persons Assisted

The rationale of the goals and activities of the plan was based on the results of the needs assessment from the 5 year Consolidated Planning Process, and updated information which in general, found the following:

1. During the past years, the local economy has been facing economic development challenges that have caused an historical downturn of the Island's economy and its demographic characteristics. This situation has increased the needs to foster economic development opportunities.
2. The number of households dropped 2% relative to 2000, from 1,261,816 in 2000 to 1,230,868 in 2013.
3. The number of vacant housing is currently high and continues to rise. Property values are decreasing, but housing affordability remains a challenging housing issue.
4. Mortgage delinquency rates and foreclosures are still high, which reflects the fragile financial situation of consumers. Also, the current economic situation increases the risk of homelessness.
5. The greatest need is among low and moderate income households that live in substandard housing followed by cost burden housing problems. As much as 332,445 households with incomes below 100 AMI are considered to have one or more housing problems, of which 90% or close to 300,000 are low and moderate income households. Among these, 175,750 were owners and 123,000 were renters.
6. Over the past years, Puerto Rico has experienced a demographic transformation. The elderly population, those 65+, has experience a consistent increase, when compared to other groups of the population.
7. Elderly households living alone are those who are more vulnerable given that more than 172,000 have independent living difficulties, of which 33%, or approximately 57,000, are estimated to be low and moderate income households.
8. During the most recent Point in Time Survey conducted in the Island (2015), a total of 4,518 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 3,783 households, out of which 5% were households with at least one adult and one child. In those households without children the majority of persons are over 24 years old (95%), while in the case of households with at least one child, the majority of the household members are under age 18 (54.8%). The majority of the persons interviewed or 62% are chronically homeless, while 38% has a drug use problem. Over on third of persons counted, (35%) were severely mentally ill, 20% have been victims of abuse by a family member or partner, and 7% are affected by HIV/AIDS.
9. Historic data for CoC 502, also shows how the population of chronic homeless, along with victims of abuse (which are mostly women), and persons with mental illness, make up the majority of homeless subpopulations. These facts points out to the need of housing, but

also of supportive services, such as counseling and mental health services, to address the special needs of these groups.

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. Gender violence constitutes one of the serious and most complex problems that affects Puerto Rican society. As the Prologue to Law 54 for the Prevention and Intervention with 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 (2012) shows a total of 11,412 cases of domestic violence.
12. According to the report published by the CDC in 2015, Puerto Rico is one of the 10 states/territories with the highest number of cumulative AIDS cases, incidence and prevalence of AIDS. The study shows that Puerto Rico was in:
 1. Fifth place in prevalence of HIV infection in adults and adolescents \geq 13 years at the end of 2012 (600.2 per 100,000).
 2. Seventh place in the estimated AIDS cases within adults and adolescents \geq 13 years in 2013 (14.2 per 100,000 population) incidence rate.
 3. Tenth place as one of the areas with the highest number of cumulative cases of AIDS at the end of 2013.
 4. Eighth place in the estimated number of new diagnoses of HIV infection overall in 2013 (21.1 per 100,000 population) rate.
 5. Eighth place in the estimated number of new diagnoses of HIV infection in adults and adolescents \geq 13 years in 2013 (24.9 per 100,000) rate.
13. As of December 2013, over 19,000 persons are living with HIV in the Island. Out of these cases, 25,194 persons died. Individuals living with HIV/AIDS and their families present a series of needs related to housing and complimentary services. According to the Study of the Needs for Prevention and Treatment of HIV and STIs in Puerto, 11% of the persons living with HIV that participated in the survey were homeless.
14. 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.
15. 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.

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

3. Evaluation of past performance

The Commonwealth of Puerto Rico conducts an annual Evaluation and Performance Report. This report summarizes the allocations, actions, activities and performance measures of HUD’s CDBG, ESG, HOPWA and HOME grants. The report is developed each year after grantees complete their self-evaluations. The most recent report incorporates the accomplishments of PY 2014. The actual data for PY 2015 will be published in the following months, however the past reports contain cumulative data since the development of the 5 year Consolidated Plan (2010-2014).

The following table presents all the goals and outcomes achieved during Program Year 2014 related to the Consolidated Plan 2010-2014.

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
DH-2 AFFORDABILITY OF DECENT HOUSING						
DH-2.1	Down payment and closing assistance for acquisition and existing housing for low income homeownership. MC# 13	Direct financial assistance to homebuyers.	2010	50	51	102%
			2011	50	41	82%
			2012	75	14	19%
			2013	75	23	31%
			2014	100	15	15%
		MULTI-YEAR GOAL			350	144
DH-2.2	Homeowner rehabilitation of housing units from substandard conditions. MC# 14	Owner occupied units rehabilitated.	2010	500	802	155%
			2011	550	1,293	235%
			2012	600	2,051	342%
			2013	650	759	117%
			2014	700	843	120%
		MULTI-YEAR GOAL			3,000	5,719
EO-1 AVAILABILITY/ACCESSIBILITY OF ECONOMIC OPPORTUNITY						
EO-1.2		People	2010	15	0	0%

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	Low/mod limited clientele Microenterprise development MC# 18C		2011	20	0	0%
			2012	25	0	0%
			2013	30	0	0%
			2014	35	18	51%
			MULTI-YEAR GOAL			125
SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT						
SL-1.1	Senior citizen assisted. MN #05A	People	2010	1,250	2,377	190%
			2011	1,500	1,867	124%
			2012	1,750	1,946	111%
			2013	2,000	1,636	81%
			2014	2,250	1,147	51%
			MULTI-YEAR GOAL			8,750
SL-1.2	Youth services assisted. MC# 05D	People	2010	1,500	1,077	72%
			2011	1,750	1,355	77%
			2012	2,000	1,558	78%
			2013	2,250	1,039	46%
			2014	4,500	1,043	23%
			MULTI-YEAR GOAL			10,000
SL-1.3	Persons assisted with health services. MC# 05M	People	2010	250	507	203%
			2011	500	1,305	261%
			2012	750	1,169	156%
			2013	1,000	632	63%
			2014	1,250	584	47%
			MULTI-YEAR GOAL			3,750
SL-1.4	Persons for which access to new or improved senior centers were	People	2010	250	922	369%
			2011	500	187	37%

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	provided. MC# 03A		2012	750	0	0%
			2013	1,000	0	0%
			2014	1,250	0	0%
		MULTI-YEAR GOAL		3,750	1,109	30%
SL-3 SUSTAINABILITY OF SUITABLE LIVING ENVIRONMENT						
SL-3.1	Persons for which access to acquisition of real property were provided. MC# 01	Public Facilities	2010	15,000	0	0%
			2011	15,000	0	0%
			2012	15,000	0	0%
			2013	15,000	0	0%
			2014	15,000	0	0%
			MULTI-YEAR GOAL		75,000	0
SL-3.2	Persons assisted with general public services. MC# 05	Public Services	2010	1,000	393	39%
			2011	2,000	806	40%
			2012	3,000	128	4%
			2013	4,000	316	8%
			2014	5,000	350	7%
			MULTI-YEAR GOAL		15,000	1,993
SL-3.3	Persons assisted with crime awareness services. MC# 05I	People	2010	15,000	47,229	315%
			2011	20,000	16,128	81%
			2012	25,000	27,399	110%
			2013	30,000	0	0%
			2014	35,000	10,982	31%
			MULTI-YEAR GOAL		125,000	101,738
SL-3.4	Persons for which access to a new or improved public facilities were provided. MC# 03	People	2010	35,000	226,003	646%
			2011	40,000	31,970	80%
			2012	45,000	28,849	64%

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
			2013	50,000	836	2%
			2014	55,000	2,809	5%
		MULTI-YEAR GOAL		225,000	290,467	129%
SL-3.5	Persons for which access to improvements were provided. MC# 03	People	2010	35,000	25,040	72%
			2011	40,000	5,666	14%
			2012	45,000	3,297	0%
			2013	50,000	0	0%
			2014	55,000	360	1%
			MULTI-YEAR GOAL		225,000	34,363
SL-3.6	Persons for which access to a new or improved neighborhood facilities were provided. MC# 03E	Public Facilities	2010	16,000	17,211	108%
			2011	17,000	2,617	15%
			2012	18,000	3,273	18%
			2013	19,000	5,450	29%
			2014	20,000	6,157	31%
			MULTI-YEAR GOAL		90,000	34,708
SL-3.7	Persons for which access to a new or improved parks and recreational facilities were provided. MC# 03F	Public Facilities	2010	125,000	277,433	222%
			2011	150,000	109,145	73%
			2012	175,000	57,432	33%
			2013	200,000	36,314	18%
			2014	225,000	51,985	23%
			MULTI-YEAR GOAL		875,000	532,309
SL-3.8	Persons for which access to new or improved parking facilities were provided. MC# 03G	Public Facilities	2010	5,000	12,629	253%
			2011	5,000	11,750	235%
			2012	5,000	0	0%
			2013	5,000	0	0%
			2014	5,000	0	0%

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
		MULTI-YEAR GOAL		25,000	24,379	98%
SL-3.9	Persons for which access to new or improved solid waste were provided. MC# 03H	Public Facilities	2010	25,000	13,203	53%
			2011	25,000	0	0%
			2012	25,000	0	0%
			2013	25,000	0	0%
			2014	25,000	0	0%
		MULTI-YEAR GOAL		125,000	13,203	11%
SL-3.10	Persons for which access to new or improved flood drain facilities were provided. (MC # 03I)	People	2010	5,000	12,488	250%
			2011	6,000	0	0%
			2012	7,000	6,474	92%
			2013	8,000	2,696	34%
			2014	9,000	453	5%
		MULTI-YEAR GOAL		35,000	22,111	63%
SL-3.11	Persons for which access to new or improved water/sewer facilities were provided. MC# 03J	People	2010	5,000	11,596	232%
			2011	6,000	9,533	159%
			2012	7,000	0	0%
			2013	8,000	9,230	115%
			2014	9,000	375	4%
		MULTI-YEAR GOAL		35,000	30,734	88%
SL-3.12	Persons for which access to new or improved street facilities were provided. (MC # 03K)	People	2010	300,000	420,204	140%
			2011	325,000	182,271	56%
			2012	350,000	198,696	57%
			2013	375,000	140,243	37%
			2014	400,000	170,599	43%
		MULTI-YEAR GOAL		1,750,000	1,103,615	63%
SL-3.13		People	2010	5,000	5,394	108%

Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	Persons for which access to new or improved sidewalks facilities were provided. MC# 03L		2011	6,000	8,187	136%
			2012	7,000	5,159	74%
			2013	8,000	14,377	180%
			2014	9,000	10,439	116%
			MULTI-YEAR GOAL		35,000	43,556

Overall, programs with the biggest share of CPD funds, (with the exception of HOPWA and ESG) have experience a reduction in their funding allocations. Such reductions have caused budget cuts in the actual delivery of program activities. This factor has caused a deviation from the previously established goals which did not foresee such reductions.

For the past four years the CDBG program has suffered from a reduction in the total funding allocation. The magnitude of such reductions have varied, the most recent being close to 3% from the previous year allocation. This scenario is also reflected in the program outcomes which have decreased when compared to the projected outcomes at the beginning of the 5 year period. To cope with such changes the local communities have adapted the scope of their projects, yet deeper budget cuts have caused a substantial modification in the program structure. For instance, in 2014 the Government of the Commonwealth of Puerto Rico enacted a new law which prescribed a particular method of distribution for the CDBG program. The new method allows for a more flexible distribution of funds, ultimately allowing municipalities a wider range of CDBG activities, so that actions are most suited to the needs of each particular community. During the past four years, the program has enacted several changes in their local guidelines to improve performance and compliance.

The execution of CDBG activities has been concentrated in the areas of public services for the elderly, public infrastructure of roadways and sidewalks, and housing activities. With a set of amendments, a new set of economic development funds have been put in place.

The HOME program has provided projects concentrated in rental activities, homeowner assistance, and housing rehabilitation. Even though the program was initially administered by the Puerto Rico Housing Department, the set of activities have kept similar goals and objectives.

During the last five years HOPWA funds have been used to provide services to the population in need. HOPWA funds were allocated to the Municipality of San Juan (sponsor) who completes the distribution to other sub recipients. Funds support TBRA programs, Short-term rent, mortgage and utilities assistance, supportive services and transitional housing. In terms of outcomes, funds are usually allocated between 22 entities which include municipalities and nonprofit organizations. During PY 2014 Close to 1,297

families received assistance through the program, the biggest share of participants benefited from supportive services of housing assistance.

The ESG program serves the homeless population throughout the Puerto Rico. During PY 2014 it provided resources for 124 projects in 74 non-profit and faith based organizations and 50 municipalities. A total of 5,808 homeless persons or at risk of becoming homeless benefited during PY 2014.

Even though several efforts have been designed to assist the homeless population, due to socioeconomic conditions, the homelessness has increased. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population. It is important to highlight, that – although an increase of the unsheltered homeless population is observed - this number is probably underestimated. The homeless count is a snapshot in time of the population facing a problem of homelessness. While the goal is to try to count all homeless persons, the mobility and the characteristics of this population limits this task. Also, there are other external circumstances that make it impossible to reach the entire population, including - for example - safety considerations. Therefore the Homeless Count should not be seen as a census.

Historic data from CoC 502, also shows how the population of chronic homeless, along with victims of domestic violence (which are mostly women), and persons with mental illness, make up the majority of homeless subpopulations. This facts points out to the need of housing, but also of supportive services to address the special needs of these groups.

4. Summary of Citizen Participation Process and consultation process

The methods and strategies implemented in order to broaden public involvement included the following:

Mailing database - At the beginning of the project, agencies were asked for contact information of nonprofit organizations, municipalities, and other interest groups. A data bank of organizations, municipalities, and citizens was developed; and periodic communications to encourage public involvement were sent via email.

Public Hearing –The Lead Agency, the Office of the Commissioner of Municipal Affairs (OCMA), published an invitation to the public hearing in a major newspaper (Primera Hora) on February 17, 2016. The hearing was held at 9:00am on March 4, 2016 in the Department of the Family.

109 persons attended the meeting, representing organizations from the private and non-profit sectors, public agencies, municipal agencies, and the general population.

Access to information and publishing of the Consolidated Plan– The Five-Year Consolidated Plan and the Action Plan became available to the general public on April 12, 2016. A notice was published in the newspaper Primera Hora.

Focus groups with representatives of the CoCs and other community leaders, conducted on April 6 2016. A total of 6 focus groups were conducted

Social media, notifications and information of the public hearing through Tweeter.

5. Summary of public comments

Comments received during the public hearing are included in a following section. Comments regarding the draft of the plan will be included after public comment period.

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

To be included after public comment period.

7. Summary

The Annual Action Plan for 2016 for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) addresses the most urgent needs of the local community. The consultation and citizen participation processes, along with the needs assessment, support the Commonwealth's set of goals, strategies and activities as means to achieve the goals of Title I of the Housing and Community Development Act of 1974 to provide decent housing, create a suitable living environment and expand economic activity.

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
Lead Agency and grantee of CDBG Funds	PUERTO RICO	Office of the Commissioner of Municipal Affairs (OCMA)
Grantee of ESG Funds	PUERTO RICO	Puerto Rico Department of Family (PRDF)
Grantee of HOPWA Funds	PUERTO RICO	Puerto Rico Department of Health (PRDOH)
Administers HOPWA Funds in conjunction with the PRDOH	PUERTO RICO	Municipality of San Juan (MSJ)
Grantee of HOME Funds	PUERTO RICO	Puerto Rico Housing Finance Authority (PRHFA)

Table 1 – Responsible Agencies

Narrative

The Office of the Commissioner of Municipal Affairs created by Act No. 81-1991, as amended, is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico to oversee the development of the consolidated plan and its related processes. The OCMA also administers the Community Development Block Grant Program (CBDG) for non-entitled municipalities.

Other agencies currently responsible for the administration of Programs are:

- The Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG);
- The Puerto Rico Department of Health, which administers the Housing Opportunities for Persons with AIDS Program (HOPWA) in conjunction with the Municipality of San Juan; and
- The Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME).

Action Plan Public Contact Information

In compliance with the provisions of Section 91.115 of Title 24 of the Code of Federal Regulations and under Part I of the Law of Housing and Community Development of 1974, as amended, copies of the State Annual Action Plan 2016 will be available from the date of its publication (April 12, 2016), for review and submitting comments in the Internet at <http://www.ocam.gobierno.pr> during working hours in the following locations:

Office of the Commissioner of Municipal Affairs (CDBG Program), Federal Programs Division, Edificio MCS Plaza, Sexto Piso, Avenida Ponce de León #255, Hato Rey, Puerto Rico,

Puerto Rico Housing Finance Authority (Programa HOME), Edificio Juan C. Cordero, Avenida Barbosa #606, Río Piedras, Puerto Rico.

Puerto Rico Department of Family (Planning Division), Edificio Lila Mayoral Ave. Barbosa #306, Piso 5, Hato Rey, Puerto Rico.

Puerto Rico Department of Health (HOPWA), Calle Periferal #1, Frente a Hospital de Psiquiatría, Centro Médico San Juan, Puerto Rico.

Office of Federal Programs of the 51 non-entitlement municipalities.

Comments to the plan should be addressed to:

Federal Programs Division
Office of the Commissioner of Municipal Affairs
PO Box 70167
San Juan, Puerto Rico 00936-8167

Questions regarding consolidated planning may be addressed to:

Ms. Tomasita Rosado
Deputy of Federal Programs
Office of the Commissioner of Municipal Affairs
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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The Puerto Rico Consolidated Plan 2015-2019 and the Annual Action Plan 2015 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 Opportunities of Persons with Aids (HOPWA) and Emergency Solutions Grant (ESG).

The Consolidated 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 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.

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

In fulfilling its primary role as lead agency, the Office of the Commissioner of Municipal Affairs established direction and supervised the processes of organization and data collection and processing for the Action Plan. OCMA also acted as a liaison in the coordination and preparation of the Plan through an Interagency Committee. This committee was composed of representatives from the PRDF, the PRDOH; the PRHFA and the MSJ. The Interagency Committee established priorities and set target dates to address each stage of the Consolidated Plan process. Each agency helped in the process of gathering information from secondary sources, official statistics and contact to other public entities, community leaders and NPOs.

