

ACTION PLAN 2014



COMMONWEALTH OF PUERTO RICO

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

May 19, 2014

Revised as of June 20, 2014

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan



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

Objectives and Outcomes Identified in the Plan

The 2014 Annual CDBG Action Plan (2014 AAP) is the fourth 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 2014 AAP

The AAP for 2014 summarizes categories and priorities for the distribution of \$26,111,449 in CDBG funds as presented in the following table:

USE OF CDBG FUNDS FOR PY 2014

Use of Funds (category)	Allocation
Basic Allocation	\$17,955,000.00
Competitive Round	\$7,073,105.53
State Administration	\$783,343.47
Emergency Fund	\$300,000.00
Total	\$26,111,449.00

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 2014 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.
- Enhance statewide understanding of fair housing law through outreach and education.



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 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 their citizens.

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 2014 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 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 2014 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 2014 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 2012 CAPER is the most recent report submitted by OCAM. The report contains information regarding significant achievements in meeting the needs of non-entitlement 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 2012, as mentioned in the APER presented in 2013:

AMENDED OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	Specific Annual Objective					
DH-2	AFFORDABILITY OF DECENT HOUSING					
DH-2.1	Down payment and closing assistance for acquisition and existing housing for low income homeownership. MC# 13	Direct financial assistance to homebuyers.	2010	50	51	102%
			2011	50	41	82%
			2012	75	14	19%
			2013	75		0%
			2014	100		0%
			MULTI-YEAR GOAL			350
DH-2.2	Homeowner rehabilitation of housing units from substandard conditions. MC# 14	Owner occupied units rehabilitated.	2010	500	773	155%
			2011	550	1,293	235%
			2012	600	2,051	342%
			2013	650		0%
			2014	700		0%
			MULTI-YEAR GOAL			3,000
EO-1	AVAILABILITY/ACCESSIBILITY OF ECONOMIC OPPORTUNITY					
EO-1.2		People	2010	15	0	0%
			2011	20	0	0%

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	Low/mod limited clientele Microenterprise development MC# 18C		2012	25	0	0%
			2013	30		0%
			2014	35		0%
			MULTI-YEAR GOAL		125	0
SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT						
SL-1.1	Senior citizen assisted. MN #05A	People	2010	1,250	2,377	190%
			2011	1,500	1,867	124%
			2012	1,750	1,946	111%
			2013	2,000		0%
			2014	2,250		0%
			MULTI-YEAR GOAL		8,750	6,190
SL-1.2	Youth services assisted. MC# 05D	People	2010	1,500	1,077	72%
			2011	1,750	1,355	77%
			2012	2,000	1,558	78%
			2013	2,250		0%
			2014	4,500		0%
			MULTI-YEAR GOAL		10,000	3,990
SL-1.3	Persons assisted with health services. MC# 05M	People	2010	250	507	203%
			2011	500	1,305	261%
			2012	750	1,169	156%
			2013	1,000		0%
			2014	1,250		0%
			MULTI-YEAR GOAL		3,750	2,981
SL-1.4	Persons for which access to new or improved senior centers	People	2010	250	922	369%
			2011	500	187	37%

	were provided. MC# 03A		2012	750	0	0%
			2013	1,000		0%
			2014	1,250		0%
		MULTI-YEAR GOAL		3,750	1,109	30%
SL-3	SUSTAINABILITY OF SUITABLE LIVING ENVIRONMENT					
SL-3.1	Persons for which access to acquisition of real property were provided. MC# 01	Public Facilities	2010	15,000	0	0%
			2011	15,000	0	0%
			2012	15,000	0	0%
			2013	15,000		0%
			2014	15,000		0%
			MULTI-YEAR GOAL		75,000	0
SL-3.2	Persons assisted with general public services. MC# 05	Public Services	2010	1,000	393	39%
			2011	2,000	806	40%
			2012	3,000	128	4%
			2013	4,000		0%
			2014	5,000		0%
			MULTI-YEAR GOAL		15,000	1,327
SL-3.3	Persons assisted with crime awareness services. MC# 05I	People	2010	15,000	47,229	315%
			2011	20,000	16,128	81%
			2012	25,000	27399	110%
			2013	30,000		0%
			2014	35,000		0%
			MULTI-YEAR GOAL		125,000	90,756
SL-3.4	Persons for which access to a new or improved public	People	2010	35,000	226,003	646%
			2011	40,000	31,970	80%

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	facilities were provided. MC# 03		2012	45,000	28,849	64%
			2013	50,000		0%
			2014	55,000		0%
		MULTI-YEAR GOAL		225,000	280,548	127%
SL-3.5	Persons for which access to improvements were provided. MC# 03	People	2010	35,000	25,040	72%
			2011	40,000	5,666	14%
			2012	45,000	3,297	0%
			2013	50,000		0%
			2014	55,000		0%
		MULTI-YEAR GOAL		225,000	34,003	15%
SL-3.6	Persons for which access to a new or improved neighborhood facilities were provided. MC# 03E	Public Facilities	2010	16,000	17,211	108%
			2011	17,000	2,617	15%
			2012	18,000	3,273	18%
			2013	19,000		0%
			2014	20,000		0%
		MULTI-YEAR GOAL		90,000	23,101	26%
SL-3.7	Persons for which access to a new or improved parks and recreational facilities were provided. MC# 03F	Public Facilities	2010	125,000	277,433	222%
			2011	150,000	109,145	73%
			2012	175,000	57,432	33%
			2013	200,000		0%
			2014	225,000		0%
		MULTI-YEAR GOAL		875,000	444,010	51%
SL-3.8	Persons for which access to new or improved parking facilities	Public Facilities	2010	5,000	12,629	253%
			2011	5,000	11,750	235%
			2012	5,000	0	0%

