

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan

2012 Action Plan

May 11, 2012

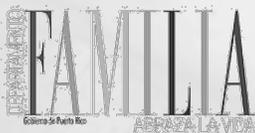
Autorizado por la Comisión Estatal de Elecciones CEE-C-12-094



Community Development Block Grant (CDBG)



Home Investment Partnership (HOME)



Emergency Solutions Grant



Housing Opportunities For Persons With AIDS (HOPWA)





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EXECUTIVE SUMMARY FOR THE CDBG PROGRAM [91.320(B)]

Objectives and Outcomes Identified in the Plan

The 2012 Annual CDBG Action Plan (2012 AAP) is the third annual plan that updates the strategic plan prepared by the Office of the Commissioner for Municipal Affairs (OCAM). This strategic plan establishes the continuance of the housing and community development goals for the State's CDBG five-year Consolidated Plan (CP-2010-2014), which addresses housing and community development needs for the Commonwealth of Puerto Rico. The purpose of the AAP is to:

- A. Summarize the state's five-year priorities and strategies for housing, community development, and economic development;
- B. Describe how the state proposes to further the five-year priorities and strategies of the Consolidated Plan;
- C. Explain the state's distribution method for the CDBG Program;
- D. List the resources available to the non-entitlement municipalities and to the state for furthering the five-year strategies;
- E. Report on specific items required by the U.S. Department of Housing and Urban Development (HUD), such as lead-based paint actions and removal of barriers to affordable housing; and
- F. Review citizen comments about the 2012 AAP

The AAP for 2012 summarizes categories and priorities for the distribution of \$28,348,407 in CDBG funds as presented in the following table:

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USE OF CDBG FUNDS FOR PY 2012

Use of Funds (category)	Allocation
Basic Allocation	\$17,955,000
Competitive Round	\$8,576,702
Emergency	\$1,000,000
State Administration	\$566,705
Technical Assistance	\$250,000
Total	\$28,348,407

Additional funding could be available throughout the program year (PY) from funds recaptured from previous CDBG awards to the non-entitlement municipalities.

In order to meet the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities principally for low-and moderate-income persons (LMI), OCAM has developed the following priorities, strategies, and outcomes.

The Commonwealth of Puerto Rico will fund three priorities in this plan, which summarizes the goals of the five-year Consolidated Plan. The main priorities, strategies, and performance outcomes included in the 2012 AAP are:

1. Housing Priority: To respond to the municipal needs for sound, safe, decent, and appropriate affordable housing as part of balanced, sustainable economic development in the non-entitlement municipalities of Puerto Rico.

Strategies:

- Promote housing preservation by improving the quality of the existing affordable housing stock.
- Promote homeownership among additional households by expanding affordable homeownership opportunities.
- Enhance statewide understanding of fair housing law through outreach and education.

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Performance Outcome:

- Providing Decent Housing covers the wide range of housing activities undertaken with CDBG funds, focusing on homebuyer activity and homeowner rehabilitation. National objective LMH will be related to this outcome.
 - Investing in affordable housing benefits low-income households by preserving the quality of the existing affordable housing stock, assisting additional households in becoming homeowners, and improving the understanding of fair housing laws through outreach and education.
2. Community Development Priority: Strengthen non-entitlement communities through community development improvements and public services, which provide a stable platform for economic development.

Strategies:

- Assist in developing and financing appropriate public facilities and infrastructure for non-entitlement municipalities that have planned and set priorities for short and long-term development.
- Improve the quality of public services rendered to low-income persons and those with special needs.
- Increase the capacity, efficiency, and efficacy of local planning efforts that result in long-term development.
- Assist in the reconstruction of public infrastructure for non-entitlement municipalities that have been damaged by man-made or natural disasters.

Performance Outcome:

- Creating Suitable Living Environments involves activities designed to benefit communities, families, or individuals by addressing issues within their living environment. Such activities target a wide range of issues faced by low- and

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moderate-income persons, from physical problems with their environment such as poor quality infrastructure and public facilities, to social issues like crime prevention, literacy, or elderly health services. National objectives LMA, LMC, and URG will be related to this objective.

- Investing in community development benefits low-income persons by developing activities that aim to improve communities and neighborhoods, help them make livable or viable, and eliminate deteriorating conditions.
3. Economic Development Priority: Foster the sustainability of the business and industrial sector, thus assisting in the economic development of the non-entitlement communities and people.

Strategies:

- Promote the startup of new businesses as well as the retention and expansion of existing businesses in non-entitlement municipalities. This will be achieved through investment of CDBG funds (and any incentive funds and credits).
- Provide entrepreneurial assistance to microenterprises and other small enterprises through investment of CDBG funds.

Performance Outcome:

- Creating Economic Opportunities applies to activities related to economic development, commercial revitalization, or job creation. National objective LMJ will be related to this objective.
- Investing in economic development benefits low-income persons by providing new jobs or retaining existing ones, and by leveraging public and private investments in such projects in order to stimulate community revitalization.

The 2012 AAP details specific objectives and performance measurements to meet the goals outlined in the priorities, strategies, and performance outcomes. In addition, the AAP includes a detailed method of distribution which outlines the state's proposal for distributing funds to

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address needs.

OCAM has created the “Outcome Performance Measurement System” manual to better measure the accomplishments of activities funded with CDBG. Those activities include: Public Facilities or Infrastructure; Owner Occupied Rehabilitation; Down Payment Assistance; Job Creation; Job Retention; and Business Assistance. An explanation of OCAM’s Outcome Performance Measurement System is included in the AAP. Specific outcome statements and indicators are contained in each Priority section of the Plan, as required in HUD’s Notice [Docket No. FR-4970-N-02] and per Federal Register 24 CFR Parts 91 and 570 Consolidated Plan Revisions and Updates Final Rule.

The 2012 AAP includes monitoring standards and procedures used by OCAM to ensure that all activities funded by HUD meet statutory and regulatory requirements. Other Actions, which include Underserved Needs, Foster and Maintain Affordable Housing, Remove Barriers to Affordable Housing, Evaluate and Reduce Lead Based Paint Hazards, Reduce the number of Poverty Level Families, Develop an Improved Institutional Structure, Enhance Coordination Between Public and Private Housing and Social Service Agencies, and Fostering Public Housing Resident Initiatives, are described in the 2012 AAP as required by HUD.

Evaluation of Past Performance

OCAM has successfully addressed the priority needs identified in the Consolidated Plan. The State has worked hard to further the primary national CDBG objective of developing viable urban communities by providing decent housing, suitable living environments, and expanding economic opportunities mainly for low-and moderate-income persons (LMI).

The projects selected each year by the state address the priority needs identified in the state’s Consolidated Plan. Specific details about the state’s past performance on priorities covered by the Consolidated Plan and strategies contained in Annual Plans are available through the state’s Consolidated Annual Performance and Evaluation Report (CAPER) submitted to HUD each year. The 2010 CAPER is the most recent report submitted by OCAM. The report contains information regarding significant achievements in meeting the needs of non-entitlement

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municipalities. OCAM began to utilize its Outcome Performance Measurement System in 2006, which will allow OCAM to better measure the accomplishments of activities funded with CDBG.

The following summarizes the achievements for 2010:

AMENDED OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

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		
			2012	75		
			2013	75		
			2014	100		
MULTI-YEAR GOAL			350	51	15%	
DH-2.2	Homeowner rehabilitation of housing units from substandard conditions. (MC# 14)	Owner occupied units rehabilitated.	2010	500	773	155%
			2011	550		
			2012	600		
			2013	650		
			2014	700		
MULTI-YEAR GOAL			3,000	773	26%	
EO-1 AVAILABILITY/ACCESSIBILITY OF ECONOMIC OPPORTUNITY						
EO-1.2	Low/mod limited clientele Microenterprise development (MC # 18C)	People	2010	15	0	0%
			2011	20		
			2012	25		
			2013	30		
			2014	35		
MULTI-YEAR GOAL			125	0	0%	
SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT						
SL-1.1	Senior citizen assisted. (MC# 05A)	People	2010	1,250	2,377	190%
			2011	1,500		
			2012	1,750		
			2013	2,000		
			2014	2,250		
MULTI-YEAR GOAL			8,750	2,337	27%	
SL-1.2	Youth services assisted. (MC # 05D)	People	2010	1,500	1,077	72%
			2011	1,750		

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
			2012	2,000		
			2013	2,250		
			2014	4,500		
		MULTI-YEAR GOAL		10,000	1,077	11%
SL-1.3	Persons assisted with health services. (MC # 05M)	People	2010	250	507	203%
			2011	500		
			2012	750		
			2013	1,000		
			2014	1,250		
		MULTI-YEAR GOAL		3,750	507	14%
SL-1.4	Persons for which access to new or improved senior centers were provided. (MC # 03A)	People	2010	250	922	369%
			2011	500		
			2012	750		
			2013	1,000		
			2014	1,250		
		MULTI-YEAR GOAL		3,750	922	25%
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		
			2012	15,000		
			2013	15,000		
			2014	15,000		
		MULTI-YEAR GOAL		75,000	0	0%
SL-3.2	Persons assisted with general public services. (MC # 05)	Public Services	2010	1,000	393	39%
			2011	2,000		
			2012	3,000		
			2013	4,000		
			2014	5,000		
		MULTI-YEAR GOAL		15,000	393	3%
SL-3.3	Persons assisted with crime awareness services. (MC # 05I)	People	2010	15,000	47,229	315%
			2011	20,000		
			2012	25,000		
			2013	30,000		

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
			2014	35,000		
		MULTI-YEAR GOAL		125,000	47,229	38%
SL-3.4	Persons for which access to a new or improved public facilities and improvements were provided. (MC # 03)	People	2010	35,000	226,003	646%
			2011	40,000		
			2012	45,000		
			2013	50,000		
			2014	55,000		
		MULTI-YEAR GOAL		225,000	226,003	100%
SL-3.5	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		
			2012	18,000		
			2013	19,000		
			2014	20,000		
		MULTI-YEAR GOAL		90,000	17,211	19%
SL-3.6	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		
			2012	175,000		
			2013	200,000		
			2014	225,000		
		MULTI-YEAR GOAL		875,000	277,433	32%
SL-3.7	Persons for which access to new or improved parking facilities were provided. (MC # 03G)	Public Facilities	2010	1,000		
			2011	1,000		
			2012	1,000		
			2013	1,000		
			2014	1,000		
		MULTI-YEAR GOAL		5,000		
SL-3.8	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		
			2012	25,000		
			2013	25,000		
			2014	25,000		

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
		MULTI-YEAR GOAL		125,000	13,203	11%
SL-3.9	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		
			2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	12,488	36%
SL-3.10	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		
			2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	11,596	33%
SL-3.11	Persons for which access to new or improved street facilities were provided. (MC # 03K)	People	2010	300,000	420,204	140%
			2011	325,000		
			2012	350,000		
			2013	375,000		
			2014	400,000		
		MULTI-YEAR GOAL		1,750,000	420,204	24%
SL-3.12	Persons for which access to new or improved sidewalks facilities were provided. (MC # 03L)	People	2010	5,000	5,394	108%
			2011	6,000		
			2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	5,394	15%
	1.1.3 Jobs created under economic development. (MC # 17C). Rehabilitation of Public Facility for Commercial Use	Jobs Created or Retained	2010	22		
			2011	0		
			2012	0		
			2013	0		
			2014	0		

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
		MULTI-YEAR GOAL		22		

Outcome /objectives Codes

	<i>Availability/Accessibility</i>	<i>Affordability</i>	<i>Sustainability</i>
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

EXECUTIVE SUMMARY FOR THE HOME PROGRAM [91.320 (B)]

Introduction

The Puerto Rico Housing Financing Authority (PRHFA) is administers the HOME program for the Government of Puerto Rico since July 1st, 2010. It is the agency responsible for managing and carrying out the Commonwealth’s HOME program. It has the responsibility to define the methods for distributing these funds to the interested municipalities, developers, community housing development organizations (CHDO), and individuals throughout the island of Puerto Rico, as set forth below.

The mission of the PRFHA is:

- to increase the affordable housing stock in the island,
- to properly administer public housing assets, and
- to provide the needed subsidies in order to allow low and moderate income families and individuals to occupy a sound, safe, and sanitary dwelling that would enhance their quality of life and self-sufficiency.

Objectives and Outcomes Identified in the Plan

The allocation for HOME Program for Program Year 2012 is \$8,796,515. This allocation represents a reduction in funding of \$7,408,217 compared to PY 2011 fund allocation of

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\$16,204,732. As a result of the reduction in funding level, the PRFHA has reviewed the HOME program to placed greater priority to activities that can provide greater benefits to the community given current needs, such as rental housing and cost-effective housing rehabilitation programs. The goals contained in the 2010-14, 5-Year Housing Strategy (5YHS), reflecting the expected performance measurement goals targeted by the PRHFA, were amended accordingly.

The table titled PROPOSED DISTRIBUTION OF FUNDS AND ACCOMPLISHMENTS BY PROGRAM ACTIVITY shows the funding categories, amounts allocated and average disbursement per housing unit that will be committed through PY 2012. With this actual allocation, the HOME Program expects to assist 250 households with housing needs, including homebuyers and renters.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2012	
Assigned Budget:	\$8,796,515
Distribution by Category:	
State Administration	\$879,652
Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO)	\$1,319,477
Rehabilitation or Construction of Housing for Rent	\$5,597,386
Rehabilitation or Construction of Housing for Sale	\$1,000,000
Customers to be served: low-income residents of Puerto Rico's 78 municipalities.	

The performance measures goals for PY 2012 established are shown in the following table.

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ANNUAL ACTION PLAN - SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective Specific Annual Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2 Affordability of Decent Housing							
2.2.1	Construction of affordable housing units for low income Homeownership	HOME	Homeownership units constructed or acquired for rehabilitation	2010	100	162	162%
				2011	100	0	0.00%
		2012		32	-	0.00%	
		2013		32	-	0.00%	
		2014		32	-	0.00%	
MULTI-YEAR GOAL				296	162	55%	
2.2.2	Down payment and closing cost assistance for the acquisition of existing housing for low income Homeownership	HOME	Direct financial assistance to Homebuyers	2010	100	45	45%
				2011	100	0	0.00%
		2012		0	0	0.00%	
		2013		0	-	0.00%	
		2014		0	-	0.00%	
MULTI-YEAR GOAL				200	45	23%	
2.2.3	Rehabilitation or Construction of affordable housing units for rental occupancy	HOME	Rental units constructed or rehabilitated	2010	150	581	388%
				2011	150	0	0.00%
		2012		180	0	0.00%	
		2013		180	-	0.00%	
		2014		180	-	0.00%	
MULTI-YEAR GOAL				840	581	69%	
2.2.4	CHDO construction of affordable housing units for Homeownership	HOME	Homeownership units constructed or acquired for rehabilitation	2010	21	0	0.00%
				2011	21	-	0.00%
		2012		13	-	0.00%	
		2013		13	-	0.00%	
		2014		13	-	0.00%	
MULTI-YEAR GOAL				81	0%	0.00%	
2.2.5	CHDO rehabilitation of affordable housing units for rental occupancy	HOME	Rental units constructed	2010	49	162	331%
				2011	49	-	0.00%
		2012		25	-	0.00%	
		2013		25	-	0.00%	
		2014		25	-	0.00%	
MULTI-YEAR GOAL				173	162	94%	
2.2.6	Homeowner rehabilitation of housing units from substandard condition	HOME	Owner occupied units rehabilitated	2010	15	19	127%
				2011	15	0	0.00%
		2012		0	0	0.00%	
		2013		0	-	0.00%	
		2014		0	-	0.00%	
MULTI-YEAR GOAL				30	19	63%	
GRAND TOTAL					1620	969	60%

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Evaluation of Past Performance

The type of projects that received subsidies in PY 2010 ranged from single unit rental assistance to multifamily projects. The following outcomes summarize the accomplishment for PY 2010:

1. Homeownership opportunities were granted to 45 homebuyers that received a direct subsidy from the HOME Program for down payment and closing costs meeting their mortgage payments for the purpose of providing decent affordable housing in the community.
2. In order to continue addressing the rising demand for rental housing units, the PRHFA maintained its priority and focused on producing rental housing.
 - a. New construction of rental housing opportunities were granted to 581 tenants that have gain access to an affordable rent due to HOME Program construction subsidies granted to landlords.
 - b. In addition, 162 tenants were granted rehabilitated rental housing opportunities because landlords received rehabilitation construction subsidies.
3. Homeowner rehabilitation opportunities were granted to 19 low income homeowners so their dwellings meet the property standards set forth by the HOME Program.
4. New construction of housing opportunities were granted to 162 homebuyers that have gain access to an affordable housing due to HOME Program construction subsidies granted to landlords. .
5. During PY 2010, the State HOME Program reflected a total drawn amount of \$7,703,616.94

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The **TABLE: ACCUMULATED PROGRESS THROUGH THE 5 YEAR HOUSING STRATEGY (5YHS) FOR PYS 2010-14** below provides a statistical representation of the accomplishments of the **HOME** Program during PYS 2010-14, in terms of the annual goals established for the fourth year of the **5YHS**.

Performance Indicators	2010		2011		2012		2013		2014		Total		%
	Exp	Act	Exp	Act	Exp	Act	Exp	Act	Exp	Act	Exp	Act	
Construction or rehabilitation of affordable housing units for low income Homeownership	100	162	100		32		32		32		296	32	11%
Down payment and closing cost assistance for the acquisition of existing housing for low income Homeownership	100	45	100		0		0		0		200	45	23%
Construction of affordable housing units for rental occupancy	150	581	150		180		180		180		840	58	7%
CHDO construction of affordable housing units for Homeownership	21	0	21		13		13		13		81	162	200%
CHDO rehabilitation of affordable housing units for rental occupancy	49	162	49		25		25		25		173	0	0%
Homeowner rehabilitation of housing units from substandard condition	15	19	15		0		0		0		30	19	63%
MULTI-YEAR GOAL	435	936	435		250		250		250		1,620	319	20%

EXECUTIVE SUMMARY FOR THE ESG PROGRAM

Description of the Emergency Solutions Grant Program (ESG)

On May 20, 2009, President Obama signed the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act with substantial changes, including:

1. A consolidation of HUD's Continuum of Care competitive grant programs;
2. A change in HUD's definition of homelessness and chronic homelessness;
3. A transformation of the Emergency Shelter Grant Program into the Emergency Solutions Grant Program; and,
4. An increase in the emphasis on performance.

The Department of Housing and Urban Development (HUD) recently released the regulations that will shape the details of the newly transformed Emergency Solutions Grant.

The Department of the Family (DF) administers the Emergency Solutions Grant Program (ESG) for the Commonwealth of Puerto Rico. Direct administration of the Program falls under the highest management level in the Department—the Assistant Secretariat of Planning and Informatics (ASPI).

ESG funds may be used for five eligible activities: street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as for administrative activities.

The total fund allocation for ESG for Program Year 2012 is \$5,600,408. Based in this grant, ESG's funding allocation will be distributed as follows \$938,464 for Street Outreach, \$1,094,874 for Emergency Shelter, \$2,997,040 for Prevention and Rapid Re-housing activities, \$150,000 to Homeless Management Information Systems and \$420,030 for Program Administration costs.

Since program year 2011(October) the Puerto Rico Department of the Family uses a distribution method in which an award is made for a two (2) year period. Applications received are evaluated in accordance with a uniform method and ranked according to the points

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awarded by the evaluation committee. The evaluated proposals are then evaluated by a distribution committee that determines which proposals will be selected in accordance with the priorities established in the Consolidated Plan.

Once the proposals are awarded a one year contract is signed including a conditional second year extension based on an annual performance evaluation.

Use of Funds

For Program Year (PY) 2011, the amount of \$3,210,117.92 was distributed to 101 non-profit organizations and municipalities; \$81,902.92 in re-allocated funds from 2006 thru 2009.

A second allocation of \$1,759,621, for PY 2011 will be awarded, subject to HUD's approval of the Substantial Amendment to be submitted as per the Emergency Solutions Program implementation requirement. This represents a total grant amount for PY 2011 of \$4,887,836.

Evaluation of Past Performance

These are the Specific Annual Objectives established for PY 2011, corresponding to the second of the DF 5YHS for the 2010-2014 Consolidated Plan.

OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective Specific Annual Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1	Availability/Accessibility of Decent Housing						
	1.1.1 Provide street outreach, supportive services and emergency shelter to an estimated of 11,000 homeless persons. ESG	ESG	Street Outreach and Emergency Shelter	2010	11,000	15,775	143.00%
				2011	11,000		0.00%
DH-1.1				2012	11,000		0.00%
				2013	11,000		0.00%
				2014	11,000		0.00%
			MULTI-YEAR GOAL			55,000	
DH-2	Affordability/Decent Housing						
	2.1.1 Provide Homeless Prevention/Rapid Rehousing assistance to an estimated of 1,400 non-homeless households		Homeless prevention and Rapid Rehousing	2010	1400	2,960	211.00%
				2011	1400		0.00%
DH-2.1				2012	1400		0.00%

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			2013	1400		0.00%
			2014	1400		0.00%
			MULTI-YEAR GOAL		7,000	00.00%

The DF is committed with ESG objectives of increasing the number and quality of the emergency shelter and transitional housing for homeless individuals and families, operating these facilities, and providing essential services to help prevent homelessness.

On Program Year 2012, the ESG Program expects to provide a total of 17,601 services to homeless individuals and to provide funding to approximately 25 Municipalities and 76 Organizations.

EXECUTIVE SUMMARY FOR THE HOPWA PROGRAM [91.320(B)]

The Puerto Rico Department of Health (PRDOH) is the Commonwealth’s agency responsible for defining and implementing the AIDS programs and health treatment policies in the Island. Although the Grantee for the “Housing Opportunities for Persons with AIDS” (HOPWA) program is the Puerto Rico Department of Health, the program is administered by the Municipality of San Juan.

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 state funds are received by the Puerto Rico Department of Health to be distributed to Eligible Sponsors that include Municipal Governments and Non Profit Organizations. On June 2010, the Municipality of San Juan and the Puerto Rico Department of Health signed an agreement that designates San Juan as a sponsor of the Commonwealth HOPWA Program.

During program year 2012, proposals will be requested from eligible organizations and municipalities. Proposals will be evaluated using a competitive method and funds will be awarded to the organizations that obtain the highest scores. The Municipality of San Juan will not distribute administrative funding to sub recipients. All funds will be used to provide services and housing activities to the eligible population.

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It is expected that previous year resources will be available for distribution (carry over funds from previous years). If they become available they will be distributed according to a competitive method. However, the Municipality of San Juan will keep the option to distribute funds without conducting a competitive process for those significant projects submitted within the given cycle. The Municipality of San Juan will select sub recipients from municipalities, faith-based, and other community based organizations that provide services to these populations.

For the purpose of this Plan, the Puerto Rico EMSA will include the 78 municipalities.

Objectives and Outcomes

The Assistant Secretary for Community Planning and Development (CPD), the U.S. Department of Housing and Urban Development notified the Governor of the Commonwealth of Puerto Rico the total fund allocation of \$1,810,019 for Fiscal Year 2012.

The following is the description of activities to be undertaken during Program Year 2012. All activities are expected to be undertaken during the period of July 1st, 2012 to June 30th, 2013. However, if by the end of the program year, funds are still available, they will be carried over to the next program year. The following table shows the proposed HOPWA allocation by activity for Program Year 2012:

ACTIVITIES FOR THE HOPWA PROGRAM				
Activity	Program	Description/Location	Proposed Goal	Allocation
Administration	HOPWA	For the grantee administrative costs of the HOPWA program.	N/A	\$54,300.57
	HOPWA	For the Municipality of San Juan administrative costs of the HOPWA program.	N/A	\$122,900.29
Housing Activities Sub recipients	HOPWA	To undertake HOPWA eligible housing related activities	500	\$1,108,399.47
Supportive Services and other eligible activities	HOPWA	To provide grants to be used for supportive services and operational expenses.	500	\$524,418.67
			Total	\$1,810,019.00

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The PRDOH is delegating the 2012 allocation to the Municipality of San Juan, to be distributed for eligible activities to be developed by municipalities and nonprofit sub recipients. Up to 3% of the grant will be allocated to Puerto Rico Health Department administrative expenses. After the 3% is deducted, the 7% of the remaining balance will be used by the Municipality of San Juan for administrative expenses. The remaining amount will be allocated to sub recipients for eligible activities excluding administrative fees.

The PRDOH HOPWA program has the following objectives:

- Continue to develop strategies and procedures to measure the needs of clients and sub-recipients; Provide capacity building and technical assistance to sub-recipients on budgetary, programmatic, and fiscal aspects;
- Develop monitoring procedures to evaluate the organizations' performance;
- Perform ongoing monitoring activities to evaluate fiscal, program, and clients' provision of services;
- Establish guidelines and procedures to measure the efficiency and effectiveness of the services rendered;
- The PRDOH HOPWA program will sponsor the following services:
 - Housing Assistance Services (Temporary housing, transitional housing with supportive services, and permanent housing);
 - Support Services (Day care, nutrition, health, and psychology and case management).

HOPWA funds must be used for eligible participants. Eligible participants must be HIV/AIDS patients and their relatives who meet the low-income requirements established by HUD for the area where the project is undertaken.

The State HOPWA Program and the Municipality of San Juan have established performance indicators for each category of activity funded for FY 2012. The correlation between the objective and outcome will produce an outcome statement that will allow the PRDOH to report the benefits of the HOPWA Program including the name of the activity, outcome statement, specific indicator, and number of persons who benefited according the description of the activity reported. The model performance measurement system is shown in TABLE II below. This table shows the expected outcomes and objectives pursued during FY 2012.

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HOPWA EXPECTED OUTCOME FOR PERFORMANCE MEASUREMENT

Grantee Name: Department of Health

Availability/Accessibility of Decent Housing (DH-1)							
Specific Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed	
Affordability of Decent Housing (DH-2)							
DH2.1	2.1.1 Temporary Housing: # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing.	HOPWA	2010	01 people	30		%
			2011		30		%
			2012		30		%
			2013		30		%
			2014		30		%
			MULTI-YEAR GOAL			150	
	2.1.2 Treatment Services D&A: # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing	HOPWA	2010	01 people	55		%
			2011		55		%
			2012		55		%
			2013		55		%
			2014		55		%
			MULTI-YEAR GOAL			275	
	2.1.3 Tennant Based Rental Assistance (TBRA): # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing	HOPWA	2010	01 people	75		%
			2011		75		%
			2012		75		%
			2013		75		%
2014			75			%	
MULTI-YEAR GOAL			375			%	
2.1.4 Short-Term Rental, Utility & Mortgage Assistance: # of HIV/AIDS households receiving STRUM for the purpose of affordability of decent housing	HOPWA	2010	01 people	120		%	
		2011		120		%	
		2012		120		%	
		2013		120		%	
		2014		120		%	
		MULTI-YEAR GOAL			600		%
Sustainability of Decent Housing (DH-3)							
DH3.1	3.1.1 Hospice: # of HIV/AIDS households receiving intensive care	HOPWA	2010	01 people	30		%
			2011		30		%
			2012		30		%
			2013		30		%
			2014		30		%
			MULTI-YEAR GOAL			150	
	3.1.2 Chronically Mentally: # of HIV/AIDS households receiving persons with a severe Chronically Mental Health condition for permanent housing for the purpose of affordability of decent housing.	HOPWA	2010	01 people	5		%
			2011		5		%
			2012		5		%
			2013		5		%
MULTI-YEAR GOAL			25		%		

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Evaluation of Past Performance

On June 1st 2010, the Municipality of San Juan and the Puerto Rico Department of Health signed an agreement which designates the Municipality of San Juan as a project sponsor of the Commonwealth for the purpose of carrying out HOPWA eligible activities, including activities related to administering HOPWA funds awarded by HUD.

Under section 574.500, HOPWA grantees are responsible for ensuring that grants are administered in accordance with the HOPWA regulations and other applicable laws. This responsibility cannot be delegated to project sponsors. Grantees may, however, provide HOPWA funds to project sponsors to carry out eligible activities.

After the transition, a TA Plan was established, guided by the San Juan Field Office staff, which includes actions in the short, medium and long term focused in addressing issues identified in a monitoring review conducted in 2009, and strengthening the Program's programmatic and administrative aspects.

There have been significant achievements for the State HOPWA Program, since then. The objectives of the TA Plan are not totally completed but are in the process of being completed. Under the administration of the Municipality of San Juan (since 2010), 20 entities signed contracts to provide services to the HIV population. Two new additions to the organizations and municipalities were made. The Municipality of Ponce joined our efforts in providing our clientele with tenant-based rental assistance within the Ponce region. Also non-profit organization that joined our efforts is Fundación de Desarrollo Comunal de Puerto Rico (FUNDESCO) providing a supportive housing living arrangement.

Also, as a result of the collaborative efforts, the Program's timeliness ratio has improved from a 4.85 to a 2.4. Likewise, uncommitted funds were used for acquisition/rehabilitation activities, which is an appropriate, non-recurrent use for excess funds. Technical Assistance has been provided to the organizations and municipalities to deal with administrative and programmatic issues. Several of the organizations have been monitored but it is expected that within a two-year period, all will be monitored.

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One of the actions included as part of the long term actions of the TA Plan was the implementation of HMIS. Planning for this process already commenced in January 2012.

Particularly during program year 2011, HOPWA funds were used to support the following eligible activities:

- Tenant-Based Rental Assistance (TBRA) program - provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing. This activity was undertaken by Municipal Governments.
- Short-Term Rent, Mortgage, and Utilities (STRMU) assistance program - provides short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period.
- Supportive Services program - provides case management, basic telephone service and assistance to purchase smoke detectors to eligible individuals.
- Transitional Housing - under this eligible activity sub recipients provide housing a service package of support and counseling to prepare participants to return to other, more permanent housing arrangements. HOPWA clients may live in transitional housing programs for up to 24 months and receive supportive services that enable them to live more independently.

For program year 2010-2011 HUD allocated a total of \$1,825,260.00 of HOPWA funds. In addition, carry-over funds in the amount of \$4.5 millions were available for distribution. Total amount available during the reporting period was \$8,927,125.00 available.

Funds were distributed to the same organizations that received funding during program year 2009. The amount to be allocated to each organization depended on the evaluation made by the City and the State HOPWA program representative. All funds delegated to sub recipients were used to provide services and eligible housing activities to the eligible population. The mayor achievements during Program Year 2010 were:

- Timely execution of grant agreement with sub recipients
- Payment on time to sub recipients
- Payment by the Department of pending invoices (previous grants)
- Timely preparation and presentation of Annual Action Plan and CAPER
- Training to sub recipients on HOPWA procedures and Housing Plans
- Improvement of the relationship between the sub recipients and the grantee
- Use of HOPWA funds for the acquisition or rehab for the development of affordable housing
- The Municipality of San Juan developed the guidelines and rolled out the RFP process to use the \$4,560,513.55 for Acquisition/rehabilitation activities.

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HOPWA funds were used to provide assistance to 1,306 individuals and families in the Puerto Rico EMSA. The assistance provided was used for the provision of Rental Assistance, Community Residence and Supportive Services, and to provide Short Term Rent, Mortgage and Utility Payments.

A total of 13 community based organizations received funding during this program year to undertake eligible activities. Tenant based rental assistance was provided to 56 households located in 7 municipalities. The short term rent, mortgage and utility payments benefited a total of 145 households.

HOPWA Performance Measurement

All the HOPWA activities included in the 2010 Annual Action Plan and undertaken during this program year were consistent with the Priority and Objectives identified in the 2010-2014 Consolidated Plan.

The following table summarizes the beneficiaries of each of the supported activities and the funds budgeted and expended during the period.

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	HOPWA Performance Planned Goal and Actual	Output Households		Funding			
		HOPWA Assistance	Non-HOPWA				
		a.	b.	c.	d.	e.	f.
		Goal	Actual	Goal	Actual	HOPWA A	HOPWA A
	Housing Subsidy Assistance	Output Households					
1.	Tenant-Based Rental Assistance	25	56	0	1	\$487,574	\$243,543
2a.	Households in permanent housing facilities that receive operating subsidies/leased units	30	0	0	0	0	0
2b.	Households in transitional/short-term housing facilities that receive operating subsidies/leased units	5	180	0	180	261,224.51	125,555.80
3a.	Households in permanent housing facilities developed with capital funds and placed in service during the program year	0	0	0	0	0	0
3b.	Households in transitional/short-term housing facilities developed with capital funds and placed in service during the program year	0	0	0	0	0	0
4.	Short-Term Rent, Mortgage and Utility Assistance	40	145	0	145	\$43,000	\$22,990
5.	Adjustments for duplication (subtract)	0	4	0	0		
6.	Total Housing Subsidy Assistance	100	377	0	326	\$791,799	\$392,089
	Housing Development (Construction and Stewardship of facility based housing)	Output Units					
7.	Facility-based units being developed with capital funding but not opened (show units of housing planned)	10	10	0	0	\$375,000.00	\$375,000.00
8.	Stewardship Units subject to 3 or 10 year use agreements	0	0	0	0		
9.	Total Housing Developed	10	10	0	0	\$375,000.00	\$375,000.00
	Supportive Services	Output Households					
10a.	Supportive Services provided by project sponsors also delivering HOPWA housing assistance	250	180			\$1,028,442	\$585,594
10b.	Supportive Services provided by project sponsors serving households who have other housing arrangements	250	778			\$760,617	\$561,008
11.	Adjustment for duplication (subtract)						
12.	Total Supportive Services	0	29	0	0		
	Housing Placement Assistance Activities	500	929			\$1,789,059	\$1,146.6
13.	Housing Information Services						
14.	Permanent Housing Placement Services	0	0			0	0
15.	Adjustment for duplication	0	0			0	0
16.	Total Housing Placement Assistance	0	0			0	0
	Grant Administration and Other Activities	0	0			0	0
17.	Resource Identification to establish, coordinate and develop housing assistance resources						
18.	Technical Assistance (if approved in grant agreement)					\$0	\$0
19.	Grantee Administration (maximum 3% of total HOPWA grant)					\$0	\$0
20.	Project Sponsor Administration (maximum 7% of portion of HOPWA grant awarded)					\$54,757.80	\$0

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	Total Expenditures for program year (Sum of rows 6, 9, 12, 16, and 20)							\$443,171.10	\$95,463.39
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Note: The activity of transitional housing is included in supportive services category.

BACKGROUND

Activities included in this 2012 Action Plan are based on two main sources:

- the problems that face low and moderate income persons, as well as other special population groups, which were identified in the Puerto Rico Strategic Consolidated Plan for the years 2010-2014 (The Consolidated Plan), and
- the Puerto Rico Five Year Housing Plan which covers the period 2011-2015 (The PR Housing Plan).

The PR Housing Plan was conducted by the Puerto Rico Housing Task Force (PRHTF), established by Governor Fortuño through and Executive Order to support a Memorandum of Agreement with the federal Department of Housing and Urban Development Department (HUD). The Plan lays out the needs for affordable housing for the working population, for the elderly and for populations with special needs, such as those who are homeless. This Plan incorporates policy changes in two key areas: (1) integrating land use and urban development initiatives with the housing programs and (2) assuring that the institutional framework is the required one to advance housing policy objectives.

The Plan emphasizes the need for a strong Housing Policy that integrates social services with specific housing initiatives. Likewise, it brings together the activities of major stakeholders focused on dealing with housing issues, creating the means for coordinating the diverse services required for housing and integrated community development. In general, critical needs identified for the next five years are as follows:

- Housing issues - more than 22,000 housing units must be developed for very low, low and moderate income households to keep pace with demographic projections.
- Services for special needs population:
 - The elderly - the most urgent need for this population is housing in areas suitable to satisfy their recreational, health and social needs. Access to complementary services will be a major challenge given the growing number of

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- elderly persons who will be living in rural areas, in suburban communities and places lacking adequate transportation.
- Homeless - The need for transitional and permanent housing for women with children, and emergency shelters for those subjected to domestic violence. Also, there is a gap in terms of complementary services for homeless and other special needs populations.
 - Persons with HIV/AIDS - The important issue relating to HIV is linkage to care and interagency coordination for the provision of prevention and treatment services

CITIZEN PARTICIPATION [91.320 (B)]

Description of the Lead Agency

The Office of the Commissioner for Municipal Affairs (OCAM) was created under Chapter XIX of State Act Num. 81 of August 30th, 1991, as amended. The Office has the responsibility to advise and regulate municipal governments in their autonomous development processes, in order for them to achieve a larger degree of fiscal autonomy within a sound administrative framework.