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 holds periodic meetings with the Continuums of Care. Also, they are working together to maintain veterans functional at zero in order to prevent and eradicate

the situation of homeless veterans. Also the Department is actively participating of the coordinated assessment system committee where different strategies are currently being developed to prevent and eradicate the situation of homeless youth and families with children, as well as families and youth at risk of homelessness. Correspondingly, organizations will be required to participate in the processes related to the implementation of the coordinated assistance entry system.

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

In compliance with the Emergency Solutions Grants (ESG) program Interim Rule, published December 5, 2011, the Department of the Family conducted focus groups with members of Puerto Rico's Continuums of Care. The working sessions were held on April 6, 2016. A total of six focus groups were conducted. Forty one (41) service providers participated, including representatives of community based organizations and government entities. During the focus groups, the following topics were discussed:

1. Allocation of resources in terms of services, populations and needs
2. Performance measurement standards
3. Funding, policies, and procedures for operating and administering any Homeless Management Information System (HMIS)

Some of the most relevant findings of the focus groups include the following¹:

- Participants agreed that homelessness demographic profile has changed over the past five years, deepening the complexity of the problem. These changes include an increase of the total number of homeless persons, particularly in these groups: women and families, youth, LGBTT, and people with mental health illnesses.
- Also, the participants indicated the following housing access barriers, which limits the access to emergency and prevention services:
 - a. Drug tests required
 - b. Bureaucracy and excessive paperwork required by service providers, particularly for outreach efforts

¹ Detailed results of the focus groups are included as an attachment.

- c. Criminal record presents an obstacle for a homeless person to find employment and housing
 - d. Limited access to health services due to lack of insurance
 - e. Gender and sexual orientation barriers, mostly for LGBTT in faith based organizations
 - f. No shelters for homeless women, thus they are exposed to risks such as human trafficking, sexual violence.
 - g. There is a need for child care facilities for the homeless.
 - h. Limitations for women veterans if they have psychological problems or psychiatric diagnosis because there is no trained personnel to managed these cases.
- As part of the requirements of the consultation, participants validated the criteria proposed by the Department of Family to evaluate the extension of contracts. They also had the opportunity to participate in an open conversation regarding the different criteria and to evaluate on an individual basis its ranking The results of these exercises is summarized in the following table:

Criteria	Sum of total points awarded by participants (the lower the sum, the higher the priority)*	Ranking
Number of persons served	70	1
Performance measures	105	2
Percent of expenditures	115	3
Compliance with matching of funds	163	4
Monitoring reports	196	5
Bonus		
The entity closed the last grant, including	19	1
When referred to, the entity ahandles cases of the Department of Family (Secretariat)	44	2
The entity handled cases of all components	75	3

Based on the responses of 41 participants.

based on a scale in which 1 was the highest level of priority.

- In terms of performance measurements, the following table presents a summary of the recommended percentages or standards provided by the participants of the focus groups.

	Average	Median
OUTREACH		
Number of people receiving services	77%	90%
Number of people who left the program	11%	10%
Percentage of people who committed (engaged) to receive services	59%	60%
Percentage of people who fulfilled their service plan	61%	75%
Percentage of people who increased their income from any source	25%	20%
Percentage of people located in emergency shelter	52%	45%
Percentage of people located in temporary shelter	46%	40%
Percentage of people placed in permanent housing	33%	35%
EMERGENCY SHELTER		
Number of people who entered emergency shelter	38%	30%
Number of people who left the program	42%	40%
Percentage of people who fulfilled their service plan	57%	65%
Percentage of people who increased their income from any source	36%	28%
Percentage of people who entered transitional housing	31%	25%
Percentage of people who stayed in the shelter for less than three months	30%	25%
Percentage of people who stayed in the shelter for more than three months	32%	25%
Percentage of people placed in permanent housing	34%	20%
PREVENTION		
Number of people receiving prevention services.	63%	75%
Number of people who left the program	52%	50%
Number of people receiving economic assistance	53%	40%
Percentage of people who received housing relocation services and stabilization services during the service period	45%	50%
Percentage of people who met their service plan	58%	70%
Percentage of people who increased their income from any source	41%	30%
Percentage of people placed in permanent housing	48%	55%
RAPID RE- HOUSING		
Number of people receiving RRH services.	58%	70%
Number of people who left the program	28%	5%
Number of people receiving economic assistance	30%	20%
Percentage of people who received housing relocation services and stabilization services during the service period	56%	75%
Percentage of people who fulfilled their service plan	74%	80%
Percentage of people who increased their income	37%	30%
Percentage of people placed in permanent housing	53%	65%

- Finally, in terms of the HMIS, besides technical recommendations, such as a Spanish version of the screens, some of the participants agreed that the CoCs should inform entities and play a more active role in managing the system.

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

Besides coordination to gather secondary data, other outreach and consultation methods were implemented in order to gather additional information about needs, and to establish contact with service agencies and entities. Efforts to consult and establish contact with these groups and agencies included: Postings at OCAM’s Web Page; Mailings and email blasts to agencies; Communication to housing related agencies; contacts through the agencies that are part of the

Interagency Committee for Consolidated Planning, and the focus groups conducted with representatives of the CoCs and other community leaders.

Likewise, two of the agencies that administer CPD funds, (OCMA and AFV), are members of the Housing Policy and Implementation Committee (HPIC). This committee was created as a result of the 2014-2018 State Plan Housing. It is made up of the following: Secretary of Housing – Chairman; Executive Director of the PRHFA; HUD Puerto Rico Office Director; The Governor’s Advisor on Housing; Executive Director of the OGPE (Office of Permits Management); President of the Puerto Rico Planning Board; Chair of the Mayors’ Association; Chair of the Mayors’ Federation; a representative of the Municipality of San Juan; The Commissioner of Municipal Affairs; and a representative of the Community Based Organizations. The HPIC’s most important objective is to prioritize action items, coordinate/oversee implementation of the State Housing Plan and support the development of a capital plan to advance affordable housing development.

Lastly, the Office of the Commissioner of Municipal Affairs has conducted a series of meetings with representatives of public agencies, NPOs and the private sector, for the purpose of developing and establish liaisons for the Center of Social Innovation (CSI). The CSI is an initiative focused on addressing the recommendations of capacity building included in the Report of the President’s Task Force on Puerto Rico’s Status and the State Housing Plan.

Table 2 – Agencies, groups, organizations who participated

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

Does not apply.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Puerto Rico State Housing Plan, 2014-2018	Department of Housing	<p>The State Housing Plan covers aspects closely related to consolidated planning processes. It lays out the need for affordable housing for the working population, single parent families, young adults, the elderly and for populations with special needs, such as the homeless.</p> <p>The Plan emphasizes the need for a strong Housing Policy that integrates social services with specific housing initiatives. Likewise, as is the intention of the Consolidated Planning processes, it brings together the activities of major stakeholders dealing with housing issues, creating the means for coordinating the diverse services required for housing and integrated community development.</p>

Table 3 - Other local / regional / federal planning efforts

Narrative

The OCMA is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico. Its responsibilities associated with the Consolidated Plan are coordinated by OCMA's Office of Federal Affairs. The main component of the institutional structure consists of OCAM, the Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG); the Puerto Rico Department of Health, which administers the Housing Opportunities for Persons with AIDS Program (HOPWA) in conjunction with the Municipality of San Juan; and the Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME).

Other institutions are also important stakeholders in executing State policies for housing, urban, and economic development. These include: the Puerto Rico Department of Housing, the Puerto Rico Planning Board, the Puerto Rico Regulations and Permits Administration, the Puerto Rico Department of Labor and Human Resources, and the Puerto Rico Government Development Bank.

In addition, private and non-private institutions play a vital role in addressing housing and community development needs.

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 methods and strategies implemented in order to broaden public involvement are described in the following paragraphs.

Mailing database - At the beginning of the project, agencies were asked for contact information of nonprofit organizations, municipalities, and other interest groups. A data bank of organizations, municipalities, and citizens was developed; and periodic communications to encourage public involvement were sent via email.

Public Hearing –The Lead Agency, the Office of the Commissioner of Municipal Affairs (OCMA), published an invitation to the public hearing in a major newspaper (Primera Hora) on February 17, 2016.

The hearing was held at 9:00am on March 4, 2016 in the Department of the Family. 109 persons attended the meeting, representing organizations from the private and non-profit sectors, public agencies, municipal agencies, and the general population.

The hearing objective was to provide an opportunity for citizens, municipalities, NPOs and private and public agencies to share their opinions and perceptions about current housing and community development needs. A description of all programs was also provided, as well as a summary of the needs and proposed strategies identified up to that point. Each agency provided

an initial approach to the activities and needs they planned to address in the Action Plan. Sign Language and services for persons with other disabilities were also available.

A total of 3 participants commented during the hearing, 1 of which presented written comments. After the meeting, citizens and municipalities could provide additional written comments for a period of 30 days (until April 5, 2016). No additional comments were received during this period.

Access to information and publishing of the Consolidated Plan– The Five-Year Consolidated Plan and the Action Plan became available to the general public on April 12, 2016. A notice was published in the newspaper Primera Hora.

Focus groups with representatives of the CoCs and other community leaders, conducted on April 6 2016. A total of 6 focus groups were conducted

Social media, notifications and information of the public hearing through Tweeter.

Citizen Participation Outreach

Table 4 – 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	Other: Public Hearing	Other: NPOs, Public Agencies, Municipalities, general public	113	See attached narrative	See narrative below.	www.ocam.gobierno.pr
2	Internet Outreach	Other: NPOs, Public Agencies, Municipalities, general public	N/A	N/A	N/A	www.ocam.gobierno.pr
3	Publication of Draft	Other: NPOs, Public Agencies, Municipalities, general public	N/A	N/A	N/A	www.ocam.gobierno.pr
4	Focus Groups	Other: NPOs and Municipalities, CoC representatives and other community leaders	41	See attached narrative	N/A	N/A
5	Social Media	Other: general public	# retweets and # favorites	N/A	N/A	N/A

Summary of comments during the public hearing and responses:

Belinda Hill, in representation of the COC PR-502

The participant used her turn to present to the audience what Continuum of Care PR-502 is, to highlight the importance of collaboration and joint efforts for the eradication of homelessness and to notify that the PR-502 CoC will be submitting comments on the Plan.

Response:

Appreciation for the comment was expressed and it was indicated that comments will be awaited for. In addition - the members of the CoCs will be able to participate in the process and give their views and recommendations through a series of focus groups that will be carried out by the Department Of The Family as part of the regulatory requirements of consultation with CoCs.

Marcano, Esq. Municipality of Naranjito

He congratulated the OCAM for their initiative on distance training, the Center for Social Innovation and issued a comment about the programs for donation of materials that are not included in the Action Plan. Marcano showed interest for the OCAM to reconsider including this activity, since it helps to meet the goal of spending the funds in an agile way and the funds are targeted directly to families

Response:

Commissioner Santini acknowledged the compliments for the initiative of the Center for Social Innovation and explained that the eligible activity for the purposes of CDBG is housing rehabilitation. Therefore, such activity can be conducted within the housing rehabilitation activity, but with the assistance of municipal brigades or the organization of volunteers in the community. The aim is to develop the activity of housing rehabilitation within a framework to ensure compliance.

Ms. Iris Carrasquillo, Consultant and advisor in the area of environmental and federal affairs in several municipalities.

The question of Ms. Carrasquillo was one of procedural character relating to the guidelines derived from the Super Circular (2 CFR 200). According to the consultant, several municipalities

are facing difficulties as external auditors have indicated them that effective December 2015, all their projects should be by invitation or informal auction 6 of \$150,000 or less.

Response:

Ms. Tomasita Rosado and Commissioner Santini, indicated/said that they are waiting for a query submitted to HUD to clarify that specific guideline in the case of CDBG funds. As soon as there is an answer, it will be shared with municipalities. In addition, Atty. Santini said that as part of the training activities of the Centre for Social Innovation, a workshop about the super circular will be conducted.

Expected Resources

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

Introduction

Allocation for the Puerto Rico State Program for PY 2016 sums \$38,208,565. This represents a reduction of less than 1% when compared with the 2015 PY allocation. All programs maintained a relatively similar allocation to PY 2015.

Assuming the jurisdiction receives a similar allocation during the next years, will be receiving approximately \$192,037,800 during the five year consolidated 5 year planning period.

In order to maximize available resources, these funds will be leveraged with other local and federal sources of funding.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition and Planning Economic Development Housing Public Improvements Public Services	23,621,984	0	0	23,621,984	73,624,776	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 2				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	8,926,133	0	0	8,926,133	23,878,539	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).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPW A	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,821,603	0	0	1,821,603	5,375,665	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 2				Expected Amount Available Reminder 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	3,838,845	0	0	3,838,845	12,542,695	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 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Admin and Planning Homeowner rehab Housing New construction for ownership Other	1,538,471	0	0	1,538,471	10,671,207	These funds are expected to alleviate the needs associated with the disaster, activities are targeted towards infrastructure, housing and affordable rental housing.

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 OCAM’s 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. In some instances, private donations are available to the non-entitlement municipalities for the development of municipal facilities or services.

HOME:

- I. The Authority promotes promptness, uniformity, and coherence among the agencies granting permits.
- II. Section 42 of the Internal Revenue Code:
 - a. Provides financing by selling tax credits to United Commonwealth's investors.
 - b. The product of the sale contributes to creating and preserving rental housing units.
 - c. 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.
- III. Tax Credit Program (Act No. 140 of October 4, 2001) (program currently under moratory)
 - a. Offers tax credits for investing in new construction or in substantial rehabilitation of housing units for rent to low-income families.
 - b. This increases the inventory of social interest housing in the Island.
 - c. In addition, it guarantees rent affordability for low income families.
 - d. Such credit stimulates the substantial rehabilitation of existing facilities and structures that will help renovate and repopulate the urban centers of our towns.
- IV. The local Tax Credit Program is a new \$15 million program managed by the Development and Financing Area.
- V. Interim Loans for Construction
- VI. PRHFA offers financing to construct housing projects for sale. The per unit maximum price is established in the Agency's Financing policies and in procedures approved by the Board of Directors.
- VII. The Authority will charge a fee for the interim financing of up to 1.5% of the maximum amount approved.

- VIII. 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.
- IX. The Authority will finance up to 80% of the total development cost (land, site improvement, construction costs, and soft costs).
- X. Direct Loans
 - a. To purchase primary residence up to \$150,000.
- XI. Act No. 87
 - a. Mortgage insurance disbursed by Mortgage Banks.
 - b. New Market Tax Credits
 - c. 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.
- XII. Subsidy Contracts Administration
 - a. 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.
 - b. 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.
 - c. Loans for Multifamily Rental Housing
 - d. The Authority provides interim and permanent financing for the development of rental housing projects.

XIII. Private Sources

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

HOPWA:

The PRDOH receives federal funds from the Ryan White Programs State Part B and Part C. These programs fund a vast array of services to the HIV/AIDS population in Puerto Rico, providing complementary services to all HIV patients in the Island.

During PY 2014, the HOPWA sub-recipients provided over \$3.5 Million in leverage to support the eligible activities. We expect that the same level of assistance will be available during PY 2015 and 2016. The following table shows the expected level of leverage for next program year:

[1] Source of Leveraging	[2] Amount of Leveraged Funds	[3] Type of Contribution
Public Funding		
Ryan White-Housing Assistance		
Ryan White-Other	\$987,407	Case management
Ryan White-Other		
Housing Choice Voucher Program	\$17,820	Housing Assistance
Low Income Housing Tax Credit		
HOME		
Shelter Plus Care		
Emergency Solutions Grant	\$16,600	Operational expenses
Other Public: Supporting Housing Program	\$88,635	Housing assistance
Other Public: HUD Safe Heaven		
Other Public: Fondos Legislativos		

Other Public: Puerto Rico Law 52		
Other Public: State Department of the Family		
Other Public: HUD-Housing		
Other Public: Fondos Legislativos		
Private Funding		
Grants	\$135,933	Operational expenses
In-kind Resources	\$275,848	Operational expenses
In-kind Resources		
Other Funding		
Grantee/Project Sponsor/Subrecipient (Agency) Cash		
Resident Rent Payments by Client to Private Landlord		
TOTAL (Sum of all Rows)	\$1,522,243	

ESG

These funds will finance services such as Nutritional Assistance (NAP), Soup Kitchen, Temporary Assistance to Needy Families (TANF), Services to the Families, Child Support, Child Care, and others. These Programs provide support services for the homeless in the transitional phase. Furthermore, the Government of Puerto Rico assigned funds to expand services and in some cases to comply with the Program’s matching fund requirements. The following table provides detailed information:

OTHER FEDERAL AND STATE RESOURCES (FY-2015- 2016)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$1,905,220,000	\$29,224,000	\$1,934,444,000	Provides supplemental income to families in need in order to address their nutritional needs.
Temporary Assistance to Needy Families (TANF)	\$ 104,094,000	\$40,740,000	\$144,834,000	Provides economic assistance to none and low income persons and families to help them fulfill basics needs.
Social and Economic Rehabilitation of the Family	\$0	\$ 4,238,000	\$4,238,000	Helps poor families become self-sufficient.

(PRES, Spanish Eponymous)				
Services to the Families and Children	\$51,734,000	\$179,673,000	\$231,407,000	Provides care and protection to children for their constructive development. Also, provide support to individuals and families who offer social work services and intervention in child adoption, abuse, domestic violence and care and protect the elderly and the disabled. Furthermore, to work in community development, emphasizing prevention.
Child Support	\$23,744,000	\$12,232,000	\$35,976,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	\$0	\$545,000	\$545,000	Ensures that people aged 60 years or more that are in need of sustenance or livelihood obtain alimony from their legally responsible direct descendants. Establishes alimony orders by the administrative procedures of mediation or court proceedings. Locates descendants whose whereabouts are unknown and require them to comply with their obligation to provide sustenance to their relatives
Child Care	\$41,422,000	\$10,230,000	\$51,652,000	To assist low- income families with child care in order to: 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.
Head Start	\$118,219,000	\$2,380,000	\$120,599,000	Head Start and Early Head Start are comprehensive child development programs that serve children from birth to age 5, as well as pregnant women and their families. They are child-focused programs that aim to improve school readiness of young children in low-income families.
Disability Determination	\$14,200,000	\$0	\$14,200,000	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$2,243,845,000	\$283,253,000	\$2,527,098,000	

* According to the State Office of Management and Budget web page.