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	were provided. MC# 03G		2013	5,000		0%
			2014	5,000		0%
		MULTI-YEAR GOAL		25,000	24,379	98%
SL-3.9	Persons for which access to new or improved solid waste were provided. MC# 03H	Public Facilities	2010	25,000	13,203	53%
			2011	25,000	0	0%
			2012	25,000	0	0%
			2013	25,000		0%
			2014	25,000		0%
		MULTI-YEAR GOAL		125,000	13,203	11%
SL-3.10	Persons for which access to new or improved flood drain facilities were provided. (MC # 03I)	People	2010	5,000	12,488	250%
			2011	6,000	0	0%
			2012	7,000	6,474	92%
			2013	8,000		0%
			2014	9,000		0%
		MULTI-YEAR GOAL		35,000	18,962	54%
SL-3.11	Persons for which access to new or improved water/sewer facilities were provided. MC# 03J	People	2010	5,000	11,596	232%
			2011	6,000	9,533	159%
			2012	7,000	0	0%
			2013	8,000		0%
			2014	9,000		0%
		MULTI-YEAR GOAL		35,000	21,129	60%
SL-3.12	Persons for which access to new or improved street facilities were provided. (MC # 03K)	People	2010	300,000	420,204	140%
			2011	325,000	182,271	56%
			2012	350,000	198,696	57%
			2013	375,000		0%

			2014	400,000		0%
		MULTI-YEAR GOAL		1,750,000	801,171	46%
SL-3.13	Persons for which access to new or improved sidewalks facilities were provided. MC# 03L	People	2010	5,000	5,394	108%
			2011	6,000	8,187	136%
			2012	7,000	5,159	74%
			2013	8,000		0%
			2014	9,000		0%
		MULTI-YEAR GOAL			35,000	18,740

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) administers the HOME program for the Government of Puerto Rico since July 1st, 2010. The agency is 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:

1. to increase the affordable housing stock in the island,

2. to properly administer public housing assets, and
3. 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 2014 is \$9,301,975. The PRHFA 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 down payment assistance. 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 2014. 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 2014	
Assigned Budget:	\$9,301,975
Distribution by Category:	
State Administration	\$930,197
Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO)	\$1,395,296
Rehabilitation or Construction of Housing for Rent	\$5,395,146
Downpayment Assistance to Homebuyers	\$1,581,336

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

The performance measures goals for PY 2014 established are shown in the following table.

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%
		PRIVATE		2013	32	-	0.00%
		2014		32	-	0.00%	
		MULTI-YEAR GOAL				296	162
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	58	58%
				2012	100	78	78%
		PRIVATE		2013	50	-	0.00%
		2014		0	-	0.00%	
		MULTI-YEAR GOAL				350	181
2.2.3	Rehabilitation or Construction of affordable housing units for rental occupancy	HOME	Rental units constructed or rehabilitated	2010	150	581	387%
				2011	150	323	215%
				2012	180	0	0.00%
		PRIVATE		2013	180	-	0.00%
		2014		180	-	0.00%	
		MULTI-YEAR GOAL				840	904
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%
		PRIVATE		2013	13	-	0.00%
		2014		13	-	0.00%	
		MULTI-YEAR GOAL				81	0%
2.2.5	CHDO rehabilitation of affordable housing units for rental occupancy	HOME	Rental units constructed	2010	49	162	331%
				2011	49	0	0.00%
				2012	25	-	0.00%
		PRIVATE		2013	25	-	0.00%
		2014		25	-	0.00%	
		MULTI-YEAR GOAL				173	162
2.2.6	Homeowner rehabilitation of housing units from substandard condition	HOME	Owner occupied units rehabilitated	2010	15	19	127%
				2011	15	4	27%
				2012	15	12	80%
		PRIVATE		2013	0	-	0.00%
		2014		0	-	0.00%	
		MULTI-YEAR GOAL				45	35
GRAND TOTAL					1785	1,444	81%

Evaluation of Past Performance

The type of projects that received subsidies in PY 2012 ranged from single family assistance to multifamily projects. Please note that although sales projects assistance was included as part of the 2010 – 2014 State Consolidated Plan, the PRHFA has determined to discontinue addressing this type of activity due to the unstable market conditions in terms of unit’s sales.

The following outcomes summarize the accomplishment for PY 2012:

1. Homeownership opportunities were granted to 78 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 323 tenants that have gain access to an affordable rent due to HOME Program construction subsidies granted to landlords.
3. Homeowner rehabilitation opportunities were granted to 12 low income homeowners so their dwellings meet the property standards set forth by the HOME Program.
4. During PY 2012, the State HOME Program reflected a total drawn amount of \$27,721,176.