OCAM is the lead agency appointed by the Governor of Puerto Rico, responsible for overseeing the development of the Consolidated Plan, the Annual Actions Plans and other processes related to Consolidated Planning.

Other agencies involved in the process

In fulfilling its primary role, the Office of the Commissioner established an Interagency Committee constituted by representatives of the Department of The Family, the Puerto Rico Housing Finance Authority, the Department of Health, and the Municipality of San Juan. Upon establishment of the Interagency Committee, priorities and target dates were set to address each stage of the Consolidated Planning process.

Description of the Development of the Plan and Efforts to Broaden Public Participation In compliance with 24 CFR Section 91.325 (b) (2):

The Consolidated Planning Process is designed to be a collaborative process whereby a state or local jurisdiction establishes a unified vision for community development actions. It offers state and local jurisdictions the opportunity to shape the various housing and community

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development programs into effective, coordinated community development strategies. Thus, the Consolidated Plan must result from an effective citizen participation process.

In order to broaden public involvement the Interagency Committee decided to conduct two public hearings for the development of the Plan, instead of just one.



Public Hearings – Hearings were conducted in two non-entitlement municipalities (Vega Alta and Hormigueros), during February 21 and 22, 2012. The Office of the Commissioner of Municipal Affairs (OCAM) published an invitation to the public hearings in a major newspaper (Primera Hora). (See Exhibit II).



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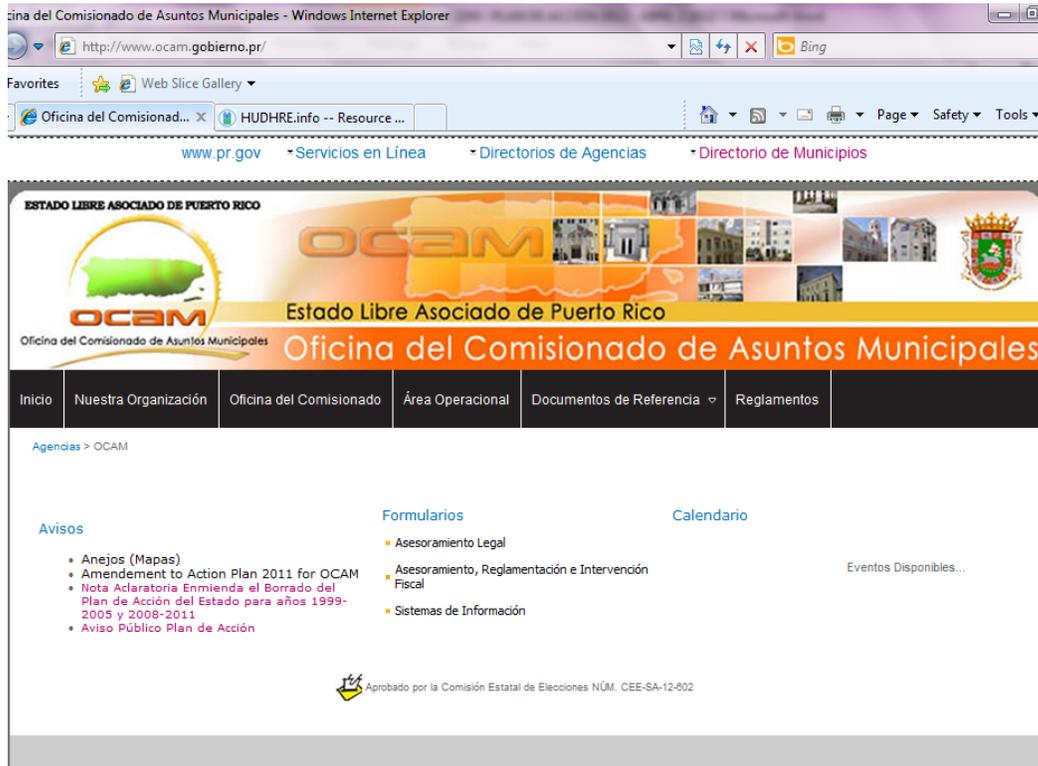
The objective of the hearings was to allow citizens and municipalities to share their opinions about current housing and community development needs. A description of all programs was provided and each Agency presented the initial approach with which it planned to address the identified needs and implement activities. Sign Language services were available, as well as facilities for persons with other disabilities.

Other efforts – As in 2011, at the beginning of the project, agencies were asked for contact information of nonprofit organizations, municipalities, and other interest groups. A data bank was developed using this information and follow up telephone calls were made a couple of days prior to the public hearings in order to encourage public participation.

Also, in February 1, 2012, members of the Interagency Committee participated in a meeting held by the “Concilio Multisectorial en Apoyo a la Población sin Hogar”, created by Law Num. 130 of September 27, 2007. The entity, ascribed to the Department of Family, has representation of stakeholders from the community, the Third Sector and Governmental Agencies related to health and other social services.

Lastly, OCAM established a link in its Web Page in order to keep municipalities, organizations and citizens, in general, informed about consolidated planning activities. Citizens may also download from the page the Consolidated Plan, the Action Plans and other related documents.

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New Requirements under the ESG

On May 20, 2009, President Obama signed the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act of 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act with substantial changes, including:

- A consolidation of HUD's Continuum of Care competitive grant programs;
- A change in HUD's definition of homelessness and chronic homelessness;
- A transformation of the Emergency Shelter Grant Program into the Emergency Solutions Grant Program; and,
- An increase in the emphasis on performance.

The Department of Housing and Urban Development (HUD) recently released the regulations that will shape the details of the newly transformed Emergency Solutions Grant.

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During the preparation of the plan and in compliance with the requirements of the regulation, the Puerto Rico Department of the Family consulted with the following:

- Continuums of Care serving the jurisdiction
- Public and private service agencies
- Publicly-funded institutions and systems of care that may discharge persons into homelessness
- Business and civic leaders

As required by the Hearth Act and the ESG regulation we consulted with the two Continuum of Care of Puerto Rico, regarding the following:

- determining how to allocate ESG funds for eligible activities;
- developing the performance standards for activities funded under ESG; and
- developing funding, policies, and procedures for the operation and administration of the HMIS.

Both coalitions responded to our consultation letters and copies of the letters received are included as attachment XXX of this document. In the following table we summarize the comments received and the State responses:

Comment Received	State Response
The Regulations use of terms like appropriate and unavailable should be define and standardized to avoid misinterpretation of these terms by the ESG Recipients	The State will fund only Health and Mental Health services that are unavailable and not covered by the State Health Reform.
	Likewise all supportive services to be funded with ESG funds will be evaluated to determine if they are necessary, unavailable, and/or inaccessible to the homeless population.
The use of HMIS Certification should be enforced in the contracts, specifying not only the requirement of the use of HMIS to enter data. but to comply with HMIS program	We agree that ESG subrecipients must be required to enter data in a timely manner and that data must be correct and accurate. Due to the short time provided to

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Comment Received

State Response

regulations in terms of timeliness and correctness of data. Corrective and fiscal actions should be identified in the contracts and systematically enforced to ensure a reliable and accurate data base and analysis, to be further used in the implementation of future Performance Standards, in terms of Data Quality percentage.

implement the new ESG program the State understand that is not possible to develop standards and data quality percentage that can be applied uniformly between the Two Continuum of Care and all the different type of sub recipients. We will work toward that goal during this program year and will request collaboration for the development of such standard for the upcoming grants.

Coalición de Coaliciones is proposing to implement an aggressive Street Outreach intervention to identify, initiate contact, and enter data into both HMIS or unsheltered homeless population throughout the Island, but especially in highly concentrated urban areas identified in the last Point-in-Time (PI) count of Unsheltered homeless held in January 2011. To implement this approach, Coalición de Coaliciones is proposing to allocate a minimum of 30% of the second Allocation to Street Outreach activities in coordination with both CoCs, and to initiate conversations identify specific funding needs to be considered in the eligible activity or category beyond the acquisition of the access HMIS License

The State has determined to use the second allocation for Prevention, Rapid-Rehousing and Administration activities only. Street outreach is included with the 2012-2013 funds and the CoC are invited to presented proposal to receive such funding.

Subject 2 ESG project performance standards, outcomes measures for projects and activities: as specified in the regulations, Performance Standards have to be developed to provide a measure for the ESG recipients and the CoC to evaluate each sub-recipient or ESG service provider's effectiveness on how well they succeeded at; Targeting those who need the assistance most; reducing the number of people living on the streets or emergency shelters; shortening the time people spend homeless; and reducing each program participant's barriers or housing stability risks. Coalición de

The text was corrected to reflect services not persons to be served.

Regarding the establishing of extensive performance standards is recognized by the State that this task must be undertaken in collaboration with the two CoC but is the primary responsibility of the Continuum of Care to provide the required data and analysis to develop such standards.

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Comment Received

State Response

Coaliciones approach to performance measures is included in the text. Proposing to serve 17,601 homeless Individuals on Program Year 20L2 seems like an disproportionate number of individuals to be served in a single year if take into consideration the extensive amount of services needed for this population, especially due to the lack of emergency shelter facilities available for this population. The State ESG Recipient should also take into consideration that the aforementioned PIT in 2011 identified around 3,800 unsheltered homeless persons. We think these expectations should be revised to reflect more realistic numbers. Outcome Measures and Objectives should not be limited to comply on 'broad statutory purposes' of the four CPD Formula programs, but to include the Intention to initiate collaborative working efforts with both COC to develop and implementing the Performance Standards required in these regulations.

To promote greater collaboration between the State and the Continuum of Care the Interim Rule requires the consultation with:

- Continuums of Care serving the jurisdiction
- Public and private service agencies
- Publicly-funded institutions and systems of care that may discharge persons into homelessness
- Business and civic leaders

The purpose of the consultation is to allocate the resources in accordance with the CoC strategy and to fill the gap of services by targeting need, achieving goals, and reduce homelessness. As requires we are obligated to request comments from your organization on:

- Determine how to allocate ESG assistance for eligible activities;
- Develop written performance standards for, and evaluate the outcomes of, projects and activities assisted by ESG funds;

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- Develop funding, policies, and procedures for the operation and administration of the HMIS.

In addition, a meeting was held with the coalitions. At the meeting the Department Staff presented the rationale for the allocation to eligible activities, the proposed performance standards for the activities, funding, policies, and procedures for the operation and administration of the HMIS. The meeting was held on March, 2012.

Notice Published For Public Participation

The State published a Notice of Public Hearings (a copy of which is included in **Exhibit II** of this document) on the February 6, 2012 edition of “Primera Hora” (a newspaper of Island-wide circulation).The notice invited the public and all interested parties to attend the public hearings.

Summary of the Citizen Participation and Consultation Process

As it was mentioned earlier, the hearings were held at 8:30am on February 21 and 22, 2012 in the municipalities of Vega Alta and Hormigueros, respectively. One hundred and twenty two persons attended the hearings, representing the private and non-profit sectors, public agencies, municipal officials, and the general population.

A total of two persons commented during the hearings. After the hearings, citizens and municipalities could provide additional written comments for a period of 30 days (until March 23, 2012). One written comment was received during comments periods.

The list of participants and the presentation used in the hearing are included as **Exhibit II**. A summary of comments and responses is included in the following table.

Name	Entity	Summary of Comments	Agency Response
Mrs. Iris Carrasquillo	Consultant	Method of distribution of CDBG: Related to the percentage [weight] of points, what	That is something that OCAM is evaluating. The agency has not finished placing those percentages in terms of the

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		<p>amounts will be assigned to each area? In 2011, a 65% was given to performance and 35% to the specific project. I think it will be more reasonable that the percent is revised to 50%/50% or at least 55%/45%.</p> <p>In the municipalities, there is a citizen participation plan which was subject to a review in May of 2009. It was revised to change the process of complains. However, the citizen participation plan refers to a program that no longer exists that was substituted by Emergency Solutions Grant. Is the plan going to be amended?</p>	<p>weights. Certainly, it is a valid concern and it will not be done as 65% 35%.</p> <p>The program is not out of existence “ipso facto”, however, Emergency Solutions Grant integrates what was previously known as the HPRP program, or Homeless Prevention and Rapid Re-Housing. The Department of Family understands that consultation to HUD should be made, but understands that this may require for the Agency to submit a substantial amendment to the consolidated plan.</p>
<p>Maribel Rosario</p>	<p>Assistant Director of the Federal Programs in the</p>	<p>For the municipalities that have HPRP under ARRA, they mentioned that the eligible activity of prevention is of HPRP, and in the case of</p>	<p>The Department of Family will publish the notification and request for proposal in a widely distributed newspaper, as well as, in the Agency's webpage:</p>

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	municipality of Ceiba	<p>'Rapid Re-housing' also, it would be based on submitting proposals at the moment in which you indicate us. Would it be based on public notice?</p>	<p>www.familia.gobierno.pr. However, the Department of Family is in transition in terms of the new regulation of Emergency Solutions Grant.</p> <p>Also, the Agency has until May to submit and get approved the substantial amendment to the consolidated plan. This does not imply that the Agency will wait until the last minute to submit it, however, evidently until the money is available, it cannot be distributed.</p>
Angélica M. Capó (written comment)	Vidas Servicios Sociales Episcopales, Inc.	<p>I would like to request information related to the public hearings of 2/22/12 to request funds for our organization, a non for profit corporation focused on providing services to children and other special population (including persons affected by HIV) Annually, we impact more than 1,000 kids. The organization has over 19 year of experience and has 4</p>	<p>This will depend on the kind of information being requested. During the hearing, the Department of Health presented general information about the HOPWA party. In order to provide adequate information, the organization should provide more specific information related to the VIH population served by the entity, since the HOPWA program is oriented toward providing housing services to VIH patients and their</p>

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		service centers.	families, when they are eligible. Also, this Action Plan provides information related to the availability of the guidelines for accessing funds from the different programs.
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Additional Efforts of the PRDF to Promote Citizen Participation

The PRDF met the citizen participation requirement through the Office of the Commissioner of Municipal Affairs (OCAM), which advertised the public hearings in a newspaper of general circulation to provide to participant information about the Action Plans for the ESG, HOME, and HOPWA Programs.

For Fiscal Year 2012, the Department of the Family will continue strengthening citizen participation and technical assistance to ESG organizations and municipalities by:

- Providing additional technical assistance.
- Sponsoring workshops to help ESG organizations become self-sufficient and develop good business practices; especially in the financial, management, and reporting systems.
- Providing technical assistance to ESG organizations regarding monitoring, particularly, beneficiary eligibility, performance measurement and progress report.
- Sponsoring cross-training among organizations and community leaders.
- The Department of the Family will also continue to evaluate its process to keep making available funds and other program assistance to the ESG recipients in an expeditious way.

Notice Published for the Public Availability of the Action Plan

Exhibit III includes a copy of a notice published regarding the availability of the action plan for citizens' review. The notice of availability was published on April 5th, 2011 in "Primera Hora," a

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newspaper of general circulation. A 30 day period was provided to comment on the Plan.

Summary of citizen comments on the plan, comments that were not accepted, and reasons why they were not accepted

A total of five (5) written comments were received during the comments period (April 5 to May 7, 2012). A summary of the comments and the response of the concerned agency is included in the following table.

Name	Entity	Summary of Comments	Agency Response
Ann Marie Ramirez	Municipality of Loíza	<p>The weight assigned to the proposal evaluation criterion should be revised according to the effort and content of a proposal for a competitive round. The “expenditure rate” and “level of spending” criterion should be consolidated because you cannot comply with one without complying with the other. Also, the percentage should be 50%, instead of the 60% established by OCMA and only consider funds up to PY 2010.</p> <p>Regarding unused funds from PY 2006, it is recommended that this item is considered as a bonus for those municipalities that complied with the due dates, instead of a deduction. Requisitions in transit should be considered in criteria related to expenditure rates. The item related to unused funds from ARRA should be a bonus instead of a deduction of 20 points.</p>	<p>OCMA has considered the municipality’s comments and has determined to make changes to the method of distribution of funds. The criterion regarding the level of spending was eliminated.</p> <p>The criterion regarding unused funds from PY-2006 was changed to a maximum bonus of 10 points.</p> <p>The criterion regarding unused CDBG-R (ARRA) funds was changed to a maximum bonus of 10 points.</p>

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<p>Iris M. Carrasquillo</p>	<p>Consultant</p>	<p>The weight assigned to the proposal evaluation criterion (60%, 40%) should be revised according to the effort and content of a proposal for a competitive round. I recommend 50%, 50%.</p> <p>The “expenditure rate” and “level of spending” criterion should be consolidated (eliminate one of them) because you cannot comply with one without complying with the other. I recommend 50%, 50%. Also, only consider funds up to PY 2010.</p> <p>Regarding activities in PROFE, the criterion should be revised to consider the funds administered by each municipality. Not all municipalities have DR 2008, DREF, NSP, Homeownership, etc. Regarding unused funds from PY 2006, I suggest a bonus of no more than 20 points instead of a deduction. The item related to unused funds from ARRA should be a bonus of a maximum of 10 points, instead of a deduction of 20 points</p>	<p>OCMA has considered the municipality’s comments and has determined to make changes to the method of distribution of funds. The method of distribution now provides a 50% weight for General Overall Performance and 50% weight for activity specific criteria.</p> <p>OCMA has considered the municipality’s comments and has determined to make changes to the method of distribution of funds. The PROFE criterion was changed to a maximum bonus of 20 points.</p> <p>The ARRA criterion was changed to a maximum bonus of 10 points.</p>
<p>Iris M. Carrasquillo (email)</p>	<p>Consultant</p>	<p>Doubts with the Homeownership Assistance (direct vs. non-direct) and the national objective as defined in the Action Plan.</p>	<p>OCMA eliminated the reference to the 15% limit for the Homeownership activity, since OCAM’s activity is not subject to such cap. OCMA</p>

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			will execute this activity as stated in the applicable regulations.
Millie Marcano	Consultant	“Level of scoring” – OCMA proposes to distribute funds based on 4 levels. This would require the majority of municipalities will be affected by this distribution method. I recommend that the competition is by category.	OCMA has considered the municipality’s comments and has determined to make changes to the funds distribution method. The method of scoring levels with particular thresholds was eliminated. The method of distribution is based on a 5 step evaluation which rank participating municipalities based on the score obtained.
Hector Maldonado Lagares	Consultant	The Basic Assignment category does not include the Section 108 Guaranteed loans as required in 24 CFR 570. This will cause municipalities to breach repayment terms.	The activity is available for the 2012-2013 Action Plan. However, there is no interface in PROFE system that supports for Section 108 loans. The Municipality may upload applicable documentation through the system (PROFE) as attachments. As noted in the Action Plan, Repayment from the CDBG Basic Grant allocation <u>will be considered as an event of default</u> and will be authorized as an emergency disbursement. With

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			the proper documentation, municipalities may submit proposals explaining the need to use CDBG funds to repay Section 108 obligations.
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Notice of Funding Availability

In January 17, 2012, the Deputy Assistant Secretary for Community Planning and Development (CPD) of the US Department of Housing and Urban Development (HUD) informed the Governor of the Commonwealth of Puerto Rico the availability of funds for Program, Year 2012.

The following table shows the allocation for each program for PY 2012 compared to the previous year:

Comparative CPD Allocations for PY'S 2011 and 2012

PROGRAM	2011	2012	CHANGE
CDBG	\$43,698,507	\$28,348,407	(\$15,350,100)
HOME	\$16,204,732	\$8,796,515	(\$7,408,217)
ESG	\$3,128,215	\$5,600,408	\$2,472,193
HOPWA	\$1,806,368	\$1,810,019	(\$3,651)

RESOURCES FOR THE CDBG PROGRAM [91.320 (c)]

Federal Resources and Program Income Expected To Be Available

The State CDBG allocation for PY 2012 amounts to \$28,348,407. 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.

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The allocation for non-entitlement municipalities will reach 97% of the 2012 budget, equally distributing 61% of the total grant among all municipalities, with the exception of the islands of Vieques and Culebra, with both receiving an additional 15% above the Basic Allocation Grant. For these municipalities, the cap limit will also increase by 15% under the Competitive Round. Also, under this plan, 30% of the funds will be made available for competitive grants to the non-entitlement municipalities. Additionally, OCAM will allocate almost 4% of the grant for an Emergency Fund. Details of the Method of Distribution are presented in the table titled Use of Funds for PY 2012.

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.

On November 21, 2007, OCAM approved Circular Num. 2007-11 that allowed non-entitlement municipalities to retain the program income they earned. Section 104(j) of the Act excludes from the definition of Program Income an amount of \$25,000 per year or less. Therefore, in compliance with federal laws and regulations, OCAM does not require non-entitlement municipalities to return income up to \$25,000 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.

Redistribution of Recaptured Funds

Non-entitlement municipalities are subject to OCAM’s policy on recapturing unused funds for

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longer than five (5) years. OCAM will then allocate such funds among the best municipal performers to be used in CDBG eligible activities.

Matching Requirements

Section 24 CFR 570.489 (a)(1) established the responsibility of the Government 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

To support the State CDBG Program, the Puerto Rico's Legislature may allocate approximately \$1,224,000 in the General Budget Resolution to cover the non-federal support that the agency provides to non-entitlement municipalities. This allocation supports the executive office of the Commissioner, legal counsel, budget control, finance, human resources, procurement, auditing, monitoring and information systems.

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.

Leverage of Publicly Owned Land

OCAM does not own any public land for leveraging federal funds. Nevertheless, some activities under the public facilities and services categories to be held by the non-entitlement municipalities serve as leverage with land owned or controlled by the municipality.

Summary of the Specific Annual Objectives

OCAM is committed to pursuing the statutory objectives of the CDBG program: developing

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viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities; principally for low and moderate-income persons. OCAM ensures that at least 70% of its CDBG grant funds are spearheaded towards activities customized for this population. OCAM also fosters activities that aid in the prevention and elimination of slums or blighted infrastructure and allocate funds to meet urgent community development needs. A need is considered urgent if it arose in the last 18 months and poses a serious and immediate threat to the welfare of the community.

The TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES shows the specific annual objectives for the State CDBG Program. These specific annual objectives are arranged by:

- Outcome/Objective
- Source of Funds
- Performance Indicator
- Program Year
- Expected Numeric goals for PYs 2010 to 2014

The Specific Annual Objectives established for PY 2012 correspond to the third year of OCAM's 5 Year Housing and Community Development Strategy (5YHCDS) for the 2010-2014 Consolidated Plan.

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AMENDED OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

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		
			2012	75		
			2013	75		
			2014	100		
MULTI-YEAR GOAL			350	51	15%	
DH-2.2	Homeowner rehabilitation of housing units from substandard conditions. (MC# 14)	Owner occupied units rehabilitated.	2010	500	773	155%
			2011	550		
			2012	600		
			2013	650		
			2014	700		
MULTI-YEAR GOAL			3,000	773	26%	
EO-1 AVAILABILITY/ACCESSIBILITY OF ECONOMIC OPPORTUNITY						
EO-1.2	Low/mod limited clientele Microenterprise development (MC # 18C)	People	2010	15	0	0%
			2011	20		
			2012	25		
			2013	30		
			2014	35		
MULTI-YEAR GOAL			125	0	0%	
SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT						
SL-1.1	Senior citizen assisted. (MC# 05A)	People	2010	1,250	2,377	190%
			2011	1,500		
			2012	1,750		
			2013	2,000		
			2014	2,250		
MULTI-YEAR GOAL			8,750	2,337	27%	
SL-1.2	Youth services assisted. (MC # 05D)	People	2010	1,500	1,077	72%
			2011	1,750		
			2012	2,000		
			2013	2,250		
			2014	4,500		
MULTI-YEAR GOAL			10,000	1,077	11%	

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
SL-1.3	Persons assisted with health services. (MC # 05M)	People	2010	250	507	203%
			2011	500		
			2012	750		
			2013	1,000		
			2014	1,250		
MULTI-YEAR GOAL				3,750	507	14%
SL-1.4	Persons for which access to new or improved senior centers were provided. (MC # 03A)	People	2010	250	922	369%
			2011	500		
			2012	750		
			2013	1,000		
			2014	1,250		
MULTI-YEAR GOAL				3,750	922	25%
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		
			2012	15,000		
			2013	15,000		
			2014	15,000		
MULTI-YEAR GOAL				75,000	0	0%
SL-3.2	Persons assisted with general public services. (MC # 05)	Public Services	2010	1,000	393	39%
			2011	2,000		
			2012	3,000		
			2013	4,000		
			2014	5,000		
MULTI-YEAR GOAL				15,000	393	3%
SL-3.3	Persons assisted with crime awareness services. (MC # 05I)	People	2010	15,000	47,229	315%
			2011	20,000		
			2012	25,000		
			2013	30,000		
			2014	35,000		
MULTI-YEAR GOAL				125,000	47,229	38%
SL-3.4	Persons for which access to a new	People	2010	35,000	226,003	646%

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	or improved public facilities and improvements were provided. (MC # 03)		2011	40,000		
			2012	45,000		
			2013	50,000		
			2014	55,000		
			MULTI-YEAR GOAL			225,000
SL-3.5	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		
			2012	18,000		
			2013	19,000		
			2014	20,000		
			MULTI-YEAR GOAL			90,000
SL-3.6	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		
			2012	175,000		
			2013	200,000		
			2014	225,000		
			MULTI-YEAR GOAL			875,000
SL-3.7	Persons for which access to new or improved parking facilities were provided. (MC # 03G)	Public Facilities	2010	1,000	1	
			2011	1,000		
			2012	1,000		
			2013	1,000		
			2014	1,000		
			MULTI-YEAR GOAL			5,000
SL-3.8	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		
			2012	25,000		
			2013	25,000		
			2014	25,000		
			MULTI-YEAR GOAL			125,000
SL-3.9	Persons for which access to new or improved flood drain facilities	People	2010	5,000	12,488	250%
			2011	6,000		

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Specific Obj. #	Outcome/Objective Specific Annual Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	were provided. (MC # 03I)		2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	12,488	36%
SL-3.10	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		
			2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	11,596	33%
SL-3.11	Persons for which access to new or improved street facilities were provided. (MC # 03K)	People	2010	300,000	420,204	140%
			2011	325,000		
			2012	350,000		
			2013	375,000		
			2014	400,000		
		MULTI-YEAR GOAL		1,750,000	420,204	24%
SL-3.12	Persons for which access to new or improved sidewalks facilities were provided. (MC # 03L)	People	2010	5,000	5,394	108%
			2011	6,000		
			2012	7,000		
			2013	8,000		
			2014	9,000		
		MULTI-YEAR GOAL		35,000	5,394	15%
	1.1.3 Jobs created under economic development. (MC # 17C). Rehabilitation of Public Facility for Commercial Use	Jobs Created or Retained	2010	22	0	
			2011	0		
			2012	0		
			2013	0		
			2014	0		
		MULTI-YEAR GOAL		22		

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Outcome/Objective Codes

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

RESOURCES FOR THE HOME PROGRAM [91.320 (c)]

Federal resources including program income and recapture funds

The PRHFA will receive \$8,796,515 in HOME funds for PY 2012, based on HUD allocation estimates. 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 or ownership. 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 finance reasonable administrative and planning costs. 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 2012 is shown below. The category distribution followed the distribution mention in the Executive Summary.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2012

Assigned Budget:	\$8,796,515
Distribution by Category:	
State Administration	\$879,652
Construction of Housing or Rehabilitation by Community	
Housing Development Organizations (CHDO)	\$1,319,477

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Rehabilitation or Construction of Housing for Rent	\$5,597,386
Rehabilitation or Construction of Housing for Sale	\$1,000,000

Customers to be served: low-income residents of Puerto Rico's 78 municipalities.

Program income is the gross income received by the PJ, sub recipient, or State recipient. This is directly generated from the use of HOME Program funds, and must be expended in eligible activities before additional HOME funds are drawn down. The PRHFA will allocate program income, recapture, and repayment funds for any activity on line before requesting any draws from the letter of credit.

The State HOME Program will comply with federal regulations pursuant to 24 CFR Part 92.503, which specifies that:

- Program income received must be deposited in the HOME Investment Trust Fund account, unless the State HOME Program permits the recipient or sub recipient to retain and use the program income for another HOME projects. A written agreement will be required in such cases.
- The PI collected will be allocated as a reserve account for the activity draws.
- Other specific considerations will be taken regarding HOME Program requirements:

Upon termination of a Written Agreement, the future program income or the one available at the time must be returned to the PJ.

The PJ will maintain records that identify the source and use of funds, including program income.

Non Federal Public Sources

The Government of Puerto Rico commits nonfederal public sources to serve local housing needs. The most import program is Mi Nuevo Hogar , which partially or totally subsidizes loan closing expenses for eligible applicants.

Non Federal Financing Available for Affordable Housing

In 2001, the Commonwealth of Puerto Rico prioritized the need to restructure the public

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agencies offering financing for housing in Puerto Rico, and particularly the need to merge under a single operation the financing services for low-income housing. This merger was achieved through Act No. 103 of August 11th, 2001, as amended.

The Act dissolved the Puerto Rico Housing Bank and Finance Agency (HB) and transferred all of its power, faculties, and obligations to the Puerto Rico Housing Finance Corporation. The name of the agency became the Puerto Rico Housing Financing Authority (PRHFA), which continues to operate as a Government Development Bank for Puerto Rico subsidiary.

In July 1st, 2010, the **HOME** program was transferred to the Puerto Rico Housing Financing Authority (PRHFA) from the PRDH. The PRHFA handles various housing programs, and had leveraged funds from other programs including the following:

Strategic Goals

- One of the primary goals of the Puerto Rico Housing Finance Authority (PRHFA or the Authority) is to address the need for adequate housing as a matter of social justice. Conscious of the fact that demand far exceeds supply, the Government's 5 yr Housing Strategy has proposed to construct or rehabilitate 50,000 housing units for low and moderate income families within a four-year period.
- In addition, the PRHA aims to develop new financing mechanisms to increase the supply of available housing units.

Subsidy Program for Social Interest Housing - Act 124

Act No. 124 of December 10th, 1993, as amended, created a new subsidy program for low income housing.

The Department of Housing of the Commonwealth of Puerto Rico and PRHFA approves the Rules and Regulations for the Program.

The subsidy applies to new construction of refurbished projects undertaken by private developers.

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PRHFA grants a subsidy directly to eligible buyers, up to a maximum of 2% of the selling price, to be applied to the down payment and to a subsidy for the monthly payments, depending on income or family composition.

Financing is provided by private banks.

The selling price may be up to \$145,000. The maximum depends on the project's location. PRHFA performs the pre-evaluations for projects that apply to the Program.

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

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

Section 42 of the Internal Revenue Code:

Provides financing by selling tax credits to United Commonwealths investors.

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

The Federal Tax Credit Program receives nearly \$8.2 million each year, which generates an investment of approximately \$67.7 million in Puerto Rico's economy.

Tax Credit Program (Act No. 140 of October 4, 2001)

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

- This increases the inventory of social interest housing in the Island.
- In addition, it guarantees rent affordability for low income families.
- Such credit stimulates the substantial rehabilitation of existing facilities and structures that will help renovate and repopulate the urban centers of our towns.

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

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Interim Loans for Construction

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

The Authority will charge a fee for the interim financing of up to 1.5% of the maximum amount approved.

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

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

Direct Loans

To purchase primary residence up to \$150,000.

Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

New Market Tax Credits

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

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Subsidy Housing Administration

Subsidy Contracts Administration

The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for all Section 8 projects in Puerto Rico. This program monitors project management to ensure the quality of life of residents and the adequate use of federal funds.

In addition, the Authority is responsible of making subsidy payments to the project owner, renovating subsidy contracts for projects, approving and processing rent increases, monitoring that any deficiencies found in the projects during physical inspections are corrected, and carrying out administrative audits of the projects each year.

Loans for Multifamily Rental Housing

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

Private Sources

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

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

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

Summary of the Specific Annual Objectives

The PRHFA is committed to promote and increase Homeownership among low and very low-income families. Nonetheless, rental housing development will be supported given the current

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housing market and needs, as presented in the State Housing Plan 2011-2015. Thus, the PRHA, and consequently the PRHFA, will encourage and support the construction of affordable rental housing to assist low-income families in obtaining decent, safe, sanitary, and affordable rental housing. This objective will be achieved through the rehabilitation, and new construction of homeownership and rental housing. Efforts to attain this goal will also entail strengthening public-private partnerships between Federal and Commonwealth agencies, community housing development organizations, private developers, financial institutions, and local governments.

Throughout PY 2012, the HOME Program expects to assist 250 households with the allocated HOME funds, as presented in OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES shown below. This is the HUD template that shows specific annual objectives arranged by Outcome/Objective, Source of Funds, Performance Indicator, Program Year, and Expected Numbers for PYs 2010-2014.

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ANNUAL ACTION PLAN - SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective Specific Annual Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2 Affordability of Decent Housing							
2.2.1	Construction of affordable housing units for low income Homeownership	HOME	Homeownership units constructed or acquired for rehabilitation	2010	100	162	162%
				2011	100	0	0.00%
				2012	32	-	0.00%
				2013	32	-	0.00%
		PRIVATE	2014	32	-	0.00%	
MULTI-YEAR GOAL				296	162	55%	
2.2.2	Down payment and closing cost assistance for the acquisition of existing housing for low income Homeownership	HOME	Direct financial assistance to Homebuyers	2010	100	45	45%
				2011	100	0	0.00%
				2012	0	0	0.00%
				2013	0	-	0.00%
		PRIVATE	2014	0	-	0.00%	
MULTI-YEAR GOAL				200	45	23%	
2.2.3	Rehabilitation or Construction of affordable housing units for rental occupancy	HOME	Rental units constructed or rehabilitated	2010	150	581	388%
				2011	150	0	0.00%
				2012	180	0	0.00%
				2013	180	-	0.00%
		PRIVATE	2014	180	-	0.00%	
MULTI-YEAR GOAL				840	581	69%	
2.2.4	CHDO construction of affordable housing units for Homeownership	HOME	Homeownership units constructed or acquired for rehabilitation	2010	21	0	0.00%
				2011	21	-	0.00%
				2012	13	-	0.00%
				2013	13	-	0.00%
		PRIVATE	2014	13	-	0.00%	
MULTI-YEAR GOAL				81	0%	0.00%	
2.2.5	CHDO rehabilitation of affordable housing units for rental occupancy	HOME	Rental units constructed	2010	49	162	331%
				2011	49	-	0.00%
				2012	25	-	0.00%
				2013	25	-	0.00%
		PRIVATE	2014	25	-	0.00%	
MULTI-YEAR GOAL				173	162	94%	
2.2.6	Homeowner rehabilitation of housing units from substandard condition	HOME	Owner occupied units rehabilitated	2010	15	19	127%
				2011	15	0	0.00%
				2012	0	0	0.00%
				2013	0	-	0.00%
		PRIVATE	2014	0	-	0.00%	
MULTI-YEAR GOAL				30	19	63%	
GRAND TOTAL					1620	969	60%

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RESOURCES FOR THE ESG PROGRAM [91.320 (D)]

The Deputy Assistant Secretary for Community Planning and Development (CPD) of the US Department of Housing and Urban Development (HUD) announced an allocation of \$5,600,408 funds for ESG for Program Year 2012

On October 28, 2011 the PRDF published a notice to amend the 2010-2014 Consolidated Plan to modify the distribution method in order to hold a competition to award ESG funds every two years. Based on that amendment all organizations and municipalities selected for funding under the 2011 competition will be awarded funds under the PY 2012 ESG funds.