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 Government of Puerto Rico has undertaken a Unified NOFA which provided incentives for projects located in publicly owned land. The development of the Unified NOFA involves the production of a complete database of municipal owned lands available for housing development. Municipalities will leverage publically owned land in urban areas.

Discussion

The reduction that has been observed over the years in the distribution of these and other federal funds, highlights the importance of joining efforts and improving coordination processes to maximize available resources. In the particular case of CDBG funds, the reduction, along with the recommendations of units of local governments were some of the main reasons for the change in the method of distribution of the funds.

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2015	2019	Homeless		Homelessness Prevention	ESG: \$2,260,083	Homelessness Prevention: 4,600 Persons Assisted
2	Provide Decent Housing (B)	2015	2019	Homeless		Homelessness Prevention	ESG: \$1,170,846	Tenant-based rental assistance / Rapid Rehousing: 1,880 Households Assisted
3	Provide Decent Housing (C)	2015	2019	Affordable Housing Non-Homeless Special Needs		Housing	HOPWA: \$1,320,012.05	Tenant-based rental assistance / Rapid Rehousing: 115 Households Assisted HIV/AIDS Housing Operations: 135 Household Housing Unit
4	Create Suitable Living Environments	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG: \$2,526,240	Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Environments (B)	2015	2019	Non-Housing Community Development		Non-housing Community Development-Public Facilities Non-housing Community Development-Public improvem	CDBG: \$13,797,156	Other: 200000 Other
6	Provide Decent Housing (D)	2015	2019	Affordable Housing		Housing	CDBG: \$2,066,362	Homeowner Housing Rehabilitated: 730 Household Housing Unit
7	Expand Economic Opportunity	2015	2019	Economic development		Non-housing Community Development-Economic Develo	CDBG: \$1,145,666	Jobs created/retained: 12 Jobs Businesses assisted: 12 Businesses Assisted
8	Provide Decent Housing (E)	2015	2019	Affordable Housing		Housing	CDBG: \$170,035	Homeowner Housing Added: 50 Household Housing Unit
9	Create Suitable Living Environments (C)	2015	2019	Non-Housing Community Development		Non-housing Community Development-Public improvem	CDBG: \$291,489	Other: 300 Other
10	Provide Decent Housing (F)	2015	2019	Affordable Housing		Housing	HOME: \$892,613	Homeowner Housing Added: 25 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Provide Decent Housing (G)	2015	2019	Affordable Housing		Housing	HOME: \$5,801,987	Rental units constructed: 500 Household Housing Unit
12	Provide Decent Housing (H)	2015	2019	Affordable Housing		Housing	HOME: \$1,338,920	Rental units constructed: 120 Household Housing Unit
13	Supportive Servs. to Special Populations&Homeless	2015	2019	Non-Homeless Special Needs		Special Population - Elderly Special Population- Abused Women Special Population- Disability Special Population- HIV AIDS Special Population- Substance Abusers Special Population- Public Housing Homeless	HOPWA: \$343,609.23	Public service activities other than Low/Moderate Income Housing Benefit: 310 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	Street outreach, supportive services and emergency shelter
2	Goal Name	Provide Decent Housing (B)
	Goal Description	Provide homeless prevention and rapid rehousing assistance
3	Goal Name	Provide Decent Housing (C)
	Goal Description	Provide housing assistance and supportive services to HIV population
4	Goal Name	Create Suitable Living Environments
	Goal Description	Social needs (public service)
5	Goal Name	Create Suitable Living Environments (B)
	Goal Description	Community Development (Infrastructure and public facilities)
6	Goal Name	Provide Decent Housing (D)
	Goal Description	Rehabilitation of units
7	Goal Name	Expand Economic Opportunity
	Goal Description	Economic Development
8	Goal Name	Provide Decent Housing (E)
	Goal Description	Homeownership assistance
9	Goal Name	Create Suitable Living Environments (C)
	Goal Description	Emergency relief

10	Goal Name	Provide Decent Housing (F)
	Goal Description	Down payment and closing costs assistance
11	Goal Name	Provide Decent Housing (G)
	Goal Description	Rehabilitation and production of rental housing
12	Goal Name	Provide Decent Housing (H)
	Goal Description	Rehabilitation and production of rental housing (CHDOs)

Table 7 – Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

Funding Allocation Priorities

Program	Goals		
	Provide Decent Housing	Create Suitable Living Environments	Expand Economic Opportunity
CDBG	15%	80%	5%
HOME	100%		
HOPWA	100%		
ESG	100%		

Table 8 – Funding Allocation Priorities

Reason for Allocation Priorities

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

CDBG

Rationale for the Allocation Priorities

Act Num. 137 - 2014 provides the rationale for allocating the CDBG funds. The state CDBG funds will be equally distributed among the non-entitlement municipalities, including a 15% mark-up to the municipalities of Vieques and Culebra.

All municipalities must submit an application to access the CDBG Grant. OCAM will then review the applications to verify that the activities planned by each municipality are eligible for the funds requested. If a non-eligible activity is submitted, OCAM will allow the municipality to review the application and re-submit it with other eligible activity. For a detailed description of the established limits per application see the table under the Method of Distribution section.

Due to the Socio-economic conditions in Puerto Rico OCAM has determine that adding flexibility to the CDBG program will allow local communities to target their needs more adequately. Also the planning process has showed that needs within municipalities varies greatly, hence a decentralize process in which municipalities can choose from the wide array of CDBG eligible activities is most suitable. Yet the priorities and needs outlined in the Strategic Plan will be satisfied with the method of distribution since municipalities will have the opportunity to design their program according to their local needs. Based on past experience, OCAM does not expect an extraordinary deviation from traditional infrastructure, public service and housing projects.

Based on the strategies outlined in the State Housing Plan, CDBG's Housing Rehabilitation will require the most resources since it is the main strategy to alleviate the housing problem in Puerto Rico. The Public Service and Infrastructure activities follow the natural need to maintain an aging infrastructure and an

aging population which demands specific services.

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

Allocation of funds is based in the assessment of homelessness conducted for the purpose of consolidated planning, the 2015 PIT most relevant findings and the results of the consultation conducted to CoCs. Also, priorities are set based on the goals of HUD's Strategic Plan, as well Opening Doors Strategy. The specific allocation gives priority to the following areas:

- Expansion of Outreach Services
- Emergency Shelters without restrictions that may be used as Stabilization Units (Intake 24 hours 7 days a week)
- Unrestricted Emergency Shelters (no restrictions by target group, age, hours)
- Emergency Shelter, Prevention and Rapid Re-Housing Services for the population with a mental health condition
- Shelter proposals in conjunction with Rapid Re- Housing
- Services that promote personal and economic self-sufficiency

Furthermore, the data as well as the goals set by the Federal Government, point out to the need of focusing efforts in the following populations and subpopulations: chronic homeless persons; substance abuse populations, families with children, individuals with mental health problems, persons living with HIV/AIDS, victims of domestic violence, aging population, veterans and LGBTT population.

HOPWA

The allocation of funds is based on historic trends during the past consolidated planning period, most recent epidemiologic profile for this population and input gathered in public involvement activities. Due to the complex situations that persons with HIV face, , services are aimed to provide an environment of stable and affordable housing for families who are experiencing an economic crisis as a result of complications and situations that arise in persons with HIV / AIDS. This, within a framework of services across a Continuum of Care model ("Continuum of Care"), to promote the betterment of their quality of life is in a holistic way.

Funds for HOPWA projects are awarded to eligible non-profit entities and Municipalities through a competitive funding process. All HOPWA subrecipients will be selected through a competitive process coordinated by a committee. This committee will evaluate the merit of each proposal and the need of the geographic area and population to be served. The HOPWA application and review process will ensure

that all sub recipients and their proposed activities are eligible and aligned with the housing needs and supportive services needs of people living with HIV.

As part of the proposal evaluation process, the number of HIV cases reported in the geographic area will be considered. Also, the experience providing services to this population, as well as past performance and use of funds will be evaluated. In the case of municipalities, the waiting list will also be verified as part of the evaluation process.

Priority will be given to potential sub recipients that are part of the State 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.

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

Introduction

The following sections provide an explanation of the methods of distribution that will be used with each fund.

Distribution Methods

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2016	
Assigned Budget:	\$23,621,984
Distribution by Category:	
Allocation to Municipalities	\$22,613,624.48
State Administration	\$708,659.52
Emergency Fund	\$300,000

Table 9 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2016 amounts to \$23,621,984. 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 reach 96% of the 2016 budget, equally distributing the funds among municipalities, with the exception of the islands of Vieques and Culebra, with both receiving an additional 15% above the Equal Allocation Grant. This method follows the distribution established via the enactment of local Law 137-2014. The Plan provides for a single equal allocation for municipalities and thus eliminates the competitive round from the method of distribution. Details of the Method of Distribution are presented in the table titled Use of Funds for PY 2016.</p> <p>Another federal resource available to OCAM for distributing funds among non-entitlement municipalities is the Section 108 Loan Guarantee. Under Section 108 of the Housing and Community Development Act of 1974, as amended, 24 CFR Part 540 Sub part M titled “Loan Guarantee” allows OCAM to issue a loan guarantees up to 5 times the amount of the last CDBG allocation to assist non-entitlement municipalities in the physical and economic revitalization of their communities.</p> <p>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, OCAM does not require non-entitlement municipalities to return income up to \$35,000 provided that <u>such revenue</u> is counted as miscellaneous revenue. Nonetheless, OCAM 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.</p> <p>Instructions regarding the reporting and expenditure of program income are posted at: http://www.ocam.gobierno.pr. The municipalities are required to send their program income estimates and reports through e-mail, fax, or PROFE.</p> <p>The CDBG funds described herein are allocated to assist non-entitlement municipalities in Puerto Rico in order to carry out housing and community development activities that comply with Section 105 of the Housing and Community Development Act of 1974, as amended. Each activity must meet the eligibility requirements of Section 105 of the Act, plus the national objectives, in order to benefit low and moderate income families, aid in the prevention or elimination of slums or blighted areas and address an urgent need designated as such by the Government of Puerto Rico or the Federal Government. In such a case, existing conditions would pose a serious and immediate threat to the welfare of the community, and other financial resources would not be available to meet such needs.</p> <p>Consistent with the above, each non-entitlement municipality under the State CDBG Program must be able to prove that activities financed with CDBG funds meet one of the three national objectives as described above. Furthermore, the criteria for determining whether an activity addresses one or more of these objectives are contained in 24 CFR 570.483 (b), (c) or (d).</p>
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Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Under Act 137 of 2014 the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same portion 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.

USE OF CDBG FUNDS FOR PY 2016

Use of Funds (category)	Allocation
Allocation to Municipalities	\$22,613,624.48
Emergency Fund	\$300,000.00
State Administration	\$708,659.52
Total	\$23,621,984

In order to request CDBG assistance, non-entitlement municipalities are required to send to OCAM, an application following the established procedures. The certifications detailed in this Action Plan, will be valid for such application. OCAM expects to have approximately \$300,000 available from recaptured funds, which will be distributed according to a set of criteria that will be announced to municipalities. A separate application for the Redistribution of Recaptured Funds should be submitted as well.

Allocations

Maximum allocation per municipality \$440,805.55
 Maximum allocation for Vieques and Culebra \$506,926.38

All projects submitted by the municipalities must comply with the CDBG regulatory caps of certain activities. Administration 18% and Public Service 15%. For a project of open criteria (*proyecto de libre criterio*) the municipalities could allocate a maximum of 67%.

Municipalities will have two options: 1) the option of presenting one project for \$362,526.07 (49 municipalities) or \$416,904.98 (Vieques and Culebra), which will eliminate the Public Service category. 2) Allocate a smaller amount to the Public Service category and thus, augment the allocation for the open criteria project.

REDISTRIBUTION OF RECAPTURED FUNDS

The non-entitlement municipalities are subject to OCAM’s recapture policy concerning those funds which have not been used for a period of five years or more.

In order to increase the spending rate and the timeliness use of CDBG funds, OCAM has identified and estimated a potential recapture of funds of \$243,150 belonging to Program Years 2008, 2009, 2010, 2011, 2012, 2013 and 2014. Various sources of recaptured funds include: unutilized funds associated to completed projects, ineffective programs, emergency fund projects, unused program income, non-compliant projects, or by any other justification allowed by applicable rules and procedures.

Municipalities which hold a recapture letter from OCAM due to ineligibility, not complying with a National Objective or ineligible use of funds, and have not paid back OCAM in a period of 1 year from the date of the recapture letter, will be subject to a reduction in their CDBG allocation.

Recapture funds will be made available for activities under the Emergency Fund.

Other Requirements

Processing of Fund Requisitions

To process requisitions of administrative expenses and issue such payments, the municipality must have met all the filing requirements of regulatory reports and any other reporting requirement established by the OCAM. Having submitted a report without the corresponding support documents, it is not considered a valid filing for purposes of this rule.

Act 137-2014

According to Act 137-2014 "non-entitlement" municipalities are required to receive training on issues related to this program, federal funds management and other federal and local applicable requirements as provided for by OCAM. The entity that will provide this training will be the Centre for Social Innovation of OCAM.

Section 108 Payments

Municipalities with pending payments of their Section 108 Loan Program are subject to a reduction in their CDBG allocation, up to a maximum of \$150,000 per program year. Each case will be analyzed individually.

Citizen Participation Requirements and Responsibilities for Non-Entitlement Municipalities

The non-entitlement municipalities eligible for assistance under the State CDBG Program for PY 2016, are subject to citizen participation requirements. These requirements are mandatory and include the following items:

Must have followed the Citizen Participation Plan as approved by OCAM.

Along with the application, the municipality must submit a certification stating that it has fully complied with its Citizen Participation Plan. If the Citizen Participation Plan was revised, the Municipality must include its current Plan with the application.

The municipality should celebrate two (2) public hearings; with at least ten days apart from each other.

The first public hearing will gather the housing and communities needs expressed by the community.

The second public hearing will be the municipality's response to the pressing needs of the community. In this hearing, the municipality must present a complete inventory of the housing and community development needs, by each of the CDBG eligible categories included on this plan, strategy for the compliance with national objectives, specific objectives, funding priority, and expected performance measurement.

The notice of the two (2) public hearings to be held should be published on the same public notice. **The notice should be published not less than 10 days before the date of the first hearing and the second hearing should take place no less than 10 days from the date of the first hearing.**

Therefore, activities selected and presented in both hearings must comply with Title I of the Housing and Community Development Act of 1974, as amended; and with all applicable laws and regulations concerning the State CDBG Program administered by OCAM.

As part of the application, the municipality must submit a reduced, 8.5" x 11" full page copy of the notice of public hearing, with the date of publication and newspaper name clearly visible. The municipality should address, in writing, the efforts made to foster citizen participation with such evidence presented. Thus, copy of the transcripts for both hearings must be submitted as well.

Fair Housing Certification

In order to comply with the efforts to provide fair housing in each municipality, the Mayor should send to OCAM a Statement of Actions to Affirmatively foster Fair Housing, which includes the actions taken by the non-entitlement municipality to **assure ongoing compliance** with federal fair housing laws, **as required by** 24 CFR Part 570.904. Some possible actions to affirmatively foster fair housing include:

- ☐ The development and implementation of a public information campaign that includes publicizing the municipality's counseling and referral

		<p>services, collecting and distributing fair housing literature to relevant organizations and individuals in the community, and/or performing other public relations activities designed to inform the community about this issue.</p> <ul style="list-style-type: none">☐ Organization of a fair housing committee to oversee the fair housing program and to advise about the community's housing and development programs.☐ Forming voluntary partnerships with public and private organizations, locally and/or regionally, to promote fair housing choices and affirmative marketing plans.☐ Design and perform other actions to promote fair housing.
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Proposal Requirements</p> <p>Submission of a budget breakdown is mandatory as required in OCAM’s Memorandum issued on July 6, 2001 for construction projects. For other projects under economic development, municipalities must still submit an estimated budget breakdown, which could include expected beneficiaries and detailed costs of the project.</p> <p>In determining an appropriate amount, OCAM reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ul style="list-style-type: none"> I. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation). II. 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. III. Inadequate or incomplete description of activities to be developed. IV. Past performance of the non-entitled municipality. V. Timely expenditure of funds. <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate income individuals, addressing their special needs and ensuring maximum community development. The 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p> <p>Application kits or Request for Proposals will be available on April 29th, 2016. The proposals will be submitted on or before May 31st, 2016 to OCAM via PROFE <u>only</u> (Electronic Federal Programs) no later than 4:30pm.</p> <p>Applications for the Emergency Fund may be submitted at any time during PY 2016 as long as they comply with the requirements presented in Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p>
<p>Describe how resources will be allocated among</p>	<p>Eligible Activities and National Objectives</p> <p>All CDBG eligible activities. Eligible activities under the State CDBG Program are listed in 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: benefit low and moderate income persons (24 CFR 570.483 (b)), elimination of slums and blight 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,</p>