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	0	32		296	162	55%
Down payment and closing cost assistance for the acquisition of existing housing for low income Homeownership	100	45	100	58	100	78	50	0	25		350	181	52%
Construction of affordable housing units for rental occupancy	150	581	150	323	180		180	0	180		840	904	108%
CHDO construction of affordable housing units for Homeownership	21	0	21		13		13	0	13		81	0	0%
CHDO rehabilitation of affordable housing units for rental occupancy	49	162	49		25		25	0	25		173	162	94%
Homeowner rehabilitation of housing units from substandard condition	15	19	15	4	15	12	0	0	0		45	35	78%
MULTI-YEAR GOAL	435	969	435	385	365	90	300	0	250	0	1785	1444	81%

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).

The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless.

The Emergency Shelter Grant Program is designed to be the first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living and self-sufficiency. The Program objectives are:

- Provide decent, affordable housing options for individuals and families at risk of homelessness or to those that are already homeless. The ESGP will fund homelessness prevention activities as well as rapid rehousing activities in order to alleviate potential homelessness and provide low income households with the services necessary to build housing stability.
- Provide a suitable living environment for homeless individuals and families. ESG will fund a wide range of emergency and transitional shelter programs for homeless persons

as well as related services to alleviate homelessness and provide households with the support services necessary to build self-sufficiency.

The DF anticipates an allocation of \$3,867,010 for FY 2014 Emergency Solutions Grant funds. Eligible activities under ESG Program are set forth in 42 U.S.C. Part 11371-11378 and 24 CFR Part 576. As described under program law and regulations, ESGP grant amounts may be used for one or more of the following components:

1. **Street Outreach:** funds may cover costs related to essential services for unsheltered persons (including emergency health or mental health care, engagement, case management, and services for special populations);
2. **Emergency Shelter:** funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, legal, mental health, substance abuse treatment, transportation, and services for special populations);
3. **Homelessness Prevention and Rapid Re-Housing:** both components fund housing relocation and stabilization services (including rental application fees, security deposits, utility deposits or payments, last month's rent and housing search and placement activities). Funds may also be used for short or medium-term rental assistance for those who are at-risk of becoming homeless or transitioning to stable housing;
4. **HMIS:** funds may be used to pay the costs for contributing data to the HMIS designated by the Continuum of Care for the area. Eligible activities include (computer hardware, software, salaries of data entry, internet access, and staff training costs);
5. **Administrative Cost:** Sub-recipients may use 2.0% percent of the sub-recipient's ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. Employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing and HMIS activities are eligible costs of those activities and not subject to the spending limit for administrative costs. Refer to 24 CFR §576.108 for eligible costs and requirements.

The DF established the following principles for the effective use of ESGP resources to prevent and end homelessness:

- Resources should be targeted to homeless households and households with the highest likelihood of becoming homeless.
- Programs should provide just enough assistance to prevent or end an episode of homelessness and collaborate with other mainstream resources thus stretching resources as far as possible.
- Distribution of funds should achieve maximum access while minimizing administrative costs as much as possible.
- Other federal, state and local funds must be coordinated with ESG funds.
- Funds should supplement and complement existing programs.
- Sub-grantees should have the infrastructure, capacity and experience to distribute funds rapidly to participants.
- Each participating program/project should be working toward the goal that homeless individuals and families should be moved to permanent housing within 30 days of becoming homeless.

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 utilizing a uniform method and ranked according to the points awarded by the evaluation committee. The evaluated proposals are then examined 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) 2013, the amount of 3,450,602 was distributed to 77 non-profit organizations and 50 municipalities; the fund allocation per component was distributed as follows: \$332,000.00 for Street Outreach, \$1,167,651.00 for Emergency Shelter, \$1,175,000.00 1,175,000.00 for Prevention and 431,759.00 for Rapid Re-housing activities, \$85,400.00 for Homeless Management Information Systems and \$20,801.00 for the administration cost of Municipalities and \$237,991.00 for Program Administration costs.

ESG PY 2013 funds were awarded to the following Organizations and Municipalities:

ORGANIZATIONS AND MUNICIPALITIES	
1	Asociación para el Mejoramiento de Instituciones Guiadas y Orientadas al Servicio (AMIGOS, Inc.)
2	Asociación Pro Juventud y Comunidad de Bo. Palmas
3	Casa de Restauración y Más, Inc.
4	Casa del Peregrino, Inc. - Aguadilla
5	Casa del Peregrino, Inc. - Mayagüez
6	Casa Joven del Caribe, Inc.
7	Casa Julia de Burgos - Aguadilla
8	Casa Julia de Burgos - Ponce
9	Casa Julia de Burgos - San Juan
10	Casa la Bondad, Inc.
11	Casa la Providencia
12	Centro de Bendiciones, Inc.
13	Centro de Deambulantes Cristo Pobre, Inc.
14	Centro de Intervención Paso a Paso, Inc.
15	Centro de Restauración para Varones, Inc.
16	Centro de Servicios Comunitarios Vida Plena, Inc.
17	Centro de Transformación Social Cristiano, Inc. (Hogar Eliezer)
18	Christian Community Center, Inc.
19	Coalición Apoyo Continuo de Personas sin Hogar en San Juan, Inc.
20	Coalición de Apoyo Continuo para Personas Sin Hogar de Guaynabo, Inc. - Hogar Amparo
21	Coalition Pro-Homeless of the Easter, PR - Prevención
22	Coalition Pro-Homeless of the Easter, PR - Alianza