The 2012 allocation will be administered by the PRDF, which is the State Executive Department responsible for the planning and administration of these funds, and the distribution of the funds to non-profit organizations and municipalities which provide services to the homeless population in Puerto Rico. A total of 76 Organizations and 25 Municipalities are expected to receive ESG funding in Program Year 2012 for the activities of Street Outreach, Shelter, Rapid Re-housing, Prevention, HMIS, and Administration. The 2012 allocation is contingent to compliance with all the requirements of the Emergency Solutions Grants Program. The following table summarizes the proposed allocation for program year 2012:

ESTIMATED DISTRIBUTION BY PROGRAM ACTIVITIES

ACTIVITY	ALLOCATION FUNDS
	2012
Street Outreach	\$938,464
Shelter	\$1,094,874
Rapid Re-housing and Prevention	\$2,997,040
HMIS	\$150,000
Administrative Cost*	\$420,030
TOTAL	\$5,600,408

*Administrative costs will be available to distribute to award Municipalities.

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FEDERAL AND STATE RESOURCES

The Puerto Rico Balance of State Continuum of Care and the South/Southeast Puerto Rico CoC are the two federal recognized CoCs in Puerto Rico. While both CoCs collaborate extensively on the annual homeless Point-in-Time count, advocacy and other activities, each CoC is responsible for applying separately for HUD McKinney-Vento Homeless Assistance (Supportive Housing and Shelter Plus Care Programs) on a yearly basis through their respective lead agencies. During this program year the following additional McKinney-Vento Homeless Assistance funds will be available to provide services to the homeless population:

Puerto Rico – Continuum of Care (CoC) Awards (2011)

CoC No.	CoC Name	Sponsor Name	Program	Amount
PR-502	Puerto Rico Balance of Commonwealth CoC	Albergue El Paraiso, Corp.	SHPR	\$283,970
PR-502	Puerto Rico Balance of Commonwealth CoC	Albergueelparaiso	SHP	\$221,718
PR-502	Puerto Rico Balance of Commonwealth CoC	Casa de Restauracion y Mas, Inc.	SHP	\$463,863
PR-502	Puerto Rico Balance of Commonwealth CoC	Casa de Restauracion y Mas, Inc.	SHPR	\$139,933
PR-502	Puerto Rico Balance of Commonwealth CoC	Casa Protegida Julia de Burgos, Inc.	SHPR	\$405,460
PR-502	Puerto Rico Balance of Commonwealth CoC	Coalicion de Apoyo Continuo a Personas sin Hogar en San Juan	SHP	\$100,000
PR-502	Puerto Rico Balance of Commonwealth CoC	Coalicion de Apoyo Continuo a Personas sin Hogar en San Juan	SHPR	\$516,705
PR-502	Puerto Rico Balance of Commonwealth CoC	Coalition of Guaynabo	SHPR	\$202,491
PR-502	Puerto Rico Balance of Commonwealth CoC	Corp. La Fondita de Jesus	SHP	\$894,537
PR-502	Puerto Rico Balance of Commonwealth CoC	Corp. La Fondita de Jesus	SHPR	\$463,000
PR-502	Puerto Rico Balance of Commonwealth CoC	Corp. La Fondita de Jesus	SHPR	\$657,039
PR-502	Puerto Rico Balance of Commonwealth CoC	Estancia Corazon, Inc.	SHPR	\$288,179
PR-502	Puerto Rico Balance of Commonwealth CoC	Hogar del Buen Pastor, Inc.	SHP	\$111,630
PR-502	Puerto Rico Balance of Commonwealth CoC	Hogar del Buen Pastor, Inc.	SHPR	\$237,609
PR-502	Puerto Rico Balance of Commonwealth CoC	La Perla de Gran Precio	SHPR	\$118,738
PR-502	Puerto Rico Balance of Commonwealth CoC	La Perla de Gran Precio	SHPR	\$145,637

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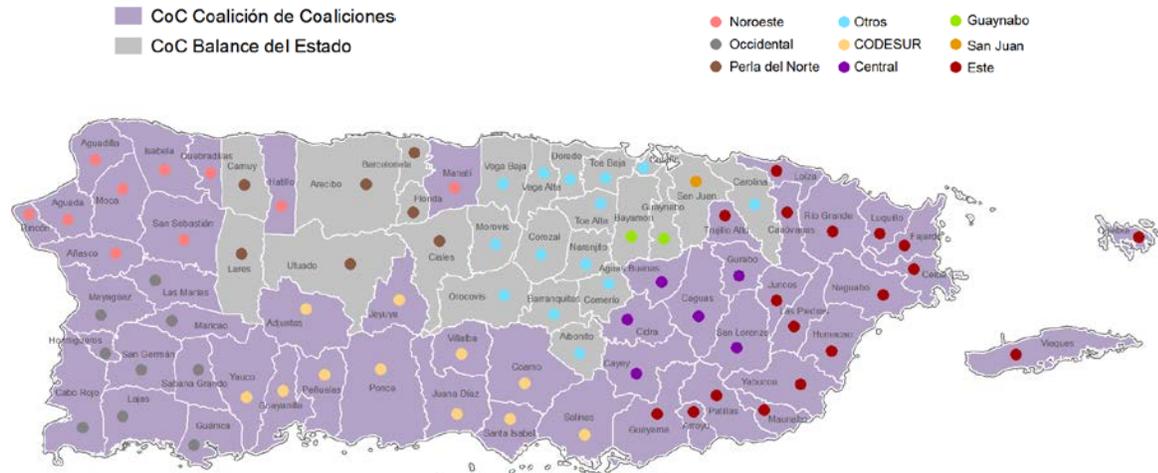
CoC No.	CoC Name	Sponsor Name	Program	Amount
	Commonwealth CoC			
PR-502	Puerto Rico Balance of Commonwealth CoC	Lucha Contra el SIDA, Inc.	SHPR	\$77,086
PR-502	Puerto Rico Balance of Commonwealth CoC	Lucha Contra el SIDA, Inc. (LUCHA)	SHPR	\$180,963
PR-502	Puerto Rico Balance of Commonwealth CoC	MHAASA	SHPR	\$1,978,515
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of Aibonito	SHP	\$291,564
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of San Juan	S+CR	\$474,120
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of San Juan	SHPR	\$314,286
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of San Juan	SHPR	\$330,939
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of San Juan	SHPR	\$298,510
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of San Juan	SHPR	\$300,354
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of Vega Alta	SHPR	\$91,276
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of Vega Baja	SHPR	\$153,417
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipality of Vega Baja	SHPR	\$240,219
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipio de Carolina	SHPR	\$308,569
PR-502	Puerto Rico Balance of Commonwealth CoC	Municipio De Naranjito	SHPR	\$88,816
PR-502	Puerto Rico Balance of Commonwealth CoC	PR Department of Housing	S+CR	\$599,400
PR-502	Puerto Rico Balance of Commonwealth CoC	PR Department of Housing	SHPR	\$486,360
PR-502	Puerto Rico Balance of Commonwealth CoC	Silo Misión Cristiana, Inc.	SHP	\$203,761
PR-502	Puerto Rico Balance of Commonwealth CoC	Solo Por Hoy, Inc.	SHP	\$224,820
PR-503	South/Southeast Puerto Rico CoC	Autonomous Municipality of Cidra	SHP	\$243,129
PR-503	South/Southeast Puerto Rico CoC	Autonomous Municipality of Cidra	SHPR	\$80,136
PR-503	South/Southeast Puerto Rico CoC	Centro Deambulantes Cristo Pobre	SHPR	\$188,188
PR-503	South/Southeast Puerto Rico CoC	Coalition Pro-Homeless of the Eastern Area of Puerto Rico	SHPR	\$142,095
PR-503	South/Southeast Puerto Rico CoC	Corporacion Milagros del Amor	SHPR	\$159,018
PR-503	South/Southeast Puerto Rico CoC	Corporacion Milagros del Amor	SHPR	\$201,122
PR-503	South/Southeast Puerto Rico CoC	COSSMA, Inc.	SHPR	\$67,452
PR-503	South/Southeast Puerto Rico CoC	COSSMA, Inc.	SHPR	\$148,137
PR-503	South/Southeast Puerto Rico CoC	Estancia Corazon, Inc.	SHPR	\$197,803
PR-503	South/Southeast Puerto Rico CoC	Estancia Corazon, Inc.	SHPR	\$232,745

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CoC No.	CoC Name	Sponsor Name	Program	Amount
PR-503	South/Southeast Puerto Rico CoC	Estancia Corazon, Inc.	SHPR	\$99,855
PR-503	South/Southeast Puerto Rico CoC	Fundacion de Desarrollo Comunal de P.R. Inc.	SHPR	\$221,244
PR-503	South/Southeast Puerto Rico CoC	Fundacion de Desarrollo Comunal de Puerto Rico, Inc. "FUNDESCO"	SHPR	\$154,795
PR-503	South/Southeast Puerto Rico CoC	Fundacion de Desarrollo Comunal de Puerto Rico, Inc. "FUNDESCO"	SHPR	\$135,477
PR-503	South/Southeast Puerto Rico CoC	Hogar Resurrección, Inc.	SHPR	\$207,650
PR-503	South/Southeast Puerto Rico CoC	Instituto Pre-vocacional E Industrial de Puerto Rico, Inc.	SHPR	\$149,964
PR-503	South/Southeast Puerto Rico CoC	Jayuya Municipality	S+C	\$258,000
PR-503	South/Southeast Puerto Rico CoC	La Tierra Prometida, Inc.	SHPR	\$267,578
PR-503	South/Southeast Puerto Rico CoC	Lucha Contra el SIDA, Inc.	SHPR	\$575,880
PR-503	South/Southeast Puerto Rico CoC	Municipality of Aguas Buenas	SHPR	\$60,809
PR-503	South/Southeast Puerto Rico CoC	Municipality of Coamo	S+C	\$381,480
PR-503	South/Southeast Puerto Rico CoC	Municipality of Isabela	S+C	\$261,000
PR-503	South/Southeast Puerto Rico CoC	Municipality of San German	S+CR	\$81,144
PR-503	South/Southeast Puerto Rico CoC	MUNICIPIO DE HORMIGUEROS	S+CR	\$41,568
PR-503	South/Southeast Puerto Rico CoC	Municipio de Loiza	S+CR	\$77,160
PR-503	South/Southeast Puerto Rico CoC	Municipio de Naguabo	S+CR	\$63,180
PR-503	South/Southeast Puerto Rico CoC	Proyecto Amor Que Sana, Inc.	SHPR	\$309,825
PR-503	South/Southeast Puerto Rico CoC	Proyecto Matria, Inc.	SHP	\$1,426,156
PR-503	South/Southeast Puerto Rico CoC	Shelter Plus Care Program Municipio de Cayey	S+CR	\$229,260
			Total:	\$18,555,334



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The following programs are part of the HUD McKinney-Vento Homeless Assistance Act:

Supportive Housing Program

The Supportive Housing Program is designed to develop supportive housing and services that will allow homeless persons to live as independently as possible. The Supportive Housing Program is authorized by Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended. It is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. Assistance in the Supportive Housing Program is provided to help homeless persons meet three overall goals:

- achieve residential stability,
- increase their skill levels and/or incomes, and
- obtain greater self-determination (i.e., more influence over decisions that affect their lives).

A total of 10 SHP programs were funded in 2011 by HUD with a total allocation of \$2,466,312.00

Shelter Plus Care Program

Shelter Plus Care (S+C) is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.

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A total of 53 (S+C) programs were funded in 2011 by HUD with a total allocation of \$2 \$8,310,385.

McKinney-Vento Education for Homeless Children and Youth Program

The Education for Homeless Children and Youth Program is designed to address the problems that homeless children and youth have faced in enrolling, attending, and succeeding in school. Under this program, State educational agencies (SEAs) must ensure that each homeless child and youth has equal access to the same free, appropriate public education, including a public preschool education, as other children and youth. Homeless children and youth should have access to the educational and other services that they need to enable them to meet the same challenging State student academic achievement standards to which all students are held. In addition, homeless students may not be separated from the mainstream school environment. States and districts are required to review and undertake steps to revise laws, regulations, practices, or policies that may act as a barrier to the enrollment, attendance, or success in school of homeless children and youth.

The Department of Family receives other federal and state resources (FY 2012) and it's expected to receive approximately \$2,669,616,233.00 from the Federal Department of Agriculture (USDA), Department of Health and Human Services (HHS), and from the Department of Labor (DOL). 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 to comply with the Program's matching fund requirements. The following table provides details:

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OTHER FEDERAL AND STATE RESOURCES (FY-2011)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$ \$1,747,736,000	\$50,273,000	\$ \$1,798,009,000	Provides supplemental income to families in need in order to address their nutritional needs.
Nutritional Assistance Program (PAN Spanish Eponymous)-ARRA	\$255,963,000	\$0	\$255,963,000	Funds of the American Recovery and Reinvestment Act of 2009 to provide supplemental income to needy families in need.
Temporary Assistance to Needy Families (TANF)	86,988,000	\$48,779,000	\$ 135,767,000	Provides economic assistance to none and low income persons and families to help them fulfill basics needs.
Social and Economic Rehabilitation of the Family (PRES, Spanish Eponymous)	\$	\$ 5,952,000.	\$ 5,952,000	Helps poor families become self-sufficient.

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PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Services to the Families and Children	61,185,000	173,717,000	234,902,000	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.
Services to the Families and Children - ARRA	\$		Budget: Oct.1, 2008 thru Sept. 30, 2010	Funds of the American Recovery and Reinvestment Act of 2009 to provide support to individuals and families
Child Support	\$27,067,764	\$13,944,000	\$41,011,764	To ensure that the father and mother provide alimony to their child.
Elderly Support	\$0	\$567,000.	\$567,000	Ensures that people aged 60 years or more that are in need of sustenance or livelihood obtain alimony from their legally responsible direct descendants.

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PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
				<p>Establishes alimony orders by the administrative procedures of mediation or court proceedings.</p> <p>Locates descendants whose whereabouts are unknown and require them to comply with their obligation to provide sustenance to their relatives</p>
Child Care	\$45,983,000	\$7,168,000	\$53,151,000	<p>To assist low- income families with child care in order to:</p> <ol style="list-style-type: none"> 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	\$123,762,000 ARRA: \$830,000	\$2,108,000	\$126,700,000	Head Start and Early Head Start are comprehensive child

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PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
				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	17,593,469	\$0	\$ 17,593,469	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$2,366,278,233.00	\$302,508,000	\$ 2,669,616,233.00	

* According with the State Office of Management and Budget web page

There are other state funds that the DF currently receives and will continue to receive. An estimated **\$6,843,000** will be allocated to the DF from the Legislature of the Commonwealth of Puerto Rico. These funds will be donated to nonprofit organization that provides services to needy persons and families, as well as protection to abused children and homeless people.

TABLE OTHER STATE RESOURCES

PROGRAM	AMOUNT	DESCRIPTION
Legislative Award	\$6,593,000	To delegate funds to nonprofit organizations that provides services to needy persons, families, and the homeless; as well as protection to abused children, the elderly, and disabled people.
The Multi Sector Council in Support of Homeless Population	\$250,000	For staff and consultants to guide effective planning processes of the Council in order to eliminate chronic homelessness. For the preparation of the CoC application.
TOTAL	\$6,843,000	

MATCHING FUNDS

To be eligible to receive Emergency Solutions Grants funds, each organization must match dollar-to-dollar the funding provided with funds from other State, Federal, public or private sources. Recipients may use any of the following in calculating the amount of matching funds provided:

- Cash;
- The value or fair rental value of any donated material or building;
- The value of any lease on a building;
- Any salary paid to staff to carry out the program of the recipient; and
- The value of the time and services contributed by volunteers to carry out the program of the recipient, calculated at the current minimum wage rate. Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.

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At this time, the Department does not have actual match figures by types of match. ESG sub recipients of PY 2012 ESG funds will be required to provide 100% match to the funds awarded.

The total match that will be provided by the Department and the sub recipients will equal \$5,600,408.

The first \$100,000 of the fiscal year grant is not required to be matched. The Department will transfer the benefit of this exception to the sub recipients that are least capable of providing the recipient with a matching contribution.

RESOURCES FOR THE HOPWA PROGRAM [91.320 (C)]

Federal Resources and program income expected to be available

HOPWA allocation for FY 2011 is \$1,810,019. The HOPWA program will provide funding for permanent housing, temporary housing, transitional housing, and supportive services to persons with HIV/AIDS, and other eligible activities.

No program income is expected to be collected by the Municipality of San Juan. No matching requirement is needed by the HOPWA program.

Other Resources

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.

ACTIVITIES FOR THE CDBG PROGRAM [91.320 (D)]

Description of the Method for Distributing Funds to Local Governments

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

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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.

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).

The following table shows the distribution of CDBG funds by category:

USE OF CDBG FUNDS FOR PY 2012

Use of Funds (category)	Allocation
Basic Allocation	\$17,955,000
Competitive Round	\$8,576,702
Emergency	\$1,000,000
State Administration	\$566,705
Technical Assistance	\$250,000
Total	\$28,348,407

In order to request CDBG assistance, non-entitlement municipalities are required to send to OCAM, one application under the Basic Grant and another application for the Competitive Round, following the established procedures. A separate application for the Redistribution of Recaptured Funds should be submitted as well.

Eligible Activities and National Objectives

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)),

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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, national objective and CDBG citation.

All applications for PY 2012 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.

Application Submission

Application kits or Request for Proposals for the Basic Grant, Competitive Round will be available beginning May 11th, 2012. The Basic Proposal will be submitted on or before June 11th, 2012 to OCAM via PROFE only (Electronic Federal Programs) for the Request for Proposals (RFPs) available. On the other hand, the Competitive Proposals will be submitted in OCAM (hardcopy only) on or before June 11th, 2012 no later than 4:30 pm or be sent via postmarked regular mail on such date.

If an application is hand delivered, it must be received and logged at:

Office of the Commissioner of Municipal Affairs
MCS Plaza, 6th Floor
255 Ponce de Leon Avenue
Hato Rey, PR 00936-8167

If the application is mailed, it should be postmarked by June 11th, 2012 or whichever the case is, with return receipt service.

Applications for the Emergency Fund may be submitted at any time during PY 2012 as long as they comply with the requirements presented in Circular Letter Num. 2009-23 of December 1, 2009, and any other requirement that applies.

Program Certifications

The following certifications must be signed with blue ink and either mailed or hand delivered,

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as mentioned above.

Execution of the STATE CERTIFICATIONS providing for:

Affirmatively Further Fair Housing- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-Displacement and Relocation Plan- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace- It will or will continue to provide a drug-free workplace

Anti-Lobbying- To the best of the State's knowledge and belief:

- No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in

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connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

- It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

Authority of State- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with Action Plan- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Execution of the Specific CDBG Certifications providing for:

Citizen Participation- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments (only for the State-grantee)

Local Needs Identification- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

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Use of Funds- It has complied with the following criteria:

- Maximum Feasible Priority
- Overall Benefit
- Special Assessments

Excessive Force- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

- A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
- A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance with Anti-Discrimination laws- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Special State Laws- It will comply with applicable laws.

Examples of these certifications could be provided by OCAM as a template to be filled and signed by a Mayor.

Mandatory Requirements

Citizen Participation Requirements and Responsibilities for Non-Entitlement Municipalities

The non-entitlement municipalities eligible for assistance under the State CDBG Program for PY 2012, are subject to citizen participation requirements. These requirements are mandatory and include the following items:

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Must have followed the citizen participation plan as approved by OCAM.

Along the application, the municipality will submit a certification stating that it has fully complied with its citizen participation plan. It will also submit a copy of the plan if the last plan filed with OCAM has been amended.

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 show a complete inventory of housing and community development needs by CDBG eligible categories included on this plan, 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 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 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.

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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 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.

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.

Rationale for the Allocation Priorities

Act Num. 50 of January 13, 2004 and Act Num. 144 of September 29, 2010 provided the rationale for allocating the CDBG Basic Grant as a total of \$350,000 per municipality or 0.83% of the total Basic Grant allocated to each municipality, whichever is greater. This amount will be equally distributed among the non-entitlement municipalities, including a 15% mark-up to the municipalities of Vieques and Culebra. The State will distribute the remaining balance of the CDBG allocation in compliance with the priorities established by the HUD national objectives on a Competitive Grant, including a 15% mark-up to the municipalities of Vieques and Culebra as well.

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Basic Grant - \$17,955,000

A total of \$17,955,000 will be equally distributed among the 51 non-entitlement municipalities, limited to an allocation of \$350,000 for each. An additional 15% will be awarded for the municipalities of Vieques and Culebra.

All municipalities must submit an application to access the Basic 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 under the basic grant application, OCAM will allow the municipality to review the application and re-submit other eligible activity. This concession is permitted **only** for the Basic Grant. Therefore, it does not apply in the Competitive Grant. The following table presents the established limits of the application for the Basic Grant.

CAPS FOR CDBG ALLOCATION UNDER THE BASIC GRANT

Category	Maximum Allocation	Vieques and Culebra Allocation
Public Service (up to 15% of the grant)	\$52,500	\$60,375
Homeownership	\$287,000	\$330,050
Microenterprise	\$287,000	\$330,050
Small Business Development Program	\$287,000	\$330,050
Public Facilities for Business Use	\$287,000	\$330,050
Community Development (Infrastructure)	\$287,000	\$330,050
Housing Rehabilitation	\$287,000	\$330,050
Administration (up to 18% of the grant)	\$63,000	\$72,450
Maximum to Request	\$350,000	\$402,500

*If the category of Administration is not submitted up to its maximum of \$63,000, whatever amount available can be used to increase the maximum amount allocated to all remaining categories, except Public Service, up to the total maximum of the grant, \$350,000. In the case of Vieques and Culebra such amount would be up to \$402,500.

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Under the Basic Grant, OCAM will allow non-entitlement municipalities to request funds for any of the eligible activities illustrated above, with the following limitations:

- Purchase real estate (lot) for the construction of any eligible activity; unless there is evidence available that the municipality has a detailed plan for the construction of a project in the premises of the lot to be acquired within the following two (2) years from the date of the award agreement between OCAM and the municipality. Otherwise, OCAM will disallow the activity from further competitive allocations.
- Closure of sanitary landfill facility or purchase of heavy equipment to be used at the sanitary landfill, only if it is in operation.

Competitive Grant - \$8,576,702

An amount of **\$8,576,702** has been allocated for the Competitive Grant. Funding under each category will be limited to the established cap under each category. Unallocated funds in any category will be reassigned to eligible Community Development Category.

Given that the allocations per municipality will not be known until the competition is over, a series of maximum of percentages per category, based on the total of amount requested are given as follows:

Category	Maximum Percentage of Funds Requested
Public Service	15%
Homeownership	90%
Microenterprise	90%
Small Business Development Program	90%
Public Facilities for Business Use	90%
Community Development (Infrastructure)	90%
Housing Rehab	90%
Administration (up to 10% of the grant)	10%

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Municipalities may request funds for one or more categories up to the maximum percentages outlined above. The maximum amount to be requested under the competitive grant is \$250,000 per municipality.

If a municipality fails to indicate the category of a proposed project or indicates more than one category, OCAM will determine the category to be selected according to the project description and the municipality will abide to such determination.

Under the Competitive Grant, OCAM will allow non-entitlement municipalities to request funds for any eligible activity, with the same limitations stipulated on the Basic Grant section in terms of acquiring real estate and works at a landfill facility.

Submission of a budget breakdown is mandatory as required in OCAM's Memorandum issued on July 6, 2001. For the pavement of municipal roads, the municipality should use the instructions provided on the Informative Circular 2007-23 of November 26, 2007.

In determining an appropriate amount, OCAM reserves the right to eliminate or approve less funds than requested based on the following review requirements:

Compliance with the State CDBG requirements.

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.

Inadequate or incomplete description of activities to be developed.

Past performance of the non-entitled municipality.

Project's previous balance.

Timely expenditure of funds.

For projects that generate program income and create employment, a feasibility exercise should be presented.

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The following are a description of each CDBG category eligible to obtain funds under this plan and the criteria to be used to evaluate each of them:

Community Development

Community development activities are divided in two mayor categories: (1) Public Facilities and Improvements, and (2) Improvement to the Municipal Infrastructure.

A. Public Facilities and Improvements

The non-entitlement municipalities may request CDBG funds for public facilities and improvements, including the construction or rehabilitation of:

- 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.
- Asbestos Removal: this activity refers to the removal of asbestos material or asbestos remaining in order to improve any public facility.
- Centers for the Disabled/Handicapped: this activity refers to the construction or rehabilitation of group homes or centers for the disabled.
- Child Care Centers/Facilities for Children: this activity refers to the construction or rehabilitation of daycare centers and Head Start pre-school centers.
- 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.
- Fire Station/Equipment: this activity refers to the construction or rehabilitation of fire stations, including the purchase of fire trucks, ambulances, and rescue equipment.
- Health Facilities: this activity refers to the construction or rehabilitation of physical and mental health facilities.

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- **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.
- **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.
- **Parking Facilities:** this activity refers to the construction or rehabilitation of off-street parking lots and parking garages.
- **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.
- **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".
- **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.
- The construction of centers for free-internet access for professional, educational and research purposes.
- 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.

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B. Improvement to the Municipal Infrastructure

The non-entitlement municipalities may request CDBG funds for improvement of the municipal infrastructure qualified as right of way construction or rehabilitation of:

- 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).
- Sidewalks: this activity refers to the construction or rehabilitation of sidewalks. Sidewalk improvements include the installation of trash receptacles, trees, benches, and lighting.
- 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.
- Water/Sewer Improvements: this category refers to the construction or rehabilitation of water and sewer installation, or replacement of water lines, sanitary sewers, storm sewers, or fire hydrants.
- 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.

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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.

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 should 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 the improvements made to the housing unit.

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

- Dollars Leveraged per CDBG funds invested
- Number of households assisted
- Number of households by income limit
- Number of units occupied by race, ethnicity, and disability
- Number of units occupied by elderly households
- Number of units brought from substandard to standard condition
- Number of units meeting Energy Star standards

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- Number of units brought into compliance with the lead-safe housing rule
- 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.

Rehabilitation Materials Grant

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.

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 50% of the down-payment and closing costs to any qualified individual under the CDBG rules. Specifically, the use of funds under this category is limited to low and moderate income families. The municipality will determine at its discretion the amount to be granted to each qualified family, up to a maximum of \$5,000.

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 or Section 8 homeownership voucher in conjunction with this grant.

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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% statutory cap, and includes the following activities:

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- 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.
- 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.
- 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.
- Services for battered and abused spouses for programs that serve adults or families.
- Counseling for employment training and placement that increases self-sufficiency. These include literacy, independent living skills, job training, and employment services activities.
- Crime prevention and educational programs.
- 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.
- Child Care Services that benefit children (generally under age 13), including parenting courses.
- 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.
- Daycare or other services exclusively for abused and neglected children.

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- Mental Health Services provided by specialized organizations to address the mental health needs of the community.
- 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.
- Energy conservation projects

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.

Public Facility for Business or Commercial Use

Economic development is a priority of the Government of Puerto Rico. The objective of this category is to provide funding for the rehabilitation or installation of publicly-owned property to create commercial space to be used to foster the development of small business and microenterprises. 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
- 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

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The Municipality shall select one of those standards in order to document its compliance with the National Objective. In addition, Public benefit standards shall apply to all Economic development projects and shall demonstrate a sufficient benefit in return for the CDBG investment as described in 24 CFR Section 105 (a)(14) – (17), 570.209

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

Microenterprise Assistance Program

The Program is targeted to promote new microenterprises; and to incentivize self-employment among individuals in the jurisdictions covered by non-entitlement municipalities. The program will be used to assist new and existing microenterprises and self-employment for low and moderate income persons in the jurisdictions covered by non-entitlement municipalities. OCAM and Non-Entitlement Municipalities reserve the right to choose any financial institution for loan processing, servicing and monitoring that could support the economic strategy set force by the agency. The activity must comply with the "Limited Clientele Standard applicable to Microenterprise Assistance", as set forth in 24 CFR § 201 & 24 CFR § 208 (iii).

Under the Microenterprise Assistance Program, the Municipality will be able to award loans and recoverable grants to qualified microenterprises.

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.

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

- Compliance with the State CDBG requirements;
- The financing assistance must promote the startup of new microenterprises as well as retention and expansion of existing microenterprises in non-entitlement municipalities;

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- The activity must comply with the "Limited Clientele Standard applicable to Microenterprise Assistance", as set forth in 24 CFR § 201 & 24 CFR § 208 (iii).

Small Business Development Program

This activity has been designed to provide assistance to small businesses via special economic development activities (§570.203).

These activities include:

- Acquiring; constructing; reconstructing; rehabilitating or installing commercial or industrial buildings; structures and other real property; equipment and improvements, including railroad spurs or similar extensions.
- Assisting a private, for-profit business (e.g., loans, recoverable grants, interest subsidies, and technical assistance).
- Providing economic development services in connection with other eligible CDBG special economic development activities. This includes, but is not limited to, outreach efforts to market available forms of assistance; screening of applicants; reviewing and underwriting applications for assistance; preparation of necessary agreements; management of assisted activities; and the screening, referral, and placement of applicants for employment opportunities generated by CDBG-eligible economic development activities. This may include the costs of providing job training for persons filling those positions.

CDBG assistance to a for-profit business under 570.203 Special Economic Development triggers the requirements for the optional underwriting guidelines and mandatory Public Benefit standards.

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
- 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

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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 permitted per grant, Basic Grant (18%) and Competitive Grant (10%). If the municipality is not in compliance with OMB-A-133 Circular, administrative funds may be withheld.

Emergency Fund

Applications under this category are submitted only when an emergency arises and qualifies as an urgent need. The activities designed to meet urgent community development needs are 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 up to **\$1,000,000 out of the Program Year 2012 funds**. The grant limit per Municipality is made on a case by case basis up to \$100,000 for the program year, 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.

Special consideration will be given to those Emergency Fund applications that present a documented, serious threat to public health or safety, of recent origin or which recently became urgent. A valid certification from the State Emergency and Disaster Management Agency indicating the nature and date of such emergency is necessary given that it is the responsibility of the State to validate the nature of the emergency.

Emergencies must be recognized independently of the area of occurrence. 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 2012. The Mayor will have to submit a Letter of Intent towards willing to request the Emergency Funds no later than fifteen (15) days after the event has occurred, except under extraordinary circumstances or

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another valid cause, properly filed and accepted by OCAM as an exception.

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 established 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 OCAM.

If the project has not started within a period of 60 days from the date of the registration of the contract with the Comptroller's Office, the funds will be recaptured 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 certification issued by the State Agency for Emergency Management, or any Gubernatorial Declared Emergency or Presidential Declared Emergency.

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 a Consulting Engineer.

The committee will use the criteria and procedures established by OCAM for this category, and the members will be 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).

As soon as the application 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.

State Administration

The amount of **\$566,705** (2% of the CDBG grant) will be allocated for the State program

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administration. The expenditure of the first \$100,000 could be disbursed without any matching requirement, forcing the State to match no less than \$466,705 from state funds.

Technical Assistance

OCAM will use up to 1.0% of its grant—the amount of \$250,000— to provide technical assistance to non-entitlement municipalities for carrying out housing and community development activities in compliance with the Set Aside HCDA Section 106 (d) (5), referenced in CPD Notice 99-09. OCAM will use these funds to offer the annual seminar on planning and administration of the State CDBG Program to the non-entitlement municipalities, and to offer specialized technical assistance to the non-entitlement municipalities.

The Evaluation of Proposals

The applications submitted under the Competitive Grant will be evaluated by an in-house committee appointed by the Commissioner or Deputy Commissioner for Federal Programs.

Applications will be evaluated through the following process:

Step 1: The Evaluation Committee will assess the compliance of proposals with CDBG regulations and proposal guidelines.

Step 2: The committee will then prepare a list of proposals that will receive further consideration.

Step 3: The Committee will review the proposal following a weighted average of fifty percent to the (1) Overall General Performance Criteria (50%) and (2) the other fifty (50%) percent to the criteria related to the average of all the percentages value by category. The evaluation will be performed by category. It will be based on the scoring of the Overall General Performance Criteria and the scoring obtained from a particular category, following the weights outlined above. The proposals will be graded and discussed by the committee to ensure uniformity.

Step 4: The Committee will rank the proposals based on the points obtained. In case of remaining funds not allocated, the committee will distribute the remaining funds among the

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participating municipalities, based on the initial score obtained in the competition.

Step 5: In case of a tie and insufficient funds to satisfy tied proposals, the remaining funds will be allocated among tied municipalities at a pro-rata share based on the funds requested in the proposals.

OCAM reserves the right to include in the final contract, guidelines to recapture funds from municipalities that do not comply with their implementation plan.

The Evaluation Criteria for General Overall Performance

Under the General Overall Performance, the municipality could obtain a maximum of 182 points plus 20 points in bonuses, which together add to a possible maximum of 202 points. This total will be weighted 50% of the evaluation equation to be used. Past and present administrative performance will be taken into consideration when evaluating the application. It will be an important criterion in assessing the effectiveness of the municipality to carry out the proposed activities.

OVERALL GENERAL PERFORMANCE OF THE MUNICIPALITY

Criteria	Description	Maximum Points
Expenditure Rate	The municipality reached up to 1.5 on the timeliness ratio by May 31, 2012	10
	The municipality reached up to 2.5 on the timeliness ratio by May 31, 2012	3
	The municipality went over 2.5 on the timeliness ratio by May 31, 2012	0

Maximum points to be awarded under expenditure rate factor are points 10.

***Balance will be based on the Municipality's budget balance at OCAM.**

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Criteria	Description	Maximum Points
Quarterly Financial Reports (QFR)	5 QFRs were presented on time between Jan 2011 and March 2012.	12
	4 QFRs were presented on time between Jan 2011 and March 2012.	9
	3 QFRs were presented on time between Jan 2011 and March 2012.	6
	2 QFRs were presented on time between Jan 2011 and March 2012.	3

The maximum points that will be awarded under the Quarterly Financial Reports factor are 12 points.

Criteria	Description	Maximum Points
Presentation of the Single Audit Report (SAR)	SAR FY 10 was presented and filed with OCAM, on or before, March 31, 2012 and no findings made.	15
	Corrective Action Plan (CAP) for the findings raised in the SAR has been presented	5
	Bonus points awarded if 50% of the findings made in the SAR have been cleared in the CAP.	3
	The municipality did not present the SAR to OCAM on or before March 31, 2012.	0

The maximum points that will be awarded under the Presentation of the Single Audit Report (SAR) factor are 15 points.

Criteria	Description	Maximum Points
Close Out of Program Years	The municipality has closed all the program years up to PY-2008. (properly submitted to OCAM according to rules and regulations)	20
	The municipality has closed all the program years up to PY-2007. (properly submitted to OCAM according to rules and regulations)	15
	The municipality has closed all the program years up to PY-2006. (properly submitted to OCAM according to rules and regulations)	10

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	The municipality has closed all the program years up to PY-2005. (properly submitted to OCAM according to rules and regulations)	5
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The maximum points that will be awarded under Close Out of Program Years factor are 20 points.

Criteria	Description	Maximum Points
Projects/Activities in PROFE	The Municipality has all their released programmatic allocations not due by OCAM (i.e. CDBG, CDBG-R) registered in PROFE from Program Year 2008 until present, by May of 2012.	20

The maximum points that will be awarded under Projects/Activities in PROFE are 20 points.

Criteria	Description	Maximum Points
Monitoring Reports	OCAM found no findings in the last monitoring activity performed to the municipality.	15
	The Corrective Action Plan (CAP) for the findings raised in the Monitoring Report was presented within a 30-day time period and such findings were cleared by OCAM	10

The maximum points that will be awarded under the Monitoring Reports factor are 15 points.

Criteria	Description	Maximum Points
Unused Funds from Program-Year 2006	The Municipality has no unused funds (without requisition submitted to OCAM) on Program Year 2006 as of April 30th, 2012.	10

The maximum bonus under the Unused Funds from Program Year 2006 is 10 points.