<p>funding categories.</p>	<p>national objective and CDBG citation.</p> <p>All applications for PY 2014 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 following is a description of each CDBG category eligible to obtain funds under this plan.</p> <p>OCAM will allow non-entitlement municipalities to request funds for any of the eligible activities illustrated in the next sections, with the following limitation:</p> <ol style="list-style-type: none"> 1. Closure of sanitary landfill facility or purchase of heavy equipment to be used at the sanitary landfill, will only be allowed if the facility is in operation. <p>Community Development</p> <p>Community development activities are divided in two Mayor Categories: (1) Public Facilities and Improvements, and (2) Improvement to the Municipal Infrastructure. All Community Development projects must comply with the following requirements:</p> <ol style="list-style-type: none"> 1. Complete the forms provided in OCAM’s RFP. 2. Provide a detailed cost estimate "breakdown", according to the Information on the Circulars of July 6 and 9 of 2001 and the Informative Circular 2007-23 of November 26, 2007, related to resurfacing projects. 3. Certification of substantial control or ownership (deed or lease). 4. Certification of eligibility of the census district. 5. Detailed description of the origin and use of other funds. <p>Public Facilities and Improvements</p> <p>The non-entitlement municipalities may request CDBG funds for public facilities and improvements, including the construction or rehabilitation of:</p> <ol style="list-style-type: none"> 1. Abused and Neglected Children’s Facilities: this activity refers to the construction or rehabilitation of buildings that serve as daycare centers, treatment centers, or temporary housing for abused and neglected children. 2. Asbestos Removal: this activity refers to the removal of asbestos material or asbestos remaining in order to improve any public facility. 3. Centers for the Disabled/Handicapped: this activity refers to the construction or rehabilitation of group homes or centers for the disabled. 4. Child Care Centers/Facilities for Children: this activity refers to the construction or rehabilitation of daycare centers and Head Start pre-school centers. 5. Facilities for AIDS Patients: this activity refers to the construction or rehabilitation of buildings for treatment or temporary housing for people who are HIV positive or have AIDS. 6. Fire Station/Equipment: this activity refers to the construction or rehabilitation of fire stations, including the purchase of fire trucks, ambulances, and rescue equipment. 7. Health Facilities: this activity refers to the construction or rehabilitation of
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	<p>physical and mental health facilities.</p> <ol style="list-style-type: none"> 8. Homeless Facilities: this activity refers to the construction, conversion, renovation, or rehabilitation of shelters for the homeless and battered spouses, and including transitional housing and SROs (single room occupancy units) for the homeless. 9. Neighborhood Facilities/Community Centers: this activity refers to the construction or rehabilitation of structures that will be used for social services or for multiple purposes such as recreation, and are mainly designed to serve a neighborhood. Such facilities may include libraries and public schools. 10. Parking Facilities: this activity refers to the construction or rehabilitation of off-street parking lots and parking garages. 11. Parks, Recreational Facilities: this activity refers to the construction or rehabilitation of an open space area or a facility to be mainly used for recreational purposes. 12. Senior centers: this category refers to the construction or rehabilitation of senior citizen centers. This type of facility is described as serving "senior citizens and the disabled". 13. Youth Centers/Facilities: this activity refers to the construction or rehabilitation of facilities that will be primarily used to provide day care services for teenage youth (ages 13 to 19), including after-school activities. These include playground and recreational facilities that are part of youth centers/facilities. 14. The construction of centers for free-internet access for professional, educational and research purposes. 15. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements as outlined in Section 105(a)(2) of the Housing and Community Development Act of 1974 (HCDA). i.e. Installation of fixed solar waste collection cans and depositories for the managing of waste in public sites. <p>Improvement to the Municipal Infrastructure</p> <p>The non-entitlement municipalities may request CDBG funds for improvement of the municipal infrastructure qualified as right of way construction or rehabilitation of:</p> <ol style="list-style-type: none"> 1. Flood and Drainage Facilities: This activity refers to the construction or rehabilitation of flood controls or irrigation projects (e.g., retention ponds or catch basins). 2. Sidewalks: this activity refers to the construction or rehabilitation of sidewalks. Sidewalk improvements include the installation of trash receptacles, trees, benches, and lighting. 3. Street Improvements: this activity refers to the construction or rehabilitation of street projects that may include street drains, storm drains, curb and gutter work, tunnels, bridges, and the installation of street lights and signs. 4. Water/Sewer Improvements: this category refers to the construction or rehabilitation of water and sewer installation, or replacement of water lines,
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sanitary sewers, storm sewers, or fire hydrants.

5. The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements as outlined in Section 105(a)(2) of the Housing and Community Development Act of 1974 (HCDA). i.e. Installation of solar panels in waste landfills and other waste depositories for the generation of renewable energy.

Housing

The housing category will be comprised of two activities, as follows: (1) rehabilitation materials grant for moderate housing rehabilitation and (2) moderate housing rehabilitation.

Moderate Housing Rehabilitation

The applications for the housing rehabilitation category must clearly indicate how they will eliminate the specific conditions detrimental to the health and safety of the household.

The municipality is expected to be able to start the housing rehabilitation immediately once the date of the release of funds is issued to them by OCAM, if applicable.

Each non-entitlement municipality will be able to conduct this activity with their own personnel (up to 45% of the total project cost towards labor costs), with a third party or leave the rehabilitation on the owner of the property. An amount between \$3,001 (minimum) and \$15,000 (maximum) are the thresholds established for housing rehabilitation activities. Exception of this rule will be evaluated by OCAM, on a case by case, basis. Each municipality will be required to assure completion of the rehabilitation of every housing unit.

The municipality must follow the Moderate Housing Rehabilitation Guideline adopted by OCAM, which requires conducting two inspections on the property: one at the filing of the application and a second inspection upon completion of the activity. These two inspections will document (via photographs) the improvements made to the housing unit.

At the closing of the PY, OCAM should be able to report the following performance measurements:

1. Dollars Leveraged per CDBG funds invested
2. Number of households assisted
3. Number of households by income limit
4. Number of units occupied by race, ethnicity, and disability
5. Number of units occupied by elderly households
6. Number of units brought from substandard to standard condition
7. Number of units meeting Energy Star standards
8. Number of units brought into compliance with the lead-safe housing rule
9. Number of units made accessible (compliant with Section 504 for persons with

disabilities)

OCAM will reserve the right to adjust the funds requested for Moderate Housing Rehabilitation if the municipality keeps any unexpended balances from previous program years.

Housing Rehabilitation Materials Program

Municipalities will be allowed to grant up to \$3,000 per housing unit to low-to-moderate income households in order to carry out rehabilitation activities on their own. The same purposes, objectives, and time frames as the moderate housing rehabilitation category apply to all applications under this activity. Although the Municipality will not be required to provide labor, it will be required to assure completion of the rehabilitation of every housing unit. The Municipality must adapt the Moderate Housing Rehabilitation Guideline to the Housing Rehabilitation Materials Program. The Municipality is required to conduct two inspections on the property: one at the filing of the application and a second inspection upon completion of the rehabilitation. These two inspections will document (via photographs) the improvements made to the housing unit. The Municipality must ensure that materials are properly used.

Homeownership

This activity has been targeted to identify low-income families that have been discouraged from becoming homeowners because they do not have savings for down-payment and closing costs, but could pay an affordable monthly mortgage if given the opportunity to buy their own home.

Therefore, funding for the homeownership activity is specifically intended to provide assistance to families pursuing homeownership in a non-entitlement municipality. This category provides direct assistance up to a maximum of \$2,500 of the down-payment and up to a maximum of \$5,000 for closing costs to any qualified individual under the CDBG rules. The use of funds under this category is limited to low and moderate income families which are first time homebuyers. The participants must be employed or be recipients of permanent and recurrent income (i.e. Social Security income). The Section 8 Income Limits will be used to determine the eligibility of participants.

CDBG funding may be applied in combination with other applicable federal/or state funding. There is no prohibition against using other federal, local, and state subsidized financing in conjunction with this grant.

Once awarded, non-entitlement municipalities must distribute funds according to the general guidance requirements and applicable laws and regulations. The municipalities must determine eligibility in compliance with homeownership and CDBG regulations.

Each non-entitlement municipality will be responsible for qualifying and providing technical assistance, maintaining documentation in files, and keeping OCAM's

Homeownership Coordinator informed until cases are closed.
At the closing of the PY, OCAM should be able to report the following performance measurements:

- \$ Leverage by CDBG funds invested
- Number of households by income limit
- Number of units occupied by race, ethnicity, and disability
- Number of homebuyer household receiving assistance
- Number of those served who are first-time homebuyers
- The number of first-time homebuyers receiving housing counseling
- Number of households receiving down-payment assistance and/or closing cost assistance

Public Service

The non-entitlement municipalities could use funds under the category of Public Service to complement any activity that assists homeless persons, including drug and alcohol counseling, meals-on-wheels, daycare, and to provide additional funding to ESG-funded essential services and HOPWA-funded supportive services in their jurisdiction. These include the operating costs of Homeless/AIDS Patients Programs and the cost of operating homeless/AIDS services.

This category is limited to a 15% cap, and includes the following activities:

1. Senior services that will be provided to elderly persons (e.g., meals-on-wheels, dial-a-ride, homecare assistance) and services provided for victims of Alzheimer's disease or persons with disabilities, regardless of age.
2. Legal aid to low and moderate-income individuals including tenant/landlord counseling provided to help prevent or settle disputes between tenants and landlords, and preparation of affidavits.
3. Youth Services for teenagers (ages 13 to 19) that include, for example, recreational services limited to teenagers or a teen counseling program, including transportation services and substance abuse recovery programs, as well as preventive/educational activities.
4. Services for battered and abused spouses for programs that serve adults or families.
5. Counseling for employment training and placement that increases self-sufficiency. These include literacy, independent living skills, job training, and employment services activities.
6. Crime prevention and educational programs.
7. Fair housing services (e.g., counseling on housing discrimination) when the non-entitlement municipality indicates that a national objective will be met. In order to request funds for this activity, the municipality should have a Fair Housing Plan approved by OCAM.
8. Child Care Services that benefit children (generally under age 13), including parenting courses.
9. Health Services activities include operating neighborhood clinics, post-rape counseling, vermin abatement services (also known as "vector control"), and other activities designed to serve the health needs of residents.

- 10. Daycare or other services exclusively for abused and neglected children.
- 11. Mental Health Services provided by specialized organizations to address the mental health needs of the community.
- 12. Screening for Lead-Based Paint/Lead Hazards Poisoning for activities primarily designed to provide screening for (not removal of) lead-based paint and other lead poisoning hazards in housing units built before 1978 that will be occupied by children under 6 years of age.
- 13. Energy conservation projects

Specific requirements for this activity:

- Complete the forms outlined in OCAM’s RFP
- It must be a new activity or reflect increased level of service for people of low and moderate income
- Municipality must submit the Operational Guide for each of these projects.
- Detailed description of the origin and use of other funds.

Economic Development Activities:

Public Facility for Business or Commercial Use

Economic development is a priority of the Commonwealth of Puerto Rico. The objective of this category is to provide funding for the construction, rehabilitation or installation of publicly-owned property to create commercial space to be used to foster the development of microenterprises as per Section 105(a)(2). Applicants are cautioned to carefully consider their project needs. OCAM will evaluate project implementation based on the development program submitted by the municipality.

The activity to be developed by the Municipality shall comply with either one of the following:

- The rehabilitated property must create or retain jobs, of which 51% must go to individuals who, prior to employment in the assisted business, were classified as having low or moderate income (L/M Income Jobs); or
- The limited clientele category is used as a way to qualify specific activities when the person owning or developing the microenterprise is LMI.
- An area benefit activity is one that benefits all residents in a particular service area, where at least 51 percent of the residents are LMI persons. If this criterion is used, area of service must be documented.

The Municipality shall select one of those standards in order to document its compliance with the National Objective.

Program income resulting from the rental of commercial spaces in the Public Facility for commercial use is subject to the applicable CDBG regulations in 24 CFR 570.489(e). OCAM will issue further compliance guidance on this subject.

Microenterprise Assistance Program

The Program is targeted to promote the development of new and existing microenterprises; and to incentivize self-employment among individuals in the

jurisdictions covered by non-entitlement municipalities as stated in Section 105(a)(22).

Eligible microenterprise activities include the provision of:

1. Recoverable grants to qualified microenterprises.
2. Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises;
3. General support to owners of microenterprises and persons developing microenterprises including child care, transportation, counseling and peer support groups

The Program is targeted to promote the retention or the development of new and existing microenterprises. To qualify as a microenterprise, the business must be a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise. Economic activity must be held in the Municipality's jurisdiction.

Proposals of participating municipalities must comply with each of the following basic requirements.

4. Compliance with the State CDBG requirements;
5. The financing assistance must promote the startup of new microenterprises as well as retention and expansion of existing microenterprises in non-entitlement municipalities; and
6. The activity must comply with the "Limited Clientele Standard applicable to Microenterprise Assistance", as set forth in 24 CFR § 201 & 24 CFR § 208 (iii).

Special Economic Development Program

This activity has been designed to provide assistance to small businesses via special economic development activities (Section 105(a)(17)& 105(a)(14)). A "small business" is usually defined by the number of employees or overall sales level. For purposes of the CDBG program, small businesses have more than 5 employees, a business with fewer than 5 employees, including the owner, is designated as a "microenterprise." The CDBG regulations make reference to Section 3(a) of the Small Business Act of 1958, which establishes specific employment or sales standards for each industry. For most business categories, businesses with 500 or fewer employees are considered small, although in some industry categories business can have up to 1,500 employees and still be considered a small business.

These activities include:

7. Acquiring; constructing; reconstructing; rehabilitating or installing commercial or industrial buildings; structures and other real property; equipment and improvements.
8. Assisting a private, for-profit business through recoverable grants and technical assistance.

The activity to be developed by the Municipality shall comply with either one of the following:

9. The rehabilitated property must create or retain jobs, of which 51% must go

to individuals who, prior to employment in the assisted business, were classified as having low or moderate income (L/M Income Jobs); or

10. An area benefit activity is one that benefits all residents in a particular service area, where at least 51 percent of the residents are LMI persons.

CDBG assistance to a for-profit business under Section 105 (a)(14) – (17) and 24 CFR part 570.203 Special Economic Development triggers the requirements for the optional underwriting guidelines and mandatory Public Benefit standards as set forth in 24 CFR 570.482(f) & (g). States and units of Local General Government are responsible for ensuring that a minimum level of public benefit is obtained when CDBG funds are used for special economic development projects, and public facilities projects undertaken for economic development purposes.

Program Administration at the Municipality Level

This line item budget covers administrative expenses for the activities approved under each proposal and should be arranged by the title of the account, number of the account, and allocated budget up to the maximum of 18% per grant. If the project is fully completed, the Municipality may transfer remaining funds to the administration activity, but no greater than 18% of the total allocation. The municipalities must use OCAM’s chart of accounts.

Emergency Fund

The activities designed to meet urgent community development need to follow the same criteria established in 24 CFR 570.483 (d). Funds to assist the municipalities in attending sudden emergencies with CDBG funds will be provided with a limit per Municipality of up to \$100,000, depending on the damages quantified per occurrence within the municipal jurisdiction. The objective of this category is to provide a temporary solution to alleviate urgent problems that occur during the regular grant application process.

Emergency Fund applications must document a serious threat to public health or safety, of recent origin or which recently became urgent. A certification from the Municipal Emergency Management Office should be accompanied with a corroborating and valid certification from the State Emergency and Disaster Management Agency, alternatively a signed Executive Order, indicating the nature and date of such emergency. It is the responsibility of the State to validate the nature of the emergency.

As long as funds are available, a municipality may request emergency funds anytime during the year. Applications under this category are submitted only when an emergency arises and qualifies as an urgent need.

Non-entitlement municipalities are eligible to submit an emergency application

that will be evaluated on a case by case basis. Emergencies must be recognized independently of the area of occurrence. Emergencies in non-low and moderate income areas could be financed up to 30% of the funds available in the Emergency Fund, in compliance with Section 24 CFR 570.483 (d).

The non-entitlement municipality Finance Director will certify that the Treasury of the Municipality does not have any funds available to pay for the emergency work, and no other resources from the State or Federal Government are available to the municipality to attend such emergency.

Applications for emergency funds may be submitted anytime during PY 2014. The Mayor can submit the petition for Emergency Funds no later than fifteen (15) days after the event has occurred, except under extraordinary circumstances or another valid cause, properly filed and accepted by OCMA as an exception. Then the Municipality will have 15 additional days to submit a detailed proposal.

Projects must be able to start immediately, and applicants have one hundred eighty (180) days to complete the activity and satisfy the identified need. Those activities that require federal or state studies, permits, and/or consultation processes with any regulatory agency and cannot be completed within the regulatory period of time, will be evaluated on a case by case basis. If funds are not used in the term provided, they will be recaptured by OCMA.

If the project is not commenced within a period of 60 days from the date of the registration of the contract with the Comptroller Office, the funds will be subject to a potential recapture by OCAM.

The application must be properly completed and submitted by the Mayor to the Commissioner, either hand delivered or by certified mail, with return receipt and including the original certifications issued by the State and Municipal Agencies for Emergency Management.

The evaluation process will be conducted by an evaluating committee designated by the Commissioner. The members of the Evaluating Committee for the Emergencies Proposal (CEPE) are: the Deputy Commissioner for Administration, the Deputy Commissioner for Federal Funds, the Deputy Commissioner for Regulations and Monitoring, and the Consulting Engineer. The committee will use the criteria and procedures established by OCMA for this category, and they are available upon request. The committee may conduct a field inspection of the impacted area to assess the damages claimed in the request. All projects under this category must meet one of the national objectives contained in 24 CFR 570.483 (b) (1) or (d).

		<p>As soon as the petition from the affected municipalities is received, the committee will analyze the application for emergency funds that has been received. The evaluation/recommendation will be considered for final decision by the Commissioner or other designated person.</p>
	<p>Describe threshold factors and grant size limits.</p>	

What are the outcome measures expected as a result of the method of distribution?