ORGANIZATIONS AND MUNICIPALITIES

23	Coalition Pro-Homeless of the Easter, PR - Sendero
24	Consortio de Centros Cristianos de Puerto Rico, Inc.
25	CORDA de Puerto Rico, Inc.
26	Corporación la Fondita de Jesús
27	Corporación Milagros del Amor (Establece Tu Hogar)
28	Corporación Sanos
29	COSSMA, Inc. (Esperanza Village)
30	COSSMA, Inc. (Hogar Rayos de Esperanza)
31	Estancia Corazón (Hogar de Adultos)
32	Estancia Corazón (Proyecto Plaza Corazón)
33	Estancia Corazón, Inc. (Fondita Corazón)
34	Forjando un Nuevo Comienzo, Inc.
35	Fundación de Desarrollo Comunal de PR (Albergue los Peregrinos)
36	Fundación de Desarrollo Comunal de PR (Hogar Dulce Hogar)
37	Guara Bi, Inc. - Caguas
38	Guara Bi, Inc. - Comerío
39	Hogar Clara Lair, Inc.
40	Hogar Crea, Inc. - San Juan
41	Hogar Crea, Inc. - Trujillo Alto
42	Hogar de Ayuda el Refugio, Inc.
43	Hogar del Buen Pastor, Inc.
44	Hogar Dios es Nuestro Refugio, Inc.
45	Hogar El Camino a la Salvación II, Inc.
46	Hogar Fortaleza del Caído, Inc.
47	Hogar Luz de Vida (Hombres)
48	Hogar María del Carmen, Inc.
49	Hogar Nueva Mujer Santa María de la Merced, Inc.
50	Hogar Nuevo Pacto
51	Hogar Posada la Victoria
52	Hogar Ruth para Mujeres Maltratadas, Inc.
53	Hogar Santísima Trinidad, Inc.
54	Iniciativa Comunitaria de Investigación
55	Inst. Pre-Vocacional (Casa Protegida para Mujeres y Niños "CAPROMUNI")
56	Inst. Pre-Vocacional (Dame Tu Mano)
57	La Perla del Gran Precio - Bayamón
58	La Perla del Gran Precio - San Juan
59	Logros de Puerto Rico

ORGANIZATIONS AND MUNICIPALITIES

60	Lucha Contra el SIDA - Remanso de Paz
61	Lucha Contra el SIDA - Renacer de Vida
62	Lucha Contra el SIDA - Nuevo Horizonte II
63	Ministerio CODECH EN AVANCE, Inc.
64	Ministerio de Restauración Cristo Mi Fortaleza, Inc.
65	Misión Alpha & Omega for Social and Community
66	Municipio de Lares
67	Municipio de Aguada
68	Municipio de Aguadilla, Inc.
69	Municipio de Aibonito
70	Municipio de Añasco (Centro de Deambulantes Genezaret)
71	Municipio de Arroyo
72	Municipio de Barceloneta
73	Municipio de Barranquitas
74	Municipio de Cabo Rojo
75	Municipio de Camuy
76	Municipio de Canóvanas
77	Municipio de Carolina
78	Municipio de Ceiba
79	Municipio de Ciales
80	Municipio de Cidra
81	Municipio de Coamo
82	Municipio de Comerío
83	Municipio de Dorado
84	Municipio de Fajardo
85	Municipio de Florida
86	Municipio de Guánica
87	Municipio de Guayama
88	Municipio de Guayanilla
89	Municipio de Guaynabo
90	Municipio de Gurabo
91	Municipio de Hatillo
92	Municipio de Hormigueros
93	Municipio de Humacao
94	Municipio de Isabela
95	Municipio de Jayuya
96	Municipio de Juana Díaz
97	Municipio de Las Piedras

ORGANIZATIONS AND MUNICIPALITIES

98	Municipio de Loíza
99	Municipio de Manatí
100	Municipio de Maunabo
101	Municipio de Morovis
102	Municipio de Naguabo
103	Municipio de Orocovis
104	Municipio de Patillas
105	Municipio de Quebradillas
106	Municipio de Sabana Grande
107	Municipio de Salinas
108	Municipio de San Germán
109	Municipio de San Lorenzo
110	Municipio de San Sebastián
111	Municipio de Toa Baja
112	Municipio de Vega Alta
113	Municipio de Vega Baja
114	Municipio de Villalba
115	Municipio de Yauco
116	Oficina Pro-Ayuda Personas con Impedimentos (Hogar Casa Dorada)
117	Programa Apoyo y Enlace Comunitario
118	Proyecto La Nueva Esperanza, Inc.
119	Proyecto Oasis de Amor - Damas
120	Proyecto Oasis de Amor - Varones
121	Solo por Hoy, Inc.
122	Teen Challenge de Puerto Rico - Arecibo
123	Teen Challenge de Puerto Rico - Bayamón
124	Teen Challenge de Puerto Rico - Buena Vista
125	Teen Challenge de Puerto Rico - Caguas
126	The Salvation Army (Proyecto Esperanza en Arecibo)
127	The Salvation Army (Proyecto Esperanza en San Juan)