Criteria	Description	Maximum Points
Unused Funds from CDBG-R (ARRA)	The Municipality has 10% or less of unused funds (without requisition submitted to OCAM) on the American Recovery Reinvestment Act by May 31st, 2012.	10
	The Municipality has between 11% and 20%	5

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	of unused funds (without requisition submitted to OCAM) on the American Recovery Reinvestment Act by May 31st, 2012.	
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The maximum bonus under the Unused Funds from CDBG-R (ARRA) is 10 points.

Criteria	Description	Maximum Points
Section 108 Loans, if applicable	The Municipality is in default (overdue payments or balances) based on the schedule of payments of the Loan Repayment Agreement on February 1, 2012.	-10

The maximum points that will be deducted under the Section 108 Loans are -10 points.

Criteria	Description	Maximum Points
Program Income Reports	The municipality presented the corresponding estimates for all Program income reports for PY 2011-2012 on time.	15
	The municipality presented the maximum of 3 quarterly PIRs for 2011-2012 on time.	10
	The municipality presented 2 quarterly PIRs for PY 2011-2012 on time.	5

The Municipality can get credits for multiple factors. Thus, points can be added by each factor obtained. The maximum points that will be awarded under the Program Income Reports factor are 25 points.

Criteria	Description	Maximum Points
Citizen Participation	The Mayor presented the certificate of compliance with the Citizen Participation Plan	15
	The Municipality published the dates of the two public hearings with at least ten days in advance prior to the celebration of the first one	10
	The Municipality gave at least a ten-day period between the first and second public hearing.	10
	The Municipality submitted the minutes and the attendance sheets for both public hearings	10

The Municipality can get credits for multiple factors. Thus, points can be added by each factor obtained. The maximum points that will be awarded under Citizen Participation factor are 45 points.

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Criteria	Description	Maximum Points
Fair Housing	The Mayor certified the efforts realized towards compliance with the Fair Housing laws and regulations	5

The maximum points that will be awarded under the Fair Housing factor are 5 points.

Criteria	Description	Maximum Points
PROFE	The Municipality submitted the Basic Grant proposal for the 2012 CDBG funds through the “PROFE” System on or before June 11th, 2012	15

The maximum points that will be awarded under the “PROFE” System are 15 points.

Community Development

Under the Community Development Category, which includes activities related to public facilities and municipal infrastructure, the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 125 points.

COMMUNITY DEVELOPMENT ACTIVITIES INCLUDING PUBLIC FACILITIES AND MUNICIPAL INFRASTRUCTURE

Criteria	Description	Maximum Points
Previous Balance	Municipalities’ balance in the same funded project is less than 100% of the amount requested	20
	Municipalities’ balance in the same funded project is less than 200% of the amount requested	10
	Municipalities’ balance in the same funded project is less than 250% of the amount requested	5
	Municipalities’ balance in the same funded project is greater than 250% of the amount requested	Disqualified

The maximum points that will be awarded under the Previous Balance factor are 20 points.

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Criteria	Description	Maximum Points
Program Design	Municipality proposes an infrastructure project or public facility, which assists other efforts of affordable housing activities for special needs population (i.e. road project for an affordable multifamily rental building for elderly population funded with HOME funds)	15
	Municipality does not propose a project to assist other efforts of affordable housing activities for special needs population	0

The maximum points that will be awarded under the Program Design factor are 15 points.

Criteria	Description	Maximum Points
Needs Assessment	Submission of the needs assessment presented in the public hearing and the analysis made to assist community development needs	10
	No analysis submitted	0

The maximum points that will be awarded under the Needs Assessment factor are 10 points.

Criteria	Description	Maximum Points
Evidence of Site Control	Owned by the municipality, certified by the Finance Director or the Mayor.	10
	Infrastructure projects that do not require property registration (e.g. municipal roads, bridges, etc.) in the “Centro de Recaudaciones de Ingresos Municipales” (CRIM), certified by the Finance Director or the Mayor.	10
	Evidence of a long-term lease agreement signed by the Mayor and the lessor.	5
	No certificate of title submitted by the Director of Finance or the Mayor	Disqualified

The maximum points that will be awarded under Evidence of Site Control factor are 10 points.

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Criteria	Description	Maximum Points
Environmental Compliance	Submitted evidence of environmental regulatory endorsements	10
	Submitted evidence of environmental regulatory consultations	5
	No endorsements or consultations submitted	0

The maximum points that will be awarded under Environmental Endorsements effort are 10 points.

Criteria	Description	Maximum Points
Direct Benefit Analysis	Does the project benefit more than 90% of LMI persons?	20
	Does the project benefit more than 80% of LMI persons?	15
	Does the project benefit more than 70% of LMI persons?	10
	Does the project benefit more than 60% of LMI persons?	5

The maximum points that will be awarded under the Direct Benefit Analysis factor are 20 points.

Criteria	Description	Maximum Points
Cost Reasonability	Detailed cost estimate submitted (line-item budgets)	20
	Lump Sum cost estimate submitted	5
	No cost estimate submitted	Disqualified

The maximum points that will be awarded under the Cost Reasonability factor are 20 points.

Criteria	Description	Maximum Points
Source of Funds Commitments	Total development costs of the project are leveraged in the ratio of 2:1 Non CDBG/CDBG funds.	20
	Total development costs of the project are leveraged in the ratio of 1.5:1 Non CDBG/CDBG funds.	15

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	Total development costs of the project are leveraged in the ratio of 1:1 Non CDBG/CDBG funds.	10
	Total development costs of the project are leveraged in the ratio of 0.5:1 Non CDBG/CDBG funds.	5
	Total development costs of the project are leveraged in the ratio of 0.25:1 Non CDBG/CDBG funds.	3
	CDBG Funds Only	0

The maximum points that will be awarded under the Source of Funds Commitments factor are 20 points.

HOUSING ACTIVITIES

Under the Economic Assistance for Housing Rehabilitation Category, the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 85 points.

Criteria	Description	Maximum Points
Previous Balance	Municipalities' balance in the same funded project is less than 100% of the amount requested	20
	Municipalities' balance in the same funded project is less than 200% of the amount requested	10
	Municipalities' balance in the same funded project is less than 250% of the amount requested	5
	Municipalities' balance in the same funded project is greater than 250% of the amount requested	Disqualified

The maximum points that will be awarded under the Previous Balance factor are 20 points.

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Criteria	Description	Maximum Points
Program Design	A minimum of 75% of the funds will be used to assist members of the special needs population. (i.e. elderly, handicapped, HIV, women head of households, etc.)	15
	A minimum of 50% of the funds will be used to assist members of the special needs population. (i.e. elderly, handicapped, HIV, women head of households, etc.)	10
	A minimum of 25% of the funds will be used to assist members of the special needs population. (i.e. elderly, handicapped, HIV, women head of households, etc.)	5
	Less than 25% of the funds will be used to assist members of the special needs population. (i.e. elderly, disabled, HIV, women head of households, etc.)	0

The maximum points that will be awarded under the Program Design factor are 15 points.

Criteria	Description	Maximum Points
Housing Needs	Submission of the housing needs presented in the public hearing and the analysis made to assist the homeowner's needs	10
	No analysis submitted	0

The maximum points that will be awarded under the Housing Needs factor are 10 points.

Criteria	Description	Maximum Points
Environmental Compliance	Submitted evidence of environmental regulatory endorsements	10
	Submitted evidence of environmental regulatory consultations	5
	No endorsements or consultations submitted	0

The maximum points that will be awarded under Environmental Endorsements effort are 10 points.

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Criteria	Description	Maximum Points
Source of Funds Commitments	Total development costs of the project are leveraged in the ratio of 2:1 Non CDBG/CDBG funds.	20
	Total development costs of the project are leveraged in the ratio of 1.5:1 Non CDBG/CDBG funds.	15
	Total development costs of the project are leveraged in the ratio of 1:1 Non CDBG/CDBG funds.	10
	Total development costs of the project are leveraged in the ratio of 0.5:1 Non CDBG/CDBG funds.	5
	Total development costs of the project are leveraged in the ratio of 0.25:1 Non CDBG/CDBG funds.	3
	CDBG Funds Only	0

The maximum points that will be awarded under the Source of Funds Commitments factor are 20 points.

Criteria	Description	Maximum Points
Homeowner Economic Assistance for Housing Rehabilitation Manual	Submission of Economic Assistance for Housing Rehabilitation Manual	10
	No submission of the Economic Assistance for Housing Rehabilitation Manual	0

The maximum points that will be awarded under the Homeowner Economic Assistance for Housing Rehabilitation Manual factor are 10 points.

PUBLIC SERVICE ACTIVITIES

Under the Public Services Category the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 95 points.

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Criteria	Description	Maximum Points
Previous Balance	Municipalities' balance in the same funded project is less than 100% of the amount requested	20
	Municipalities' balance in the same funded project is less than 200% of the amount requested	10
	Municipalities' balance in the same funded project is less than 250% of the amount requested	5
	Municipalities' balance in the same funded project is greater than 250% of the amount requested	Disqualified

The maximum points that will be awarded under the Previous Balance factor are 20 points.

Criteria	Description	Maximum Points
Needs Assessment	Submission of the needs assessment presented in the public hearing and the analysis made to assist the public service need.	10
	No analysis submitted.	0

The maximum points that will be awarded under the Need Assessment factor are 10 points.

Criteria	Description	Maximum Points
Level of Service	Increase in the level of service	10
	New Service	10

The maximum points that will be awarded under the Level of Service factor are 10 points.

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Criteria	Description	Maximum Points
Type of project	Essential services for the disabled	25
	Essential services for the elderly	25
	Essential services for the homeless	25
	Essential youth services	15
	Housing counseling services	10
	Any other public service	6

The maximum points that will be awarded under the Type of Project factor are 25 points.

Criteria	Description	Maximum Points
Source of Funds Commitments	Total development costs of the project are leveraged in the ratio of 2:1 Non CDBG/CDBG funds.	20
	Total development costs of the project are leveraged in the ratio of 1.5:1 Non CDBG/CDBG funds.	15
	Total development costs of the project are leveraged in the ratio of 1:1 Non CDBG/CDBG funds.	10
	Total development costs of the project are leveraged in the ratio of 0.5:1 Non CDBG/CDBG funds.	5
	Total development costs of the project are leveraged in the ratio of 0.25:1 Non CDBG/CDBG funds.	3
	CDBG Funds Only	0

The maximum points that will be awarded under the Source of Funds Commitments factor are 20 points.

Criteria	Description	Maximum Points
Operational Manual for the Activity	Submission of the Operating Manual	10
	No submission of the Operating Manual	0

The maximum points that will be awarded under the Homeowner Operational Manual for the activity factor are 10 points.

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HOMEOWNERSHIP ACTIVITIES

Under the Homeownership Category the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 90 points.

Criteria	Description	Maximum Points
Needs Assessment	The municipality stated its objective by indicating the number of homeowners to be assisted.	10
	The municipality submitted a brief discussion of its homeownership initiatives to be undertaken and the number of homeowners to be assisted with the funds. (i.e. pipeline and status of affordable housing projects; the promotion of homeownership among Section 8 participants or public housing residents; homeless prevention programs; promotion of the Homeownership program among L/M income households; or any other initiative.)	20
	No analysis submitted	0

The Municipality can get credits for multiple factors. Thus, points can be added by each factor obtained. The maximum points that will be awarded under the Needs Assessment factor are 30 points.

Criteria	Description	Maximum Points
	The municipality submitted one or various collaboration agreements or MOUs with for-profit, non-profit and other public or private institutions to implement its homeownership initiatives.	20
Implementation capacity	The municipality submitted a list of pre-qualified participants of the program	15
	The municipality has a brief marketing and communication or marketing plan.	10
	The municipality has previous experience with homeownership programs.	10
	The municipality indicated the person or officer responsible of implementing the plan.	5

The Municipality can get credits for multiple factors. Thus, points can be added by each

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factor obtained. The maximum points that will be awarded for the Implementation Capacity factor are 60 points.

PUBLIC FACILITY FOR BUSINESS OR COMMERCIAL USE ACTIVITIES

Under the Public Facility for Business or Commercial Use category the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 115 points.

Criteria	Description	Maximum Points
Need Assessment	Submission of a brief discussion on the employment and unemployment rates in the municipality and any other material that may reflect the need for such proposed facility.	20

The maximum points that will be awarded under the Need Assessment factor are 20 points.

Criteria	Description	Maximum Points
Evidence of property ownership or long term lease of a public facility	Owned by the municipality, certified by the Finance Director.	20
	Evidence of a long-term lease agreement signed by the Mayor and the lessor.	10

The maximum points that will be awarded under Evidence of Site Control factor are 20 points.

Criteria	Description	Maximum Points
Direct Benefit Analysis	Are 70% or more of the jobs to be occupied by LMI persons?	20
	Are 60% to 69% of the jobs positions to be occupied by LMI persons?	10

The maximum points that will be awarded under the Direct Benefit Analysis factor are 20 points.

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Criteria	Description	Maximum Points
Cost Reasonability	Cost reasonability will be evaluated based on the budget breakdown submitted in the application. Once the reasonability of the construction/rehabilitation budget is established, the cost effectiveness of the project will be calculated dividing the cost by square feet. The calculated cost effectiveness ratio will be ranked from the lower cost per square feet to the higher cost per square feet. Once the ranking is established, the points will be awarded according the ranking obtained.	Upper 50% of the percentile 20 points
		Lower 50% of the percentile 10 points

The maximum points that will be awarded under the Cost Reasonability factor are 20 points.

Criteria	Description	Maximum Points
Source of Funds Commitments	Total development costs of the project are leveraged in the ratio of 2:1 Non CDBG/CDBG funds.	20
	Total development costs of the project are leveraged in the ratio of 1.5:1 Non CDBG/CDBG funds.	15
	Total development costs of the project are leveraged in the ratio of 1:1 Non CDBG/CDBG funds.	10
	Total development costs of the project are leveraged in the ratio of 0.5:1 Non CDBG/CDBG funds.	5
	Total development costs of the project are leveraged in the ratio of 0.25:1 Non CDBG/CDBG funds.	3

The maximum points that will be awarded under the Source of Funds Commitments factor are 20 points.

Criteria	Description	Maximum Points
Participation of microenterprises	The proposed rehabilitation is to locate microenterprises (as defined by CDBG regulations). At least 50% of the businesses must be participating microenterprises.	15
	No participation	0

The maximum points that will be awarded under the Participation in the Microenterprise Program factor are 15 points.

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MICROENTERPRISE ASSISTANCE PROGRAM

Under the Microenterprise program, the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 65 points.

Criteria	Description	Maximum Points
Needs Assessment	Submission of a brief discussion business and employment indicators in the municipality and any other material that may reflect the need to foster the development of microenterprises.	15

The maximum points that will be awarded under the Need Assessment factor are 15 points.

Criteria	Description	Maximum Points
Implementation capacity	Evidence that the municipality has a proposed business development program. Municipalities must have at a minimum the following in the case of loans: (1a) a collaborating agreement with a financial institution which will evaluate the feasibility of the businesses, underwrite and process the loans or;	15
	Evidence that the municipality has a proposed business development program. Municipalities must have at a minimum the following in the case of Recoverable Grants: (1b) a collaborating agreement with an institution or professional which will evaluate the feasibility of the businesses.	15
	(2) an official responsible of coordinating and implementing the program.	10
	(3) The municipality has a brief marketing and communication or marketing plan.	5

The Municipality can get credits for multiple factors. Thus, points can be added by each factor obtained. The maximum points that will be awarded for implementation capacity factor are 30 points, of which 15 points could be either from (1a) or (1b).

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Criteria	Description	Maximum Points
Evidence of a public property to be used as location for assisted microenterprises	Owned by the municipality, certified by the Finance Director.	20
	Evidence of a long-term lease agreement signed by the Mayor and a lessor.	10

The points will be awarded as bonus. The maximum points that will be awarded will be 20 points.

SMALL BUSINESS DEVELOPMENT PROGRAM

Under the Small Business Development Program the following criteria will be used to evaluate the weighted competitiveness of the application for those selecting this category in their proposals. Any application under this category could obtain a maximum grade of 60 points.

Criteria	Description	Maximum Points
Needs Assessment and Feasibility	Submission of documentation which reflects the need to support small businesses development. (i.e. discussion of business and employment indicators in the municipality, market study, feasibility study, cost benefit analysis, among others.)	30

The maximum points that will be awarded under the Need Assessment factor are 30 points.

Criteria	Description	Maximum Points
Implementation capacity	Evidence that the municipality has a proposed business development program. Municipalities must have at a minimum the following: (1) an agreement with an institution or professional, which will evaluate the feasibility of the businesses;	15
	(2) an official responsible of coordinating and implementing the program;	10
	(3) The municipality has a brief marketing and communication or marketing plan.	5

The Municipality can get credits for multiple factors. Thus, points can be added by each factor obtained. The maximum points that will be awarded for implementation capacity are 30 points.

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REDISTRIBUTION OF RECAPTURED FUNDS

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 \$24,141.00 belonging to PY 2006. Various sources of recaptured funds include: unutilized funds associated to completed projects, ineffective programs, unused program income, non-compliant projects, or by any other justification allowed by applicable rules and procedures. The potential recaptured funds will be put into effect via a substantial amendment or carried over to the next program year.

Unsolicited Information

Under no circumstances will OCAM accept unsolicited information regarding the applications submitted after the application deadline on the Competitive Grant. Prior to the application approval, OCAM will notify applicants in writing of any technical deficiency that needs to be corrected in the applications that would in no ways change the outcome of the rating process.

ACTIVITIES FOR THE HOME PROGRAM [91.320 (D)]

Description of the Method to Distribute HOME Funds

The State **HOME** Program has developed and implemented a uniform solicitation and contracting procedure to ensure equal participation of minority groups, small businesses, housing developers, CHDOs, the municipalities, and any other professionals interested in the development of affordable housing.

Outreach for program funds is based on the methodology for open market competition. A notice of **HOME** funds availability will be published in a general circulation newspaper. The number, nature and location of orientation meetings will be announced in the Notice. Any interested qualifying party may submit an application to finance their project. This process assures equal participation of any party in the affordable housing business.

A start up technical assistance conference is announced with the publication of the Notice of Funding Availability (NOFA), inviting all interested parties to attend the conference in order to

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learn in advance about the requirements established to access program funds. Once the technical assistance is provided, 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 Notice of Funding Availability (NOFA).

As presented earlier, the State **HOME** Program will allocate the amount of **\$8,796,515** 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 2011-2015. Additional details are provided in the 2010-2014 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 Part 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216; and for Homeownership housing, the proposal should allow prospective homeowners to be eligible in compliance of 24 CFR 92.217, among other Federal requirements and the State **HOME** Program criteria.

The State **HOME** Program evaluates applications to **HOME** funds based on specific rating factors. Those factors include local considerations and State **HOME** Program's criteria, such as:

Completed Application Form;

Project Characteristics;

Project owners/developer characteristics;

Financing characteristics;

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Special needs; and

Additional criteria for rental housing projects.

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.

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.

- a. Application's Agreement and Certification
- b. Submitted certified copies of the organizational documents of all entities involved in the project
- c. Evidence of site control.
- d. Permits and endorsements: from by ARPE, OGPE or Autonomous Municipality.
- e. Determinations from the State Historic Preservation Office, the S. Fish & Wild Life Service-Department of Interior and from P.R. Natural Resources Department
- f. Project location within the Wetland Inventory Map of the U.S. Fish & Wildlife Service, FEMA Flood Map and the USFWS Map (Coastal Barrier Resources)
- g. Phase I environmental assessment report
- h. Resumes of the Development Team
- i. Schematic drawings and outlined specifications.

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- j. Letters from financing sources specifying terms of available financing.
- k. Cost breakdown certified by the proposed general contractor or architect/designer.
- l. Detail sources and uses of funds schedule
- m. Pro-forma financial statements certified by the proposed management agent, if applicable.
- n. Field Studies: Soil Survey, Archeological/Ecologic Field Study, Hydraulic/Hydrologic Study, Environmental assessments.
- o. Comprehensive market study report, by a party unaffiliated with the developer, of the low-income housing needs in the area to be served.
- p. Affirmative Marketing Plan.
- q. Designer's Preliminary Opinion- Fair Housing Act Accessibility Requirements Checklist
- r. Appraisal report of site and property.
- s. Evidence of other Federal, State, or Local subsidies received or expected to be received for the development and operation of the project.

The initial basic qualifications will be made when the developers submit the documents. If the project does not meet the requirements, the applications will not be received. Only those applications that meet all such initial qualifications applicable to them would be further considered for the Point Ranking System. As mentioned, The PRHFA will provide specific guidance in technical assistance conferences to be announced with the publication of the Notice of Funding Availability (NOFA).

Point Ranking System

1. Overview

The Authority will consider qualified applications for HOME Funds after a project satisfies all basic factors, using the Point Ranking System established hereinafter. The Authority will use the selection criteria stated below for ranking projects eligible for the allocation of HOME Funds. The project can accumulate a total of 390 points on the Point Ranking System. The project must accumulate a minimum of 75 points to be entitled to an allocation of HOME Funds. The results of the evaluation and ranking will be at the sole discretion of the Authority and will not be subject to challenge or appeal.

2. Point Scoring

a. Project Characteristics (up to 60 points)

- i. Up to 40 points: construction of the project will begin as soon as an allocation of Home Funds is made. Readiness to begin construction will be evidenced with:

40 points: Unexpired Construction Permit, or Notification of Approval of Construction Permit for All Works issued and approved by ARPE, OGPE or Autonomous Municipality

25 points: Unexpired Construction Permit, or Notification of Approval of Construction Permit for Partial Works issued and approved by ARPE, OGPE or Autonomous Municipality

20 points: Unexpired Urbanization Permit, issued and approved by ARPE, OGPE or Autonomous Municipality

10 points: Unexpired Preliminary Development, issued and approved by ARPE, OGPE or Autonomous Municipality

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- 10 points: Unexpired Consulta de Construcción, issued by OGPE or Autonomous Municipality
- ii. 5 points: No Adverse Effect Designation Letter from State Historic Preservation Office
- iii. 5 points: Project is located outside of Wetland Areas, as per the Wetland Inventory Map U.S. Fish & Wild Life Service
- iv. 5 points: Project is located outside of 100yr floodplain area, as per the FEMA Flood Zone Maps
- v. 5 points: Project obtained a Final Determination Letter without corrective actions requirements for the Department of Natural Resources
- vi. 5 points: No Adverse Effect Designation Letter from the U.S. Fish & Wild Life Service
- vii. 5 points: Project emphasizes its energy efficiency. Must have OGPE designation as a Green Certified Project or be certified by a Green Certified Professional (12% minimum energy efficiency improvement)
- viii. 15 points: Project will acquire and rehabilitate existing vacant structures owned or financed by a government authority to add units to the affordable housing inventory.

b. Project Owner/Developer Characteristics (up to 95 points)

- i. 20 points: Project Owner/Developer can demonstrate successful past experience in the development of affordable housing affordable projects in Puerto Rico.
- ii. 50 points: Owner/Developer evidences strong financial strength under commercial financing scrutiny.
- iii. 25 points: Project Owner/Developer is a CHDO.

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LESS than 20 points: Sponsor, owner, developer, Ming Agent, or consultant has defaulted PRHFA.

c. Financing Characteristics (up to 60 points)

- i. Up to 15 points: Project with a financing firm commitment (Interim and/or Permanent) from the Authority or any other financial institution.
- ii. Up to 45 points: Project meets the PRHFA underwriting requirements.

d. Special Housing Needs Projects (up to 40 points)

- i. 40 points: Tenant Population with Special Housing Needs Projects developed to give priority and to assist special needs families through a written plan included in the application, to provide supportive services to heads of family that are victims of domestic violence, elderly, disabled, HIV patients, or homeless (an endorsement letter from the authority that provides supportive services to the targeted special population must be included).

e. Additional Criteria for Rental Housing Projects (up to 55 points):

- i. 15 points: Project will acquire, rehabilitate, and preserve low-income rental housing which might otherwise be converted from low-income tenancy, including Section 8 projects with expiring contracts.
- ii. 15 points: Project with reservation or allocation of Low Income Housing Tax Credit.
- iii. 25 points: Executed rental subsidy agreement, such as: Section 8 or Law 173.

Funds to be distributed among Program Categories

The information that follows presents a description of the Commonwealth HOME Program activities and the criteria used for the distribution of funds addressing the

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priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.

1. **Activity Name:** Construction or Rehabilitation of Affordable Housing for Sale

HOME Allocation: \$1,000,000

Description: **HOME** funds will be used to provide cash incentives to developers in order to reduce financing expenses in their construction loan. Housing construction 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 State construction requirements. Eligible project cost will be evaluated by the **HOME** staff. . Affordable housing is defined following HUD's accepted definition of affordability, generally understood as a household to pay no more than 30 percent of its annual income on housing.

Sale price on these units will be authorized using as reference Act 66 of June 24, 2010 which establishes maximum prices for affordable housing. These may fluctuate between \$94,000 and \$143,000, depending on family composition, land classification standards and among other criteria.

Nevertheless, the authorized sale price is still within the FHA mortgage insurance limit established in 24 CFR 92.254 (a) (2) (iii) (Single Family Mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b))).

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The amount of the subsidy to be awarded is presented by municipality in **EXHIBIT IV**, within their corresponding Metropolitan Statistical Area. These subsidy levels are based on a previous study developed by the Department of Housing. The subsidy analysis takes into account housing values and income limits.

The households benefited by this activity will receive a discount in the sale price equivalent to the average share of **HOME** funds invested per unit built. The beneficiary will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated as the amount of **HOME** funds invested in the unit. The **HOME** share will be secured in compliance with section 24 CFR 92.254 (affordability terms). Family eligibility will comply with sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).

It is expected that for PY 2012, 32 new affordable units will be contracted for low-income families' Homeownership. This activity significantly boosts the housing construction industry by developing new affordable subdivisions Island-wide.

2. **Activity Name:** Rehabilitation or Construction of Rental Housing
- HOME Allocation:** \$5,597,386
- Description:** **HOME** funds will be used to provide a direct grant to developers in order to reduce financing expenses in the construction loan.

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

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

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

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

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

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

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

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

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

Thirty (30) percent of the tenant's monthly adjusted income, or thirty (30) percent of the annual income of a family, whose income equals 50 % of median income (Low **HOME** Rent), or if a project has a Federal or Commonwealth project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.

Rental developers are advised that the payment standard applicable to the **HOME** Program is the High or Low **HOME** rent established by HUD for the market areas defined in Puerto Rico. The payment standard includes the utilities that should be paid by the landlord. In case the tenant pays any of these utilities, the contract rent

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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.

For PY 2012 it is expected that 180 units for rental occupancy will be contracted for very low-income families. This activity significantly boosts the housing construction industry by developing new rental housing Island-wide.

3. Activity Name: Development of Affordable Housing through the Participation of the Community Housing Development Organizations

HOME Allocation: \$1,319,477

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.

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.

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

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assistance of **HOME** funds. The Commonwealth **HOME** Program must certify new organizations as a CHDO, and annually recertify existing CHDOs. Prior to committing funds, the Commonwealth **HOME** Program will assure that the entity meets the criteria pursuant to 24 CFR Part 92.2.

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.

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.

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.

It is expected that 38 very low and low-income families will benefit from the CHDO activity.

- | | | |
|----|-------------------------|---|
| 4. | Activity Name: | HOME Program Planning and Administration |
| | HOME Allocation: | \$879,652 |

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

10% of the total allocation of HOME Program funds for PY 2010 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.

Use of Funds	Available Funding	% of Total HOME Allocation
Rehabilitation or Construction of Affordable Housing for Sale	1,000,000	19%
Rehabilitation or Construction of Housing for Rent	5,597,386	64%
CHDO Project Funds Set Aside (15% of PY 2008) **	1,319,477	15%
Program Planning and Administration (10% of PY 2012) *	879,652	10%
Total PY 2012 HOME Allocation	\$8,796,515	100%

Description of Areas of Minority Concentration

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%.

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.

Reasons for the allocation priorities and geographic areas of the State

The PRHFA distributes funds through a competitive process and cannot predict the ultimate geographic distribution of the assistance.

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ACTIVITIES FOR THE ESG PROGRAM [91.320 (D)]

Description of the Method of Distribution

METHOD OF DISTRIBUTION

Since program year 2011(October) the Puerto Rico Department of the Family uses a distribution method in which an award is made for a two (2) year period. Applications received are evaluated in accordance with an uniform method and ranked according to the points awarded by the evaluation committee. The evaluated proposals are then evaluated by a distribution committee that determines which proposals will be selected in accordance with the priorities established in the Consolidated Plan.

Once the proposals are awarded a one year contract is signed including a conditional second year extension based on an annual performance evaluation.

ESG funds were awarded to the following:

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EMERGENCY SHELTER GRANT PROGRAM (ESGP) SUBGRANTEES Program Year 2011-2012

Organizations
Asociación Laica Misionera Adventista Inc.
Asociación Pro Juventud y Comunidad de Bo. Palmas, Inc.
Casa de la Bondad, Inc.
Casa de Restauración y Más, Inc.
Casa del Peregrino Aguadilla, Inc./ Proyecto San José -Aguadilla- Operacionales
Casa del Peregrino Aguadilla, Inc./ Proyecto San José- Aguadilla- Esenciales
Casa del Peregrino Aguadilla, Inc./ Proyecto San José -Mayagüez-Esenciales
Casa del Peregrino Aguadilla, Inc./ Proyecto San José -Mayagüez-Operacionales
Casa Joven del Caribe, Inc.
Centro Cristiano Hija de Jairo, Inc.
Centro de Intervención e Integración Paso A Paso, Inc. (CIIPAP)
Centro de Orientación Rehabilitación Alcohólicos de Puerto Rico (CORDA DE P.R.)
Centro de Restauración para Varones, Inc.
Centro de Servicios a la Juventud, Inc.
Centro de Servicios Comunitarios Vida Plena, Inc.
Centro de Transformación Social Cristiano, Inc.
Centro Deambulante Cristo Pobre, Inc. (No Residencial)
Centro Deambulante Cristo Pobre, Inc./ Vivienda Transitoria Cristo Pobre
Christian Community Center, Inc.
Coalición de Apoyo Continuo para Personas sin Hogar de Guaynabo, Inc.
Coalición de Apoyo Continuo para Personas sin Hogar de San Juan, Inc.
Coalition Pro Homeless of the Eastern Área of P. R., Inc. - Albergue de Emergencia La Alianza
Coalition Pro Homeless of the Eastern Area of P. R., Inc. - Programa de Prevención
Coalition Pro Homeless of the Eastern Area of P. R., Inc. - Sendero de Esperanza
Concilio de la Comunidad para Resolver los Problemas de la Vida, Inc.
Consortio de Centros Cristianos de Puerto Rico, Inc.
Corporación La Fondita de Jesús - La Puerta de Jesús
Corporación La Fondita de Jesús, Inc. - Desarrollo de Potencialidades
Corporación La Fondita de Jesús, Inc. - Puerta al Cambio

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Organizations
Corporación Sanos
Estancia Corazón, Inc.
Fundación de Desarrollo Comunal de PR, Inc. - Albergue los Peregrinos
Fundación de Desarrollo Comunal de PR, Inc. - Hogar la Piedad
Guara Bi, Inc. - Programa Guara Bi
Guara Bi - Prevención
Hogar Clara Lair, Inc.
Hogar del Buen Pastor, Inc.
Hogar Dios es Nuestro Refugio, Inc.
Hogar Divino Niño Jesús, Inc.
Hogar El Camino a la Salvación II, Inc.
Hogar Fortaleza del Caído, Inc. - Albergue Transitorio
Hogar Fortaleza del Caído, Inc. - Cuidado Diurno
Hogar Maria del Carmen
Hogar Nueva Mujer Santa María de la Merced, Inc.
Hogar Nuevo Pacto, Inc.
Hogar Posada La Victoria, Inc.
Hogar Ruth para Mujeres Maltratadas, Inc. - Mujeres Maltratadas
Hogar Ruth para Mujeres Maltratadas, Inc. - Servicios Esenciales
Hogar Santísima trinidad
Hogares Crea, Inc.- Damas Trujillo Alto
Hogares Crea-Mujeres - Parcelas Falú
Iniciativa Comunitaria de Investigación, Inc.- Nuestra Casa
Iniciativa Comunitaria, Inc.- Compromiso de Vida I
Iniciativa Comunitaria, Inc.- Compromiso de Vida II - Juncos
Instituto Pre-Vocacional e Industrial de PR, Inc. (IPVI) - Casa Protegida para Mujeres y Niños (CAPROMUNI)
Instituto Pre-Vocacional e Industrial de PR, Inc. (IPVI) - Programa Dame Tu Mano-Hotel Getsemani
La Perla de Gran Precio, Inc. - Albergue para Mujeres
La Perla de Gran Precio, Inc. - Programa de la Calle
Ministerio Ayudando a los Olvidados
Ministerio CODECH en Avance, Inc.

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Organizations
Ministerio Dando la Mano al Amigo en el Desierto
Ministerio de Restauración, Cristo es Mi Fortaleza, Inc.
Mission Alpha y Omega for Social and Community Development, Inc.
Municipio de Cabo Rojo
Municipio de Cataño
Municipio de Cidra
Municipio de Cidra - Centro Cidreño
Municipio de Guayama
Municipio de Guaynabo
Municipio de Gurabo
Municipio de Hatillo
Municipio de Hormigueros
Municipio de Humacao
Municipio de Jayuya
Municipio de Juncos
Municipio de Las Piedras
Municipio de Manatí
Municipio de Naguabo
Municipio de Ponce
Municipio de Quebradillas
Municipio de San Germán
Municipio de San Juan
Municipio de San Lorenzo
Municipio de Toa Baja
Municipio de Utuado
Municipio de Vega Alta
Municipio de Vega Baja
Municipio de Yauco
Organización Benéfica de Restauración y Acción Social, (O.B.R.A.S.) Inc.
Programa de Apoyo y Enlace Comunitario, Inc.
Proyecto La Nueva Esperanza, Inc.
Proyecto Oasis de Amor, Inc. - Dama

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Organizations
Proyecto Oasis de Amor, Inc. - Varones
Puertas de Esperanza para Todos
Teen Challenge de PR, Inc.- Arecibo
Teen Challenge de PR, Inc.- Bayamón I
Teen Challenge de PR, Inc.- Buena Vista
Teen Challenge de PR, Inc.- Caguas
The Salvation Army, Inc.-Arecibo
The Salvation Army, Inc.-San Juan
Vespertys- Luz a los Desamparados, Inc.

Condition to extent award

The second year grant extension will be based on various factors including demonstrating the use of the HMIS system, satisfactory progress, as well as, the availability of funding from the HUD. The use of the HMIS will be evaluated by obtaining a certification from the applicable homeless coalition. Satisfactory progress will be evaluated using a standards system that considers expenditure rate, presentation of reports, results of monitoring reviews, In case that the grant is decreased/increase the sub-recipient will receive a reduction or increase proportional to the grant decrease/increase. In addition the proposed beneficiaries will be adjusted accordingly.

Term of the award- The ESG grants will be award for a two year period subject to the following conditions:

- Availability of Funds from HUD
- Annual review
 - Compliance with terms of the agreement
 - Compliance with Disbursement ratios
- Use of the HMIS system

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Availability of funds from HUD

The ESG funds are subject to cut from the U.S. Congress. Due to this uncertain situation it is not possible to predict the level of funding that the Department will receive during Program Year 2013. Taking this into consideration second year grant levels may be reduced/increase due to funding cuts/increases from the U.S. Department of Housing and Urban Development. If the funds are decreased organization will be provided with an opportunity to determine if they want to continue with the grant. Each organization will be notified of the grant size that will be awarded during the program year. It is the responsibility of each organization to accept or reject the reduction of funding. If the reduction is accepted they organization must present a written acceptance within 15 days an acceptance. The grant reduction acceptance can be submitted via regular mail or by email.