2	State Program Name:	ESG							
	Funding Sources:	ESG							
	Describe the state program addressed by the Method of Distribution.	<p>Program activities and the estimated distribution of funds to address priority needs, are presented below.</p> <table border="0" data-bbox="535 609 1432 1344"> <tr> <td data-bbox="535 609 893 693">Activity Name: ESG Allocation:</td> <td data-bbox="893 609 1432 693">Street Outreach \$ 609,380.55</td> </tr> <tr> <td data-bbox="535 966 893 1050">Activity Name: ESG Allocation:</td> <td data-bbox="893 966 1432 1050">Emergency Shelter \$1,650,703.35</td> </tr> <tr> <td data-bbox="535 1092 893 1218">Activity Name: ESG Allocation:</td> <td data-bbox="893 1092 1432 1218">Homelessness Prevention and Rapid Re-housing Component \$1,170,847.70</td> </tr> <tr> <td data-bbox="535 1260 893 1344">Activity Name: ESG Allocation:</td> <td data-bbox="893 1260 1432 1344">HMIS \$120,000.00</td> </tr> </table> <p data-bbox="909 1386 1432 1743">It is a requirement the use of the Homeless Management Information System. Part of the ESG grant must be dedicated to the acquisition of a license to access the HMIS. Other eligible costs such as computer hardware, software, salaries of data entry, internet access, and staff training costs, must be previously approved by the Department of Family.</p>	Activity Name: ESG Allocation:	Street Outreach \$ 609,380.55	Activity Name: ESG Allocation:	Emergency Shelter \$1,650,703.35	Activity Name: ESG Allocation:	Homelessness Prevention and Rapid Re-housing Component \$1,170,847.70	Activity Name: ESG Allocation:
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		<p>Activity Name: ESG Administration</p> <p>ESG Allocation: \$ 287,913.40</p> <p>Sub-recipients may use 2.0% percent of the sub-recipient's ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. Employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing and HMIS activities are eligible costs of those activities and not subject to the spending limit for administrative costs. Refer to 24 CFR §576.108 for eligible costs and requirements.</p>
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Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

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)

Since program year 2011 (October) the Puerto Rico Department of the Family uses a distribution method in which an award is granted for two (2) year period, subject to an evaluation of the first year and the availability of funds. During PY 2016, eligible organizations and units of local governments will be entering their second year. While, unused funds available during the Program Year will be distributed according to the needs identified by the Department of the Family. For the distribution of these funds new proposals will be accepted, subject to the criteria established by the DF.

In both instances the application process or funding proposals, will be made digitally and / or printed, as established by the Department through written communication.

Applicants must have established written procedures in place to ensure accountability for both their staff and any sub-grantees. Potential grantees must demonstrate they have the experience and capacity to administer the funds they receive and the accountability and established written procedures and standards in place to ensure that funds are only used for ESGP eligible activities with ESGP eligible clients. Applicants will be required to collaborate and show a history of collaboration with other state, federal, and local resources.

As mentioned, once the proposals are awarded a one year contract is signed including a conditional second year extension based on the following criteria:

Evaluation Criteria	Operational Definition
Percent of Expenditures 35%	The organization has spent at least 95 % of the assigned/allocated funds
	The organization has spent at least 50% of the assigned/allocated funds
	The organization has spent less than 50% of the assigned/allocated funds
Compliance with matching of funds 10%	The organization presented/provided/submitted the matching funds report in the established time/on time
	The organization did not submit reports in the established time
	The organization submitted an incomplete matching funds report
	The organization has not submitted the matching funds report

	Number of participants served 20%	The project has served to more than 90% of the proposed participants		
		The project has served 75% of the proposed participants		
		The project has served 50% of the proposed participants		
		The project has served to 30% of the proposed participants		
		The project has served less than 30% of the proposed participants		
	Performance Standards 25%	Outreach, Emergency or Temporary/Transitional Shelter, Prevention or Rapid Rehousing	At least 20% of the persons leaving the project/coming out of the project increased their revenues	
		Outreach	At least 50% of the outreach participants were placed in some form of housing (emergency shelter, transitional/temporary or permanent housing)	
		Emergency or Temporary/Transitional Shelter, Prevention and Rapid Rehousing	At least 80% of the participants (prevention) remained or were placed in permanent housing	
	Monitoring reports 10%	There were no findings in the last monitoring made to the entity		
		The entity presents 1-3 findings		
		The entity presents 4-6 findings		
		The Organization did not meet/complied with any of the criteria mentioned above		
	Bonus	The entity closed the last grant, including expenses with their evidence, funds matching and data entry to HMIS (1 pt)		
		The entity handled/attended cases at all components under which it was granted funds without making transfers by component (1 pt)		
		When referred to, the entity attends/handles cases of the Department of Family (Secretariat) (1 pt)		

		Participation in the processes related to the implementation of the coordinated assessment System (2 pts)

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>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> <table border="1"> <thead> <tr> <th colspan="1">OUTREACH</th> </tr> </thead> <tbody> <tr><td>Number of people receiving services</td></tr> <tr><td>Number of people who left the program</td></tr> <tr><td>Percentage of people who committed (engaged) to receive services</td></tr> <tr><td>Percentage of people who fulfilled their service plan</td></tr> <tr><td>Percentage of people who increased their income from any source</td></tr> <tr><td>Percentage of people located in emergency shelter</td></tr> <tr><td>Percentage of people located in temporary shelter</td></tr> <tr><td>Percentage of people placed in permanent housing</td></tr> <tr> <th colspan="1">EMERGENCY SHELTER</th> </tr> <tr><td>Number of people who entered emergency shelter</td></tr> <tr><td>Number of people who left the program</td></tr> <tr><td>Percentage of people who fulfilled their service plan</td></tr> <tr><td>Percentage of people who increased their income from any source</td></tr> <tr><td>Percentage of people who entered transitional housing</td></tr> <tr><td>Percentage of people who stayed in the shelter for less than three months</td></tr> <tr><td>Percentage of people who stayed in the shelter for more than three months</td></tr> <tr><td>Percentage of people placed in permanent housing</td></tr> <tr> <th colspan="1">PREVENTION</th> </tr> <tr><td>Number of people receiving prevention services.</td></tr> <tr><td>Number of people who left the program</td></tr> <tr><td>Number of people receiving economic assistance</td></tr> <tr><td>Percentage of people who received housing relocation services and stabilization services during the service period</td></tr> <tr><td>Percentage of people who met their service plan</td></tr> <tr><td>Percentage of people who increased their income from any source</td></tr> <tr><td>Percentage of people placed in permanent housing</td></tr> <tr> <th colspan="1">RAPID RE- HOUSING</th> </tr> <tr><td>Number of people receiving RRH services.</td></tr> <tr><td>Number of people who left the program</td></tr> <tr><td>Number of people receiving economic assistance</td></tr> <tr><td>Percentage of people who received housing relocation services and stabilization services during the service period</td></tr> <tr><td>Percentage of people who fulfilled their service plan</td></tr> <tr><td>Percentage of people who increased their income</td></tr> <tr><td>Percentage of people placed in permanent housing</td></tr> </tbody> </table>	OUTREACH	Number of people receiving services	Number of people who left the program	Percentage of people who committed (engaged) to receive services	Percentage of people who fulfilled their service plan	Percentage of people who increased their income from any source	Percentage of people located in emergency shelter	Percentage of people located in temporary shelter	Percentage of people placed in permanent housing	EMERGENCY SHELTER	Number of people who entered emergency shelter	Number of people who left the program	Percentage of people who fulfilled their service plan	Percentage of people who increased their income from any source	Percentage of people who entered transitional housing	Percentage of people who stayed in the shelter for less than three months	Percentage of people who stayed in the shelter for more than three months	Percentage of people placed in permanent housing	PREVENTION	Number of people receiving prevention services.	Number of people who left the program	Number of people receiving economic assistance	Percentage of people who received housing relocation services and stabilization services during the service period	Percentage of people who met their service plan	Percentage of people who increased their income from any source	Percentage of people placed in permanent housing	RAPID RE- HOUSING	Number of people receiving RRH services.	Number of people who left the program	Number of people receiving economic assistance	Percentage of people who received housing relocation services and stabilization services during the service period	Percentage of people who fulfilled their service plan	Percentage of people who increased their income	Percentage of people placed in permanent housing
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3	State Program Name:	HOME

Funding Sources:	HOME							
Describe the state program addressed by the Method of Distribution.	<p>The PRHFA will receive \$8,926,133 in HOME funds for PY 2016. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 250 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). This includes 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 2016 is shown below. The category distribution followed the distribution mentioned in the Executive Summary.</p> <table border="1" data-bbox="492 892 1230 1354"> <tr> <td data-bbox="492 892 1230 940" style="text-align: center;">GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2016</td> </tr> <tr> <td data-bbox="492 940 1230 989">Assigned Budget: \$8,926,133</td> </tr> <tr> <td data-bbox="492 989 1230 1037" style="text-align: center;">Distribution by Category:</td> </tr> <tr> <td data-bbox="492 1037 1230 1085">State Administration: \$892,613</td> </tr> <tr> <td data-bbox="492 1085 1230 1218">Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO): \$1,338,920</td> </tr> <tr> <td data-bbox="492 1218 1230 1308">Rehabilitation or Construction of Housing for Rent: \$5,801,987</td> </tr> <tr> <td data-bbox="492 1308 1230 1354">Down payment Assistance to Homebuyers: \$892,613</td> </tr> </table>	GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2016	Assigned Budget: \$8,926,133	Distribution by Category:	State Administration: \$892,613	Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO): \$1,338,920	Rehabilitation or Construction of Housing for Rent: \$5,801,987	Down payment Assistance to Homebuyers: \$892,613
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>See next page.</p>
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Description of the Method to Distribute HOME Funds for Construction and Rehabilitation of Rental Housing

As part of the joint efforts and on-going initiatives that relate to the 2014-2018 Puerto Rico State Housing Plan, the Puerto Rico Housing Finance Authority (Authority) will make the activity of Construction and Rehabilitation of Rental Housing under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the forthcoming Joint Agency Notice of Funding Availability (JANOFA) that the Puerto Rico Department of Housing (DOH) and the Authority will jointly issue. The JANOFA intends to leverage other DOH funds from multiple sources (e.g., Section 8 Project Based Voucher Program (PBV), and Act 173's Elderly Rent Subsidy Program (Act 173)) 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 JANOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the JANOFA the **HOME** Program might implement a consolidated application for the HOME, LIHTC, Act 173, 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 JANOFA 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.

The public hearing is announced with the publication of the JANOFA, 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. The CHDOs can submit applications at any time after the JANOFAs, until the set aside funds are fully distributed. It is within the discretion of Executive Director to assign more funds to CHDO's from the available funds.

As presented earlier, the **State HOME Program** will allocate the amount of **\$8,926,133** for the eligible activities established in the **5YHS**, 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 2015-2019 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.

A Committee will be designated to implement the evaluation and selection of projects under the JANOFAs. Applications requesting **HOME** funds will be evaluated based on joint rating factors. Those factors include local considerations and State **HOME** Program's criteria, such as:

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

Project Evaluation and Selection

To be considered for an allocation of HOME Funds, the applicant must submit a complete application with the following information and documents. Incomplete applications will not be accepted for evaluation or scoring. Complete applications will be reviewed for compliance with the basic threshold requirements set forth below:

BASIC THRESHOLD REQUIREMENTS

1. PRHFA HOME Program application and inspection fees:
 - CHDO's: \$0.00
 - \$7,000 or 1% of requested or allocated amount, whichever is greater.
 - \$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.
2. Application's Agreement and Certification was:
 - Signed by the Owner, the President or Secretary of the General Partner.
 - Person who signed is a duly authorized officer of the applicant (as evidenced by an applicable resolution).
 - Document shows corporate seal (***Please, make sure the seal is legible in digital documents***).
3. Submitted certified copies of the organizational documents of **all entities** (for example: owner, general partners, sponsors, developer, officers, members, etc.) involved in the project, including:
 - a) Certificate of Incorporation.
 - b) Articles of Incorporation.
 - c) Partnership (or Operating) Agreement of the entity to claim ownership of the Project (LP, LLC, etc.), as may apply.
 - d) IRS form SS-4, Application for Employer Identification Number, or other evidence indicating taxpayer identification number.
 - e) Names, addresses and telephone numbers of officers, members, directors, principal stockholders or managing general partner of **each** entity.
 - 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 PRHFA's Audit and Compliance Department) that they comply with Section 42/HOME requirements and that, as of the application filing date, there is no outstanding finding of noncompliance (including any fees due to the PRHFA) in another project that received Tax Credits/HOME funds and in which they have an interest or participation.
 - g) Financial statements (**updated within six months of the application**) of the owner, developer, general partners, sponsors and principal officers of each entity. Financial statements will be **audited** if they belong to juridical persons; **compiled** or **revised** if they belong to natural persons.
4. The owner, developer, general contractor and their respective shareholders, directors, officers and partners, as applicable, must demonstrate via sworn statement (*affidavit*) that:
 - a) 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 PRHFA 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

BASIC THRESHOLD REQUIREMENTS

capacity) with the PRHFA or its employees. Any conflict of interest will immediately disqualify the applicant of any participation in the PRHFA/HOME programs.

b) any identity of interest with any other party involved with the project has been identified and explained in the application package.

c) 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 PRHFA or its employees. Any conflict of interest disqualifies immediately the applicant of any participation with the PRHFA Programs.

5. Projected income & expenses schedule and a 30-year pro-forma cash-flow, or any other compliance period that may apply, showing a feasible operation and certified by the proposed management agent.

6. Designer's Preliminary Opinion Letter with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.

7. Applicant demonstrates readiness to proceed, through **submission** of:

a) Projects under construction, certification of the percentage of construction completion prepared by the construction manager and lender's inspector. Both reports are required. **(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).

c) *Unexpired Construction Permit or Notification of Construction Permit* issued by the applicable permitting office and agencies endorsement letters, as applicable.

d) 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.

e) State Historic Preservation Office (36 CFR 800) - Technical Assistance or Final Determination Letter

f) 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 completed and approved by the Corps of Engineers or the Department of Natural Resources.

g) 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.

h) 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.

i) P.R. Natural Resources Department- Final Determination Letter (Coastal Zone Management Act (Section 307(c) & (d))). If the letter establishes some corrective action, the developer **must** submit the suggested corrective action plan with the application so that it can be accepted.

BASIC THRESHOLD REQUIREMENTS

j)	U.S. Fish & Wild Life Service-Department of Interior -(Endangered Species Act (50 CFR 402)) -Technical Assistance or Final Determination Letter. The technical assistance shall indicate that no endangered species is affected by the project.
k)	Proposed project of new construction, major rehabilitation, or conversion located <ul style="list-style-type: none"> a. 1,000 feet of a major noise source, road or highway b. 3000 ft. of a railroad; or c. 5 miles of a civil airport <p>Must provide a Noise Study 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. (https://www.onecpd.info/resource/313/hud-noise-guidebook/), Day/Night Noise Electronic Assessment Tool.</p>
l)	Field Studies: <ul style="list-style-type: none"> a. Soil Survey, if project is for new construction or substantial rehabilitation requiring addition or expansion of structures. b. 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. c. 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.
m)	Resumes and contracts with the Development team in place: <ul style="list-style-type: none"> a. Architect/Designer b. General Contractor c. Construction Manager d. Management Agent e. Consultant Agent
n)	Drawings and outline specifications certified by the licensed professional (project architect or engineer in charge of permitting process) submitted to the competent permitting office.
o)	Cost breakdown certified by the proposed General Contractor or Designer.
p)	Conditional or firm financing commitment specifying terms of each financing source. Projects with permanent financing other than the PRHFA's will need a letter of intent from the financial institution. The letter should detail: <ul style="list-style-type: none"> a. amount and term of the loan; b. fixed interest rate; c. non-recourse nature of the loan; d. amortization period; and e. prepayment penalties

BASIC THRESHOLD REQUIREMENTS

- q) Phase I environmental assessment report. (Must comply with ASTM E 1527-05 or any updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations).
 - r) Comprehensive market study report by a PRHFA approved provider that is also unaffiliated to the developer (**prepared within six months of the application**).
 - s) Appraisal report of site and project performed by a PRHFA approved appraiser unaffiliated to the developer (**prepared within six months of the application**).
 - t) Rehabilitation and Acquisition/Rehabilitation projects must submit a Capital Needs Assessment report for projects with 26 or more units, prepared by a qualified independent consultant unaffiliated to the developer, of the proposed rehabilitation, its budget, and an evaluation of the existing conditions of the project.
8. Letter of intent to sign the Land Use Restrictive Covenant Agreement.
9. 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.
10. 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.
11. Detail sources and uses of funds schedule and projected cash-flow during construction period.

ADDITIONAL BASIC THRESHOLD REQUIREMENTS

1. Non Profit Organizations (**NP**) requesting from the HOME Set Aside must be a qualified organization within the meaning of 24 CFR 92.2, Subpart A:
- a. The NP is organized under State or local laws, as evidenced by a Certificate of Organization issued by the State Department.
 - b. No part of its earnings inure to the benefit of any member, founder, contributor, or individual as evidenced by its Articles of Incorporation.
 - c. 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 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.
 - d. The NP is not affiliated with or controlled nor receives direction from individuals, or entities seeking profit from the organization.
 - e. Evidence that the NP has among its purposes the provision of decent housing that is affordable to low and moderate-income people.
 - f. Evidence that the NP conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems".
 - g. 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.

BASIC THRESHOLD REQUIREMENTS

h. 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.
2. If the owner, developer or sponsor applies under the PRHFA HOME Program's 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.
3. Projects financed by Rural Housing Services/ HUD 202 Program or any other federal, state or local program funding source not included under the JANOFAs must submit reservation or commitment letter with the application. The letter must identify the funding amount.
4. Affirmative marketing plan.
5. Projects with tax exempt financing, certifications from: a. financing institution stating the tax exempt status of the obligations to be issued to finance the Project, and
b. Owner's Tax Attorney and/or CPA opinion regarding this matter.

The initial basic qualifications will be evaluated by the JANOFAs Committee. 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.

Point Ranking System

The Committee will consider qualified applications for HOME Funds after a project satisfies all basic threshold requirements, using the Point Ranking System established hereinafter to determine the allocation of HOME Funds. The project can accumulate a total of 100 points on the Point Ranking System; nevertheless, it must score a minimum of 30 points to be further considered for an allocation of HOME Funds.

ONCE AN APPLICANT SELECTS SCORING CRITERIA, THESE WILL BE FINAL, UNLESS A DIFFERENT CONCLUSION ARISES BECAUSE A STATE AND/OR A FEDERAL AGENCY DETERMINATION ALLOWS OTHERWISE. FOR EXAMPLE, IF A PARTICIPANT OPTS TO RECEIVE FINANCING COMMITMENT FROM THE AUTHORITY, AND THE CORRESPONDING POINTS, SUCH SELECTION IS FINAL.

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 or allocation for such applicant or project does not further 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 does 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 from sources 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 or any applicable professional code of ethics.