Evaluation of Past Performance

According to the Department of the Family's Annual Community Assessment, the overall 2012 ESG Program Year needed improvement. On August 2013 the ESG program underwent a monitoring review which disclosed eight findings and three concerns. Findings were related to matching matters, expenditures deadlines, payments to sub-recipients within the timeframe, inadequate prevention assistance documentation, procurement and property requirements and failing to provide high risk monitoring reviews to sub-recipients. Significant management turnover in the last five years severely affected program performance. As a result, the DF implemented measures to comply with each one of the findings and hired a new ESG Director with the experience in the ESG program to follow up on actual procedures and provide trainings to sub-recipients on new procedures. All these measures have been key to improve the administration of the ESG program.

Also, the ESG personnel is continuously emphasizing through workshops and individual technical assistance the importance of reporting unduplicated number of persons served in their progress reports. As more sub-recipients are using the Homeless Management Information System (HMIS) a decrease in the actual number of persons served is observed. For Program Year 2012 ESG reached 38% of its actual goal of persons to be served.

Due to this situation, for Program Year 2014 the Department of the Family requests an amendment of the Consolidated Action Plan to reduce the expected number of homeless individuals to be served from 11,000 each year to 8,300. The 1,400 expected numbers of individuals/families at risk of becoming homeless remains the same.

These are the Specific Annual Objectives established for PY 2014, corresponding to the third 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						
DH-1.1	1.1.1 Provide street outreach, supportive services and emergency shelter to an estimated of 8,300 homeless persons.	ESG	Street Outreach and Emergency Shelter	2010	11,000	15,775	143%
				2011	11,000	13,610	124%
				2012	11,000	4,140	38%
				2013	8,300		
				2014	11,000		
				MULTI-YEAR GOAL			
DH-2	Affordability/Decent Housing						
DH-2.1	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	3,697	264%
				2011	1400	2,201	157%
				2012	1400	1,494	14%
				2013	1400		
				2014	1400		
				MULTI-YEAR GOAL			

The DF is committed with ESG objectives to provide decent, affordable housing options for individuals and families at risk of homelessness or to those that are already homeless and increasing the number and quality of the emergency shelter for homeless individuals and families, operating these facilities, and providing essential services to help prevent homelessness.

On Program Year 2014, the ESGP expects to provide street outreach, supportive services and emergency shelter to a total of 8,3000 homeless persons and 1,400 homeless prevention/rapid rehousing assistance to non-homeless households, in approximately 50 Municipalities and 77 Organizations.

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

The HOPWA Program Annual Action Plan for PY 2014 is prepared in compliance with the 24 CFR Part 91 Section 91.320. The HOWPA Program Action Plan sets forth the programmatic goals and objectives for the housing and supportive services activities for the HIV/AIDS population.

As for the Puerto Rico State Program, the Puerto Rico Department of Health (PR-DOH), is the Commonwealth's Grantee and responsible agency in establishing the public policies regarding the provision of housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. Since PY 2010, the PR-DOH has a collaborative agreement with the Municipality of San Juan for the administration of the State Grant. The Municipality of San Juan acts as an Eligible Metropolitan Statistical Area (EMSA) for all the Municipality's that are not part of the HOPWA State service delivery area. This status as a HOPWA Grantee under HUD requirements, gives the Municipality the experience and knowledge level to act as the administrator of the State HOPWA Program funds.

For the planned program year, the fifth and final year of the PY 2010-15 Consolidated Plan Cycle, the Municipality will request proposals from eligible organizations and municipalities. Under the competitive award system set forth by the Municipality, all received proposals will be evaluated and awarded based in a highest score method. This method allows the Municipality and the State HOPWA Program to grant the best projects available, which will enhance the program opportunities to achieve the consolidated goals and objectives and the measurements of the outcomes. The Municipality of San Juan will not distribute administrative funding to sub recipients, awarding all available funds for the provision of housing and supporting services activities to the eligible population.

Recently HUD notified to the PR-DOH the allocation for the planned PY 2014. The total allocation for the State HOPWA Program is \$1,808,174. The PY 2014 allocation is \$114,574 more or 7% higher than the PY 2013 \$1,693,542 allocation. With the notified allocation, the PR-DOH will undertake housing and supportive services related activities. All the Sponsors that are the sub-recipients of the HOPWA funds were directed to provide applications to the Municipality of San Juan for funding based upon this allocation.

If other resources are available during the program year, the Municipality of San Juan will keep the option to distribute funds without conducting a new 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 the HIV populations.