Annual Review

Two months before the end of the first program year the Department will evaluate the sub-recipient performance of each sub recipient. Sub recipients will be evaluated by an in-house committee appointed by the Secretary. The Evaluation Committee will follow the outlined selection criteria, to rate the performance of each sub recipient. After rating is completed, the evaluation will be reviewed and discussed by the committee to ensure uniformity. The committee will then, prepare a listing of project applications that will be approved for contract extension and for second year funding.

The performance evaluation consists of four (4) criteria. The criteria to be evaluated are the overall performance in the execution of the ESG grant by each sub recipient. The sum of the points awarded for each criterion will be added and a total score will be awarded to each sub recipient. The minimum passing grade for contract extension is 30 points.

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Criteria	Description	Maximum Points
Expenditure Rate	The municipality has expended at least 75% of the ESG funds awarded.	5
	The municipality has expended at least 50% of the ESG funds awarded.	3
	The municipality has expended less than 50% of the ESG funds awarded.	0

Criteria	Description	Maximum Points
Presentation of Performance reports	The organization has presented all the required performance report on time	10
	The organization has presented 75% of the required reports on time	5
	The organization has presented 50% of the required reports on time	3
	The organization has presented less than 50% of the required reports on time	0

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Criteria	Description	Maximum Points
Monitoring Reports	The Department found no findings in the last monitoring performed to the Organization.	10
	The organization presented the Corrective Action Plan (CAP) for the findings raised in a Monitoring Report in less than 30 days.	5
	The municipality did not meet any of the above criteria.	0

Criteria	Description	Maximum Points
Direct Benefit Analysis	Does the organization project has served more than 75% of the proposed beneficiaries?	10
	Does the organization project has served 60% of the proposed beneficiaries?	8
	Does the organization project has served 50% of the proposed beneficiaries?	5
	Does the organization project has served 30% of the proposed beneficiaries?	2
	Does the organization project has served less than 30% of the proposed beneficiaries?	0

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Use of HMIS Certification

It is a requirement of the award 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. To verify that the organizations are using the system the Department will request each of the coalition to present a HMIS use certification. If the organization is using the system 1 point will be awarded. If the organization is not using the system 0 points will be awarded.

In addition the Department will evaluate that organizations are using the HMIS system and that the data is being entered into the system. An special tabulation (to be negotiated with the two existing Coalitions) will be used to verify compliance and points will be awarded using the following criteria:

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Criteria	Description	Maximum Points
Homeless Management Information System	Does the organization project has entered the data for 100% of the beneficiaries reported to the Department in the quarterly reports?	9
	Does the organization project has entered the data for 75% or more of the beneficiaries reported to the Department in the quarterly reports?	6
	Does the organization project has entered the data for 50% or more of the beneficiaries reported to the Department in the quarterly reports?	4
	Does the organization project has entered the data for 30% or more of the beneficiaries reported to the Department in the quarterly reports?	2
	Does the organization project has entered the data for less than 30% of the beneficiaries reported to the Department in the quarterly reports?	0

Determination not to extent the agreement

If after the annual review an organization fails below the passing grade the ESG funds for the second program year will not be awarded and contract will be terminated at the end of the program year. The Department will review the performance and obligation levels of all sub-

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recipients. Sub-recipients not meeting the minimum score will be notified in writing of their performance and the steps they need to take to appeal the action. Appeals must be presented before June 15, 2012. If no appeal is received funds for the second program year will not be distributed to the organization and placed in an ESG Reallocation Pool. The Department will make the Reallocation Pool funds available to existing sub recipients, sub grantees, and to qualified applicants on a wait list, who previously submitted an ESG request to the Department.

Compliance with 24 Months Deadline

Municipalities and Organizations must spend all of the grant amounts within 24 months of the date of the grant award. For each program year awarded the Department will provide an award letter that will establish the effective and expiration date of the Funds. This award letter will constitute a part of the agreement.

Any emergency shelter grant amounts that are not spend within the applicable 24 months period will be recaptured and reallocated to other eligible activities.

Public Announcement of Funds Availability/RFP Process

The PR Department of the Family will made special efforts to keep the eligible entities informed and properly oriented regarding the availability of funds (carryovers, additional funds received during program year, etc.). An availability of funds/Request for Proposals announcement will be published in one Spanish newspapers of wide circulation throughout the Island and in the web page of the Department at: www.familia.gobierno.pr. Also, as required by the new ESG regulation, the DF will consult with the two Continuum of Care of the Island on:

The allocation of ESG funds (proposed activities and components)

The need of developing project performance standards, including outcome measures for projects and activities to be included in the action plan

Funding, policies and procedures for HMIS administration and operation

Grant obligation and reallocation

Grant funds will be considered obligated once the award letter has been sent to the recipient. The recipient will be required to sign a contract detailing the sub-recipient's requirements and responsibilities. In the event the Department determines a sponsor to be unable to spend all grant monies by the contractual deadline, funds may be recaptured and redistributed to a recipient that will be able to spend the funds on eligible activities in a timely manner. Any recipient having funds recaptured by Department of the Family during a grant cycle will have the same amount reduced from any ESG funds awarded to that applicant on the following grant period.

Depending on the time remaining for the expenditure of the grant funds, the Department will determine the method of redistribution. It may announce the availability of funds through a newspaper's advertisement, through the Web Page of the PRDF or distribute the funds preparing a new or amended contract with a different recipient who has a proven track record of responsibly managing grant funds.

a. Application Requirements

An application kit is distributed to new and inactive municipalities and/or non-profit organizations interested in applying. Guidelines with detailed instructions and relevant information pertaining to ESG Program regulations— including definition of eligible activities as well as general basic requirements to be completed by applicants— is included in the kit. These general requirements include:

- 1) A form pertaining to the organization's qualifications, history, and services rendered to the homeless.
- 2) A detailed summary of funds requested and sources of other funds received by the organization.
- 3) A detailed narrative description of the project/proposal.
- 4) Other requirements such as those, which are specific to continuation projects or new applicants, are also contained in the application kit.

- 5) Applicants to be considered for funding must address one or more of the ESG program objectives/priorities for Puerto Rico: the homeless; addicts; HIV infected population; domestic violence victims; families; and the elderly.

The funds applications, as well as the guidelines to prepare the application, are also made available to organizations through the Web Page of the PRDF.

b. Evaluation Of Proposals (Proposal Review and Project Selection)

Selection of the homeless projects for funding is one of the most crucial activities ASPI performs. Each year, ESG funds awarded to the Government of Puerto Rico are distributed through a competitive Request for Proposals (RFP) process to local public and private organizations and municipalities that serve homeless population.

A Request for Proposal (RFP) Evaluation Committee, designated by the Secretary of the Department of the Family, evaluates proposals. The evaluation criteria are based on priorities established for the current year and the requirements of the laws and regulations governing the ESG Program. Recommendations based on performance evaluation, are provided to the ESGP Evaluation Committee by personnel of the ASPI, which have the responsibility of administering the fund and monitoring recipients. These recommendations pertain to the administrative capacity and quality of services rendered by the applicants.

All proposals are reviewed and evaluated by the ASPI and Committee. ASPI coordinators reviewed the proposed projects for initial eligibility. Proposals are not considered based on the following items: - The applicant owes money to the state or federal government.

- Disallowed costs have resulted from an ASPI review or audit.
- The applicant has an open ESG grant from previous programs years or an earlier year.
- The application does not include required certifications.

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All proposals are evaluated and scored by an evaluation committee appointed by the PRDF Secretary. The amount of funds allocated will be based on the evaluation points and the final determination of the Committee regarding the capacity of administration and services rendered by the organization/municipalities.

ALLOCATION PRIORITIES AND GEOGRAPHIC DISTRIBUTION

The most recent Point in Time Survey (2011) showed that most homeless are chronic and living on the streets, have a special need and are not receiving services that promote independent living and self-sufficiency. This data along with the input from representatives from Coalitions lead our efforts for Program Year 2011.

Although no priority is given to any geographic area, proposals are evaluated taking into consideration the number of homeless to be served. Need data presented by organizations and municipalities is compared to the number of homeless and other socioeconomic information included in the Point in Time Survey. The following map shows the unsheltered homeless by Municipality



Figure 1: Point in Time Survey & Housing Inventory Count 2011

Consolidated Plan Priorities

Based in the guiding principles and strategies described in the 2010-2014 Consolidated Plan, the following objectives have been established to guide the distribution and use of funds under ESG:

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- Support projects that will expand or improve existing facilities for the homeless
- Help coordinate efforts by different organizations within geographic areas to fill gaps in facilities and services identified in the Continuum of Care Plan
- Support projects that use ESG funds to complement the use of other public and private funds and resources, and to help improve services to the homeless.
- Fund projects that address severe shortages in services to the homeless and have clearly defined methods to measure the outcomes of such services.
- Support projects that best assist persons in moving through the Continuum of Care toward independent living
- Support projects that will carry out homeless prevention activities
- Support projects in jurisdictions where comprehensive support and ancillary services are available and accessible to homeless individuals
- Support projects that can be completed in a timely manner, with measurable outcomes, within budget, and in compliance with all applicable federal and state requirements.

Funds covered under the PY 2012 Action Plan are stated for island-wide availability. The Program does not have any geographic distribution requirement. Since funds are distributed through a competitive process, the ultimate geographic distribution cannot be estimated.

Description of areas of minority concentration

No areas of minority concentration have been identified as 95% of the ethnic group is considered Puerto Rican followed by a 2.8% as other Hispanic or Latino for 98.9%.

In terms of race 80.5% of the censured population in Puerto Rico identified themselves as White, 8% as Black or African American and 6.8% as some other race.

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FUNDS TO BE DISTRIBUTED AMONG PROGRAM CATEGORIES

The information below presents a description of ESG Program activities and an estimated distribution of funds to address priority needs, specific objectives, and performance measurements considering the operation of the Program for the last three years.

Activity Name:	Street Outreach
ESG Allocation:	\$ 938,464
Description:	<p>ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. The following component can be funded under street outreach:</p> <p>Engagement. The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing programs, including emergency shelter,</p>

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transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs.

Case management. The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system, verifying and documenting eligibility; counseling; developing, securing and coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning a path to permanent housing stability.

Emergency health services. Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals operating in community-based settings, including streets, parks, and other places where unsheltered homeless people are living.

ESG funds may be used only for these services to the extent that other appropriate health services are inaccessible or unavailable within the area.

Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to

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understand their health needs; providing directly or assisting program participants to obtain appropriate emergency medical treatment; and providing medication and follow-up services.

Emergency mental health services. Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions operating in community-based settings, including streets, parks, and other places where unsheltered people are living.

ESG funds may be used only for these services to the extent that other appropriate mental health services are inaccessible or unavailable within the community.

Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances.

Eligible treatment consists of crisis interventions, the prescription of psychotropic medications, explanation about the use and management of medications, and combinations of therapeutic approaches to address multiple problems.

Transportation. The transportation costs of travel by outreach workers, social workers, medical professionals, or other service providers are eligible, provided that this travel takes place during the provision of services eligible under this section. The costs of transporting unsheltered

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people to emergency shelters or other service facilities are also eligible. These costs include the following:

The cost of a program participant's travel on public transportation;

If service workers use their own vehicles, mileage allowance for service workers to visit program participants;

The cost of purchasing or leasing a vehicle for the sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes and maintenance for the vehicle; and

The travel costs of sub-recipient staff to accompany or assist program participants to use public transportation.

Services for special populations. ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (1) through (5) above. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

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Minimum period of use. The sub-recipient must provide services to homeless individuals and families for at least the period during which ESG funds are provided.

Activity Name: Emergency Shelter

ESG Allocation: \$1,094,874.00

Description: ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters, renovating buildings to be used as emergency shelter for homeless families and individuals, and operating emergency shelters.

Essential services. ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter, as follows:

- Case management. The cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant is eligible.

Component services and activities consist of:

- Using the centralized or coordinated assessment system ;
- Conducting the initial evaluation including verifying and documenting eligibility;
- Counseling;
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;

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- Monitoring and evaluating program participant progress;
 - Providing information and referrals to other providers;
 - Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and
 - Developing an individualized housing and service plan, including planning a path to permanent housing stability.
- Child care. The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the State in which it operates in order for its costs to be eligible.
- Education services. When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or

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group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

- Employment assistance and job training. The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.
- Outpatient health services. Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are

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unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.

- Legal services.
 - Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.
 - Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.
 - Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans

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and public benefit claim denials, and the resolution of outstanding criminal warrants.

- Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.
- Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub recipient is a legal services provider and performs the services itself, the eligible costs are the sub recipient's employees' salaries and other costs necessary to perform the services.
- Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- Life skills training. The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist

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the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

- Mental health services.
Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions.
- ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.
- Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management.
- Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations

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about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

- Substance abuse treatment services.
 - Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals.
 - ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.
 - Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.
- Transportation.
 - Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following:

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- The cost of a program participant's travel on public transportation;
 - If service workers use their own vehicles, mileage allowance for service workers to visit program participants;
 - The cost of purchasing or leasing a vehicle for the sub recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and
 - The travel costs of sub recipient staff to accompany or assist program participants to use public transportation.
- Services for special populations.
 - ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs 1 above. The term victim services means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and

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domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

- **Renovation.** Eligible costs include labor, materials, tools, and other costs for renovation (including major rehabilitation of an emergency shelter or conversion of a building into an emergency shelter). The emergency shelter must be owned by a government entity or private nonprofit organization.
- **Shelter operations.** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.
- **Minimum period of use.**
- **Renovated buildings.** Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years, depending on the type of renovation and the value of the building. The “value of the building” is the reasonable monetary value assigned to the building, such as

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the value assigned by an independent real estate appraiser. The minimum use period must begin on the date the building is first occupied by a homeless individual or family after the completed renovation. A minimum period of use of 10 years, required for major rehabilitation and conversion, must be enforced by a recorded deed or use restriction.

- Major rehabilitation. If the rehabilitation cost of an emergency shelter exceeds 75 percent of the value of the building before rehabilitation, the minimum period of use is 10 years.
- Conversion. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the minimum period of use is 10 years.
- Renovation other than major rehabilitation or conversion. In all other cases where ESG funds are used for renovation, the minimum period of use is 3 years.
- Essential services and shelter operations. Where the sub-recipient uses ESG funds solely for essential services or shelter operations, the sub-recipient must provide services or shelter to homeless individuals and families at least for the period during which the ESG funds are provided. The sub-recipient does not need to limit these

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services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or serves homeless persons in the same area where the sub recipient originally provided the services or shelter.

Activity Name: Homelessness Prevention and Rapid Re-housing Component

ESG Allocation: \$2,997,040

Description: ESG funds may be used 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. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the “at risk of homelessness” and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing.

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term

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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. This assistance, referred to as rapid re-housing assistance, may be provided to program participants who meet the Homeless criteria of the regulation and live in an emergency shelter or other places not meant for human habitation.

(a) Financial assistance costs. ESG funds may be used to pay housing owners, utility companies, and other third parties for the following costs:

- Rental application fees. ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
- Security deposits. ESG funds may pay for a security deposit that is equal to no more than 2 months' rent.
- Last month's rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
- Utility deposits. ESG funds may pay for a standard utility deposit required by the utility company for

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all customers for the utilities listed in paragraph (5) of this section.

- Utility payments. ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.
- Moving costs. ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

(b) Services costs. ESG funds may be used to pay the costs of providing the following services:

- Housing search and placement. Services or activities necessary to assist program

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participants in locating, obtaining, and retaining suitable permanent housing, include the following:

- Assessment of housing barriers, needs, and preferences;
 - Development of an action plan for locating housing;
 - Housing search;
 - Outreach to and negotiation with owners;
 - Assistance with submitting rental applications and understanding leases;
 - Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
 - Assistance with obtaining utilities and making moving arrangements; and
 - Tenant counseling.
- Housing stability case management. ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent

housing. Component services and activities consist of:

- Using the centralized or coordinated assessment system , and to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
 - Conducting the initial evaluation, including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid rehousing assistance;
 - Counseling;
 - Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - Monitoring and evaluating program participant progress;
 - Providing information and referrals to other providers;
 - Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - Conducting re-evaluations.
- Mediation. ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing

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permanent housing in which the program participant currently resides.

(c) Legal services. ESG funds may pay for legal services, except that the eligible subject matters also include landlord/tenant matters, and the services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.

Maximum amounts and periods of assistance. The following table shows the maximum amount of rent assistance (total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for utilities (excluding telephone) established by the public housing authority for the municipality in which the housing is located) that a participant can receive during the 24 months period:

Period of Time	Studio	1 BR	2 BR	3BR	4 BR*
Monthly	\$459	\$499	\$554	\$733	\$868
24 Month Period	\$11,016	\$11,976	\$13,296	\$17,592	\$20,832

* Bedroom

Any arrears payment cannot exceed the above limits.

(d) Use with other subsidies. ESG financial assistance cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been provided with replacement housing payments under the Uniform Relocation and Real Property Acquisition Act (URA), during the period of time covered by the URA payments.

Short-term and medium-term rental assistance.

(a) General provisions. The sub-recipients may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of the aforementioned.

- Short-term rental assistance is assistance for up to 3 months of rent.
- Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
- Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
- Rental assistance may be tenant-based or project-based.
- Project Based Assistance- In no event the ESG payment to the owner will exceed the amount of budget allocated to the project. Each Project Based Owner (PBO) will be provided with an initial 30 day

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lease-up period. During the 30 days period the Sub grantee will pay the project owner for all the units reserved for ESG clients. After the 30 days period the Sub grantee will only pay for occupied units. If an assisted family moves out of a unit, the Sub grantee may provide vacancy payments to the PBO for a determined vacancy period extending from the beginning of the first calendar month after the move-out month for a period not exceeding one full month following the move-out day.

(b) Use with other subsidies. Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance, or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.

(c) Rental assistance agreement. The sub recipient may make rental assistance payments only to an owner with whom the sub recipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the sub recipient a copy of any notice to

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the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.

(d) Late payments. The sub recipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The sub recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.

(e) Lease. Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under the law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance the lease must have an initial term of one year.

(f) Tenant-based rental assistance (TBRA).

- A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or

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building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.

- Clients receiving TBRA assistance from Municipalities will not be entitled to portability.
- The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
 - The program participant moves out of the housing unit for which the program participant has a lease;
 - The lease terminates and is not renewed;
 - or
 - The program participant becomes ineligible to receive ESG rental assistance.

(g) Project-based rental assistance. If the sub recipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the sub recipient may enter into a rental assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

- The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participant.

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- The sub recipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit.
- No rent will be paid before a program participant moves into the unit.
- The sub recipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the sub recipient may pay the next month's rent.
- The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the sub recipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the sub recipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.

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- The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the sub recipient commit ESG funds to be expended beyond the expenditure deadline of the current agreement or commit funds for a future ESG grant before the grant is awarded.
- Changes in household composition. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

Activity Name:	HMIS
ESG Allocation:	\$150,000
Description:	<p>Eligible costs: the recipient will use ESG funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care for the area, including the costs of:</p> <ul style="list-style-type: none">• Purchasing or leasing computer hardware;• Purchasing software or software licenses;

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- Purchasing or leasing equipment, including telephones, and fax machines;
- Obtaining technical support;
- Paying charges for phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;
- Paying salaries for operating HMIS, including:
 - Completing data entry;
 - Monitoring and reviewing data quality;
 - Completing data analysis;
 - Reporting to the HMIS Lead;
 - Training staff on using the HMIS or comparable database; and
 - Implementing and complying with HMIS requirements;
- Paying participation fees charged by the HMIS Lead, if the sub recipient is not the HMIS Lead. The HMIS Lead is the entity designated by the Continuum of Care to operate the area's HMIS.

All HMIS disbursements will be made by the Puerto Rico Department of the Family in accordance with the Memorandum of Understanding to be executed with the two HMIS administrators of the Island.

Activity Name:	ESG Administration
ESG Allocation:	\$420,030
Description:	The legislation and regulations provide that up to seven point five (7.5%) percent of a grantee's funds may be spent administering the grant. It also establishes that a

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percent of those administrative costs shall be shared with Municipalities. The Department will share the administrative costs of the ESG with the Municipalities. Funds will be used for eligible cost allowable by the regulation.

ACTIVITIES FOR THE HOPWA PROGRAM [91.320 (D)]

Description of the Method of Distribution

Description of the method used for distributing funds to local governments and nonprofit organizations to carry out activities undertaken by the state, using funds that are expected to be received under formula allocations (and related program income) and other HUD assistance during the program year

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.

The 2012-2013 Program Year HOPWA will continue to be administered by the Municipality of San Juan for its use, management, and distribution to sub recipients. The Municipality of San Juan will use a Request For Proposal method. The funds to be distributed are for the execution of the activities. All funds must be used to provide services and housing activities to eligible population.

During program year 2012 proposals will be requested from eligible organizations and municipalities. Proposals will be evaluated using a competitive method and funds will be awarded to the organizations that obtain the highest scores and need. The Municipality of San Juan will not distribute administrative funding to sub recipients. All funds will be used to provide services and housing activities to the eligible population.

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It is expected that previous year resources will be available for distribution (carry over funds from previous years). If they become available they will be distributed according to a competitive method. However, the Municipality of San Juan will keep the option to distribute funds without conducting a competitive process for those significant projects submitted within the given cycle. The Municipality of San Juan will select sub recipients from municipalities, faith-based, and other community based organizations that provide services to these populations.

The availability of the RFP guide was announced during the public hearing. The RFP competition will open from March 1, 2012 and proposals were due on April 2, 2012. 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 (municipal and nonprofits), will submit proposals to be evaluated on a competitive basis, in compliance with the RFP and Application Guidelines.

If funds are available after the initial allocation of resources (including previous year funding) they will be distributed according to the method selected by the Municipality of San Juan that can include noncompetitive methods.

For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities.

Evaluation of Grant Applications

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 this criterion is one hundred (100) points. The following table shows the criteria to be used for the evaluation of the proposals:

Non Profit Sub recipients		Municipal Sub recipients	
Criteria	Maximum Points	Criteria	Maximum Points
Transmittal Letter	3	Transmittal Letter	2
Description organization	6	General Information Municipality	2

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Financial and Programmatic Background	6	Description of the Municipality Capacity	25
Past Performances	10	Financial and Programmatic Background	6
Services to be provided	10	Proposed Project Description	20
Needs Analysis	18	Action Plan	20
Action Plan	25	Budget	20
Budget	20	Performance	5
Required Documents	2		
Total	100		100

Acquisition, rehabilitation, conversion, lease and repair of properties activity

As it was mentioned earlier in this document, if available funds for previous years balances will be used to sponsor acquisition, rehabilitation, conversion, lease and repair of properties activities. These will be allocated through a competitive basis to organizations of the PREMSA that comply with the RFP and Application Guidelines or through other allocation method as determined by the Municipality of San Juan.

However, there could be exceptions for this competitive method. If an organization has already been granted funds from a local, state or federal governmental agency and needs complementary or matching funds, will not have to comply with this ordinary process. The organization may submit an application that includes:

- amount requested,
- letter of approval,
- proposal submitted to the other agency, and
- purpose of the project for which funding is requested.

The application will be evaluated in an expedite manner, independent of the allocation method .

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Acceptance of proposals

For FY 2012 the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (EMSA). Priority will be given to potential sub recipients that are not included in the SJEMSA. Potential sub recipients 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.

Nevertheless, the eligible applications from the PREMSA will receive a preference code that will assure priority funding after the application is evaluated. All the applications will be evaluated by the same standards and criteria.

During this Program Year the Municipality will not accept proposals that combine housing and support services. If the organization wishes to provide supportive services in a housing project it must submit a proposal for the service and another for the housing. In addition the RFP was modified to clarify which services can be offered as part of a housing project and which one are considered support services.

The following diagram show the eligible supportive services eligible costs

DUNS Number and Central Contractor Registration

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 is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions, including Federal agency contract and assistance awards. Both current and potential federal government registrants are required to register in CCR in order to be awarded contracts by the federal government. Registrants must update or renew their registration at least once per year to maintain an active status.

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Activities

The 2012-12 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 service providers (both public and private) to coordinate client services and fully leverage the available resources in the particular service area.

The organizations whose proposals have been funded will be notified through certified mail. 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.

For FY 2012, HOPWA funds will be allocated in three major categories, as follows:

ACTIVITIES FOR THE HOPWA PROGRAM				
Activity	Program	Description/Location	Proposed Goal	Allocation
Administration	HOPWA	For the grantee administrative costs of the HOPWA program.	N/A	\$54,300.57
	HOPWA	For the Municipality of San Juan administrative costs of the HOPWA program.	N/A	\$122,900.29
Housing Activities Sub recipients	HOPWA	To undertake HOPWA eligible housing related activities	500	\$1,108,399.47
Supportive Services and other eligible activities	HOPWA	To provide grants to be used for supportive services and operational expenses.	500	\$524,418.67
			Total	\$1,810,019.00

HOPWA Activity #1- HOPWA Program Administration

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.

HOPWA ACTIVITY #1- HOPWA PROGRAM ADMINISTRATION	
Allocation	\$177,200.86 \$54,300.57- PRDOH \$122,900.29 - Municipality of San Juan
Consolidated Plan Objective:	N/A
Expected Accomplishment:	N/A
Timeframe for completion	July 1, 2012- June 30, 2013

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No administrative funds will be distributed to sub recipients due to the fact that 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.”

HOPWA Activity #2-Housing Activities

A total of \$1,108,399.47 of HOPWA funds will be allocated to undertake eligible housing related activities by the regulation. This category is available for Municipal and Non Profit sub recipients.

HOPWA ACTIVITY #2- HOUSING ACTIVITIES	
Allocation:	\$1,108,399.47
Consolidated Plan Objective:	DH2.1
Expected Accomplishment:	500 households or individuals
Timeframe for completion:	July 1, 2012- June 30, 2013

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, resource identification, technical assistance in establishing and operating a community residence. The following diagrams summarize the services the eligible housing costs that can be provided under each eligible category:

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Short-Term Supported Housing

- Temporary shelter, such as emergency shelter facility
- 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
- Detox
- Transitional Housing
- 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

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HOPWA Activity #3-Supportive Services and other eligible activities

Under this activity grants will be provided to nonprofit organizations for the provision supportive services. Supportive services are important tools in helping program 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.

Supportive Services

- 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,

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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;
- 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.

A total of \$524,418.67 is allocated to this activity. This activity is available only to nonprofit organizations.

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HOPWA ACTIVITY #3- SUPPORTIVE SERVICES AND OTHER ELIGIBLE ACTIVITIES	
Allocation	\$524,418.67
Consolidated Plan Objective:	DH3.1
Expected Accomplishment:	500 persons
Timeframe for completion	July 1, 2012- June 30, 2013

Please refer to Table 2-B Consolidated Plan Listing of Projects HUD Table 3C

Reasons for the allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives described in the consolidated plan

HOPWA is a program that provides assistance to HIV/AIDS patients to overcome housing issues they may have, while they deal with their health condition. The provision of permanent or transitory housing (with supportive services or short term occupancy in a shelter) is an opportunity to overcome the housing problems that may affect their quality of life.

Obstacles to addressing underserved needs

The primary obstacle to meeting underserved needs of low-income and HIV/AIDS patients continue to be lack of funds and resources to address the need of all the eligible population.

The PRDOH / Municipality of San Juan will continue to support non-profit agencies, providers and special needs groups in their goal to meet the underserved HIV/AIDS patients in the Government of Puerto Rico. Staff will provide technical assistance to project sub recipients in the pursuit of Federal, State, and other funding sources. In addition the inclusion of the Municipality of San Juan will allow rapid allocation of resources to nonprofit and municipalities of Puerto Rico. San Juan and the PRDOH will work together in creating a public policy that will have the effect of improving the quality of life of HIV/AIDS persons and their families.

Reasons for the allocation priorities and geographic areas of the State

Funds for HOPWA projects are awarded to eligible entities and Municipalities through a competitive funding process. All HOPWA sub recipients 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

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review process will ensure that all sub recipients are eligible along with their proposed activities.

Housing Plan and Assessments

During this program year the Municipality of San Juan will enforce the preparation of Clients Housing Plans and Assessments. These documents assist in ensuring that participants achieve great housing stability by receiving HOPWA assistance. The HOPWA regulation establishes that the grantee must ensure that each sub recipient agrees to “conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program.” The housing assessment process includes gathering participant information about current finances, past rental history, behavioral history, and other service needs. The housing assessment is the foundation for the development of individualized housing and service plans. The sponsor should assess housing and supportive service needs at the point of intake or application and create plans for housing stability. The sponsor should update these plans at least annually. All program participant files must contain an individualized housing assessment and housing and service plan with evidence of annual updates and ongoing progress.

Confidentiality Policy

As required by 24 CFR 745.440 all “project sponsors shall agree to ensure the confidentiality of the name of any individual assisted under this part and any other information regarding individuals receiving assistance.” It is the policy of the State that project sub recipients must adopt policies that a minimum, address:

- How staff will gather, record, and store confidential information;
- The consent process for the release of confidential information;
- Protocols for responding to breaches of confidentiality;
- Standards contained in relevant state and federal laws, including HIPAA compliance (if applicable) and HIV confidentiality statutes; and,
- Privacy standards related to data collection and use of participant information for program reporting, such as HMIS.

It is also important that the sub recipient not use any identifying information that could

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compromise a participant's confidentiality regarding the HOPWA program.

OUTCOMES FOR THE CDBG PROGRAM [91.320 (E)]

Outcome Measures

The Performance Measurement System established by OCAM is organized around the four types of activities funded with the State CDBG program. These are:

Housing;

Economic development;

Public services; and

Public facilities.

The outcome statement is constructed using the objectives and outcomes recommended by HUD in the several documents issued to this effect.

For instance, the selected objectives are:

Creating Suitable Living Environments relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities intended to address a wide range of issues faced by low- and moderate-income persons; from physical problems with their environment, such as poor quality infrastructure and public facilities, to social issues such as crime prevention, literacy, or elderly health services. National objectives LMA, LMC, and URG will be related to this objective.

Providing Decent Housing covers the wide range of housing activities undertaken with CDBG funds, focusing on homebuyer activity and homeowner rehabilitation. National objective LMH will relate to this objective.

Creating Economic Opportunities applies to activities related to economic development, commercial revitalization, or job creation. National objective LMC will relate to this objective.

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The outcomes selected to complete the statement are:

Availability/Accessibility applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. This will address the basic daily needs of low- and moderate-income people where they live.

Affordability applies to activities that provide affordability in a variety of ways to low- and moderate-income people by lowering the cost, improving the quality, or increasing the affordability of a product or service that benefits a low-income household.

Sustainability applies to activities that aim to improve communities or neighborhoods, helping to make them livable or viable by benefiting low- and moderate- income people, or by removing or eliminating slums or blighted areas through multiple activities or services that sustain communities and neighborhoods.

In order to collect quantifiable data, the non-entitlement municipalities are responsible for reporting to OCAM the accomplishments and benefits measured from their activities, according to the instructions outlined in this plan. The expected performance measurements will be incorporated in the project profile (Table 3-C) that will be filed with their basic and competitive allocations applications. The final performance measurement would be reported at their performance report. Entry in IDIS would be the responsibility of OCAM's personnel.

To complete the OCAM's performance measurement system, the agency selected the indicators mentioned below. These are:

Direct financial assistance to homebuyers;

Jobs retained and created;

Owner occupied units rehabilitated;

Public services; and

Public facilities and infrastructure.

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The correlation of the objective and outcome will produce an outcome statement that will allow OCAM to report the benefits of the State CDBG Program; including the type of activity, outcome statement, specific indicator, and activity classification by matrix codes, according to the description of the reported activity.

The chart shown in the figure below demonstrates the relationship of the performance measurement system within the method of distribution of the CDBG Program, which is activated once the Notice of Fund Availability is announced to the Governor of Puerto Rico.

PMS FLOWCHART FOR THE CDBG PROGRAM

Funds Available CDBG	Distribution of Funds	Housing	Report PMS on Rehabilitated Units	Report PMS on Homeowner Characteristics
			Report PMS on Acquired units	Report PMS on Homebuyer Characteristics
		Economic Development	Report PMS on business assisted	Report PMS on job placement characteristics
		Community Development	Public facilities	Report PMS on persons assisted
			Public services	Report PMS on persons assisted

Table 3C (Annual Action Plan)

Through PY 2012, the State CDBG Program expects to assist 401,616 persons with the CDBG funds allocated, as presented in the next table. The following is Table 3C, the HUD template that shows the ANNUAL ACTION PLAN PLANNED PROJECT RESULTS arranged by Outcomes and Objectives, Performance Indicators, Expected Number, and Activity Description.

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Annual Action Plan Planned Project Results			
Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
DH-2 Affordability of Decent Housing	Direct financial assistance to homebuyers	50	13 Direct homeownership assistance
DH-2 Affordability of Decent Housing	Owner occupied units rehabilitated	550	14 A Single family rehabilitation
EO-1 Availability/Accessibility of Economic Opportunities	People	20	18C Micro enterprise assistance
SL-3 Sustainability of Suitable Living Environment	Public Facilities	15,000	01 Acquisition of real property
	People	40,000	03 Public facilities and improvement
	Public Facilities	17,000	03E Neighborhood facilities
	Public Facilities	150,000	03F Parks and recreational facilities
	Public Facilities	1,000	03G Parking facilities
	Public Facilities	25,000	03H Solid waste disposal
	People	6,000	03I Flood drain facilities
	People	6,000	03J Water and sewer facilities
	People	325,000	03K Street improvements
	People	6,000	03L Sidewalks
		2,000	05 General public service
		20,000	05I Crime awareness
SL-1 Availability/Accessibility of Suitable Living Environment	People	1,500	05A Senior citizens assistance
	People	1,750	05D Youth services
	People	500	05M Health services
	Public Facilities	500	03A Senior center

*Use one of 9 outcome/objective categories

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	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Expenditure Limits

Sections 105 (a) (8) and (12) of Title I of the Housing and Community Development Act of 1974, as amended, establish the public service cap and the planning and administrative cap for the State CDBG Program. The statewide cap for public service is 15%, and the statewide cap for planning and administration is 20%

Administrative Cap for the CDBG Program

The following table provides the analysis of the compliance with Section 105 (a) (12) on the 20% cap limit for administrative expenses, both for the State and the non-entitlement municipalities.

ADMINISTRATIVE CAP FOR THE CDBG PROGRAM

ADMINISTRATIVE SERVICES	AUTHORIZED	ADM-CAP
2012 Grant	\$28,348,407	\$5,669,681
CAP LIMITATION		20.0%

Public Service Cap for CDBG Program

The following table provides the analysis for the compliance with Section 105 (a) (8) on the 15% cap limit for public services for the non-entitlement municipalities.

PUBLIC SERVICE CAP FOR THE CDBG PROGRAM

PUBLIC SERVICES	AUTHORIZED	PS-CAP
2012 Grant	\$28,348,407	\$4,252,261
CAP LIMITATION		15.0%

OUTCOMES FOR THE HOME PROGRAM [91.320 (E)]

The measures of the Commonwealth HOME program performance system (PMS) are incorporated into the method of distribution established in the 5 YHS.

This means that for any activity funded through any category in the method of distribution (e.g., CHDO activity, Homebuyer activity, rental housing, and Homeowner activity) the performance data is collected regardless of the type of project that is awarded funds.

The system recognizes that activities may be undertaken for different purposes but achieve the same type of results. With this system, the HOME Program can specify the types of outcomes that could be anticipated for any activity based on budget constrictions.

The indicators used by the HOME PMS are based on data collected from the contracts awarded by project or activity, focused on the performance indicators set in IDIS. The use of a single standardized set of data, regardless of the size of the project, means that the HOME program could report to HUD in the same language, “rolling up” the results from Puerto Rico to the many other participating jurisdictions from across the country into a set of overall national results by program.

The HOME program will incorporate the PMS into the PRHFA HOME System. This system is a Management, Accountability, and Reporting Tool that allows the HOME Program staff to enter data on project management and accounting. Analysis is still needed to evaluate the expected performance.

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The application could provide reports on: type of project, project status, physical address, name of the municipality the project is located, postal address, name of the participant receiving HOME assistance, matrix code, number of units developed, number of HOME assisted units, affordability period, IDIS activity number, size of household, gender of the head of household, budget allocated to the project, funds disbursed, obligated funds, funds available to draw, and family income limit, etc. Also, the application allows program staff to make any modifications to process and produce any kind of reports needed with the data entered in PRHFA HOME Systems.