Criterion		Score
I	Project Location	Up to 12 pts
I.1	Location. Project located within one of the following areas:	Up to 5 pts
	5 points: Urban area defined as: Central Urban Area as defined by Planning Board's <i>Reglamento de la Infraestructura en el Espacio Público</i> (see attached maps); or Urban Center designated by the Department of Transportation and Public Works or adopted under an Urban Center Area Plan (see attached maps); or a state-designated Historical Zone or federally-designated Historical District.	5
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the designated urban area will be considered as located within.	
	The portion of a census tract outside an urban area, as defined above, that has a rate of:	
	20% or less below poverty line.	3
	More than 20% and up to 30% below poverty line.	2
	More than 30% and up to 40% below poverty line.	1

Criterion		Score
	Documentation required: certification of location by a licensed land surveyor; census tract number; census tract's "% Below Poverty Line" as per the Federal Financial Institutions Examination Council's (FFIEC) 2014 Census Report. Any project property straddling the limit of the designated tract will be considered as located within.	
	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	1
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates.	
I.2	Desirable Activities	Up to 7 pts
I.2.1	General. Projects located within a quarter mile 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 (<i>bus, públicos</i>).	1

	Criterion	Score
	<p>Documentation required: map certified by a licensed land surveyor attesting to location of the facilities and the distance along a walkable public pathway or roadway between the project 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.</p>	
1.2.2	<p>Targeted. Projects targeted to the following special needs populations located within a quarter mile of the following amenities will be awarded a point for each one of the following, up to 2 points:</p>	Up to 2 pts
	Single headed household:	
	Grocery store with WIC contract.	1
	Licensed or chartered child-care facility.	1
	<p>Specific documentation required, as applicable: name and physical address of facilities; verification of inclusion in the WIC Vendor Registry published at wicpuertorico.com; child care facility charter issued by ACUDEN.</p>	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	<p>Specific documentation required: name and physical address of facilities.</p>	
	Homeless (as defined under HEARTH Act):	
	Certified WIA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	<p>Specific documentation required, as applicable: name and physical address of facilities; authorization for WIA training center issued under DoLHR's <i>Procedimiento Procedimiento para</i></p>	

Criterion		Score
	<i>la Determinación de Elegibilidad Inicial y Subsiguiente para Proveedores de Servicios de Adiestramiento; copy of license issued by ASSMCA.</i>	
	Documentation required: map certified by a licensed land surveyor attesting to location of facilities and distance along a walkable public pathway or a roadway between the project's main pedestrian entrance and the public entrance to any target facility. If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered site, distance will have to be certified from closest building in the project. Amenities must also be referenced by the market study	
I.3	Undesirable Activities. Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to 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
	Documentation required: map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a	

Criterion		Score
	scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	
II	Project Characteristics	Up to 47 pts
II.1	Infill or nuisance. 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
	Documentation required, as applicable: aerial photograph for each infill site showing adjoining properties; cadastral numbers of adjoining properties; nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	
II.2	Historic property. A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic place or a contributing resource to a federally designated Historic District.	3
	Documentation required, as applicable: 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	Adaptive reuse. The residential use is an adaptive reuse of an existing non-residential property.	1
	Documentation required: appraisal certifying present land use of the property.	
II.4	Site Characteristics.	Up to 9 pts

Criterion		Score
II.4.1	Mobility. 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
	Documentation required: site plan certified by the project's designer identifying the proposed improvements.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of sidewalks in the perimeter of the project site adjoining a public roadway, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: documentation required: a separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; 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
	Documentation required: 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	

	Criterion	Score
	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 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 accessible to visitors with at least one bicycle rack space for every 10 vehicle-parking spaces.	1
	Documentation required: ground floor plan certified by the project's designer showing location and capacity of facilities.	
II.4.2	Urban Considerations. A proposed development that strengthens and improves the neighborhood's general urban character may be awarded one point for each one of the following criteria, up to 5 points, as follows:	Up to 5 pts
	The project achieves the maximum allowable gross floor area, housing density and height under applicable code provisions.	1
	Documentation required: table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	
	In non-elderly housing developments, the parking spaces and service areas are screened from any public sidewalk or roadway by green hedges, fences or walls with a void-to-solid area ratio of 1 or less.	1
	Documentation required: site plan and elevation details certified by the project's designer identifying visual barriers and certifying compliance.	
	The building(s) main entrance(s) open(s) to the sidewalk of an adjoining public roadway.	1
	Documentation required: site plan certified by the project's designer showing the location of the building's main entrance(s).	
	The commercial spaces offered to the project tenants serve the general public and can be directly accessed from a public space.	1

Criterion		Score
	Documentation required: 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
	Documentation required: 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.	
II.5	Building Characteristics.	Up to 10 pts
II.5.1	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2-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
	Documentation required: floor plans certified by the project's designer; project proforma.	
II.5.2	Accessibility. 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
	Documentation required: floor plans and elevations certified by the project's designer showing accessibility features; designer's certification of compliance; affirmative marketing plan in provided Fair Housing format.	

Criterion		Score
II.5.3	Building Amenities. 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 and area of no less than 15 sq. ft. per unit, with kitchen and public bathrooms.	1
	Open balcony in each unit with an area of no less than 24 sq. ft.	1
	Equipped exercise room with an area of no less than 300 sq. ft.	1
	Common laundry 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
	Documentation required: floor plans and elevations certified by the project's designer showing designated spaces and floor area.	
II.6	Innovative Design. 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

Criterion		Score
II.6.1	Cost Containment. 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
	Total development cost per unit more than 10% below the applicable benchmark.	1
	Documentation required: construction estimates prepared and certified by both the project's designer and a third-party Professional Cost Estimator or a Certified Cost Professional; required fees to cover the Authority's third-party assessment of proposed cost estimates; Sources and Uses of Funds.	
II.6.2	Energy Efficiency. 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 as well as the building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, 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 dampered; Energy Star qualified bath fan where required with timer or humidistat.	1
	Energy Star qualified light fixtures throughout.	1

Criterion		Score
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's WaterSense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.	1
	Recycling space and equipment, including recycling bins for each apartment.	1
	Documentation required: architectural drawings incorporating notes (in lieu of final construction specifications, if not available at application date; if no HOME funds required); 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
	Documentation required: 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
	Documentation required: Copy of certification.	
II.7	Construction Readiness. Project has one of the following:	Up to 5 pts
	Unexpired construction permit or notification of approval of the construction permit.	5
	Documentation required: Document issued by the Permits Management Office (OGPe), an Autonomous Municipality or a <i>Profesional Autorizado</i> .	
III	Housing Needs Characteristics	Up to 14 pts
III.1	Income Targeting. 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

Criterion		Score
	Documentation required: Restrictive covenant agreement provision; tenant selection procedures.	
III.2	Targeted Units. 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 set-aside for the targeted group during the length of the extended use period, or the compliance period if the project is subject to a qualified contract process or tenant homeownership conversion (right of first refusal).	3
	At least 50% of total project units set-aside for the targeted group during the length of the extended use period, or the compliance period if the project is subjected to a qualified contract process or tenant homeownership conversion (right of first refusal).	2
	At least 25% of total project units set-aside for the targeted group during the length of the extended use period, or the compliance period if the project is subjected to a qualified contract process or tenant homeownership conversion (right of first refusal).	1
	Documentation required: restrictive covenant agreement provision recording the targeted set-aside for the length of the affordability 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; if only LIHTC-subsidized, proposed tenant selection procedures.	
III.3	Preservation. To strengthen the State Housing Plan policies that seek to maintain the stock of affordable non elderly 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

Criterion		Score
	The project curbs the risk of loss due to physical condition by replacing more than one major building component, which includes roof, bearing wall, floor or foundation structures; plumbing system; electrical system; fire prevention and safety system; vertical transportation; or building envelope.	2
	Documentation required: Comprehensive capital needs assessment certified by 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
	Documentation required: Housing market study must demonstrate the capacity of the project to compete for market rate tenants; copy of existing HAP, if applicable.	
III.4	Term. A project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years for:	Up to 3 pts
	At least 10 more years.	3
	At least 5 more years.	2
	Documentation required: restrictive covenants provision; proforma.	
III.5	Homeownership Conversion. A project will be awarded 1 point if propose to be converted to tenant homeownership (right of first refusal) for the residents after the compliance period expires.	1
	Documentation required: deed and restrictive covenants reflecting a right of first refusal granted to the residents; syndication documents with conversion provisions; detailed plan with projections on maintenance, reserves, homeownership training, continued affordability, sales price calculation, lease and purchase agreements, and any other relevant information to demonstrate compliance with applicable regulations.	

Criterion		Score
III.6	Public Housing Agency (PHA) Waiting Lists. Any project included in any waiting list of a public housing agency (PHA) might earn 1 point.	1
	Documentation required: referral agreement with the correspondent PHA to include the project in any listing of public housing opportunities where households with tenant-based subsidies are welcomed and where the project's owner or management agent agrees to actively seek referrals from the public housing authority to apply for units at the project.	
IV	Project Developer Characteristics	Up to 9 pts
IV.1	Experience. Developer, General Partner or Managing Partner can demonstrate successful record and full compliance participating in same capacity in the development of Tax 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 LIHTC, project demonstrating utilization of LIHTC program or in combination with other programs; if proposing to use LIHTC in combination with any other federal or state program, project utilization of LIHTC combined with HOME, 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
	Documentation required: Copy of IRS form 8609 for each project; relevant project documentation; letter certifying compliance issued by the Authority.	
IV.2	Financial Strength. Developer, general partner and manager partner have:	Up to 3 pts
	Combined current liquid assets equivalent to the greater of one million dollars (\$1,000,000) or 5% of the total development costs.	2
	Documentation required: Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	

Criterion		Score
	Combined net worth equivalent to the greater of three million dollars (\$3,000,000) or 15% of total development costs.	1
	Documentation required: Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	
V	Financing Characteristics	Up to 13 pts
V.1	Funds Leveraging. The leveraging of capital funding from public grants or non financing sources, other than those being managed by the Authority, the Department of Housing or the Municipalities is encouraged by awarding a project up to 2 points as follows:	Up to 2 pts
	At least 15% of the total development cost covered by other sources of public funding.	2
	At least 10% of the total development cost covered by other sources of public funding.	1
	Documentation required: Sources of funds; binding commitment, agreement or award documentation.	
V.2	Local Government Funding. Up to 5 points are awarded for projects that:	Up to 5 pts
	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:	
	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
	Documentation required: sources and uses of funds; binding commitment, agreement, contract, award or documentation supporting property transaction or construction tax abatement.	

Criterion		Score
V.3	Operating Expenses. 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.	
	Documentation required: Certification provided by the management agent.	
V.4	State Financing. Project has filed for financing with the Authority for:	Up to 5 pts
	Interim and permanent.	5
	Interim or permanent.	3
	Documentation required: application filed.	
VI	Supportive Services	Up to 5 pts
VI.1	Supportive Services. 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>i.e.</i> , 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>i.e.</i> , ADFAN's CSGB, VRA's Independent Living, ASSMCA's Homeless and Chronic Mental Health, ADFAN's Adult and Person with Disabilities Services, Medicaid's Home and Community-Based Service Waivers,	

Criterion		Score
	among other); or 2) contracted for a certified Assisted Living facility under Act 244-2003, as follows:	
	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
	Documentation required: Proforma; agreement provisions specifying operational budget commitment. 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.	
Maximum Score		10
VII	Tie-Breaking Criteria	
	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 Municipality with the least amount of PBV allocated.	

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

The filing of a petition for reconsideration or a petition for judicial review shall not stop the PRHFA allocation of HOME Funds to successful applicants. 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.

<p>Describe how resources will be allocated among funding categories.</p>	<p>Funds to be distributed among Program Categories</p> <p>The information that follows presents a description of the Commonwealth 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>1. Activity Name: Down Payment Assistance to Homebuyers</p> <p>HOME Allocation: \$892,613</p> <p>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.</p> <p>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 Housing Finance Authority. The subsidy per family is up to \$45,000.00.</p> <p>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.</p>
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On this basis, the Commonwealth Program will be able to consider the approval of individual homebuyer activity with a sale price up to \$150,000.

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

1. To qualify as a low income family in the municipality where he/she is interested in purchasing the housing unit. Eligible families are Section 8, public housing, private tenants and married or unmarried couples looking to relocate because of marriage or job replacement. We encourage single parents, handicapped and elderly looking for secure housing opportunities. Income eligibility will be determined using Annual Gross Income as defined in 24 CFR Part 5. We also encourage occupation in Projects financed by the Puerto Rico Housing Finance Agency if of any interest by the solicitants of the Home Program.
2. To look into the housing market and request a sale offering from the owner seller once the family has decided on a property.
3. 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.

		<p>4. 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.</p> <p>5. To qualify in the Home Program solicitants must be living in Puerto Rico for at least one year.</p> <p>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.</p> <p>2. Activity Name: Rehabilitation or Construction of Rental Housing</p> <p>HOME Allocation: \$5,801,987</p> <p>Description: HOME funds will be as a grant to provide incentives or a direct loan to developers in order to reduce financing expenses in the construction loan.</p> <p>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</p>
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		<p>Certification issued by the HOME Program.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>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."</p> <p>The PRHFA will annually announce the maximum monthly rents approved by HUD, as well as disclose the utilities allowances for HOME-assisted rental projects.</p> <p>There are two HOME rents applicable to the HOME program:</p> <p>High HOME Rents: Maximum HOME rents are the lesser of: the Section 8 Fair Market Rents (FMRs) (or area-wide exception rents) for existing</p>
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		<p>housing; OR thirty (30) percent of the adjusted income of a family whose annual income equals 65 percent of median income.</p> <p>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:</p> <p>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.</p> <p>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 PRHFA Section 8 Program.</p> <p>This activity significantly boosts the housing construction industry by developing new rental housing Island-wide.</p> <p>3. Activity Name: Development of Affordable Housing through the Participation of the</p>
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		<p style="text-align: center;">HOME Allocation:</p> <p>Community Housing Development Organizations \$1,338,920</p> <p>Description: To promote the construction of affordable housing for Homeownership tenure and rental occupancy, increasing the supply of safe, sound, and sanitary dwellings available to low and very-low income families, to help them improve their quality of life.</p> <p>24 CFR Part 92.300 establishes that participating jurisdictions must reserve not less than 15% of the HOME Program allocation for investment in nonprofit housing organizations that benefit low and very low income families.</p> <p>Community Housing Development Organizations (CHDO's) are not-for-profit community based entities established to own, develop, administer, or sponsor housing for persons of low and very low income with the assistance of HOME funds.</p> <p>The Commonwealth HOME Program must certify new organizations as a CHDO, prior to committing funds, the Commonwealth HOME Program will assure that the entity meets the criteria pursuant to 24 CFR Part 92.2.</p> <p>Emphasis is given to HUD requirements such as legal status under the Puerto Rico Department of State, composition of the Board of Directors, organizational mission, administrative capacity, and experience are the major areas to be evaluated before certifying or recertifying an organization as a CHDO.</p>
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	<p>HOME Program funds will be granted for rehabilitation of housing, new construction, and project pre-development loans; among other eligible costs. CHDO activities and projects costs will meet the 24 CFR Parts 92.205 and 92.206; and local and federal property standards and construction codes, as established in the 24 CFR Part 92.251.</p> <p>All families benefited by HOME funds must comply with income requirements as Commonwealth on the 24 CFR Parts 92.203 and 92.254, and Part 92.252 regarding rental-housing qualifications.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>4. Activity Name: HOME Program Planning and Administration</p> <p>HOME Allocation: \$892,613</p> <p>Description: The scope of this activity is to provide the framework to support planning and administrative roles exclusively for the HOME Program.</p> <p>10% of the total allocation of HOME Program funds for PY 2016 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.</p> <ul style="list-style-type: none"> • Use of funds: Down Payment Assistance to Homebuyers: % of Total HOME Allocation: 10% • Use of funds: Rehabilitation or Construction of Housing for Rent: % of Total HOME Allocation: 65% • Use of funds: CHDO Project Funds Set Aside: % of Total HOME Allocation: 15% • Use of funds: Program Planning and Administration: % of Total HOME Allocation: 10% <p>Description of Areas of Minority Concentration</p>

		<p>No areas of minority concentration have been identified; since 95.1% of the ethnic group is considered Puerto Rican, followed by a 2.8% considered other Hispanic or Latino for a total of 98.9%.</p> <p>In terms of race, 80.5% of the censuses population in Puerto Rico identified as White, 8% as Black or African American, and 6.8% as some other race.</p> <p>Reasons for the allocation priorities and geographic areas of the State</p> <p>The PRHFA distributes funds through a competitive process and cannot predict the ultimate geographic distribution of the assistance.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	
<p>4</p>	<p>State Program Name:</p>	<p>HOPWA</p>
	<p>Funding Sources:</p>	<p>HOPWA</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Housing Opportunities for Persons with AIDS (HOPWA) Program provides housing assistance and supportive services for low-income persons living with HIV/AIDS and their families. HOPWA funds are received by the Puerto Rico Department of Health to be distributed to Eligible Project Sponsors that include Municipal Governments and Non Profit Organizations.</p> <p>Funds for PY 2016 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to sub recipients. The distribution of the funds to potential sub recipients will be conducted using a competitive Request for Proposal process. Due to the law restrictions administrative funds will not be distributed to sub recipients. The competition will distribute funds for the provision of housing and other activities. 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>The availability of the RFP guide was announced during the public hearing in March, 2016. Proposals will be due on April, 2016. The Municipality of San Juan will select sub recipients from Municipalities, Faith-Based, and other Community Based Organizations that provide services to the HIV/AIDS populations. Interested sub recipients (Municipalities and Nonprofits) will submit proposals to be evaluated on a competitive basis, in compliance with the RFP and Application Guidelines.</p> <p>For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PR-EMSA Municipalities for the HOPWA grant.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p><i>Evaluation of Grant Applications</i></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 to assure uniformity and impartiality. The maximum value for a proposal is one hundred (100) points. The following table shows the criteria to be used for the evaluation of the proposals:</p> <p><i>See Table in Discussion section below.</i></p> <p><i>Acquisition, rehabilitation, conversion, lease and repair of properties activity</i></p> <p>No funds will be allocated to this activity during PY 2016. These activities will be funded with any surplus funds</p>
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<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p><i>Acceptance of proposals</i></p> <p>For PY 2016 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>In terms of the evaluation of the proposals submitted for funding under the PR-DOH HOPWA Program, the Municipality of San Juan will give a preference code to Municipalities under the PR-DOH EMSA that will assure priority funding after the application is evaluated. All the applications will be evaluated by the same standards and criteria.</p> <p>No proposals that combine housing and support services will be accepted during the PY 2016. If the organization wishes to provide support services in a housing project it must submit one proposal for the support service and another for the housing.</p> <p>Support services eligible costs include:</p> <ul style="list-style-type: none"> • Nutritional Services • Day care • Case Management • Mental Health • Medical services • Any supportive service combined with housing <p><i>DUNS Number, Central Contractor Registration and Sam.gov</i></p> <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 the must obtain certification from the Central Contractor Registration (CCR). The CCR website and other federal websites were migrated to a single system called the System for Award Management (SAM). All HOPWA sub-recipients must migrate to the SAM system in order to be granted during PY 2016.</p>
<p>Describe how resources will be allocated among</p>	<p><i>Activities</i></p> <p>The PY 2016 HOPWA funds will be focused on direct housing assistance to those most in need and supportive services for the HOPWA eligible individuals. Applicants are strongly encouraged to partner with other public or private service providers to coordinate client services and fully leverage the available resources in the particular service area.</p>