Objectives and Outcomes

The following table includes a description of the activities that will be undertaken during PY 2014. All the planned activities are expected to be undertaken during the period of July 1st, 2014 to June 30th, 2015. 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 PY 2014, assuming a \$1,808,174 grant:

ACTIVITIES FOR THE PY 2014 STATE HOPWA PROGRAM

ACTIVITY	PROGRAM	DESCRIPTION/LOCATION	PROPOSED GOAL	ALLOCATION
<i>Administration</i>	HOPWA	For the grantee administrative costs of the HOPWA program.	N/A	\$54,245.22
	HOPWA	For the City of San Juan administrative costs of the HOPWA program.	N/A	\$122,775.01
<i>Housing Activities Sub recipients Supportive Services and other eligible activities</i>	HOPWA	To undertake HOPWA eligible housing related activities	250	\$1,060,249.95
	HOPWA	To provide grants to be used for supportive services and operational expenses.	500	\$570,903.82
			Total	750
				\$1,808,174

The following table includes a description of the number of benefits that the housing activities and the supportive services activities will serve during the PY 2014.

NUMBER OF BENEFITS THROUGH THE PY 2014 HOPWA HOUSING AND SUPPORTIVE SERVICES ACTIVITIES

SERVICE CATEGORY	ACTIVITY	NO. BENEFITS	
<i>HOUSING</i>	TENANT BASED RENTAL ASSISTANCE (TBRA)	100	
	SHORT TERM RENT MORTGAGE UTILITY ASSISTANCE (STRMU)	50	
	FACILITY BASED HOUSING	100	
	SUB TOTAL	250	
<i>SUPPORTIVE SERVICES</i>	FACILITY BASED HOUSING SUPPORTIVE SERVICES	500	
		SUB TOTAL	500
		TOTAL	750

The focus on long-term housing is a response to the changing HIV epidemic and assessment/prioritization of permanent housing in Puerto Rico. Live expectancy of people with HIV treated with antiretroviral drugs has improved significantly.

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, and emergency financial assistance);
- 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 Municipality of San Juan has established performance indicators for each category of activity funded for PY 2014 in accordance with the standards established by HUD. The following table shows the model performance measurement system to be used during PY 2014:

HOPWA EXPECTED OUTCOME FOR PERFORMANCE MEASUREMENT
Grantee Name: Department of Health

<i>SPECIFIC OBJ. #</i>	<i>OUTCOME/OBJECTIVE SPECIFIC ANNUAL OBJECTIVE</i>	<i>PERFORMANCE INDICATORS</i>	<i>PROGRAM YEAR</i>	<i>EXPECTED NUMBER</i>	<i>ACTUAL NUMBER</i>	<i>PER CENT COMPLETED</i>
<i>DH-2 AFFORDABILITY OF DECENT HOUSING</i>						
<i>DH-2.1</i>	2.1.1 Temporary Housing: Number of HIV/AIDS households receiving	People	2010	30	56	186%
			2011	30	70	233%



	TBRA for temporary housing for the purpose of affordability of decent housing		2012	71	67	94%
			2013	100	-	
			2014	30	-	
		MULTI-YEAR GOAL		231	193	83.5%
	2.1.2. Short-Term Rental, Utility & Mortgage Assistance: Number of Households receiving STRUM for the purpose of affordability of decent housing	Households	2010	120	145	120%
			2011	120	18	15%
			2012	100	58	58%
			2013	50	-	
			2014	120	-	
		MULTI-YEAR GOAL		480	221	46%
	2.1.3.- Facility-based housing: Number of persons receiving facility-based housing assistance	People	2010	100	180	180%
			2011	100	213	213%
			2012	202	146	72%
			2013	100	-	
			2014	100	-	
		MULTI-YEAR GOAL		702	539	78%
	<i>SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT</i>					
<i>SL-3.2</i>	3.2.1 Persons With HIV/AIDS receiving services at Facility Based Projects.	Persons	2010	500	929	185%
			2011	500	636	127%
			2012	430	438	102%
			2013	500	-	
			2014	500	-	
		MULTI-YEAR GOAL		2,430	2,003	82%

Evaluation of Past Performance

The Puerto Rico Department of Health (PRDOH) is the Commonwealth's agency responsible for defining and implementing the AIDS program and health treatment policies in the Island. During program year 2012 the administrator of the HOPWA program was 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.

The Municipality of San Juan, as administrator of the program, was responsible for overseeing compliance with regulations, policies and procedures for the HOWPA program. This included program development and planning (action plan), RFP and contract management, fiscal and performance evaluation, and annual reporting so that the attainment of long-range and annual goals and objectives is ensured.

HOPWA funds were available for municipalities and nonprofit organizations Statewide. Those organizations and Municipalities in the PR-EMSA have priority over those located in the San Juan EMSA. Funds were distributed using a competition process described in a Request for Proposals (RFP). The dates for the RFP process were announced in the Annual Plan Public Hearings. The Municipality of San Juan selected sub recipients from municipalities, faith-based, and other community-based organizations that provide services to the HIV/AIDS populations.

The amount allocated to each Organization or Municipality depended on the evaluation made by the Municipality and the State HOPWA program representatives. All funds delegated to sub-recipients were used to provide eligible services and housing activities to the eligible population. The mayor achievements of Program Year 2012 were:

- Execution of grant agreement with sub-recipients,
- Payment on time to sub-recipients,
- Jointly with the PR Department of Health, preparation and presentation of Annual Action Plan and CAPER,

- For the second time in the history of the program, the State obtained the Tier 1, which is defined as “having no calculation errors, missing items, or inconsistencies” in the CAPER report,
- The Municipality of San Juan implemented the Monitoring Plan, and
- The Municipality of San Juan distributed the 2013 grant.