The reporting capability of PRHFA HOME Systems allow Program Staff to allocate and review budget decisions, trace funds disbursement, review the housing production and program benefits comparing the annual goals established by project category, and follow up program compliance such as the HOME Program requirements, as per obligation for the disbursement of funds.

HUD's TABLE 3C ANNUAL ACTION PLAN PLANNED PROJECT RESULTS is presented below, arranged by Outcomes and Objectives, Performance Indicators, Expected Number, and Activity Description.

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Table 3C (Optional)			
Annual Action Plan			
Planned Project Results			
Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
DH-2 Affordability of Decent Housing	Rehabilitation or construction of housing for sale	32	Rehabilitation or construction of affordable housing units for low income Homeownership
DH-2 Affordability of Decent Housing	Rental units rehabilitated or constructed	180	Rehabilitation or construction of affordable housing units for rental occupancy
DH-2 Affordability of Decent Housing	Homeownership units constructed or rehabilitated	13	CHDO construction of affordable housing units for Homeownership
DH-2 Affordability of Decent Housing	Rental units constructed	25	CHDO rehabilitation of affordable housing units for rental occupancy
*Use one of 9 outcome/objective categories			
	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

The chart shown below demonstrates the relationship of the performance measurement system with the method of distribution of the **HOME** Program, which is activated once the Notice of Fund Availability is announced to the Governor of Puerto Rico.

PERFORMANCE MEASUREMENT SYSTEM FOR AFFORDABLE HOUSING UNDER THE PRDH HOME PROGRAM

NOTICE OF HOME FUNDS AVAILABLE TO THE PRHFA	DISTRIBUTION OF FUNDS	UNITS UNDER CONTRACT: REPORT PERFORMANCE MEASUREMENTS ON HOUSING UNITS CHARACTERISTICS FOR HOMEOWNER REHABILITATION, SALE AND RENTAL OCCUPANCY	STILL IN CONSTRUCTION	HOMEOWNED UNITS REHABILITATED	REPORT PERFORMANCE MEASUREMENTS ON HOMEOWNER CHARACTERISTICS
			HOUSING UNITS COMPLETED	SOLD	REPORT PERFORMANCE MEASUREMENTS ON HOMEBUYER CHARACTERISTICS
				VACANT	FOR SALE
				RENTED	REPORT PERFORMANCE MEASUREMENTS ON TENANT CHARACTERISTICS
				VACANT	FOR RENT

PATHWAYS APPLY FOR PRIVATE DEVELOPERS, CHDOS AND INDIVIDUALS
PATHWAY FOR HOMEOWNER REHABILITATION
PATHWAY FOR SALE HOUSING
PATHWAY FOR RENTAL HOUSING

OUTCOMES FOR THE ESG PROGRAM [91.320 (E)]

The DF is committed with ESG objectives of increasing the number and quality of the emergency shelter and transitional housing for homeless individuals and families, operating these facilities, and providing essential services to help prevent homelessness.

On Program Year 2012, the ESG Program expects to serve **17,601 homeless individuals** with the ESG funds allocated and reallocated to approximately **25 Municipalities and 76 Organizations**.

The next table is a HUD template that shows the specific annual objectives arranged by:

- Outcome/Objective

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- Source of Funds
- Performance Indicator
- Program Year
- Expected Numbers for years 2010-2014
- Actual Numbers for FY 2011, and
- Percentage Completed for 2011.

These are the Specific Annual Objectives established for PY 2011, corresponding to the second of the DF 5YHS for the 2010-2014 Consolidated Plan.

OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective Specific Annual Objective	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1	Availability/Accessibility of Decent Housing						
	1.1.1 Provide street outreach, supportive services and emergency shelter to an estimated of 11,000 homeless persons. ESG	ESG	Street Outreach and Emergency Shelter	2010	11,000	15,775	143.00%
				2011	11,000		0.00%
DH-1.1				2012	11,000		0.00%
				2013	11,000		0.00%
				2014	11,000		0.00%
			MULTI-YEAR GOAL			55,000	
DH-2	Affordability/Decent Housing						
	2.1.1 Provide Homeless Prevention/Rapid Rehousing assistance to an estimated of 1,400 non-homeless households		Homeless prevention and Rapid Rehousing	2010	1400	2,960	211.00%
				2011	1400		0.00%
DH-2.1				2012	1400		0.00%
				2013	1400		0.00%
				2014	1400		0.00%
			MULTI-YEAR GOAL			7,000	

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OUTCOME MEASURES

The next table, titled **OPTIONAL TABLE 3C -SUMMARY OF SPECIFIC ANNUAL OBJECTIVES**, is a HUD template that shows the specific annual objectives arranged by:

OPTIONAL TABLE 3C- ANNUAL ACTION PLAN PLANNED PROJECT RESULTS

Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
Availability of decent affordable housing	Organizations that created housing with new/improvement availability for the homeless.	100	Shelter- Rehabilitation and conversion of building for use as emergency shelter or transitional housing for the homeless
	Homeless persons given overnight shelter or other emergency housing	8,698	Street Outreach- Essential services to address the needs of homeless persons living on the street, in emergency shelters, or in transitional housing.
		5,443	Shelter – expenses incurred by an entity operating a facility for the homeless.
Affordability of decent housing	Households that received emergency financial assistance to prevent homelessness.	1,400	Prevention and Rapid Rehousing

The Performance Measurement System for the ESG Program

The measures of the State ESG Program Performance Measurement System (PMS) was designed in 2003 according with Section 6.2 of the ESG Desk Guide, and the performance indicators set in IDIS. It is a quarterly report that entities with ESG funds allocated by the DF are compelled to submit to the Department as part of the requirements for receiving the funds. This condition is incorporated in the contract awarded to delegate the funds.

The structure of the performance data report includes a daily and a monthly form that covers the outputs that the entities summarize in the quarter periods report. At the end of the Program

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Year, the performance of the entities is evaluated according to the RSP as well as to the program as a whole.

The management of the data is done manually, and covers the outputs stated in the following table as well as the fields required by IDIS. These fields are: Project Title, Activity Name, Purpose of the Project, Project Description, Purpose of the Activity, and Services Provided.

The reporting capability of the system allows the Program to allocate funds according to the performance of the entities; as well as to review the annual goals, estimate the use of ESG funds according to the certainty of the reported data, and follow up program compliance. This information is also used by the Multisector Council in the preparation of the Balance of State (BoS) Exhibit 1 for the Continuum of Care, as well as for other purposes. We will also be coordinating with the HMIS’s administrators (Coalition of Coalitions and San Juan’s Coalition) to receive quarterly data reports of the Performance Measurements informed by the organizations and municipalities of the population they served.

The Program is developing an automated ACCESS database application to facilitate the gathering of data provided by the ESG entities. We are also coordinating with the organizations that will be incorporating into the Homeless Information System (HMIS) the data required in the PMS of the ESGP. This action will simplify the process of performance indicators data collection to the ESG entities.

The next table shows data on the Performance Evaluation Report for the ESG Program.

SUMMARY OF PERFORMANCE MEASUREMENT FOR AVAILABILITY AND AFFORDABILITY OF DECENT HOUSING OF ESG PROGRAM

SUMMARY OF PERFORMANCE MEASUREMENT FOR AVAILABILITY AND AFFORDABILITY OF DECENT HOUSING OF ESG PROGRAM		
	Shelter	Rapid Rehousing Prevention
Allocation	\$1,094,874	\$2,997,040
Output	RESIDENTIAL (Emergency or Transitional Shelter) ___adults served ___children served ___individual households unaccompanied 18 years	Prevention Families Individuals Male Female homeless

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SUMMARY OF PERFORMANCE MEASUREMENT FOR AVAILABILITY AND AFFORDABILITY OF DECENT HOUSING OF ESG PROGRAM		
	Shelter	Rapid Rehousing Prevention
Allocation	\$1,094,874	\$2,997,040
	old and over by sex ___ family households with children headed by single 18 years old and over by sex ___ family households with children headed by single under 18 years old and over by sex ___ family households with children headed by two parents 18 years old and over by sex ___ family households with children headed by two parents under 18 years old and over by sex ___ family households with no children Subpopulation ___ persons chronically homeless ___ persons severely mentally ill ___ chronic substance abuse ___ persons with other disabilities ___ veterans ___ persons with HIV/AIDS ___ victims of domestic violence ___ elderly Type of shelter ___ persons housed in barracks ___ persons housed in group/large house ___ persons housed in scattered site apartment ___ persons housed in single family detached house ___ persons housed in single room occupancy ___ persons housed in mobile home/trailer ___ persons housed in hotel/motel ___ other Racial/Ethnic Characteristics ___ persons Hispanics ___ persons non-Hispanics NON-RESIDENTIAL	___ persons severely mentally ill ___ chronic substance abuse ___ persons with other disabilities ___ veterans ___ persons with HIV/AIDS ___ victims of domestic violence ___ elderly Racial/Ethnic Characteristics ___ persons Hispanics ___ persons non-Hispanics Rapid Rehousing Families Individuals Male Female homeless ___ persons severely mentally ill ___ chronic substance abuse ___ persons with other disabilities ___ veterans ___ persons with HIV/AIDS ___ victims of domestic violence ___ elderly Racial/Ethnic Characteristics ___ persons Hispanics ___ persons non-Hispanics

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SUMMARY OF PERFORMANCE MEASUREMENT FOR AVAILABILITY AND AFFORDABILITY OF DECENT HOUSING OF ESG PROGRAM		
	Shelter	Rapid Rehousing Prevention
Allocation	\$1,094,874	\$2,997,040
	___ adults and children served	
	Racial/Ethnic Characteristics	
	___ persons Hispanics	
	___ persons non-Hispanics	
Outcomes	30 shelters and services available and accessible to the homeless.	238 Families will receive prevention assistance 150 Homeless will receive rapid rehousing assistance
Impact	30 organizations create housing available and accessible to the homeless for the purpose of provide decent suitable living environments.	25 Municipalities will provide prevention and rapid rehousing assistance.

The following figure demonstrates the relationship between the performance measurement system and the method of distribution of the ESG Program, which is activated once the Notice of Funds Availability is announced to the Governor of Puerto Rico.

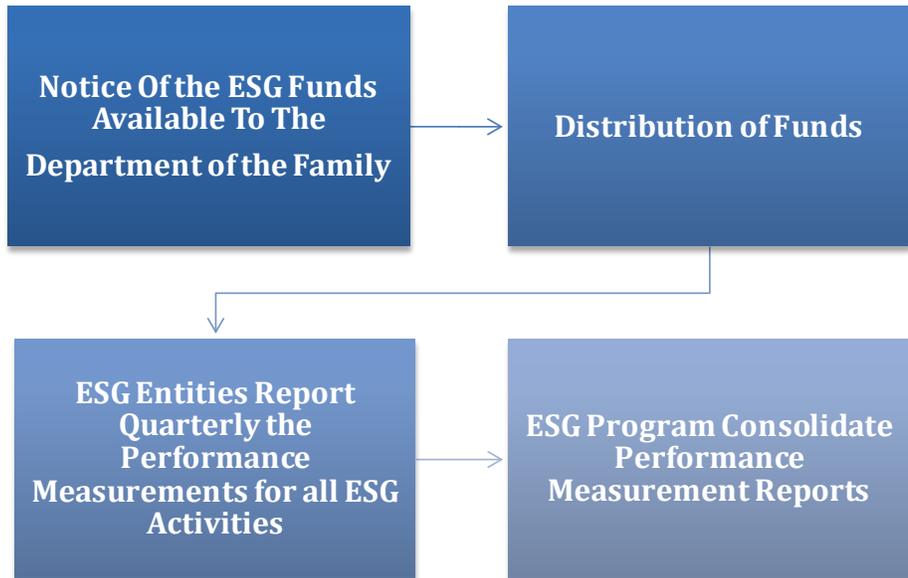
PERFORMANCE MEASUREMENT FOR STREET OUTREACH (CREATE SUITABLE LIVING ENVIROMENT/ AVAILABILITY AND ACCESSIBILITY)	
	Street Outreach
Allocation	\$938,464
Output	<p>SERVICE PROVIDED (to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility)</p> <p>___ adults served</p> <p>___ children served</p> <p>___ individual households unaccompanied 18 years old and over by sex</p> <p>___ family households with children headed by single 18 years old and over by sex</p> <p>___ family households with children headed by single under 18 years old and over by sex</p> <p>___ family households with children headed by two parents 18 years old and over by sex</p> <p>___ family households with children headed by two parents under 18 years old and over by sex</p> <p>___ family households with no children</p> <p>Subpopulation</p> <p>___ persons chronically homeless</p> <p>___ persons severely mentally ill</p> <p>___ chronic substance abuse</p> <p>___ persons with other disability</p> <p>___ veterans</p> <p>___ persons with HIV/AIDS</p> <p>___ victims of domestic violence</p> <p>___ elderly</p>

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PERFORMANCE MEASUREMENT FOR STREET OUTREACH (CREATE SUITABLE LIVING ENVIROMENT/ AVAILABILITY AND ACCESSIBILITY)	
	Street Outreach
Allocation	\$938,464
	Type of service provided ___ # persons engaged ___ # of persons provided with case management ___ # of persons provided with emergency health services ___ # of persons provided with emergency mental health service ___ # of transportation services provided ___ # of persons provided with other services Racial/Ethnic Characteristics ___ persons Hispanic ___ persons non-Hispanic
Outcomes	3,422 unsheltered homeless will be provided with services to connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility
Impact	15,775 services will be provided by organizations.

PERFORMANCE MEASUREMENT FOR AVAILABILITY AND AFFORDABILITY OF DECENT HOUSING OF ESG PROGRAM



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OUTCOMES FOR THE HOPWA PROGRAM [91.320(E)]

Summary of the Annual Objectives to Achieve During the Forthcoming Program Year for the HOPWA Program: TABLE 3A

Throughout FY 2012, the State HOPWA Program expects to assist approximately 500 individuals with HIV/AIDS. The **Table 3-A** shows the revised Annual Action Plan planned projects' results arranged by Outcomes and Objectives, Performance Indicators, Expected Number, and Activity Description.

This table is a HUD template that shows the specific annual objectives arranged by outcome/objective, Source of Funds, Performance Indicators, Program Year, and Expected Number for FYs 2010 to 2014.

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OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES-HOPWA

Availability/Accessibility of Decent Housing (DH-1)							
Specific Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed	
Affordability of Decent Housing (DH-2)							
DH2.1	2.1.1 Temporary Housing: # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing.	HOPWA	2010	01 people	30		%
			2011		30		%
			2012		30		%
			2013		30		%
			2014		30		%
			MULTI-YEAR GOAL			150	
	2.1.2 Treatment Services D&A: # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing	HOPWA	2010	01 people	55		%
			2011		55		%
			2012		55		%
			2013		55		%
			2014		55		%
			MULTI-YEAR GOAL			275	
	2.1.3 Tenant Based Rental Assistance (TBRA): # of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing	HOPWA	2010	01 people	75		%
			2011		75		%
			2012		75		%
			2013		75		%
2014			75			%	
MULTI-YEAR GOAL			375			%	
2.1.4 Short-Term Rental, Utility & Mortgage Assistance: # of HIV/AIDS households receiving STRUM for the purpose of affordability of decent housing	HOPWA	2010	01 people	120		%	
		2011		120		%	
		2012		120		%	
		2013		120		%	
		2014		120		%	
		MULTI-YEAR GOAL			600		%
Sustainability of Decent Housing (DH-3)							
DH3.1	3.1.1 Hospice: # of HIV/AIDS households receiving intensive care	HOPWA	2010	01 people	30		%
			2011		30		%
			2012		30		%
			2013		30		%
			2014		30		%
			MULTI-YEAR GOAL			150	
	3.1.2 Chronically Mentally: # of HIV/AIDS households receiving persons with a severe Chronically Mental Health condition for permanent housing for the purpose of affordability of decent housing.	HOPWA	2010	01 people	5		%
			2011		5		%
			2012		5		%
			2013		5		%
MULTI-YEAR GOAL			25		%		

The Performance Measurement System for the HOPWA Program

The Performance Measurement System (PMS) established by the PRDOH is organized around the housing activity and the support services that could be funded with the State HOPWA program. The outcome statement is constructed using the objectives and outcomes recommended by HUD on June 15th, 2006 in the several documents posted in the Internet issued to this effect.

For instance, the decent housing objective is selected because it covers three housing activities that are undertaken with HOPWA funds, focusing on the affordability of short term, transitional, and permanent housing with or without supportive services to the patients of HIV/AIDS.

There are **two** outcomes selected to complete the housing statement. These are:

Affordability: This applies to activities that provide housing affordability in terms of Accessibility for occupancy to low income patients living with HIV/AIDS, in order to increase their opportunity to reach the goal to occupy a sound, safe, and sanitary dwelling.

Sustainability: Which applies to the support activities that make services, housing, or shelter available or accessible to low income patients with HIV/AIDS; including persons with disabilities and the homeless, making their basic daily needs available and accessible where they live.

In order to collect the quantifiable data, the community based organizations are responsible to report to the PRDOH the accomplishments and benefits measured from their activities, according to the instructions outlined in this plan. The expected performance measurements will be incorporated in the project profile (Table 3-C) that will be filed with their funding applications; and again, the final performance measurement would be reported at their performance report. Table 3-C will be a formal exhibit incorporated in the contract in order to assure quality data control. Entry in IDIS would be the responsibility of PRDOH personnel.

To complete the performance measurement system, the PRDOH selected the indicators mentioned below. These are: Tenant based rental assistance, homeless prevention, and public

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services. The related activities are shown in TABLE I in page 7. In addition, the following data should be provided by the faith based and community organizations and collected by the PRDOH staff, to be reported in the Integrated Disbursement and Information System. (IDIS)

Tenant Based Rental Assistance (TBRA)

- Total number of persons receiving TBRA, broken down by:
 - The number of other family members.
 - Number of persons receiving assistance by age, gender, race, and ethnicity.
 - Number of households receiving assistance by income category.
 - Prior living situation of households.
 - Number of households exiting the program, by destination or life event.

Transitional housing services

- Total number of persons receiving THS, broken down by:
 - Number of persons receiving assistance by age, gender, race, and ethnicity.
 - Number of persons receiving assistance by income category.
 - Prior living situation of persons.
 - Number of persons exiting the program, by destination or life event.

Short Term Rental Mortgage Utilities (STRMU)

- Total number of households receiving STRMU assistance, broken down by:
 - The number that received mortgage assistance.
 - The number that received assistance in the prior reporting year; and

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- The number that received assistance in the two prior reporting years.
- Total number of persons receiving STRMU assistance, broken down by:
 - The number of persons with HIV/AIDS; and
 - The number of other family members.
- Number of persons receiving assistance by gender, age, race, and ethnicity for primary owner and family member.
- Number of households receiving HOPWA assistance by income category.
- Prior living situation of household.
- Number of households exiting the program, by destination or life event.
- Total STRMU expenditures.

Supportive Services

- The number of persons receiving support services in coordination with housing assistance, broken down by:
 - The number of persons with HIV/AIDS; and
 - The number of other family members.
- The number of persons receiving supportive services only, broken down by:
 - The number of persons with HIV/AIDS; and
 - The number of other family members.
 - The amount expended on each service activity.

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- The number of persons placed in jobs through supportive service expenditures (e.g., case management, employment assistance).

Permanent Housing Placement

Total number of households receiving housing placement assistance.

Total housing placement expenditures.

Number of households receiving housing information services.

Total expenditures.

The correlation of the objective and outcome will produce an outcome statement that will allow the PRDOH to report the benefits of the State HOPWA Program; including the type of activity, outcome statement, specific indicator, and activity classification.

The chart below demonstrates the relationship between the performance measurement system and the method of distribution of the HOPWA Program, which is activated once the Notice of Fund Availability is announced to the Governor of Puerto Rico.

PERFORMANCE MEASUREMENT REPORTING SYSTEM

DISTRIBUTION OF FUNDS	ORGANIZATIONS UNDER CONTRACT: REPORT PERFORMANCE MEASUREMENTS ON EXPECTED BENEFITS	HOUSING	REPORT PMS ON TEMPORARY HOUSING UNITS	REPORT PMS ON PERSONS WITH HIV/AIDS CHARACTERISTICS
			REPORT PMS ON TRANSITIONAL HOUSING UNITS	
			REPORT PMS ON PERMANENT HOUSING UNITS	
		SUPPORTIVE SERVICES	REPORT PMS ON EXPECTED SUPPORTIVE SERVICES	

PLANNING STAGE APPLIES TO ALL FAITH BASED AND COMMUNITY ORGANIZATIONS

PATHWAY FOR HOUSING ACTIVITIES

PATHWAY FOR SUPPORTIVE SERVICES

REPORTING STAGE APPLIES TO THE MUNICIPALITIES THE FAITH BASED AND COMMUNITY ORGANIZATIONS

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Expenditure Limits

The table below provides the analysis for compliance with the HOPWA limitation on the 10% cap limit for administrative expenses, 3% for the State and 7% of remaining funds for the project sponsors.

ADMINISTRATIVE CAP FOR THE HOPWA PROGRAM

ADMINISTRATION	AUTHORIZED	ADM-CAP
2011 Grant	\$ 1,810,019	100.00%
State Administration	\$ 54,300.57	3.00%
SJ Administration*	\$ 122,900.29	7.00%

The state HOPWA Program allocated the amount of \$54,300.57 for the State administrative expenses, equivalent to a 3% allocation; and \$ 122,900.29 for the Municipality of San Juan, equivalent to a 7% allocation, for a 10% allocation for administration.

GEOGRAPHIC DISTRIBUTION FOR THE CDBG PROGRAM [91.220(F)]

Statement Concerning that CDBG Funds Are Distributed Through a Competitive Process

OCAM distributes the CDBG funds through a competitive process throughout the 51 non-entitlement municipalities ultimately leaving the decision to allocate them to the mayors. 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

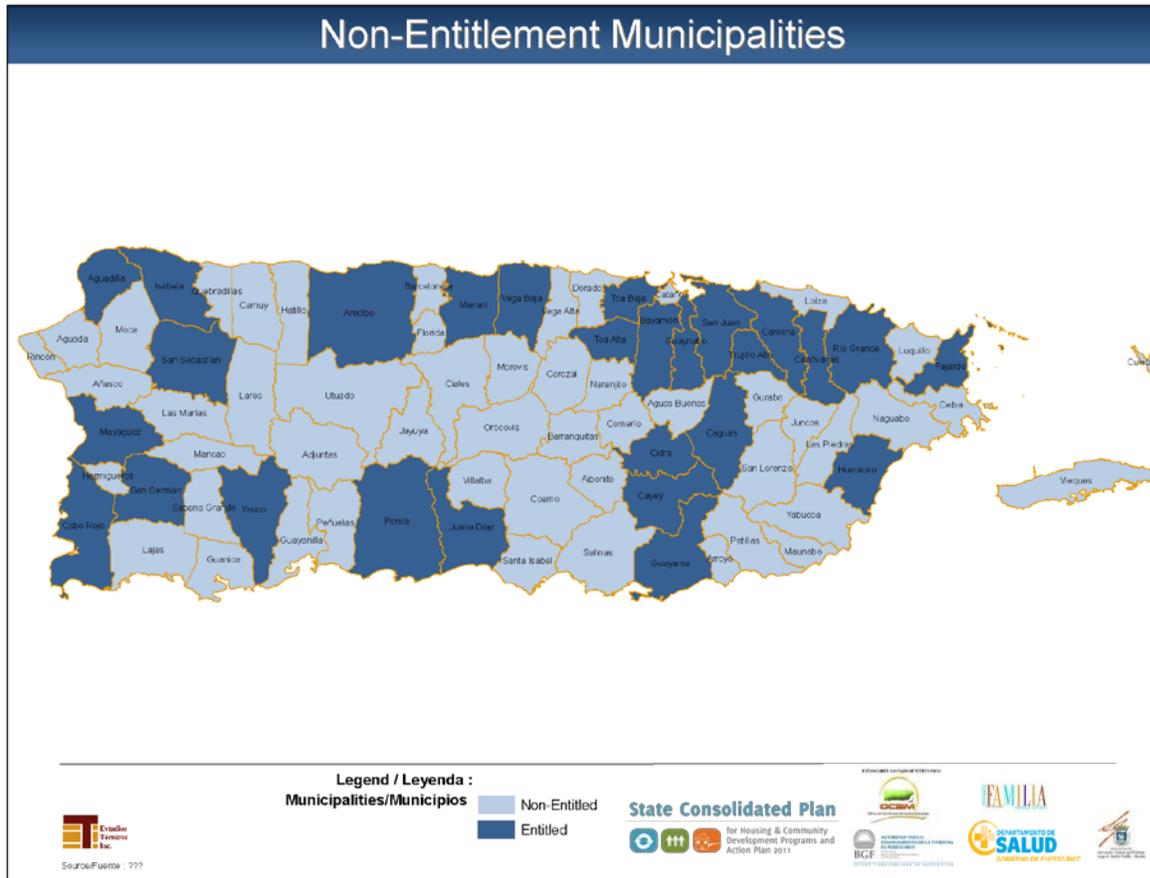
The following figure presents the location of the 51 non-entitlement municipalities of Puerto Rico that we could classify as targeted areas within the non-entitlement municipalities. Census 2000 caused the migration of the municipalities of Cabo Rojo, Guayama, Isabela, San Sebastian,

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San Germán, and Yauco into the CDBG Entitlement Program, leaving 51 municipalities within the current non-entitlement program.

NON-ENTITLEMENT MUNICIPALITIES AS TARGETED AREAS



For PY 2012, \$17,955,000 will be distributed among the 51 non-entitlement municipalities, with \$350,000 distributed as the basic allocation and \$8,576,702 through the Competitive Grant, accounting for 94% of the CDBG funds allocated for PY 2012. State Act Num. 50, approved on January 30, 2004 allows a 15% markup to funds allocated to the offshore municipalities of Vieques and Culebra.

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

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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.

GEOGRAPHIC DISTRIBUTION FOR THE HOME PROGRAM [91.220 (F)]

Statement Concerning that HOME Funds are distributed through a Competitive Process

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 2012 will be distributed to benefit low income families in compliance with 24 CFR 92.203 (a), that Commonwealths *“The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family’s annual income.”* This requirement opens the geographical area of the Commonwealth of Puerto Rico’s 78 municipalities that could be served with the Commonwealth HOME Program. The PRHFA recognizes that the Municipalities of Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Guaynabo, Mayagüez, Ponce, San Juan, Toa Baja, and Trujillo Alto are local PJs on their own, and that the program could complement any eligible request made from these municipalities in order to further the strategic objectives set forth by the PRHFA. Below is a

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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



GEOGRAPHIC DISTRIBUTION FOR THE ESG PROGRAM [91.220 (F)]

Allocation Priorities and Geographic Distribution

ESG program funds area distributed through a competitive process. Thus the ultimate geographic distribution of the assistance cannot be predicted.

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For the last three years, the Department of the Family has been promoting and encouraging participation of recipients in different activities. Many changes resulted from meetings where representatives of the Organizations raised the needs and concerns of the homeless population. Also, the Department has been evaluating and analyzing data from the Point in Time Surveys and other sources of information. It is highly important to notice that, although both Surveys utilized different methodologies, they both raised similar results. For instance, the 2011 Survey showed that most homeless persons are chronically homeless and living on the streets, have a special need, and are not receiving services that promote independent living and self-sufficiency. This data, along with the input from representatives from Coalitions, leads our efforts for Program Year 2012.

GEOGRAPHIC DISTRIBUTION FOR THE HOPWA PROGRAM **[91.220(F)]**

HOPWA funds will be available for municipalities and faith based and community organizations located in the 78 municipalities of Puerto Rico. As explained in other sections of this document 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 Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.**

The PRDOH cannot predict the ultimate geographic distribution of HOPWA funds As it was mentioned before, in order to facilitate HOPWA transition, ordinary grants for 2012, will be assigned through a noncompetitive process based on previous years' grants and performance. Carried over funds will be distributed through open competition. If funds are available after the initial allocation (including previous year funding) of resources they will be distributed according to the method selected by the Municipality of San Juan that can include noncompetitive methods.

AFFORDABLE HOUSING [91.320(G)]

One-Year Goals for the Number of Homeless, Non-homeless, and Special Needs Households

The five years Housing and Community Development Strategy for the CDBG program proposes the homeowner rehabilitation and homebuyer assistance of 3,209 sound, safe and affordable housing units to be provided to low income households; thus increasing the housing stock in Puerto Rico at an annual average rate of 71.6 units. The CDBG Program expects to contribute to this goal with an average annual increase of 11.1 units.

One-year Goals for the Number of Households to be Provided Affordable Housing Units through Activities that Provide Rental Assistance for Production of New Units and Rehabilitation of Existing Units

The housing category provides for the non-entitlement municipalities to assist landlords to bring into HQS the units occupied by low income tenants. No such funding has been requested under the housing category for activities that will provide rental assistance for the production of new units and the rehabilitation of existing units.

Table 3B (Annual Housing Completion Goals)

The annual affordable housing goals for PY 2011 are established in the following table. This table is a template provided by HUD known as Table 3B.

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Optional Table 3B
STATE ANNUAL HOUSING COMPLETION GOALS

Grantee Name:	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	RESOURCES USED DURING THE PERIOD			
			CDBG	HOME	ESG	HOPWA
Program Year:						
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	180		<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units	25		<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Rental Assistance	388		<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Total Sec. 215 Affordable Rental	593		<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE OWNER HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		
Production of new units	32		<input type="checkbox"/>	X		
Rehabilitation of existing units	515		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Total Sec. 215 Affordable Owner	547		X	X	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC. 215)						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units	32		<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units	564		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance	388		X	X		<input type="checkbox"/>

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Total Sec. 215 Affordable Housing	984		X	X	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215)						
Homeless households	5,443		<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
...Non-homeless households	1,400		<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
...Special needs households			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL HOUSING GOALS						
Annual Rental Housing Goal	199		<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal	786		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Total Annual Housing Goal	985		X	X	<input type="checkbox"/>	<input type="checkbox"/>

The table below shows the annual goals for the number of HIV/AIDS household patients to be provided affordable housing through the HOPWA Program.

ONE YEAR GOALS FOR HIV/AIDS AFFORDABLE HOUSING

Affordable Housing	Activities	Goals
Permanent Housing	STRUM	120
Permanent Housing	TBRA	75
Permanent Housing	CHRONOCALLY MENTALLY	5
Transitional Housing	HOSPICE	30
Transitional Housing	Rx DRUG & ALCOHOL	55
Temporary Housing	SHELTER	30

The only stated housing goal is rental assistance through the tenant based rental program. To this end, the participating municipalities will follow the TBRA-Manual adopted by the program. For FY 2011, 75 HIV/AIDS patients are expected to be severed.

SUPPORTING HOUSING ACTIVITIES FOR THE HOMELESS AND OTHER SPECIAL NEEDS INDIVIDUALS ON THE CDBG PROGRAM 91.30(H)

Supportive Housing Activities for Homeless Persons

As it was mentioned in a previous section non-entitlement municipalities may request CDBG funds for 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.

Specific Actions to End Chronic Homelessness

Homelessness is an issue managed by non-entitlement municipalities as best as they can afford it. ESG funding in Puerto Rico is provided by the PR Department of the Family and 10 entitlement municipalities. Several of the non-entitlement municipalities have direct access to the ESG state funds as well.

For several years in a row, OCAM is awarding a priority ranking, as shown in the TABLE below. This ranking is awarded to the municipalities that ask for funding under the Competitive Grant to provide services for the homeless and HIV/AIDS patients and allow applications for improvement of buildings that could be converted or rehabilitated as emergency shelters under the Competitive Grant and the Basic Grant Allocation.

POINTS AWARD UNDER PUBLIC SERVICE CATEGORY

Criteria	Description	Maximum Points
Type of project	Essential services for the disabled.	25
	Essential services for the elderly.	25
	Essential services for the homeless.	25
	Essential youth services	15
	Housing counseling services	10
	Any other public service	6

The maximum points that will be awarded under the Type of Project factor are 25 points.

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In PY 2011, none of the non-entitlement municipalities submitted a proposal requesting funds for the rehabilitation of an emergency shelter, and to provide for providing any public service to attend the needs of the homeless population.

According to *Point in Time Survey & Housing Inventory Count of 2011*, as released by the *Concilio Multisectorial en Apoyo a las Personas Sin Hogar*, in conjunction with the Puerto Rico Department of Family, there are a total of 3,445 homeless persons in Puerto Rico. Of those, 76.8% are considered chronically homeless.

HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES FOR THE HOME PROGRAM [91.320 (H)]

Activities for Addressing Emergency Shelter and Transitional Housing Needs

As discussed in the 2010-2014 Consolidated Plan, throughout the years the problem of homelessness has worsened in Puerto Rico both in terms of magnitude and complexity. The difficult socioeconomic situation that the Island has experienced in recent years directly impacts this population. According to the PIT, 2011 the majority of homeless persons (76.8%) are chronically homeless. A high proportion of homeless individuals confront also other problems, such as drug or alcohol abuse, for example (42.9% and 19.9% respectively). One of every five suffers from a mental health condition (22.4%) and one out of every ten (9.5%) is affected by HIV/AIDS, while 33.9% have a chronic health condition or some kind of handicap.

The profile of the homeless population is also changing over time. When comparing several years of data, the amount of elderly homeless, victims of domestic violence, veterans, and immigrants has noticeably increased.

This data, as well as other sources of information consulted during the need assessment conducted for the preparation of the Consolidated Plan, points out to the need of emergency and transitional shelters.

Housing, by definition of 24 CFR 92.2 of the HOME Program, does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing HOMEs,

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convalescent HOMEs, hospitals, residential treatment facilities, correctional facilities, and student dormitories. It does, however, include manufactured housing and manufactured housing lots, permanent housing for disabled Homeless persons, transitional housing, single-room occupancy housing, and group HOMEs. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings.

On this basis, the HOME Program cannot fund any project designated as an emergency shelter. On the other hand, funding allocation for transitional (rental) housing has been made through the development of single-room projects throughout the Island, sponsored mainly by nonprofits and some private developers.

Activities to Help the Transition of Homeless Persons to Permanent Housing and Independent Living

Some of the planned actions included in the action plan are working with community organizations, local governments, and high-level officials of the Government of Puerto Rico to establish a timeframe in order to coordinate the priorities and needs that will allocate HOME funds for the construction of permanent housing. This is to increase the inventory and quality of housing and the supportive services needed to benefit Homeless families with children to make the transition into independent living. To this end, the Commonwealth HOME Program has provided funding for the construction of single room rental occupancy projects for the chronically homeless. For instance, El Edén project is expected to provide single room rent housing, for homeless and chronically homeless. The need for this type of housing has been identified in the municipalities of Arecibo, Cataño, Ponce, Comerío, Caguas, San Juan, Loíza, Aguadilla, Bayamón, Río Grande, Juncos, Cidra, Carolina, and Guayama.

Homelessness Prevention Activities

The PRHFA is an active member of the Interagency Public Policy Homeless Council, and plays an active role in the development of the Commonwealth's policy regarding Homelessness. The interagency committee created as a result of the Commonwealth's efforts to address Homelessness among families with children also include: the Governor's Office, PR Department

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of the Family, Office of the Commissioner for Municipal Affairs, PR Department of Health, Commonwealth Mental Health Administration, Head Start, Veterans Services Administration, PR Department of Labor, Commonwealth-level Homeless Services Administrators-Continuum-of-Care, Advocacy organizations, the PR Department of Education, among other private interests.

The goals of the Homeless Policy Committee are:

1. To increase political will, interagency collaboration, and advocacy.
2. To enhance systems and program capacity and integration.
3. To develop a strong planning, research, and evaluation infrastructure.

No executive role in Homeless prevention is taken by the Commonwealth HOME Program other than an advisory role in the interagency committee.