<p>funding categories.</p>	<p>The organizations whose proposals have been funded will be notified through mail or email. Also, they will be informed of the documents required by the Municipality of San Juan. Contracts will be granted to project sub recipients when all required documents have been submitted.</p> <p>For PY 2016, HOPWA funds will be allocated in three major categories, as follows:</p> <p style="padding-left: 40px;">Administration, Department of Health: \$54,648.09</p> <p style="padding-left: 40px;">Administration, Municipality of San Juan: \$123,686.84</p> <p style="padding-left: 40px;">Housing activities and supportive services: \$1,643,268.07</p> <p><i>HOPWA Program Administration</i></p> <p>HOPWA funds are allocated for eligible administrative and planning costs including, but not limited to expenditures for salaries, wages and related costs of Grantee and sub grantee staff, consultants and other persons responsible for the HOPWA Program administration.</p> <p>According to the HOPWA Act, no administrative funds will be distributed to sub recipients; instead they will receive delivery costs for the undertaking of the eligible activities. The HOPWA Program regulations define eligible administrative costs as “costs for general management, oversight, coordination, evaluation, and reporting on eligible activities. Such costs do not include costs directly related to carrying out eligible activities, since those costs are eligible as part of the activity delivery costs of such activities.”</p> <p><i>Housing Activities</i></p> <p>HOPWA funds will be allocated to undertake eligible housing related and supportive activities by the regulation. This category is available for Municipal and Non Profit sub recipients.</p> <p>HOPWA funds may be used to plan, develop, operate and evaluate housing programs that are designed to prevent homelessness or assist persons who are homeless. Housing activities include the provision of emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences. Specific eligible housing activities include the following: acquisition, rehabilitation, conversion, lease, and repair of facilities to provide housing and services, new construction for SRO dwellings and community residences, project or tenant-based rental assistance, emergency rent, mortgage, and utility payments to prevent homelessness, and operating costs for housing, housing information services,</p>
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resource identification, technical assistance in establishing and operating a community residence. Eligible housing costs that can be provided under each eligible category include:

- **Short-Term Supported Housing**
 - Temporary shelter, such as detox services or emergency shelter facility, not covered by any health insurance plan
 - Maintenance, security, insurance, utilities, furnishings, equipment, supplies
 - Nutrition (food supplies) for facility meals prepared on site for facility residents
 - Delivery costs (staff time for conducting initial eligibility assessments, creation of initial housing plans –
 - All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
- **Short-Term Rent, Mortgage, and Utility (STRMU) Assistance**
 - Monthly rent, mortgage and/or utilities costs
 - Delivery Costs (staff time for initial eligibility assessments, creation of initial housing plans, annual eligibility re-certifications, negotiations with landlords or utility companies, cutting and mailing payments to landlords or utility companies, staff and materials costs related to cutting and mailing and utility company payments)
 - All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
 - Material costs related to checks and postage
 - **NOTE: The payment of Rent Deposits is not eligible under STRMU**
- **Permanent Housing Placement**
 - Provides move-in costs (Application fees, credit checks, security deposits, one-time utility connection and processing costs)
 - Permanent Housing Placement
 - Delivery Costs (staff time for initial eligibility assessments, creation of initial housing plans, annual eligibility re-certifications, negotiations with landlords or utility companies, cutting and mailing payments to landlords or utility companies, staff and materials costs related to cutting and mailing and utility company payments)
 - All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
- **Facility-Based Housing Development**
 - Hard Costs and Soft costs related to the acquisition, rehabilitation, conversion and or repair of facilities

- New construction for community residences and single room occupancy (SRO) dwellings.
- **Facility-Based Housing Operations (including PBRA, Facility Leasing costs or Master Leasing costs)**
 - Project-based rental assistance
 - Facility leasing costs
 - Maintenance, security, insurance, utilities, furnishings, equipment, supplies
 - Nutrition (food supplies) for facility meals prepared on site for facility residents
 - Delivery costs (staff time for conducting initial housing eligibility assessments, creating initial housing plans
 - All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
- **Tenant-Based Rental Assistance (TBRA)**
 - Monthly rental subsidies and utility allowances
 - Delivery costs (staff time for conducting initial eligibility assessments, creation of initial housing plans, annual eligibility re-certifications, negotiations with landlords, cutting and mailing payments to landlords
 - All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
 - Material costs related to checks and postage
 - HQS inspections

Supportive Services and Other Eligible Activities

Under Supportive Services and other eligible activities grants will be provided to nonprofit organizations for the provision supportive services. Supportive services are important tools in assisting eligible participants to stabilize their living situations and help address care needs of persons living with HIV infection.

In general, the emphasis of HOPWA programs should be on housing assistance rather than supportive services. No more than 35 percent of the total grant may be utilized for supportive services (Note: Permanent housing placement costs are included in the 35 percent cap). Services provided with HOPWA funds should focus on supporting the housing stability of program participants. All supportive service expenses for this HOPWA program must be documented as being last resort – that is, all other resources for supportive services must be exhausted prior to using HOPWA funds for supportive services.

The following are eligible expenses under HOPWA Supportive Services. If funds are allocated to these activities they need to be reported in HOPWA year-end performance reports:

- Adult day care and personal assistance
- General case management/advocacy/coordination of benefits
- Child care, education, and employment assistance and training
- Health and medical services* Subject to HOPWA restrictions
- Legal services
- Drug and alcohol abuse treatment services
- Life skills training and management
- Nutritional services (including food products or pre-cooked meals) delivered to clients not living in facilities where community meals are provided as part of the regular program services
- Mental health services
- Outreach for eligible HOPWA participants
- Limited transportation costs

However, despite this flexibility of services, HUD has limitations on what is considered to be eligible services. Sub recipients will need to adequately track supportive service activities, document related expenditures, and adhere to these limitations. Some HOPWA-funded supportive services can be provided to income-eligible persons with HIV and AIDS and their family members; others are restricted to HIV clients. As an example, HOPWA regulations establish that health services may only be provided to “individuals with acquired immunodeficiency syndrome or related diseases and not to family members”.

Any supportive service, including health services, should be provided as a last resort. The sponsor should document reasonable efforts to qualify recipients for other programs that might pay for supportive services in the client’s Individual Housing Service Plans that demonstrate project sponsors are conducting required on-going assessments of the housing assistance and supportive services.

The flexibility of this range of eligible HOPWA supportive services under this activity can be a challenge given the limited amount of funds available to support these services. This flexibility helps project sponsors adapt their projects to local needs and gaps in services, but the project sponsor needs to understand the limits of this flexibility. HOPWA emphasizes the importance of housing assistance; but it also provides supportive services in combination with these activities. Some supporting services are restricted to the housing services (such as medical care to hospice activity). Others such as nutritional services may be provided independently. However, the sponsor needs to clarify the nature and scope of the supportive service that will be offered as part of the housing stabilization plan through their HOPWA project.

Sub recipients must report at the end of the year the following:

- The number of eligible households that received the specific service;

	<ul style="list-style-type: none">▪ The amount the sponsor spent on the specific category; and▪ The value of other non-HOPWA funds brought into the project (leveraged) for this activity. <p>A total of \$575,143.52 is allocated to Supportive Services and other eligible activities. This activity is available only to nonprofit organizations.</p>
Describe threshold factors and grant size limits.	
What are the outcome measures expected as a result of the method of distribution?	

Discussion:

NPOs		New Municipalities		Municipalities	
Criteria	Maximum Points	Criteria	Maximum Points	Criteria	Maximum Points
Transmittal Letter	3	Transmittal Letter	2	Transmittal Letter	2
Description of the organization	7	General Information of the Municipality	3	General Information of the Municipality	3
Fiscal and programatic information	6	Description of the capacity of the municipality to conduct the activity	15	Fiscal and programatic information	15
Service Description	5	Fiscal and programatic information	10	Description of the proposed project	25
Action Plan	36	Description of the proposed project	20	Budget	35
Budget	36	Action Plan	25	Performance	20
Required documentation	2	Budget	25		
Performance	5				
Total	100		100		100

AP-35 Projects – (Optional)

Introduction

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

#	Project Name

Table 10 – Project Information

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

CDBG Action Plan

<http://www2.pr.gov/agencias/ocam/documentosdereferencia/Documents/Action%20Plan/DR-DREF/AP-DR%202008.pdf>

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?

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 OCAM's program guidelines.

Available Grant Amounts

Estimated Availability of Funds for PY 2016- \$95,145,920

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 OCAM. To secure the loans issued, OCAM 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, OCAM requires the municipal administration to present other collaterals, besides the required by HUD, in order to secure the re-payment of the loan. If OCAM 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 OCAM 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:

- VI. Property acquisition
- VII. Rehabilitation of publicly owned properties
- VIII. Housing rehabilitation eligible under the CDBG program
- IX. Special economic development activities under the CDBG program,
- X. Payment of issuance costs associated financing loans 108
- XI. Acquisition, construction, reconstruction, rehabilitation or installation of public facilities
- XII. Reserves to pay debt service on the Section 108 loan
- XIII. 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. OCAM 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

- XIV. 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 OCAM. The Federal Programs Division at OCAM 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 2016.
- XV. 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.
- XVI. 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.
- XVII. 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 OCAM's 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

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

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, with the exception of 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.

Estimate of the Percentage of Funds it Plans to Dedicate to Target Areas

The following figure presents the location of the 51 non-entitlement municipalities of Puerto Rico that we could classify as targeted areas within the non-entitlement municipalities. Census 2000 caused the migration of the municipalities of Cabo Rojo, Guayama, Isabela, San Sebastian, San Germán, and Yauco into the CDBG Entitlement Program, leaving 51 municipalities within the current non-entitlement program. See Appendix for map: *Non-entitlement municipalities as targeted areas*.

The mayors of the non-entitlement municipalities certify to OCAM that no less than 70% of the funds allocated to their municipalities would be expended in activities that benefit low-income persons, as area benefit activities, low moderate clientele, low moderate housing, or low moderate jobs. Nevertheless, the remaining 30% could be used for the elimination of slum and blight and the solution of sudden urgent needs that affect the health and safety of a particular community.

The rationale for allocating funds geographically has added more flexibility to the CDBG Program, while providing the required additional allocation to the offshore municipalities of Vieques and Culebra.

HOME

The **PRHFA** will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HOME 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 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 requiring that resources be allocated in non-metropolitan areas. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas

The **HOME** allocation for PY 2016 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, Arcibo, Bayamón, Caguas, Carolina, Guaynabo, Mayagüez, Ponce, San Juan, Toa Baja, and Trujillo Alto are local PJs on their own, and that the program could complement any eligible request made from these municipalities in order to further the strategic objectives set forth by the **PRHFA**. Below is a map with the location of the municipalities designated as local participating jurisdictions for the **HOME** Program. The map illustrated on the next page shows the location of the non-metropolitan municipalities in the island.

MUNICIPALITIES DESIGNATED AS PARTICIPATING JURISDICTIONS FOR THE HOME PROGRAM



Municipalities designated as non-metropolitan counties

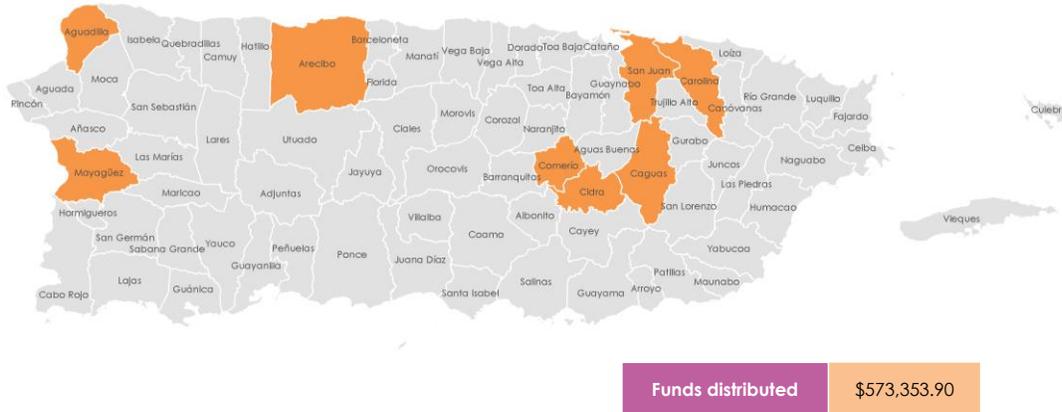


ESG

Program funds are distributed through a competitive process. Thus the ultimate geographic distribution of the assistance cannot be predicted. For the last five years of consolidated planning, the Department of the Family has been promoting and encouraging participation of recipients in different activities island-

wide. The following Maps shows the distribution by geographic area of 2015 funds.

Outreach Geographic Distribution, 2015



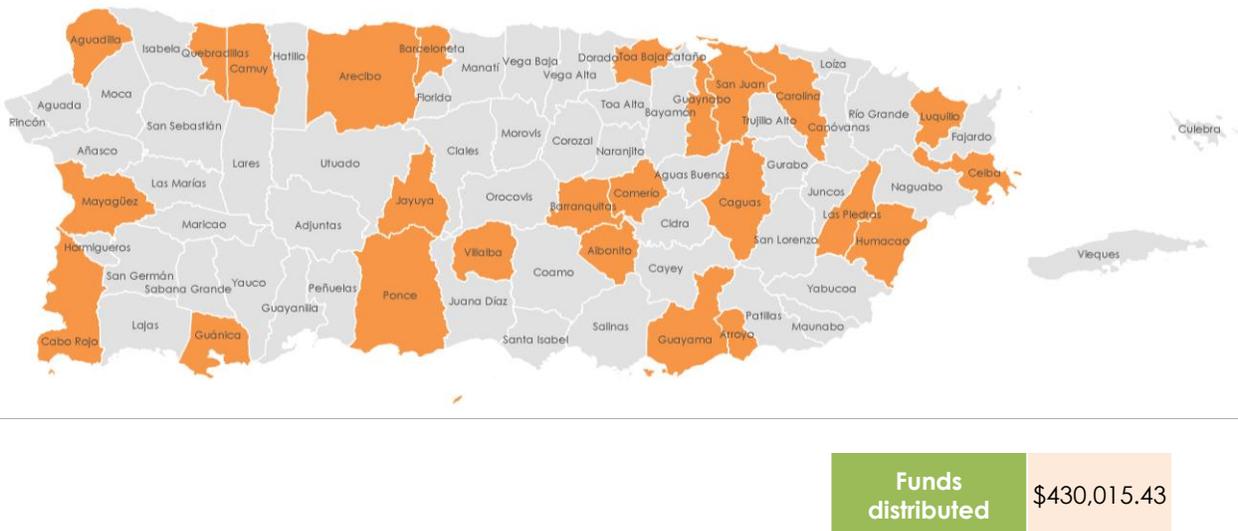
Emergency Shelter Geographic Distribution, 2015



Prevention Geographic Distribution, 2015



RAPID RE-HOUSING Geographic Distribution, 2015



HOPWA

The State HOPWA funds will be allocated 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 both 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.

Nonetheless, 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 will be distributed.



Affordable Housing

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

Introduction

The goals for affordable housing will vary by program and the targeted population. The estimates are based on previous year's performance and the new funding allocation. For those served under the CDBG State Program, the numbers will vary depending on the activities ultimately developed by non-entitlement municipalities.

One Year Goals for the Number of Households to be Supported	
Homeless	1,880
Non-Homeless	2,000
Special-Needs	750
Total	4,750

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	120
The Production of New Units	500
Rehab of Existing Units	805
Acquisition of Existing Units	0
Total	1,425

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

Discussion

ESG will provide 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 the 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. Meanwhile HOPWA will provide tenant based rental assistance (TBRA), 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 HOPWA and ESG programs provides the largest assistance to the homeless and

special needs population.

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

Introduction

Information contingent on the final submission of the state's PHA Plan.

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

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

The state's activities to encourage public housing residents to become more involved in management and participate in homeownership include the following:

1. Promote community involvement by developing leadership and motivational skills of community leaders and supporters
2. Create economic development programs that promote family self-sufficiency
3. Increase the number of employed persons using Section 3 requirements

Several of the housing programs offered under CDBG, particularly the Homeownership program and the Homebuyer assistance under HOME, can provide assistance for public housing families planning to become homeowners.

Under the Affordable Rental Housing program, CDBG-DR funds will be used to maintain and increase the affordable rental housing stock.

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

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

Introduction

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

The state will address the needs identified in the homelessness assessment by giving priority to Emergency Shelters without restrictions that may be used as a Stabilization Unit (24 hour, 7 days a week entrance) and for crisis or emergency situations; Expanding the range of Street Outreach services; Emergency Shelters without restrictions on population, age, and time; and Emergency Shelter Services. In the case of Prevention and Rapid Re-Housing, particular attention will be given to people with mental health conditions; and Shelter proposals along with Rapid Re-Housing. Services that promote economic and personal self-sufficiency, will also be promoted due to the reasons observed for being homeless and the current social and economic context. The Department of Family will focus its efforts in the removal of administrative, institutional and programmatic barriers that limit the access to emergency shelters. As well, the Department will promote among its sub-recipients, the inclusion of permanent housing as a goal in the services plans since the first day a homeless persons enters a shelter.