During FY 2012-13, all HOPWA sub-recipients provided short-term rent, mortgage and/or utility assistance payments, supportive services, Tenant-Based Rental Assistance, and other eligible activities to persons living with HIV/AIDS and their families to prevent homelessness. The twenty (20) sub-recipients used 69% of the funds delegated to undertake the contracted activities. HOPWA funds were used to support the following eligible activities:

- **Tenant-Based Rental Assistance (TBRA) Program:** The 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 eight (8) Municipalities.
- **Short-Term Rent, Mortgage, and Utilities (STRMU) Assistance Program:** The STRMU 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:** Under this program supportive services and housing are offered by nonprofit organizations via contracts with the Municipality of San Juan. Supportive services including health care, mental health assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, and assistance in gaining access to local, state, and federal government benefits and services, were also provided to HOPWA recipients. Most services are provided in a residential setting.
- **Transitional Housing:** This category includes temporary housing, hospice care, detox, and other types of housing with supportive services to maintain clients’ quality of life.

The distribution of HOPWA funds per organization and the category of service are included in the following table:

Department of Health			
Puerto Rico State - HOPWA Program			
2012-2013 Distribution of Funds			
Organization	Eligible Category	Activity Type	Allocation
STATE ADMINISTRATIVE COSTS - 2012	ADM - DOH	18	\$54,300.57
Bill's Kitchen - Supportive Services - 2012	SS only	11b	\$116,119.00
Casa del Pelegrino - Supportive Services - 2012	SS with Housing	11a/2b	\$28,028.00
Casa del Pelegrino - Supportive Services - 2012	SS only	11b	\$82,500.00
Casa del Pelegrino - Transitional Housing - 2012	Housing with SS	2b/11a	\$78,131.00
Casa Joven - Supportive Services - 2012	SS with Housing	11a/2b	\$28,516.00
Casa Joven - Transitional Housing - 2012	Housing with SS	2b/11a	\$76,484.00
Coalition Pro-Homeless - Supportive Services - 2012	SS with Housing	11a/2b	\$22,617.00
Coalition Pro-Homeless - Transitional Housing - 2012	Housing with SS	2b/11a	\$64,383.00
Fundación UPENS - Supportive Services - 2012	SS with Housing	11a/2b	\$22,906.00
Fundación UPENS - Transitional Housing - 2012	Housing with SS	2b/11a	\$66,494.00
FUNDESCO - SUPPORTIVE SERVICES - 2012	SS only	11b	\$48,012.00
Hogar Crea - Fajardo - Supportive Services - 2012	SS with Housing	11a/2b	\$21,000.00
Hogar Crea - Fajardo - Transitional Housing - 2012	Housing with SS	2b/11a	\$59,000.00
Hogar Crea - Mayaguez - Supportive Services - 2012	SS with Housing	11a/2b	\$28,516.00
Hogar Crea - Mayaguez - Transitional Housing - 2012	Housing with SS	2b/11a	\$76,484.00
HOGAR FORTALEZA - HOUSING - 2012	Housing with SS	2b/11a	\$42,403.85
Hogar Fortaleza - Supportive Services - 2012	SS with Housing	11a/2b	\$63,195.15
Hogar Fortaleza - Supportive Services - 2012	SS only	11b	\$72,150.00
Instituto Pre Vocacional - Supportive Services - 2012	SS Only	11b	\$56,700.00
Instituto Prevocacional - STRMU - 2012	STRMU	4	\$28,900.00
La Perla - Bayamón - Supportive Services - 2012	SS with Housing	11a/2b	\$24,323.00
La Perla - Bayamón - Transitional Housing - 2012	Housing with SS	2b/11a	\$80,677.00
MSJ PROJECT SPONSORS ADMINISTRATIVE COSTS - 2012	ADM - MSJ	19	\$122,900.29
MUNICIPIO DE FAJARDO - DELIVERY COSTS - 2012	DELIVERY COST	1	\$2,265.00
MUNICIPIO DE FAJARDO - TBRA - 2012	TBRA	1	\$54,349.00
MUNICIPIO DE HORMIGUEROS - DELIVERY COSTS - 2012	DELIVERY COST	1	\$2,676.00
MUNICIPIO DE HORMIGUEROS - TBRA - 2012	TBRA	1	\$64,232.00

MUNICIPIO DE ISABELA - DELIVERY COSTS - 2012	DELIVERY COST	1	\$885.00
MUNICIPIO DE ISABELA - TBRA - 2012	TBRA	1	\$21,244.00
MUNICIPIO DE JAYUYA - DELIVERY COSTS - 2012	DELIVERY COST	1	\$751.00
MUNICIPIO DE JAYUYA - TBRA - 2012	TBRA	1	\$18,013.00
MUNICIPIO DE MAYAGUEZ - DELIVERY COSTS - 2012	DELIVERY COST	1	\$3,500.00
MUNICIPIO DE MAYAGUEZ - TBRA - 2012	TBRA	1	\$83,995.00
MUNICIPIO DE PONCE - DELIVERY COSTS - 2012	DELIVERY COST	1	\$2,669.00
MUNICIPIO DE PONCE - TBRA - 2012	TBRA	1	\$64,066.00
MUNICIPIO DE SAN GERMAN - DELIVERY COSTS - 2012	DELIVERY COST	1	\$2,389.00
MUNICIPIO DE SAN GERMAN - TBRA - 2012	TBRA	1	\$57,336.00
MUNICIPIO DE YAUCO - DELIVERY COSTS - 2012	DELIVERY COST	1	\$2,000.00
MUNICIPIO DE YAUCO - TBRA - 2012	TBRA	1	\$64,232.00
Total			\$1,809,341.86