Activities to Address Special Needs of Non Homeless Persons

As pointed out in the Consolidated Plan, there are other groups in addition to homeless that require housing and supportive 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.

The Commonwealth HOME Program provides HOME funds to CHDOs and developers for the construction and rehabilitation of affordable housing to sell or rent for the benefit of the elderly and of persons with disabilities.

The Commonwealth HOME Program encourages and sponsors the development of projects to assist the special needs of the population. Among the priorities established in the program are to provide preference to persons with disabilities and to elderly individuals, taking into consideration the special needs of this type of population; such as social and medical services in the vicinity, and especially their housing needs.

PRHFA public policy focuses on the goal of preventing an individual with disabilities or special needs

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benefits, or excluded from any program or activity receiving federal and/or local funds. Accessibility in the design, construction, rehabilitation, and removal of architectural and communications barriers will be guaranteed in all activities developed by the HOME Program.

In addition, the PRFHA is aware that elderly individuals are more predisposed to rent than to acquire a house. To that effect, the Commonwealth HOME Program, as required by Act 213 of August 29th 2000, will allocate 5% of the funding for rental activity to the construction of single room occupancy projects for the special need population. In addition, special attention is given to solicitants with a family member with physical or mental disabilities that applies for rehabilitation or new construction, in order to properly address their needs for a reasonable accommodation.

The PRFHA and the Commonwealth HOME Program guarantee that all projects developed with HOME funds comply with Federal regulations, ensuring the special needs population accessibility for:

- For rental projects with four (4) or more assisted housing units, the Commonwealth HOME Program assures that 5% or more dwellings will be accessible to individuals with mobility impairments, and 2% for persons with sensory disabilities.
- The Commonwealth HOME Program gives special attention to assure that owners of projects will provide information regarding the availability of accessible housing units in order to reach individuals with disabilities. This requirement is stipulated in the contract agreements. During PY 2012, the Commonwealth HOME Program will continue to assist special needs persons (mostly elderly citizens), among others, by providing rental housing.

HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES FOR THE ESG PROGRAM [91 .320(H)]

Current Chronic Homelessness Strategy

Most strategies and action steps implemented by the PRMC are directed to unsheltered chronic homeless persons and families. Progress was made in the past years in promoting both transitional and permanent housing for the homeless, as well as employment, health, mental health, and other services directed to assisting homeless persons to become self-sufficient. A

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growing number of stakeholder entities collaborated with the PRMC in the planning of strategies to end chronic homelessness in Puerto Rico, including top government officials, foundations, CBOs, FBOs and private organizations.

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.

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.

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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 intermediate and 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.

Monitoring of the development of formal protocols and the implementation of discharge policies from all child welfare, correctional, health and SA/MH agencies and institutions, as a means of preventing chronic homelessness.

Promotion of continual outreach to homeless populations, especially youth, to promote their admission to mainstream and dedicated services as early as possible to prevent chronic homelessness.

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Continued participation of the Multisector Council Board members in national forums to keep abreast of best practices, research findings and funding trends.

Continued planning and implementation of awareness building and outreach activities, including the Solidarity Day with the Homeless annually.

Continued emphasis on education of legislators and elected officials on issues of homelessness to promote legislation that promotes the welfare of homeless populations and the prevention of homelessness.

Continuation promotion and collaborative efforts to increase federal, state, local and private investment and funding allotments to programs benefiting the chronic homeless populations.

Exert leadership in the “Continuum of Care” in order to prevent homelessness by developing stable, low cost housing units; and by providing greater training and employment opportunities for people at risk of becoming homeless.

Create and advertising and promotional campaign (printed media, radio and direct communications at shopping centers and other places) that targets population groups at risk of losing their home, living in disadvantaged communities, or who have suffered from a sudden loss of income to orientate them about the types of services offered by the agency and how to apply for them.

Use of other written communications strategies, aimed at municipalities and other government agencies, to inform them about DF programs that serve people at risk of losing their homes.

Promote the expansion of the amount of permanent housing units for homeless persons.

Inform population groups at risk of becoming homeless about the creation, development, and financing sources available for them to establish microenterprises in their communities in order to achieve self-sufficiency.

To comply with HUD requirement, the Puerto Rico Multisector Council participated in the Puerto Rico Point-in Time Count of Homeless in coordination with the PR Homeless Coalitions which took place on January 26, 2011, and which is to be carried out every two years in

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accordance with HUD requirements to assess changing statistics on the number and needs of homeless populations.

Emergency Solutions Grants Funds will be used to address the need of the Chronic Homeless the following diagram shows the different ESG eligible activities and the expected population of homeless persons to be served during program year 2012:

Activity	Type of Assistance	Annual Goal (Number of services to be provided to Chronic Homeless)
Street Outreach	<ul style="list-style-type: none"> Essential Services Engagement Case management Emergency health and mental health services Transportation Services for special populations 	6,784
Emergency Shelter	<ul style="list-style-type: none"> Shelter Case Management Educational Services Employment Assistance Outpatient Health Services Legal Services Life Skills Mental Health Services Services for Special Populations Transportation 	4,191 services 77 new beds
Prevention	<ul style="list-style-type: none"> Housing Relocation and Stabilization Services Short and Medium term Rental Assistance 	Approximately 186 rental vouchers (18 months)
Rapid Rehousing	<ul style="list-style-type: none"> Housing Relocation and Stabilization Services Short and Medium term Rental Assistance 	Approximately 117 rental vouchers (18 months)

In addition to the ESG funds, the Chronic homeless population will be served with CoC funds. The following table shows the expected number of Chronic Homeless to be served with CoC funds:

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Housing Type	Number of Homeless
Shelter	183
Permanent Supportive Housing	513
Safe Haven	17
Transitional Housing	663

HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES FOR THE HOPWA PROGRAM [91 .320(H)]

HOPWA is an active component of the Continuum of Care (CoC) System. The goal of the CoC is to support the development of a coordinated system for homeless assistance and the prevention of homelessness. The PR Department of the Family is the lead agency in the planning and administration of the CoC strategy in Puerto Rico.

Other programs proposed for emergency shelter, transitional housing programs to assist in the transition to permanent housing and independent living

The PRDOH will support any initiative started by any project sponsor including the municipalities to look for federal or state funding toward the provision of emergency shelters and, transitional housing programs that will assist in the transition to permanent housing and independent living.

Homeless prevention activities

The HOPWA Program provides emergency financial assistance (short term mortgage, rental and utilities payment assistance) to prevent homelessness. Participants can solicit assistance in paying some or all of these eligible expenses when they are in arrears in order to eliminate the threat of homelessness of the HIV/AIDS patient.

STRMU assistance is “needs-based” and intended to benefit clients who are temporarily unable to meet their monthly housing and utility expenses due to unexpected situations. STRMU assistance should be consistent with an assessment of the family’s housing or utility needs and

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connected to the establishment of a related individual housing service plan to address those ongoing needs.

HIV/AIDS patients are eligible for STRMU assistance if they are low-income, current residents and at risks of homelessness. Financial assistance regarding mortgage or rent will not exceed the cap of the 5-month limit (21 weeks) in calendar or program year non-consecutive assistance.

Housing activities with supportive services undertaken to address the priority housing needs of persons who are not homeless (elderly, frail elderly, persons with disabilities, persons with alcohol or other substance abuse problems)

The PRDOH is funding two activities providing supportive housing activities, under the transitional housing category:

Institutional Hospice is a service directed to persons living with HIV/AIDS who are terminally ill and who need intensive care for a limited period of time. This service includes, as its core components, the provision of meals, bedroom, case management, nursing, nutritional evaluation, medical assistance, and nutritional supplements.

Drugs and Alcohol Abuse Treatment is a service provided to HIV/AIDS patients who are introduced to treatment to reduce or eliminate substances abuse. The treatment will be provided in an inpatient health service setting for a limited period of time that could not exceed two years for each patient. The following core components are the provision of meals, bedroom, case management, nursing, mental health assistance, and addiction counseling.

Specific action steps to end chronic homelessness identified

Patients with HIV may be in high risk to become homeless due to their medical condition, which prevents them of maintaining an active role in society. The HOPWA Action Plan is a component of the State CoC System that organizes and delivers housing and supportive services to meet the specific needs of patients with HIV. Through the CoC, homeless patients can move to stable housing and maximum self-sufficiency, by receiving relevant services including, health and

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mental care.. Thus, the homeless HOPWA strategy can meet the specific actions to provide housing assistance to the chronic homeless.

BARRIERS TO AFFORDABLE HOUSING FOR THE CDBG PROGRAM [91.320(I)]

As explained in the Consolidated Plan, the key barrier to affordable housing in Puerto Rico is the cost of housing relative to the income level of Puerto Rico. From this standpoint, the Island suffers a serious affordability issue, as shown by the Housing Affordability Index¹ and other sources of information. Given the current housing situation, housing price reductions have increased affordability. However, in lower priced segments having little inventory levels, housing prices are not expected to have dropped as much.

From a demand standpoint, affordability is closely related to employment and income issues. Notwithstanding, a number of local policies present obstacles to affordable housing development, maintenance, and rehabilitation. These have been identified through years of citizen participation processes, and confirmed in the Consolidated Plan process. The following list summarized the findings:

- Zoning regulations and permitting processes;
- Building codes;
- Municipal construction-related taxes; and
- Property taxes.

¹The HAI is a composite index consisting of the median family income, the effective Fedunds rate, plus the conventional 30-year mortgage loans rate. It attempts to compare the median price of housing sold in the market for new construction housing in Puerto Rico, with the median family income needed to sustain the cost of ownership. If the Index is 100 or above, then housing is considered accessible as the median family income suffices to cover the median cost of housing. The median family income is insufficient in the case of measures less than 100, suggesting a market with poor access to housing.

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Other obstacles, not necessarily related to public policy but worth noting and relevant for the Plan, include the following:

- **Lack of capital:** Homebuyers lack enough capital to afford down payments and closing costs;
- **High cost of utilities:** The high cost of utilities in Puerto Rico reduces the income available in households for mortgage payments.
- **Ignorance of available programs;**
- **Financing limitations:** Lack of financing programs for consumers having credit issues.
- **Complexity of mortgage lending:** Low literacy rates and problems understanding the complex issues of mortgage lending lead individuals to avoid the process.
- **Cost of land:** Lack of suitable and affordable land.
- **The lack of one-stop housing service centers:** To comply with many requirements of affordable housing programs, people have to visit different offices. This affects low-income individuals with poor access to transportation, and imposes a burden on disabled or elderly individuals.

The CDBG Homeownership Initiative targets low-income persons that have been discouraged from the opportunity to own their home feeling excluded from the housing market because they do not have the savings to pay for the down payment and closing cost of a house purchase.

During program year 2011 a total of \$5 million were distributed under the Neighborhood Stabilization Program 3. Although these funds are considered 2008 funds they were allocated during program year 2011. These funds were first used to purchase foreclosed units, rehabilitate them and sell them to low, moderate, and middle income families. The State

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expects to make available a total of 43 units for low moderate- and middle-income households through NSP Eligible Activities. All funds have been assigned and all sub-grantees will continue to develop the program.

BARRIERS TO AFFORDABLE HOUSING FOR THE HOME PROGRAM [91.320(I)]

Actions to Remove Barriers to Affordable Housing

The PRHFA has taken the following steps to minimize barriers to provide affordable housing to underserved citizens:

- The PRHFA provides housing counseling and assistance to applicants for the housing programs. Before filing an application, the solicitant receive from a trained counselor; advise on the type of assistance that he/she might be eligible. The solicitants could file any request for assistance for: Direct Loan Program, HOME Program, Section 8, Down payment Assistance, Mortgage Insurance Program, “Programa Mi Nuevo Hogar” for assistance to closing cost, Interest Subsidy, among other related services. Also, referred the applicants for the Puerto Rico Department of Housing to obtained information for other housing programs available (Comunidades Especiales, Law 173 Elderly Rental Assistance, Public Housing, On-Site Rehabilitation and Domestic Violence Victims Program).
- The citizens are allowed to complete their applications electronically; therefore, a permanent record is available for follow-up and status.
- The PRHFA programs could be accessed on the Internet at www.afv.gobierno.pr
- The PRHFA will coordinate with the pertinent agencies the identification of infrastructure deficiencies and plans and/or possibilities to improve said deficiencies to determine projects viability and be able to provide practical alternative of development future projects.
- The high costs of housing development in Puerto Rico, the non-availability of decent and safe houses for low and moderate income have been determining factors for the State HOME Program.
- The PRHFA uses the parameter allowed by the HOME Program regulations and subsidizes units that do not exceed 95% of the value of FHA, according to the need of the specific area. The limits established by Act 124 fall below the FHA mortgage limits.

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- Through the on-going Community Impact activities the PRHFA provides information about its services and other governmental agencies regarding their programs, and fill applications to citizens around the Island with housing and other needs.
- Housing fairs
- Collaborative work with the Department of Housing' regional offices.
- Peer to peer counseling at the PRHFA offices.

BARRIERS TO AFFORDABLE HOUSING FOR THE HOPWA PROGRAM [91.320(1)]

In order to meet housing needs and to reduce housing barriers for PLWHA, the PRDOH HOPWA program will take into consideration the following several components, which include:

- The creation of a continuum of housing and service options that addresses the diverse range of persons living with HIV/AIDS needing assistance, including their families, drug and alcohol abusers seeking treatment, and persons of different ethnic and culture backgrounds. This continuum care will provide for a linkage system whereas non-profit organizations sponsored projects will be linked with other Commonwealth government agencies and municipalities to offer other housing and services options;
- Encouraging the HOPWA clients to live “normal” lives, while still meeting health and other service needs, in order to continue their productivity in job settings;
- The provision of services or adequate home care avoids unnecessary and costly stays in acute care settings, thus improving the cost effectiveness of services;
- The promotion of a stable home environment to the clients with complex drug therapies and potential side effects from their treatments. Flexibility in the provision of services is necessary to accommodate the fluctuating needs of clients to promote a stable home. Home stability is critically important for these persons because it is a vital part of their physical and mental health care.
- Efforts will continue to assure that housing for these clients provides as much control over their environment as possible. Most clients are independent individuals that want

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to care for themselves for as long as they can. The challenge is to provide housing that meets the physical needs of the individuals, yet promoting and facilitating independent living.

As life expectancy of persons living with HIV/AIDS continues to increase and new cases are diagnosed, appropriate housing becomes scarcer. New and innovative ways have to be explored and tested to increase the supply of housing for these clients including adapting and rehabilitating current facilities, including private homes where they already live, to meet their needs.

OTHER ACTIONS FOR THE CDBG PROGRAM [91.320(J)]

Address Obstacles to Meeting Underserved Needs

OCAM is committed to meet the primary objective of the CDBG program expending no less than 70% of the funds in activities to assist low and moderate income persons, including the underserved needs.

The method of distribution for the Competitive Grant provides 25 points to any public service activities that serve disabled individuals as an effort to meet the underserved needs.

Foster and Maintain Affordable Housing Including the Coordination of Low-Income Housing Tax Credits with the Development of Affordable Housing

The major action carried out to foster and maintain affordable housing is the rehabilitation of the housing stock throughout the non-entitlement municipalities. The housing activity is the second priority established by the State. OCAM has modified the program rules to assist the municipalities in the prompt rehabilitation of the housing stock. The modified rules provide for the elimination of specific conditions necessary to eliminate specific conditions detrimental to the health and safety of the household; the need to invest up to \$15,000 for the purchase of construction material or materiel necessary for the rehabilitation of the dwelling. Exception for this rule will be evaluated on a case by case basis by OCAM; the authorization to commit up to

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45% of the unobligated funds to pay for the construction brigade payroll and compliance of the Housing Rehabilitation Guideline adopted by OCAM. In addition, a category allowing building materials grants of up to \$3,000 per housing unit will be available to municipalities in order to further said objectives.

Evaluate and Reduce Lead Based Paint Hazards

All CDBG funded housing acquisition and rehabilitation, of pre-1978 units should meet the provisions established in Attachment 24-1 of HUD Manual 6509.2 REV. 5. The new HUD requirements are listed below:

Lead-based Paint Compliance for Housing Acquisition	
Acquisition, Leasing, Support Services, or Operation	<ul style="list-style-type: none"> • Provision of pamphlet. • Visual assessment • Option of paint testing and notice to occupants of evaluation. • Paint stabilization. • Ongoing LBP maintenance
Lead-based Paint Compliance for Housing Rehabilitation	
For all Properties	<ul style="list-style-type: none"> • Provision of pamphlet. • Paint testing of surfaces to be disturbed, or presumed LBP. Notice to occupants of evaluation for paint testing or presumption. • Lead safe work practices during rehabilitation and lead hazard reduction. • Ongoing LBP maintenance if HOME.
Properties receiving less than or equal to \$15,000 per unit federal rehabilitation assistance	<ul style="list-style-type: none"> • Safe work practices during rehabilitation. Repaired disturbed paint. • Clearance of the worksite.
Properties receiving more than \$3,001 and up to \$15,000 per unit	<ul style="list-style-type: none"> • Risk assessment. • Interim controls. • Notice to occupants of lead hazard reduction including clearance.
Properties receiving more than \$15,000 per unit	<ul style="list-style-type: none"> • Risk assessment. • Abatement of LBP. • Notice to occupants of lead hazard reduction including clearance.

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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.

Reduce the Number of Poverty Level Families

The actions pursued by OCAM to reduce the number of poverty level families at the non-entitlement municipalities is to promote economic development activities assisted with CDBG funds and the Loan Guarantee funds provided by Section 108 of the Housing and Community Development Act of 1974 as amended.

OCAM is pursuing the strategy of Governor Luis Fortuño that includes the following:

The establishment of permit reform that will make it much easier and secure to open a business in Puerto Rico thus creating jobs opportunities for poverty level families.

The promotion of public-private partnerships

A two-year \$500 million of investment through the local (criollo) stimulus plan, of which 36% is driven toward small- and midsize-business stimulus (\$180 million); \$94.5 million toward consumer relief, especially to retirees and Social Security recipients; and \$15.5 million to government for retraining and updating the permit process. The most significant part of the program provides \$210.5 million for capital-improvement projects.

Reducing the taxes of low and moderate income persons

Channeling the \$7 billion of the federal assistance include in the American Recovery and Reinvestment Act.

The goals of the Governor's reconstruction plan are threefold: stabilize Puerto Rico's fiscal situation, safeguard the island's credit rating and rebuild the local economy. With these actions, the state has invested more than \$7.5 billion in the economy over the past three years, balanced the budget, continue producing savings and cut expenses in a way that safeguards Puerto Rico's

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credit.

Develop Institutional Structure

OCAM has been successful carrying out several actions to develop the institutional structure of the program as it has been receiving new responsibilities oriented to municipalize state services. For instance, the Código de Orden Público has been moved from the Commonwealth Police Department to OCAM, in order to refocus the program not as a police action effort, but as a community police action, close to the communities served by the municipal police departments.

The institutional structure has been successful at the federal and state level. On the state level, OCAM is the lead agency for the consolidated planning for the four community planning and development programs funded by HUD and a firsthand resource for the non-profit sector.

Enhance Coordination between Public and Private Housing and Social Service Agencies

No specific actions have been address with CDBG funds to enhance coordination between public and private housing and social service agencies. 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. Please see the statements made on this issue from the other state agencies.

Address the Needs of Public Housing (including providing financial or other assistance to troubled public housing agencies)

No actions have been address with CDBG funds to assist the needs of public housing, including financial or other assistance for any troubled public housing agencies in the Island. Please see the statements made on this issue from the other state agencies.

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Encouragement of Public Housing Residents to Become More Involved in Management and Participate in Homeownership

No actions have been address with CDBG funds to encourage public housing residents to become more involved in the management of their housing projects and to participate in the homeownership opportunities offered to them. Please see the statements made on this issue from the other state agencies.

OTHER ACTIONS FOR THE HOME PROGRAM 91.320 (J)

A number of actions will be undertaken by the Commonwealth during the next year to implement the strategic plan. These are mentioned below.

Address Obstacles to Meeting Underserved Needs

The main obstacles to meeting underserved needs are policy and administrative 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 2011-2015 and the establishment of the Housing Plan Implementation Committee (HPIC). These tasks were undertaken by The Puerto Rico Housing Task Force, which was created by Governor Fortuño, 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 the comprehensive market-based housing plan on the Island.

As part of this agreement, HUD has provided Puerto Rico with significant training and technical assistance. The aim is to integrate the HOME Program, along with others in both the public and private sectors, into a comprehensive and effective housing and community development plan.

In addition, the Commonwealth **HOME** Program will ensure that **HOME** rules regarding affordability period will be observed, as stipulated at 24CFR 92.252 (e) for rental housing and 24 CFR 92.254 for Homeownership. The assisted properties will remain affordable and available for low-income families. Restrictions to sale during the affordability period will be included in deeds and/or agreements in the form of a second mortgage over the property.

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Resale provisions will be used as an exception, in projects where the financial feasibility of the project (multifamily) requires such type of affordability restriction. The resale provision will entail the following criteria:

The resale restriction will assure that the assisted housing unit remains affordable even if it will be acquired by another family (it must be low-income), and will remain the family's principal residence during the term of affordability, as stated above, and thus cannot be sold, donated, exchanged or in any other way conveyed without the expressed written consent of PRHFA. Additionally, the subsequent sale's price of the HOME assisted Property cannot exceed the maximum sale's price for low income housing. Moreover, the HOME assisted Property will remain affordable to a reasonable range of low-income Homebuyers during the aforementioned Term of Affordability. Finally, program participants are entitled to receive a fair return on investments made on the Property at the time of, or subsequent to, the HOME assisted Property acquisition. For further explanation on Resale Provisions see section "*Description of the Resale Guidelines for the Homebuyer Activity*".

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). Finally, the affordability restrictions will not run against the developer's subsidy, hence only direct subsidy is subject to recapture. Recaptured funds will be used in HOME eligible activities.

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 **HOME**-assisted units must meet the affordability requirements for no less the applicable period specified below, beginning after project completion or occupancy, whichever is last. It is

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also related to the resale of the property. It will be applied depending on the type of project that was assisted.

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
New Construction of rental housing	20 years

The aforementioned affordability period requirements are enforced through a deed restriction and covenant registered at the Department of Justice Property Registry. 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. As mentioned before, to reduce costs and foster affordable housing, the State HOME Program will continue to leverage HOME Program funds for rental projects that are eligible for Low Income Housing Tax Credits (LIHTC).

One of the primary goals of the PRHFA is to handle the need for adequate rental housing, as a matter of social justice for extremely and very low-income tenants.

Aware of the fact that the demand for low-income housing is greater than the offered by the market, the PRHFA develops new financing mechanisms to increase the offer of available rental housing units. To this end, the Authority manages two programs:

Section 42 of the Internal Revenue Code

This program provides:

Financing through the sale of tax credits to eligible investors.

The product of the sale contributes to create and preserve rental-housing units.

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The Federal Housing Tax Credit Program receives each year nearly \$8.2 million, which generates an investment of approximately \$67.7 million in Puerto Rico's economy.

These objectives are compatible with the objectives set forward by the State **HOME** Program.

In addition, the **PRDH** provide Section 8 Project-Based Rental Assistance, and Act No. 173 – Elderly Rental Assistance that will be used on **HOME** funded projects to support and maintain affordable rental projects for low-income families and elderly citizens.

Evaluate and Reduce Lead Based Paint Hazards

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

Visual assessment for deteriorated paint in units built before 1978

Initial and annual HQS inspections

Data collection from residents and governmental health and environmental agencies to detect or identify the existing or possible risks

Disclose information among residents of lead-based paint hazards

Stabilization, removal and disposal of dangerous material

The State HOME Program has contracted companies to provide technical assistance for the evaluations, visual assessment, HQS inspections and paint testing (when necessary) for the housing units that will be rehabilitated with **HOME** funds in order to comply with lead-based paint requirements and other applicable federal environmental laws and regulations.

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

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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:

1. Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your **HOME**" pamphlet)
2. 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
3. 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)

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4. 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.
5. 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 2012, The PRHFA will conduct a review off its processes and procedures previously described.

Reduce the Number of Poverty Level Families

Although, the factors over which the Commonwealth of Puerto Rico has direct influence are few, an effort to address the needs of impoverished people, through a unified approach to reduce the number of poverty level families in Puerto Rico is its primary goal. The stability and support of those currently in need will help reduce further socio-economic deterioration for those in poverty.

Six basic strategies will continue in this action plan:

1. To coordinate and direct Commonwealth and Federal resources toward a unified strategy for community and economic development to enhance the health, safety, and economic vitality of our communities and neighborhoods.
2. To assist private and community groups in the capitalization funding for the development of permanent housing for the Homeless poor and supportive housing for the chronic Homeless.
3. To provide housing funds to preserve existing residential neighborhoods and existing

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housing within a framework of neighborhood revitalization and community development.

5. Support enhanced efforts to ensure Homeownership for low income families, increasing the number of affordable housing built and supported living opportunities for people with disabilities.
6. Maintain effective Commonwealth-wide housing and community development policies and programs in partnership with the private sector, community groups, Federal and municipal governments' island wide.

Develop Institutional Structure

The PRDH is identified as the "first point of contact" for the institutional structure. This role is supported by its designation by the Commonwealth's Legislature to serve as the Commonwealth's lead coordinating housing agency.

In July 2010 The Puerto Rico Housing Finance Authority (PRHFA) became the State Agency for the HOME program. The PRHFA currently manages a number of federally and locally sponsored housing programs, associated to rental and homeownership programs. It also has the capacity to coordinate with private, non-profit and public agencies activities and actions that facilitate program planning and implementation. Currently the PRHFA has a close working relationship with CHDOS, Municipalities, non-profit and for profit developers and the financial industry. Finally, it manages other Federal and Local housing programs, which has allowed PRHFA to implement a strategy to leverage funds among programs.

The PRDH, as the Commonwealth's agency responsible of housing policy, and the PRHFA, for its role with the HOME and other programs, will share responsibilities for and collaborate in intergovernmental coordination and cooperation between the Commonwealth's agencies and the federal government in its efforts to produce and preserve affordable housing within the Island, pursuing the goals and objectives for preserving the supply of affordable housing and promoting community development activities. Both agencies are part of the Housing Task Force

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which led the development of the Housing Needs Assessment and the State Housing Plan 2011-2015, completed in September 2011.

A mayor achievement has been the creation of Puerto Rico's Housing Plan Implementation Committee which has as members the Department of Housing, PRHFA, Department of Family, Department of Health, The Association of Mayor, The Federation of Mayor, Permit Management Office, The Puerto Rico Planning Board, The Municipality of San Juan and representatives from non-profit organizations. The Committee also integrates four subcommittees who implement specific actions included in the HPIC implementation Plan.

Enhance Coordination between Public and Private Housing and Social Service Agencies

The **PRHFA** will continue to conduct and foster open participation, including supportive assistance, with the goal of facilitating meaningful involvement. It will work to increase participation at all levels, especially among extremely low and very-low income groups, as well as those traditionally under-represented, involving organizations, which represent need populations across the Island.

The **PRHFA** recognizes the importance of partnering or collaborating with other agencies to help serve its housing needs. Non-profit organizations play an important role in the provision of affordable housing, supportive housing and social services, and economic development activities. Local organizations, with direct public contact, have a clear view and understanding of the **PRHFA's** housing and human service's needs. Such organizations are an essential part of the institutional structure, and typically serve in one or more of the following capacities:

They are eligible to receive public and private funds or resources targeted at serving need populations,

They are legally restricted or structured by organizational charter to serve lower income or specific needs population,

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They are identified by regulation, program or otherwise allowed to undertake certain governmental programs serving need populations or,

They are daily contact with, represent or advocate on behalf of certain populations in need.

Private sector participants in the preservation or development of the PRHFA's housing delivery system include segments from the financial institutions, builders/developers, foundations, and realtor fields. Local financial institutions provide construction financing, low interest rehabilitation loans, mortgage financing and loan servicing, while builders/developers are active in participating in affordable housing projects. Many private businesses and organizations are involved or support the efforts of public agencies to provide human services and opportunities throughout the Island. Based on the needs and objectives developed in the 5 Year Housing Strategy, the **PRHFA** is prepared to support applications for assistance by other entities, which serve to accomplish the goals set forth in the **5YHS**.

Coordination strategies are provided in the context of primary, secondary, and tertiary levels of program or project service delivery. The **PRHFA** will pursue and support efforts to develop municipal and regional partnerships, in addition to collaboration with private and non-profit development corporations. The collective efforts of all parties will ensure that available resources are allocated to priority activities. The institutional structure, through which the **PRHFA** proposes to accomplish its Housing Strategy goals, is organized in three groups of service providers. These groups are referred to as primary, secondary, and tertiary service partners. This stratification illustrates the degree to which various service providers may be associated with the implementation of the **PRHFA 5YHS**.

PRIMARY Service Partners (P): Include PRHFA, the housing agencies of the PRDH, and any other agency or element associated at this level.

SECONDARY Service Partners (S): Include public, private or non-profit agencies, which although not attached to the organizational structure of the **PRHFA**, may participate in or provide services

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related to the implementation of various **5YHS** elements or related activities.

TERTIARY Service Partners (T):

Include local public or privately- funded agencies, federal government agencies and departments or other partners, and with common but broader missions than that of the PRHFA. They may provide funding, capacity building, advocate services or related resources that support the PRHFA in its implementation of various Housing Strategy elements or activities.

Non-profits, specifically the community housing development organizations has been creating a large network of capable non-profit housing providers, and the **PRHFA** is interested in effecting coordination among these providers, the faith-based organizations and the local government.

Through these types of working partnerships, the **PRHFA** can ensure that available resources are used to their fullest potential.

No exception is the private sector. They are a key element in the planning, financing, construction and marketing of affordable housing. They are partners in the continuous discussion of the most pressing needs of the community.

Address the Needs of Public Housing

The State **HOME** Program does not provide financial assistance to any troubled public housing agency in Puerto Rico.

OTHER ACTIONS FOR THE ESG PROGRAM [91.320(J)]

Actions to Evaluate and Reduce Lead Based Paint Hazards

The Department of the Family will require to the ESG organizations that provided housing or other services regularly frequented by children less than 6 years old age a certification that the

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property where they provide the services to the homeless is free of lead-based hazard from a qualified professional. Also, we will encourage the recipients to use ESG funds for testing and for abatement procedures.

Actions to Reduce the Number of Poverty Level Families

The DF will continue enforcing its Mission Statement which establishes it is the Department's mission "to facilitate the empowerment and self-sufficiency of the persons, families and the communities; promoting their strengthening sensibly, and respectful of their needs and aspirations for development and peace".

To reach this mission, the reduction of the number of poverty level families in Puerto Rico is a primary goal of the Department of the Family. The programs described in Table XVIII are implemented island-wide to help reduce further socio-economic deterioration for those in poverty.

Rapid Re-housing and Prevention Activities

Municipalities and Organizations sub grantees are responsible for ensuring that property owners and managers meet the lead-based paint requirements. Under ESG, the rule is that a lead-based paint visual assessment must be completed for all units that meet the three following conditions:

- The household living in the unit is being assisted with ESG Prevention/Rapid Re-housing assistance (rent assistance, utilities assistance, utility/security deposits, or arrears)
- The unit was constructed prior to 1978.
- A child under the age of six is or will be living in the unit.

Under ESG, the lead requirements apply regardless of whether a household is remaining in an existing unit or moving to a new unit. The visual assessment must be completed prior to ESG assistance being provided, and annually thereafter. Depending on the results of the visual assessment, additional steps may be required before assistance can be provided for that unit.

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There are certain exceptions to the rule. Visual assessments by ESG staff are not triggered under the following circumstances:

- It is a zero-bedroom or SRO-sized unit;
- X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
- The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- The client is receiving Federal assistance from another program, where the unit has already undergone a visual assessment within the past 12 months
- It meets any of the other exemptions described in 24 CFR Part 35.115(a).

If a visual assessment reveals problems with paint surfaces, ESG staff cannot approve the unit for assistance until the deteriorating paint has been repaired. In this case, ESG staff will either work with the property owner/manager to complete needed paint stabilization activities and clearance, work with the household to locate a different (lead-safe) unit, or refer the client to a different program if ESG assistance cannot be provided.

OTHER ACTIONS FOR THE HOPWA PROGRAM [91.320(J)]

To Foster and maintain affordable housing (including the coordination of Low-Income Housing Tax Credits with the development of affordable housing)

The strategy to foster and maintain affordable housing is to maintain the TBRA activity that is currently administered by local governments. In addition to using previous year funds, the Municipality of San Juan will provide grants to nonprofit and municipalities for the acquisition and/or rehabilitation of building to be used for housing.

To Evaluate and reduce lead based paint hazards

The HOPWA program requires to the municipalities participating in the tenant based rental

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assistance program and the community based organizations that provide housing services to the patients with HIV/AIDS to:

Provide notification of a written notice to occupants informing them of lead hazard evaluation or reduction activities. This notice will be provided to tenant's occupants advising about the potential presence and hazards of lead-based paint. Notification is achieved through the distribution of the EPA/HUD/CPSC lead based paint hazard information pamphlet. All property owners must disclose available information about the presence of lead-based paint and provide prospective tenants with existing documentation on known lead-based paint hazards in the dwelling unit.

In addition, visual inspections must be performed on properties constructed prior to 1978 to identify defective paint surfaces. The assessment will include the evaluation of interior and exterior painted surfaces to identify specific conditions that contribute to lead-based paint hazards. A certified risk assessor or Housing Quality Standards (HQS) inspector trained in visual assessment will perform the assessment. They will recommend if a Paint Testing is needed at the property.

Reduce the number of poverty level families

The PRDOH strategy to reduce the number of families living under poverty level, whose householder is an HIV/AIDS patient, is to provide housing and supportive services that diminishes the risk of financial constrains for the family. The HOPWA plan covers all the housing venues that HIV clients might need to attain in order to focus in their medical treatment, and thus improve their quality of life.

Enhance coordination between public and private housing and social service agencies

Through the years, State HOPWA program has dedicated efforts to enhance coordination between public and private housing and social service agencies. A statutory requirement of the program is to clearly establish the eligibility criteria to award funding to community-based

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organizations. Non-profit organizations play a critical role in the provision of public services initiatives in several ways:

- They advocate work on behalf of HIV/AIDS patients supporting their housing needs;
- They are involved in the community and are knowledgeable about the services needed, and participate in designing and implementing programs that respond to the patients' needs;
- They often provide the development expertise and technical assistance needed to bring projects to fruition, and also conduct the monitoring and/or compliance support necessary at a project's completion; and
- They provide the social/community service components as a complementary network to the State programs.

Non-profit organizations have a long, positive history of cooperation with the municipal and state agencies. The State HOPWA program seeks to expand opportunities for nonprofit organizations, particularly newer organizations, to engage now in housing development for the HIV/AIDS patients. This is an alternative to promote an affordable rental housing market.

Address the needs of public housing (including providing financial or other assistance to troubled public housing agencies)

No HOPWA funds are committed to address the needs of public housing.

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

No HOPWA funds are committed to encourage public housing residents to become more involved in management and participation in homeownership.

PROGRAM SPECIFIC REQUIREMENTS FOR CDBG PROGRAM [91.320 (K)]

Application of Guaranteed Loan Funds under 24 CFR Part 570, subpart M

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.

Estimated Availability of Funds for PY 2011- \$141,000,000

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 major public facilities improvement and economic development, and among the eligible activities, those listed in Section 105(a) of the Housing

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and Community Development Act, of 1974 as amended. For the purposes of determining eligibility, the State CDBG rules and requirements should be observed in full compliance.

Application Requirements

The first requirement prior to the submission of a LGA application is the transmittal of a letter of intention to submit a 108 LGA Application to OCAM. The State CDBG Section 108 Program Specialist 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 2012.

The non-entitlement municipalities should comply first with the following administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.

Status of the monitoring reports. The municipality with open monitoring reports will not be able to present a 108 application.

Must have closed up to the 2008 PY.

Timely presentation of the single audit report.