Addressing the emergency shelter and transitional housing needs of homeless persons

The strategies promoted by the Puerto Rico Department of the Family are centered in the public policy established by Law Number 130. As is established in Article 4 of the Law, “the Government of the Commonwealth of Puerto Rico recognizes the need to foster, plan, and carry out services and facilities to attend the needs of these persons, to enable their participation in the Puerto Rican community and allow them to lead a productive and social life. Services must be offered in a multisectoral 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”.

Within that framework, goals and actions of the state are focused in reducing the number of families and individuals living on the street and place them in emergency shelters, transitional or permanent housing; improving the quality of emergency shelters for homeless families and individuals; providing assistance to operate these shelters; and provide support services to shelter’s residents.

Funding for emergency shelters comes mainly from the State’s ESG program. Funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, 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 of the PRMC to end chronic homelessness in Puerto Rico includes strategies directed towards persons who are currently homeless, as well as that in risk of becoming homeless. These include:

- Continued expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons, in full compliance with PR Law 130-2007.
- Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in 10-year planning processes to end chronic homeless
- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, 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 combat the criminalization of homelessness, based on the awareness that has been developed in policy and decision-makers, resulting in policy changes to reduce the time for elimination of criminal records, give priority to homeless populations applying for mainstream services, and others.
- 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.
- Continued emphasis on continuing education to professionals working with homeless individuals to improve sensitivity and humane treatment as well as the level of intensity and quality of services needed by the chronic homeless to achieve their recovery and promote self-sufficiency over time, including the inclusion of curricular content related to homelessness in pre-service training of Police Cadets and in courses of public and private high schools.
- 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 CoC 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.

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 to become homeless. Based on that goal, the State 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 the 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.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	50
Tenant-based rental assistance	100
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	100
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	500
Total	750

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

Introduction

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

The State Housing Plan Implementation Committee is in the process of identifying policy changes that would promote affordable housing. The efforts of this group will be initially executed through a new Unified NOFA which provide incentives to ameliorate the negative effects of public policies that serve as barriers to affordable housing. i.e. by leveraging public land and targeting developmental costs, the NOFA could serve as a tool to remove the negative externalities of other public policies.

Discussion

The Commonwealth of Puerto Rico recognizes that certain policies and regulations represent a barrier to affordable housing. To remove or ameliorate the negative of this policies and issues the Commonwealth will undertake the following actions:

- The Puerto Rico Planning Board, who's director is a member of the Housing Plan Implementation Committee (HIPC), is classifying urban land with adequate zoning and infrastructure to expedite housing development. This will benefit affordable housing developers by reducing the time and effort required to obtain building permits and reduce off-site cost requirements.
- The above initiative will also support planning efforts associated to infrastructure investments.
- To reduce land cost or any negative risks on land cost associated to land policy, as part of Housing Plan's actions, the Department of Housing is actively working with municipalities identifying land apt for affordable housing development that may be contributed under different favorable terms to reduce the development cost or capital requirements.
- To promote affordable housing development in urban areas that satisfy the needs of targeted populations, the PRHFA under the leadership of the Department of Housing is reviewing is Qualified Allocation Plan to favor projects that support Housing Plan's policies and actions.
- Related to the above, the Commonwealth is implementing a Unified NOFA strategy which is design to promote Housing Plan's policies.
- To increase the capacity of CHDOs and private housing development, the PRHFA has collaborated since 2013-14 with HUD local office and HUD consultants in training initiatives. Also the PRHFA is actively providing technical support to these organizations.

- Also, OCMA is developing the Centro de Innovación Social to provide technical assistance to municipalities.

AP-85 Other Actions – 91.320(j)

Introduction

Actions planned to address obstacles to meeting underserved needs

The main obstacles to meeting underserved needs are policy, administrative and fiscal issues that are affecting the development of affordable housing and program implementation in Puerto Rico. The main action that has been undertaken to address these obstacles is the development of the State Housing Plan and the establishment of the Housing Plan Implementation Committee (HPIC), as part of an agreement between The U.S. Department of Housing and Urban Development (HUD) and the Commonwealth of Puerto Rico. The HPIC will implement a Unified NOFA structured to channel funds to projects and initiatives which address the plan objectives. For example, the Unified NOFA is : promoting affordable housing development near areas with the following characteristics: job centers; rehabilitated streets which support multi-modal transportation and pedestrians; services for the elderly and other special needs population, such as health centers, pharmacies, supportive services and other key services for low-income individuals; and public facilities. Also, to address housing development costs and funding limitations, the Unified NOFA is targeting state and municipal land.

The Commonwealth is also taking tax measures to support affordable housing programs. For example, in 2014 the Commonwealth imposed a 2% special tax on Money Transmitting Business on money transmission processed or completed electronically or by check, fund Law 173 “Housing Rental and Improvement Subsidy Program for Low-Income Elderly Persons”.

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. OCMA’s new policy is also a strategy to shift scarce municipal human and administrative resources from proposal writing activities to program implementation and compliance. Moreover, this action will allow OCAM personnel to dedicate more time to technical assistance and oversight activities.

Actions planned to foster and maintain affordable housing

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 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 PRHFA have a pro-active approach to reduce lead-based- paint hazards in residential projects across the Island, such as:

- XVIII. Professional assessment for deteriorated paint in units built before 1978
- XIX. Initial and annual HQS inspections
- XX. Disclose information among residents of lead-based paint hazards
- XXI. 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).

The State HOME Program requires that before the ratification of a contract for housing sale or lease, Sellers and landlords must:

Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your HOME" pamphlet)

Disclose any known information concerning lead-based paint or lead-based paint hazards. The seller or landlord must also disclose information such as the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces

Provide any records and reports on lead-based paint and/or lead-based paint hazards which are available to the seller or landlord (for multi-unit buildings, this requirement includes records and reports concerning common areas and other units, when such information was obtained as a result of a building-wide evaluation)

Include an attachment to the contract or lease (or language inserted in the lease itself) which includes a Lead Warning and confirms that the seller or landlord has complied with all notification requirements. This attachment is to be provided in the same language used in the rest of the contract. Sellers or landlords, and agents, as well as Homebuyers or tenants, must sign and date the attachment.

Sellers must provide Homebuyers a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection opportunity.

As part of the actions for PY 2016, The PRHFA will conduct a review off its processes and procedures previously described.

All CDBG funded housing acquisition and rehabilitation, of pre-1978 units, will meet HUD's Lead-Based Paint Regulations. OCAM has recently developed new monitoring guides for CDBG-DR which establishes a new process for lead-based paint hazard evaluations. Moreover, OCAM internal CDBG guidelines will follow the procedures established for CDBG-DR housing activities.

OCAM will provide guidance on the lead based paint compliance requirements assuring that all the non-entitlement rehabilitation manuals filed in the agency, includes the actions the municipalities will take on this issue.

Actions planned to reduce the number of poverty-level families

Due to the prevailing poverty rate in the state, the government has several programs which are targeted to eradicating poverty. The state will promote suitable living environments, particularly affordable

housing, and coordination with non for profit organizations to promote the elimination of homelessness.

The policy of the Commonwealth of Puerto Rico is to eradicate poverty among the current generation, particularly infant and youth poverty, within 20 years. To achieve this goal the Commonwealth outlined the following actions:

1. Work closely with the “Oficina de la Coordinadora General para el Financiamiento Económico y la Autogestión (OFSA)” to reactivate Special Communities Administrative Council (Consejo Asesor de Comunidades Especiales) to support public involvement initiatives and improved communication between the Commonwealth and disadvantage communities.
2. Promote self-employed and business development initiatives to reduce unemployment to 10%.
3. Promote gender equality through different measures
4. Improve access to higher education by subsidizing the cost of the local college entrance exam, an initiative that benefits over 27,000 high school students and over 1,000 inmate population.
5. Increase access to health services by leveraging Medicare, Medicaid and local funds. Over 150,000 low income people benefited from this initiative.
6. Support the Community Microenterprises Program, a program which promotes economic development in disadvantage communities.

Actions planned to develop institutional structure

The Housing Plan Implementation committee is the main mechanism to develop the institutional structure currently in place to coordinate the development and implementation of the Consolidated Plan. HPIC’s structure - as previously described- facilitates the implementation of legal, regulatory or program solutions associated to the following: infrastructure, land policies, building regulations, municipal needs, administrative procedures and technical issues associated to relevant programs. Its structure supports a comprehensive approach to problem solution.

Moreover, it is important to maintain a year-long interagency committee focused on the development of the State Consolidated Plan and designate an active participant in the State Housing Plan Implementation Committee. Such participant will provide cohesiveness between specific housing policies and other community development initiatives.

Under CDBG, 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. OCMA’s new policy is also a strategy to shift scarce municipal human and administrative resources from proposal writing activities to program

implementation and compliance. Moreover, this action will allow OCAM personnel to dedicate more time to technical assistance and oversight activities.

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

Under the leadership of the HPIC, the process of designing and implementing the Unified NOFA provides a mechanism to coordinate actions between key stakeholders associated to affordable housing and economic development. Currently, the Department of Housing, Public Housing Administration, OCMA, the Puerto Rico Planning Board, municipalities, among other agencies, are actively participating in the process. Meanwhile, during its public participation process, other public and private housing and social service agencies will have the opportunity to provide feedback and suggestions on the proposed mechanism.

No specific actions have been planned to enhance coordination between public and private housing and social service agencies. with CDBG funds. However, in the process of developing the Action Plan, the agency reached out potential stakeholders- particularly those from the Non for profit sector- to promote their participation on the public hearings, and other processes related to Public Participation. Moreover, since municipalities provide several public service activities with CDBG funds, they coordinate with local non for profit service providers to deliver such services.

Program Specific Requirements

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

Introduction

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

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, OCAM does not require non-entitlement municipalities to return income up to \$35,000 provided that such revenue is counted as miscellaneous revenue. Nonetheless, OCAM 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 posted at: <http://www.ocam.gobierno.pr>. The municipalities are required to send their program income estimates and reports through e-mail, fax, or PROFE.

Currently OCMA does not hold CDBG funds of program income. It does not expect to receive any program income above the threshold in the following year.

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

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 300,000 |
| 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)

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

In compliance with 24 CFR 92.205 (b) (1), the **PRHFA** will use other forms of investment allowed by the pertaining **HOME** Program regulation, when appropriate. Other forms of investment include, but are not limited to, the award of a grant to provide incentives or a direct loan to develop and support affordable rental housing and Homeownership affordability through the acquisition (including assistance to Homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations.

In addition **HOME** funds will be used to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations.

- 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 Commonwealth's **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'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 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 PRHFA will determine which type of provision to use with CHDO's. Such determination will be included in the written agreement with the CHDO's.

The recapture provisions will entail the following criteria:

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 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, 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 surplus will be shared between the PRHFA and the beneficiary.

The PRHFA will share any appreciation in the value of the HOME-assisted unit with the homebuyer. Any amount in excess of net proceeds (surplus) will be shared on equal basis between the PJ and the program beneficiary (50% retained by the PJ and 50% to beneficiary). Such surplus will be treated as Program Income.

If net proceeds are not enough to cover HOME assistance then the homebuyer will not recuperate their investment.

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

The 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 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.

Description of the Resale Guidelines for the Homebuyer Activity:

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

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, the amount of mortgage principal repaid, homeowner's investment and the value of any improvements installed at the seller's expense) and ensure that the housing will remain affordable to a reasonable range of low-income Homebuyers. 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 receipts. 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

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 at resale 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 receipts. The housing will remain affordable to a reasonable range of low-income Homebuyers.
- (6) 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.
- (7) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family at 75 percent 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 28-30 percent of annual (gross) income.
- (8) 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.
- (9) 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.

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

- **Include written standards for providing ESG assistance**

WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE

Because of the needs of program participants, access and availability to assistance variations across Puerto Rico, the Department will require its sub-recipients to establish and implement their own written program standards. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

- u) Policies and procedures for evaluating individuals' and families' eligibility for ESG assistance.
- v) Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.
- w) Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.
- x) Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.
- y) Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
- z) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
- aa) Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of

assistance, maximum number of months, or maximum number of times the program participants may receive assistance).

- bb) Policies and procedures for admission, diversion, referral and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, e.g., victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;
- cc) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

Furthermore, The Department of the Family will require that sub-recipients develop service plans focused on permanent housing since day one.

The Agency will implement standards aimed at reducing access barriers in emergency shelters to allow for 90% occupancy.

Such barriers include the following requirements of shelters:

- Substance use and abuse
- Drug testing
- Being free of illicit drugs
- Alcohol use and abuse
- No smoking
- Being free from a contagious disease (as presentation of results of physical examination)
- To have health insurance
- Not having a physical health condition that affects self-care
- Having a mental health condition certified by a mental health professional and be medicated
- Not have a diagnosed mental health condition
- Lack of Health Plan Coverage
- Not having dependent children with them
- Not being pregnant
- Not be homosexual, bisexual or transgender
- Have religious beliefs
- Have a criminal record certificate

Program standards must not be designed to discriminate against any program participant. Every project funded by ESG has to comply with the Final Rule on “Equal Access to Housing in HUD Programs – Regardless of Sexual Orientation or Gender Identity”, Published March 6, 2012. The rule makes the following provisions:

- Requires owners and operators of HUD-assisted housing, or housing whose financing is insured by HUD, to make housing available without regard to the sexual orientation or gender identity of an applicant for, or occupant of, the dwelling, whether renter- or owner-occupied. HUD will institute this policy in its rental assistance and homeownership programs, which include the Federal Housing Administration (FHA) mortgage insurance programs, community development programs, and public and assisted housing programs.
- Prohibits lenders from using sexual orientation or gender identity as a basis to determine a borrower’s eligibility for FHA-insured mortgage financing. FHA’s current regulations provide that a mortgage lender’s determination of the adequacy of a borrower’s income “shall be made in a uniform manner without regard to” specified prohibited grounds. The rule will add actual or perceived sexual orientation and gender identity to the prohibited grounds to ensure FHA-approved lenders do not deny or otherwise alter the terms of mortgages on the basis of irrelevant criteria.
- Clarifies that all otherwise eligible families, regardless of marital status, sexual orientation, or gender identity, will have the opportunity to participate in HUD programs. In the majority of HUD’s rental and homeownership programs the term “family” already has a broad scope, and includes a single person and families with or without children. HUD’s rule clarifies that otherwise eligible families may not be excluded because one or more members of the family may be an LGBT individual, have an LGBT relationship, or be perceived to be such an individual or in such relationship.

- Prohibits owners and operators of HUD-assisted housing or housing insured by HUD from asking about an applicant or occupant's sexual orientation and gender identity for the purpose of determining eligibility or otherwise making housing available. In response to comments on the proposed rule, HUD has clarified this final rule to state that this provision does not prohibit voluntary and anonymous reporting of sexual orientation or gender identity pursuant to state, local, or federal data collection requirements.

Homeless persons and at risk of losing their home, that cannot be placed at a home in the jurisdiction where the organization provides services due to violence conditions, because the participant's life or any member of his family is at risk, can be placed in another jurisdiction's home. It will also apply to special populations, persons or family with certain physical or mental conditions, elderly, disabled and others, when there are no available homes or services necessary for their stabilization for their particular conditions in the jurisdiction where the case is taken care of.

In these cases the organization will do as follows:

First, it will identify an organization or municipality that receives ESG funds that can take care of finding housing and services for the participant in their jurisdiction. In these cases the organization that accepts the transfer of the participant will take care of all the economic assistance, case management and the HMIS data entrance.

If no organization or municipality agrees to receive the participant who needs relocation outside of its jurisdiction, then the organization originally attending the case must locate the participant outside its jurisdiction, assuming full responsibility for the financial assistance, case management and HMIS data entry.

Participants with the conditions previously described cannot be denied any service or housing because the organization or municipality cannot place them in their jurisdiction, and must have a written consent of the participant that accepts the relocation outside the jurisdiction where services were requested.

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

The continuums of care are in the process of establishing a centralized assessment system. Sub recipients of ESG finds must participate in the processes for implementation of such system.

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

Subaward processes for the availability of funds to private non-profit organizations include community and faith based organizations. 1) allocation through the regular process (extension of contracts and competition for funds). 2) distribution of recapture funds through competitive

processes and allocation through invitation for special and strategic projects.

A description of the criteria used for this year's competition is included in the description of screen AP-30.

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.

Unless the recipient is a State, the recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).

Homeless population is represented in different entities:

- Multisectoral Council: Under Law 130: 2 homeless
- The PR-502 three chairs on the board for representatives of homelessness.
- PR-503 CoC have two chairs at least two (2) representatives of the homeless population, who are or have experienced homelessness.

Describe performance standards for evaluating ESG.

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. The standards that are currently being implemented, include the following:

OUTREACH
Number of people receiving services
Number of people who left the program
Percentage of people who committed (engaged) to receive services
Percentage of people who fulfilled their service plan
Percentage of people who increased their income from any source
Percentage of people located in emergency shelter
Percentage of people located in temporary shelter
Percentage of people placed in permanent housing
EMERGENCY SHELTER
Number of people who entered emergency shelter
Number of people who left the program
Percentage of people who fulfilled their service plan
Percentage of people who increased their income from any source
Percentage of people who entered transitional housing
Percentage of people who stayed in the shelter for less than three months
Percentage of people who stayed in the shelter for more than three months
Percentage of people placed in permanent housing
PREVENTION
Number of people receiving prevention services.
Number of people who left the program
Number of people receiving economic assistance
Percentage of people who received housing relocation services and stabilization services during the service period
Percentage of people who met their service plan
Percentage of people who increased their income from any source
Percentage of people placed in permanent housing
RAPID RE- HOUSING
Number of people receiving RRH services.
Number of people who left the program
Number of people receiving economic assistance
Percentage of people who received housing relocation services and stabilization services during the service period
Percentage of people who fulfilled their service plan
Percentage of people who increased their income
Percentage of people placed in permanent housing

Discussion

\$300,000: This is the amount allocated for the Emergency Fund activity. This amount is set aside for urgent need, but the award is contingent to complying with OCAM guidelines on the use of such funds. The activity is further described under the Method of Distribution for the CDBG program.