Once the administrative requirements are cleared, the Section 108 Program Specialist would prepare for the Commissioner, the letter of invitation to the applicant, to submit the LGA application. In such letter, the applicant would be advised to fulfill the following requirements.

The application must meet the State LGA Program requirements. In addition, the following information must be provided:

A statement of policy which will describe the project concept, timetable and source of funds. For economic development activities, that are based in its own revenue for the repayment of the loan, a feasibility study is mandatory, in order to evaluate its cash flow for repayment of the loan.

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Estimated project schedule, indicating the point in which the Section 108 financing will be needed to be in place.

Financial information and cash flow projections to allow assessment of the repayment capacity and project feasibility.

Documentation of the methodology to assess benefits to low-income persons.

Evidence of the municipal legislature resolution authorizing the submission of the LGA application.

Certification that the environmental review record for the project is underway.

Execution of the LGA certifications required by HUD.

The community development objectives the applicant proposes to pursue with the guaranteed loan funds, as stated in the State Consolidated Plan.

The activities the applicant proposes to carry out with the guaranteed loan funds. Each activity must be described in sufficient detail, including the specific provision under which it is eligible and the national objective to be met: to benefit low moderate-income persons or aid in the elimination or prevention of slums and blight, or meet other community development needs having a particular urgency.

The amount of guaranteed loan funds expected to be used, and location, to allow citizens to determine the degree to which they will be affected. The proposed application must indicate which activities are expected to generate program income. The application must also describe where citizens may obtain additional information about proposed activities.

The applicant should describe the proposed collaterals that would secure the Section 108 loan. Collaterals might be:

A first or second lien on the real estate assisted with 108 funds;

A lien on machinery or equipment;

The pledge of an income stream;

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A pledge of future tax increments.

The pledge of municipal revenues from property taxes (CRIM) and any other municipal taxes (Patents) as a guarantee pursuant to the contract between the municipality and OCAM.

OCAM may require as instructed by HUD, any additional collaterals and repayment guarantees on a case-by-case basis.

Loan Default Consequences

Repayment from the CDBG Basic Grant allocation will be considered as an event of default and will be authorized as an emergency disbursement in case the municipality was unable to wire to the Bank of New York Mellon, the scheduled 108 payment.

In the event of default, OCAM may choose to recover the indebted amount from any of the collaterals awarded to the municipality or from any other available state or federal municipal funds under the custody of the Office.

PROGRAM SPECIFIC REQUIREMENTS FOR HOME PROGRAM [91.320 (K)]

Description of Other Forms of Investment

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 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

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development organizations.

Refinancing Guidelines to Refinance Existing Debt Secured by Multifamily Housing that is being rehabilitated with HOME Funds

No State **HOME** funds will be used to refinance existing debt secured by multifamily housing that is being rehabilitated with **HOME** funds.

Description of the Resale Guidelines for the Homebuyer Activity

The **PRHFA** adopted the Recapture provision, however, as an exception, may allow the use of Resale provisions to ensure the financial feasibility of a particular project. Provisions follow the requirements established in 24 CFR (a) (5) (ii) 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
New Construction of rental housing	20 years

The mechanics that provide the affordability is the direct subsidy of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise subsidizes the purchase (e.g., down payment or closing cost assistance) that the Homebuyer received directly from the **PRHFA** or indirectly from the housing developer, as a pass-through to

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the Homebuyer. (A grant awarded to a developer to reduce construction costs of the dwelling 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, but not limited to, 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 period of affordability is based on the total amount of **HOME** funds invested in the housing.

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 with a recorded restrictive deed of trust that 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.

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- (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 (including the Homeowner's investment and any capital improvement) and ensure that 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 33 percent of annual (gross) income.

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- (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.

Description of the Local Market Conditions that led to Use the of HOME Funds for the TBRA Program

No State **HOME** funds will be used to provide tenant based rental assistance.

Description of the Policy and Procedures it will Follow to Affirmatively Market Housing Containing Five or More HOME-Assisted Units

The State **HOME** Program complies with the Affirmative Fair Housing Plan guidelines for rental projects Island-wide.

The **PRHFA's** policy request to rental and planned development project owners to not discriminate against any person on the grounds of race, color, national origin, religion, sex, handicap, or familial status, under any project or activity funded, in whole or in part, with **HOME** or any other housing funds.

As such, the State **HOME** Program is committed to take measures to ensure non-discriminatory treatment, outreach, and access to program resources. As part of the federal requirements, all recipients or sub recipients must adopt affirmative marketing procedures for all housing projects with five (5) or more assisted units. As will be described in the Marketing Plan, the **HOME** Program will implement an integrated communication strategy focused on the different stakeholders related to fair housing. Some of the communication channels and tactics that will be used include:

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- Participation in local housing forums;
- Community outreach activities and participation in community meeting;
- Use of mass media communication via a publicity strategy, which includes: press releases, interviews with the press, and providing information to regional newspapers and professional and nonprofit organizations.

The State **HOME** Program by applying the fair housing requirements is affirmatively further fair housing by:

Promoting fair housing choices for all citizens,

Providing opportunities for housing assistance, for qualified persons regardless of race or color, sex religion, disability, familial status and national origin,

Promoting housing that is structurally accessible and usable by all persons, including persons with disabilities,

Fostering compliance with nondiscrimination provisions of the Fair Housing Act and other rules and regulations by providing technical assistance and training to all **HOME** Program recipients,

Monitoring housing owners, contractors, developers, and sub recipients to ensure continued compliance with fair housing regulations.

The State **HOME** Program will require that owners of projects, with a minimum of five (5) units receiving **HOME** funds assistance must comply with the following requirements:

The owner must display the Equal Housing Opportunity logo and the fair housing poster in an area visible to the public.

All sub recipients, developers; owners shall follow procedures and inform the public, potential tenants, Homebuyers of Equal Housing Opportunity.

If **HOME** assisted units are advertised during the period of affordability, the logo of Equal Housing Opportunity must be in the advertisement as shown in figure below.

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EQUAL HOUSING LOGO



The owner or sub recipient must demonstrate compliance with Fair Housing requirements and will maintain information of the race, gender, and ethnicity of applicants and participants.

Applicants for **HOME** Program funds for the development or rehabilitation of housing units for sale or rent must submit a marketing plan to attract prospective Homebuyers or tenants regardless of religion, gender, disability or other characteristic and form HUD 935.2-Affirmative Fair Housing Marketing Plan

The Affirmative Marketing Plan includes the following actions:

Use of minority-owned media as part of the marketing efforts,

English language other than Spanish should be used where necessary,

Methods of informing the public and potential beneficiaries about fair housing laws. The advertisement message should be easily understood by target groups in the area, and should not imply restrictions for any specific group,

Maintenance of records to evidence actions taken to affirmatively market **HOME**-assisted units and to assess marketing effectiveness, and

Methods to respond to complaints and remedial steps to resolve situations, among other relevant actions. (HUD-903 Housing Discrimination Complaint).

The developers, owners or other sub recipients of **HOME** funds may well use form HUD-903 to file and respond to beneficiaries' housing discrimination complaints.

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The following laws and regulations are to be complied with, as a means to achieve fair housing, equal access and equal opportunities:

Section 504 of the Rehabilitation Act of 1973

Architectural Barriers Act of 1968

Section 119 of the Rehabilitation, Comprehensive Services and Developmental Disabilities of 1978

Americans with Disabilities Act of 1990

Fair Housing Act

Davis Bacon and related acts

Equal Employment Opportunity, Executive Order 11246

Women's Business Enterprise: Executive Orders 11625, 12432 and 12138

Section 3 of the Housing and Urban Development Act of 1968

Actions Taken to Establish and Oversee a Minority Outreach Program within its Jurisdiction to Ensure Inclusion, to the Maximum Extent Possible, of Minority and Women, and Entities Owned By Minorities / Women

The Commonwealth's **HOME** Program has taken measures to ensure inclusion, to the maximum extent possible, of minority and women, and entities owned by minorities/women through non-discriminatory treatment, outreach and access to program resources. It has developed contracting procedures to guarantee a fair treatment and participation in contract or subcontract processes. This applies to employment and contracting, as well as to marketing and selection of program participants.

The **PRHFA** promotes businesses opportunities to ensure a competitive and objective procedure for contracting by developing informational materials regarding activities and requirements of the program, publishing the requests for proposals and qualifications in a general circulation

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newspaper, developing an evaluation procedure and designating a proposal evaluation committee that assures objectivity and equal participation in the selection process, among other initiatives.

PROGRAM SPECIFIC REQUIREMENTS FOR ESG PROGRAM [91.320 (K) (4)]

The PRDF will made special efforts to keep the non-profit organizations informed and properly oriented regarding the availability of funds. When applicable an availability of funds/Request for Proposals announcement will be published in a newspapers of wide circulation throughout the Island. Also, on PY 2012 the DF will communicate to the PR Homeless Coalitions the availability of the funds with the purpose that they communicated the information to theirs members. To reach additional audiences all funding notification will be published at the web page of the Department (www.familia.gobierno.pr)

Discharge Policy

The Puerto Rico Department of the Family has enacted and implemented a protocol for pre-discharge planning and services to youth in foster care, including areas of intervention, service activities, norms and procedures, staff responsible, assessment and planning forms. The areas of intervention include education, employment, daily living skills, physical and mental health, legal, social and housing aspects. Services are carried out by the social work staff of the Independent Living Division of the Administration for Families and Children with youth 16 to 21 years of age scheduled for discharge from the foster care system, and directed to their socio-economical independence and emancipation. For youth able to live independently, rental housing alternatives are identified and coordinated, including stipends for a designated period. For youth with handicapping conditions requiring additional services, assisted housing is coordinated with mentoring services.

Health Component

The Puerto Rico Department of Health has enacted and implemented, under the Social Work

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Division, a protocol for persons to be discharged from hospitals and clinics. This includes norms and procedures for homeless patients, those in use of controlled substances, mothers with a history of drug abuse, alcoholic patients, patients living alone with conditions affecting their independent living, minors with physical or mental handicaps who do not have a known guardian or tutor, handicapped patients, those who are mentally ill and/or suicidal. All homeless and potentially homeless patients are referred to the Medical Social Worker pre-discharge for assessment and coordination of services, generally with the Department of the Family and/or the Mental Health and Anti-Addiction Services Administration and/or with community-based organizations providing services in the community of reference of the patient. Procedures may include coordination with institutions for patients unable to live independently due to their condition, the coordination with public and private agencies to identify family or other supporting resources (tutors in the case of minors), or legal advice and coordination with courts under Puerto Rico Law 408 for involuntary institutionalization for those patients unable or unwilling to accept recommended alternatives and who are at risk of harm to self or others.

Mental Health Component

The Mental Health and Anti-Addiction Services Administration (MHAASA) of Puerto Rico has enacted and implemented a protocol for case management of homeless persons with mental health and/or substance abuse conditions (under the Assistant Administration for Treatment and Rehabilitation) and the policy for their discharge from mental health residential or hospital settings. This includes guarantees of a continuum of care for these patients through either their referral to less restrictive settings or to supportive housing (permanent or transitional) in the community, with case management follow-up services, and referrals to other public or private service settings for other conditions, such as physical health or HIV, or other needs (employment, education, etc.) that they may have. The case managers assigned these cases serve as the liaisons for service planning, referral and follow-up with discharged patients.

Correctional Component

The Puerto Rico Corrections Administration developed a Discharge Planning Policy based on

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the prior PR Law 130 of September 27, 2007, as amended. It calls for multi-sector and interagency coordination to promote the reinsertion of homeless inmates into society upon discharge from the corrections system. The commitment is to define responsibilities of each agency and entity, collaborate in the provision of case management and services to serve these homeless individuals and to acquire funds to finance such services. The need for protection of confidentiality (HIPAA) in the management of crisis, service delivery and case management is recognized in the policy. Related services (employment, education, case management) are provided to assist inmates, pre-discharge, in the transition to independent living in the community.

PROGRAM SPECIFIC REQUIREMENTS FOR THE HOPWA PROGRAM [91.320 (K) (4)]

Description of the method for selecting project sub recipients (including providing full access to grassroots, faith-based and other community organizations)

For the 2012-2013 Program Year, HOPWA funds will be transferred to the Municipality of San Juan for its distribution to sub recipients. The Municipality of San Juan will use a Request for Proposal method (RFP). The funds to be distributed are for the execution of eligible activities. The Municipality of San Juan will not distribute administrative funding to sub recipients. All funds must be used to provide services and housing activities to eligible population.

The RFP guide availability was provided during the public hearings. The RFP competition will open from March 1, 2012 and proposals will be due on April 3, 2012. 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 (municipal and nonprofits) will submit proposals to be evaluated on a competitive basis, in compliance with the RFP and Application Guidelines.

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If funds are available after the initial allocation of resources (including previous year funding), they will be distributed according to the method selected by the Municipality of San Juan that include noncompetitive methods.

For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities.

Evaluation of Proposal Applications

The following evaluation 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 this criterion is one hundred (100) points. The following table shows the criteria to be used for the evaluation of the proposals:

Non Profit Sub recipients		Municipal Sub recipients	
Criteria	Maximum Points	Criteria	Maximum Points
Transmittal Letter	3	Transmittal Letter	2
Description organization	6	General Information Municipality	2
Financial and Programmatic Background	6	Description of the Municipality Capacity	25
Past Performances	10	Financial and Programmatic Background	6
Services to be provided	10	Proposed Project Description	20
Needs Analysis	18	Action Plan	20
Action Plan	25	Budget	20
Budget	20	Performance	5
Required Documents	2		
Total	100		100

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Acquisition, rehabilitation, conversion, lease, and repair of properties activity

As it was mentioned earlier in this document, if there are available funds from previous year's balances, they will be used to sponsor acquisition, rehabilitation, conversion, lease, and repair of properties activities. These will be allocated through a competitive method to organizations of the PREMSA that comply with the RFP and Application Guidelines or through other allocation method as determined by the Municipality of San Juan.

However, there could be exceptions for this competitive method. If an organization has already been granted funds from a local, state or federal governmental agency and needs complementary or matching funds, it will not have to comply with the ordinary process. The organization may submit an application that includes:

- amount requested,
- letter of approval,
- proposal submitted to the other agency, and
- purpose of the project for which funding is requested.

The application will be evaluated in an expedite manner, independent of the allocation method.

Acceptance of proposals

For FY 2012, the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (EMSA). Priority will be given to potential sub recipients that are not included in the SJEMSA . Potential sub recipients 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.

Nevertheless, the eligible applications from the PREMSA will receive a preference code that will assure priority funding after the application is evaluated. All the applications will be evaluated by the same standards and criteria.

During this Program Year the Municipality will not accept proposals that combine housing and

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support services. If the organization wishes to provide supportive services in a housing project it must submit a proposal for the service and another for the housing. In addition the RFP was modified to clarify which services can be offered as part of a housing project and which one are considered support services.

The following diagram show the eligible supportive services eligible costs

DUNS Number and Central Contractor Registration

All sub-recipients are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. In addition they must obtain certification from the Central Contractor Registration (CCR). The CCR is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores, and disseminates data in support of agency acquisition missions, including Federal agency contract and assistance awards. Both current and potential federal government registrants are required to register in CCR in order to be awarded contracts by the federal government. Registrants must update or renew their registration at least once per year to maintain an active status.

MONITORING FOR THE CDBG PROGRAM (91.330)

Standards and Procedures to Monitor Activities Carried Out In Furtherance of the Plan

For PY 2012 OCAM established standards and procedures that would use to monitor activities carried out in the 2012 Action Plan. The standards established considered six important elements. These are:

Risk Analysis

The risk analysis is undertaken at the end of the PY to evaluate the performance carried out by the non-entitlement municipalities. The statistics lifted provide an scenario on their performance, thus ranking such performance as: High Risk, Medium Risk and Low Risk.

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Calendar

OCAM prepares an annual calendar on the type of monitoring that they will perform according to the data provided by the Risk Analysis. High Risk municipalities will be scheduled for field monitoring reviews, while Medium Risk are scheduled for field or desk review, depending on their ranking. Low Risk municipalities are scheduled for desk review,

Desk Review

This is the standard use for Low Risk and those Medium Risk municipalities that their actions could be monitored through telephone inquiries. Any request for documentation could be transmitted through mail, fax, e-mail or personally. With this technique OCAM expects to clear the task in agenda without any complication.

Field Review

This is the standard use for High Risk and those Medium Risk municipalities that their actions warrant a field visit. The monitoring official is in the field verifying documentation on any project or activity, interviewing municipal officials and contractors if needed. Findings made are presented to the Deputy Commissioner before the preparation of the monitoring report.

Preparation of the Monitoring Report

The Monitoring Report is prepared 30 days after the exit conference. In this conference an explanation of the issues worked and findings made is presented to the mayor. The report mentions the concerns, question costs and disallowed costs, if any, were found during the field visit. The municipality has 30 days to clear any recommendation made by the Commissioner of Municipal Affairs.

Follow up and Closing Report

Follow up reports are made every 30 days. The closing of the monitoring report should not take more than 180 days from the date of the issuance of the monitoring report.

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Disallowed costs within the \$100,000 should be repaid to HUD, immediately. OCAM could entertain proposals for repayment plans for disallowed costs over \$100,000, considering the municipality draws a first installment of 50% of the disallowed costs.

Finally, the local HUD Field Office, the CPD Division in San Juan, will review any formal report issued by the Independent Public Accountant (IPA) and the Comptroller's Office, requesting prompt corrective action if it is the case. The HUD Field Office may conduct its own monitoring reviews and may request the participation of the HUD's Office of the Inspector General, to assist them in any specialized auditing review.

Actions Taken to Monitor Its Performance in Meeting Its Goals and Objectives Set Forth in its Consolidated Plan

The Commonwealth understands that monitoring the Consolidated Plan and the annual activities must be carried out regularly to ensure that statutory and regulatory requirements are met and that, where appropriate, information submitted to HUD is correct and complete. To ensure that the State's CDBG, HOME, ESG and HOPWA programs further Consolidated Plan goals, the CDBG Office incorporates the Consolidated Plan's strategies, objectives, and activities into its work plan. The Municipality will measure its achievement of Consolidated Plan goals by the same standards used to evaluate all programs and activities. Compliance with goals and objectives are evaluated during the preparation of the CAPER.

Actions Being Taken To Insure Compliance with Program Requirements Including Requirements Involving the Timeliness of Expenditures

OCAM announce that 94 percent of the funds allocated to the non-entitlement municipalities are committed within the 12 months period after signing the current grant agreement with HUD, and the funds are fully obligated and announced to the non-entitlement municipalities within 15 months of the state signing its current grant agreement with HUD. This action could be verified with IDIS report CO4PR01.

In order to improve timely expenditure OCAM keep a monthly track on the expenditure rate of the non-entitlement municipalities. Every month OCAM publish in the website the monthly

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timeliness rate of the non-entitlement municipalities to ensure compliance with the requirement of timely expenditure of the CDBG Program funds.

Actions It Will Use To Ensure Long-Term Compliance with Housing Codes

Housing codes are enforced following the Housing Rehabilitation Guideline adopted by OCAM. The non-entitlement municipalities conduct two inspections on the property: at the filing of the application and a second inspection at the termination of the activity. These two inspections document the improvements made to the housing unit, ensuring long-term compliance with housing codes

Actions to Be Taken To Monitor Its Sub recipients

It is the policy of OCAM to operate the State CDBG Program on its own, so, there will not be any sub recipients to monitor for the PY.

MONITORING FOR THE HOME PROGRAM (91.230)

PRHFA carry out the HOME program compliance through an ongoing process involving continuous communication and evaluation. Monitoring activities are performed according to the regulations established on the Code of Federal Regulation (CFR) Title 24 Part 92 for the HOME Investment Partnership Program. Monitoring responsibilities are exercised by the State through The Office of Audit and Compliance (OAC) at PRHFA. The OAC asserts its monitoring duties through a dual process. This consists of *compliance enforcement* by education, technical assistance through training and support and *compliance reviews* involving constant system/files reviews, on-site visits and inspections. Also, the OAC is developing a procedures manual for monitoring standards. The OAC is required to monitor that internal controls and reporting have been implemented to ensure compliance with HOME Investment Partnerships Program Goals and regulations.

The PRHFA also has selected an external contractor to assist the OAC in the monitoring of certain properties which were already participating in the program when the HOME program was assigned to the Authority. This contractor would help the Authority by gathering all the

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compliance information of these properties and/or participants while the OAC coordinate and establish all the internal procedures to follow up compliance on those properties.

In addition, outside controls will be incorporated into the procedures, as required by the Single Audit Act and the associated local rules and procedures. The Single Audit Act of 1984 (Public Law 98-502) was passed by Congress to improve auditing and management for federal funds provided to state and local governments. The director of the Office of Management and Budget (OMB), a federal agency, is responsible for dictating policies, procedures, and guidelines to carry out the act. These policies, procedures, and guidelines are contained in OMB Circular No. A-133. This circular establishes uniform audit requirements for non-Federal entities that administer Federal awards and implements the Single Audit Act Amendments of 1996, which were signed into law on July 5, 1996 (Public Law 104-156) Audits of States, Local Governments, and Non-Profit Organizations “. Circular No. A-133 and the act require the following annually.

1. An audit of the state or local government's (entity's) general-purpose or basic financial statements made in accordance with generally accepted government auditing standards covering financial and compliance audits
2. Tests of internal accounting and other control systems to provide reasonable assurance that the entity is managing federal-assisted programs in compliance with applicable laws, regulations, and the specific provisions of contracts or grants.

An Independent Auditors' Report on both Compliance and Internal Control and on Financial Reporting will be conducted in accordance with government auditing standards. The Audit will be presented to the Director of the PRHFA at the term of the nine month time requirement and to HUD's CPD Division in hard copy and an electronic copy to the National Single Audit Clearinghouse.

Another outside control is provided by the Commonwealth's Comptroller's Office. Comptroller's auditors perform comprehensive reviews of the fiscal operations of the PRHFA issuing a full report on the findings found. It is not unusual that the Comptroller's auditors request guidance to HUD officials on any issue raise on a federal finding.

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Finally, the local HUD Field Office, the Community Planning and Development Division in San Juan, that will review any formal report issued by the IPA and the Comptroller's Office, requesting prompt corrective action if it is the case. The HUD Field Office may conduct its own monitoring reviews and may request the participation of the HUD's Office of the Inspector General, to assist them in any specialized auditing review.

Compliance will be evaluated taking into consideration three main areas:

1. Homeowner Occupancy
2. Project Development
3. Rental Projects

Homeowner Occupancy:

Home funds can be provided in the form of a grant to lower the monthly mortgage payments. To monitor compliance with this process we will review:

- Owner Income Limit- The homebuyer and his family must qualify as a low income family
- Owner Occupancy-The unit must be the principal residence.
- Property type- Must be a single-family housing, should be a modest housing as established in CFR 92.254 (2) (i) (ii) (iii)
- Property Standards- Unit must meet all local code/regulations. ARPE and HQS regulations must be met.
- Special conditions- Homebuyer must be explained and must acknowledge and understand conditions and restraint on homeownership programs such as, Periods of affordability, Resale and Recapture, and additional conditions as they may apply.

Homeowner rehabilitation units will be monitored as well. For all cases, the files should include written rehabilitation standards for the project in addition to the budget, certifications, agreements and periodic inspections. A sample of 10% the homebuyer activity will be monitored as per owner occupancy and affordability compliance. A sample of 10% the

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homeowner rehabilitation will be monitored as per owner occupancy and affordability compliance.

Every 5 years a monitoring review will be performed on the restrictive covenant on the property bought by a low income family. This review can either be performed at the property itself, or can be performed through documentation evidence, that will confirm that the assisted HOME unit is been occupied by the person/family that executed the promissory note. Additionally, PRHFA staff will monitor each homebuyer that has received a PRHFA loan to ensure compliance with the affordability restrictions. PRHFA will send a letter through the U.S. mail with a “return receipt” to each of the assisted homebuyers. The letter will require the homebuyer to return a signed certification verifying that the residence continued as their principal place of residence.

It is prohibited to sell, lease, donate, or execute a permutation of the property without previous consent and authorization from PRHFA. If the beneficiary fails to comply with the requirements, he is compelled to reimburse the *total*/HOME funds assigned.

Project Development

During the construction phase the HOME Program requires progress reports, and a submission of any topic that may disclose anticipated or current problems on the construction progress. Eligible cost will be monitored regarding the HOME expenditures through the development of the project.

As a means of compliance with the timeliness, expenditures and complete the process as per established by both parts, a monthly fiscal review report has been established. Through this report we can evaluate the expenses, disbursements and tendencies related to the HOME program, looking forward to meet the 5 year expenditure threshold. To ensure long term compliance with Housing codes, on-site inspections will be conducted during all activities, related to the HOME program housing, including home buying, rehabilitation and rental activities.

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Rental Projects

To verify compliance with property standards, and to assert the information provided by owners, on tenants incomes, rents and other HOME requirements and regulations during the projects period of affordability, HOME requires on-site inspections according to the number of Home units in a project. A 20% of the HOME assisted units in a project will be reviewed through random sampling. PRHFA can review additional units up until the 100% of them is deemed necessary.

PRHFA staff or contractors will inspect units to determine if they continue to meet on going property standards requirements (Property Standards apply to common areas, and the building's exterior, not only to the HOME units). In addition, an on-site review of project files will be completed. Included in the file review will be a verification of the income certifications, rent levels and utility allowances, verification of the appropriate number of HOME units and designated High and Low HOME units, review of lease provisions and verification that the property management has taken the appropriate actions based upon changes in tenant incomes. Property owners will be notified of any compliance issues and will be required to take corrective actions in a timely manner.

Following is the monitoring schedule for Program Year 2012:

SCHEDULE OF RENTAL PROJECT MONITORING

Projects	Month	Projects	Month
1	Apr-12	2	June-12
2	May-12		

PRHFA with the support of technical assistance financed by HUD, prepared a Program and Compliance Manual that will provide the standards and procedures to monitor the Action Plan Activities set forth by HUD in CFR Title 24 Part 92 for the HOME Investment Partnership Program. This manual will work as a guide that owners can use, and its compliance will be asserted on the on-site reviews.

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Moreover, the PRHFA has established specific procedures to ensure program compliance for each program activity and for the administration of the grant. Particularly, new procedures for applications have been developed; additional controls have been placed to ensure proper tracking and reporting of funds, and new segregation of duties to ensure internal controls.

The Monitoring Plan will address sub-recipient monitoring. The requirements for sub-recipient monitoring are contained in 31 USC 7502 (f) (2) (B) (Single Audit Act Amendments of 1996 (Pub. L. 104-156)), OMB Circular A-133 (§__.225 and (§__.400 (d)), OMB Circular A-110 (§__.51 (a)), Federal awarding agency program regulations, and the terms and conditions of an award.

MONITORING FOR THE ESG PROGRAM (91.230)

The Puerto Rico Department of the Family has the responsibility of providing technical assistance required regarding the application process. As stated before, an Information/Guidance/Workshop/Conference takes place at the Department for all applicants.

It is the Department's responsibility to assure that the entities' comply with ESG Program statutory and regulatory requirements and to enhance management capacity and the use of funds effectively to assist the homeless or at risk to become homeless individuals and families.

During this program year the PR Department of the Family will develop a new monitoring guide that will include the changes to the new ESG program. After completion of the guide the Department will undertake a monitoring process to ensure the compliance will consist of:

Identification of organizations and municipalities in greater

On-site visits as an opportunity to identify needs, measure a recipient's performance and provide technical assistance;

Tracking system of the grant awards, activities and performance measurement;

A technical assistance tracking system of monitoring aspects.

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Review the uses of funds to determine that non-profit agencies conform to the requirement of the Emergency Solutions Grants Program and other federal regulation.

Risk Evaluation for Projects Subsidized with ESG Funds

Questions to evaluate the risk of projects subsidized with ESG funds have been formulated to establish the level of risk of such projects and to determine which projects require on-site monitoring

Risk Evaluation Factors	Responses with points	Points	Evaluation
Funds Provided	Less than \$10,00	1	
	Over \$10,000	2	
Findings from previous audits	Yes	1	
Number of findings in previous audits	2 or more	1	
Date of latest on-site monitoring	Over two years	1	
Changes in key personnel: executive director, project director and/or supervisor, fiscal agent, service personnel, and other personnel directly related to the project	Yes	1	
Relatives working on project	Yes	2	
Significant purchases with funds	Yes	2	
Remaining funds from previous allocations	Yes	1	
Problems with reimbursement requests	Yes	2	
Problems with programmatic progress reports	Yes	1	

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Problems with evidence ...	Yes	2	
Has a record or an open grant that was supposed to be closed by the evaluation date	Yes	2	
Currently is or will be in the process of recovering money	Yes	2	
Noncompliance with payment schedule	Yes	2	
Number of people serviced per proposal was smaller	Yes	2	
Adverse publicity/complaints		1	
		Total Risk Points	

Mark (√) Result of Risk Evaluation

Low risk (less than 6 points)

Moderate Risk (6-12 points)

High Risk (13 points or more)

Each sub-grantee will be reviewed and point will be awarded in accordance with the above table. Sub-grantee will be ranked in accordance with the points awarded from high to low. Those sub-grantee recipients with total scores above 13 points will be considered high risk and will be monitored by the staff of the PRDF. In-depth on site monitoring must be completed for high-risk grantees.

Those sub-grantee with a score of 6 to 12 points will be considered moderate risk. Limited monitoring may be performed for medium-and low-risk grantees selected for monitoring on-site or remotely. Remote monitoring will be used to monitor medium-and low-risk sub-grantees to validate the soundness of the rating criteria as well as possibly obtain early warnings of potentially serious problems.

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Monitoring Schedule

It is the intention of the Department to conduct approximately 10 on site monitoring reviews. The monitoring schedule will be developed during the second quarter of program year 2012. On site monitoring review are expected to be undertaken during January-June 2012 period.

Historically and average of 100 sub-grantees receive ESG funding every year. The Department of the Family will perform desk reviews for all sub-grantee. The desk review includes the following:

- Review of reimbursement requests;
- Expenditure documentation
- WebCash balances (bank statements)
- Expenditure timeliness

To monitor timeliness the desk review officer evaluates the expenditure ratio of each sub-grantee. Every month the Department monitor spending against budget to ensure that there is regularity of expenditure and that the project is operating as planned. Budget variations are evaluated in order to modify as needed. To monitor expenditure ratio the Department uses IDIS PR02 report. Warning letters are submitted to sub-grantees who are not spending according to plan and to those that will not comply with the term of the agreement. If necessary and justified the expenditure period can be extended. If the agreement expires and the funds were not used they will be reallocated in accordance with the requirement of the ESG program.

Desk reviews will be performed on a daily basis and at each organization receiving ESG funds will be monitored using this method.

MONITORING FOR THE HOPWA PROGRAM (91.230)

Standards and procedures that will be used to monitor activities carried out in compliance of the plan

The monitoring of the HOPWA funded activities will be undertaken by the City of San Juan. All of the organizations (Municipal and Non Profit) undertaking HOPWA activities will be monitored for compliance. A monitoring schedule (Monitoring Plan) will be prepared during the first quarter of the program year identifying the organizations and the areas to be monitored. The Monitoring tools will be developed according to the activities undertaken by each organization but focusing on:

- Performance and Report Timeliness
- Clients Housing Assessments
- Clients Housing Plans
- Cost Allocation and the use of Time-Sheets

In addition to the sub recipient monitoring reviews, the Puerto Rico Department of Health will monitor the Municipality of San Juan to evaluate contract compliance.

Actions to be taken by the State to monitor its performance in meeting its goals and objectives set forth in its Consolidated Plan and steps/actions being taken to insure compliance with program requirements

- 1) The PRDH will monitor the terms and conditions of the contract with the Project Sponsor, assisting in the administration of the HOPWA funding. This includes: compliance with the timeframe of the agreement, rate of expenditures, eligibility of expenses, and implementation of eligible activities under the HOPWA Program. In addition, this includes ensuring that HOPWA funds are distributed in an unbiased, equitable, and consistent manner.
- 2) All sub recipients will be monitored by the Municipality of San Juan or its contractors to evaluate the proposed goals included in the agreements and the actual delivery and performance.

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- 3) Contractors from the Municipality of San Juan will visit the projects in order to ensure service provision according to the contracts, support documentation of reports presented, clients housing assessments, clients housing plans, cost allocation, and the use of time-sheets.
- 4) Project sub recipients receiving HOPWA funding will be required to submit quarterly reports in electronic format, including statistical information that will be entered and maintained electronically to be included in the CAPER.

Steps/actions taken to insure compliance with program requirements, including requirements involving the timeliness of expenditures

In order to assure that funding for the activities are expended in a timely manner, the contracts executed by the PRDH and the Municipality of San Juan will have a 12-month timeframe for the liquidation of the contract. Progress reports will be submitted in a quarterly manner along with the invoices for HOPWA reimbursement. Compliance with this requirement will be monitored by the finance division of the Housing Department of the Municipality of San Juan.

Steps/actions to ensure long-term compliance with housing codes, including any actions or on-site inspections it plans to undertake during the program year

The Municipality, as provider of the HOPWA tenant based rental assistance, includes a dwelling inspection to recertify compliance of the housing unit with the Section 8 housing quality standards. This inspection is certified by the Municipal Program Coordinator every time a recertification or new admission voucher is issued. In addition sub recipients are required to inspect the housing units for compliance with the HQS.

In addition, a property standard inspection is conducted by HOPWA staff to the housing type facilities that serve as shelter and transitional housing for the HIV/AIDS patients. This inspection is conducted prior to the execution of the contract with the project subrecipient.

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Actions taken by the State to monitor its sub recipients

The PRDH will monitor the execution of the agreement with the Municipality of San Juan. A new monitoring handbook will be adopted during program year 2012. The monitoring handbook will be based on the terms and conditions of the agreement with the Municipality. The same agreement requires the monitoring of all HOPWA sub recipients.

Monitoring Standards to be used by the Municipality of San Juan

The HOPWA program recognizes and fulfills the monitoring requirements of the regulations. All sub recipients are monitored by program staff. Monitoring activities are conducted in accordance with OMB regulations, and the HUD regulations for each program, and include the following:

- Explanation of grant contract requirement and deadlines for all sub recipients;
- Field visits to monitor work in progress and completed projects;
- Telephone or office conference assistance to sub recipients;
- Detailed explanation of ways to improve grant administration; and
- Suspension of grant activities where warranted.

Monitoring activities for the HOPWA program include:

- Financial Management
- Project Development/administration
- Quarterly Fiscal Reports
- Compliance with law and regulations of Acquisition and relocation, Environmental Review, Labor Standards, Civil Rights, Procurement, Section 504, etc.
- Close out programs
- Rate of Expenditure
- Use of program income
- Compliance with single audits

The Municipality will follow its Monitoring Plan to evaluate and assure compliance with all the applicable regulations. In addition, the HOPWA program will evaluate accomplishments towards goals of the Consolidated Plan. The monitoring review conducted by the municipality includes the following:

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- Perform desk reviews for all open year grant projects funded under the HOPWA program
- Rank recipients using the risk assessment forms
- Determine monitoring needs and priorities and evaluate resources
- Prepare monitoring schedule
- Pre-Monitoring preparation for on-site review
- On-site monitoring
- Prepare monitoring reports
- Preliminary reports
- Final Reports

The HOPWA Program has developed monitoring guidelines tailored to HOPWA objectives and requirements. The established work plan requires monitoring reviews of the recipients at least once a year and to concentrate monitoring reviews on the initial phase of the project sub recipient's operations to detect and correct problems at the outset and to identify potential lack of adequate performance. Additionally, other ongoing processes that involve periodic written communications, frequent telephone and fax communication, meetings, and analysis of financial and programmatic report, is conducted on an almost daily basis. Those projects deemed to require one or more annual reviews, as well as those that frequently demand technical assistance, will be selected. Progress reports will be used as the basis for selection of projects to be monitored.

In addition the Municipality will monitor HOPWA funds commitment and disbursement deadlines to assure compliance with applicable regulations. To monitor this area the Municipality will use the IDIS systems and reports.