HOPWA Performance Measurement

All the HOPWA activities included in the PY 2012 Annual Action Plan and undertaken during this program year were consistent with the Priority and Objectives identified in the 2010-2015 Consolidated Plan.

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

HOPWA Performance Planned Goal and Actual		[1] Output: Households				[2] Output: Funding	
		HOPWA Assistance		Leveraged Households		HOPWA Funds	
		Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual
HOPWA Housing Subsidy Assistance		[1] Output: Households				[2] Output: Funding	
1.	Tenant-Based Rental Assistance	71	67			\$444,602.00	\$343,937.50
2a.	Permanent Housing Facilities: Received Operating Subsidies/Leased units (Households Served)						
2b.	Transitional/Short-term Facilities: Received Operating Subsidies/Leased units (Households Served) (Households Served)	202	146			\$544,056.85	\$331,556.16
3a.	Permanent Housing Facilities: Capital Development Projects placed in service during the operating year (Households Served)						
3b.	Transitional/Short-term Facilities: Capital Development Projects placed in service during the operating year (Households Served)						
4.	Short-Term Rent, Mortgage and Utility Assistance	100	58			\$28,900.00	\$25,306.57
5.	Permanent Housing Placement Services						
6.	Adjustments for duplication (subtract)						
7.	Total HOPWA Housing Subsidy Assistance (Columns a. – d. equal the sum of Rows 1-5 minus Row 6; Columns e. and f. equal the sum of Rows 1-5)	373	271			\$1,017,558.85	\$700,800.23
Housing Development (Construction and Stewardship of facility based housing)		[1] Output: Housing Units				[2] Output: Funding	
8.	Facility-based units; Capital Development Projects not yet opened (Housing Units)						
9.	Stewardship Units subject to 3 or 10 year use agreements						
10.	Total Housing Developed (Sum of Rows 78 & 9)						
Supportive Services		[1] Output Households				[2] Output: Funding	
11a.	Supportive Services provided by project sponsors/sub recipient that also delivered HOPWA housing subsidy assistance	404	292			\$239,101.15	\$158,751.97
11b.	Supportive Services provided by project sponsors/sub recipient that only provided supportive services.	430	438			\$375,481.00	\$314,996.14
12.	Adjustment for duplication (subtract)	(202)	(146)				
13.	Total Supportive Services (Columns a. – d. equal the sum of Rows 11 a. & b. minus Row 12; Columns e. and f. equal the sum of Rows 11a. & 11b.)	632	584			\$614,582.15	\$473,748.11
Housing Information Services		[1] Output Households				[2] Output: Funding	
14.	Housing Information Services						
15.	Total Housing Information 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 which is comprised of 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 development programs into effective, coordinated community development strategies. Thus, the Consolidated Plan must result from an effective citizen participation process.

The following sections provide a description of the public participation activities conducted during the planning process.

Public Hearing – The Public Hearing was conducted on March 10, 2014 in the Municipality of San Juan. 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).

The objective of the hearing 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 plans to address the identified needs and implement activities. Sign language services were available, as well as assistance for persons with other disabilities.

Other efforts – As in 2014, at the beginning of the planning process, agencies were asked for contact information of nonprofit organizations, municipalities, and other interest groups. A data bank was developed with this information and reminders for the public hearing were sent through email and letters.

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



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.

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 Balance of State Continuum of Care and the South / South East Puerto Rico Continuum of Care serving their jurisdiction.

As required by the Hearth Act and the ESG regulation, on March 13, 2014 we held a meeting with the two Continuum of Care of Puerto Rico (CoC), 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.

The CoC – PR 502 and the CoC – PR 503 were given a survey addressing the issues stated above to discuss and distribute among the Organizations and Municipalities within their jurisdiction (Enclosure 1). A list of the ESG 2013 sub recipients was also given to the CoCs to facilitate the process and provide a consolidated feedback report from them. Four Organizations and four Municipalities from the CoC- 502 completed the survey of consultation survey. No surveys were received from the CoC – PR 503. Enclosed you will also find a table with the survey’s results (Enclosure 2). The following table summarizes the comments received and the State responses:

Comment Received	State Response
Each CoC should evaluate the need of the population based on their APR, GAP analysis and the unmet need reports. It is recommended to do focal groups with both CoCs, explore the need of the population and to plan accordingly.	The DF can collaborate in this initiative.
It is important to consider the project compliance as it relates to decreasing the homeless population.	The DF will emphasize through training and other means, the importance of project compliance.
The reimbursement process should be evaluated.	Since December 2013 the DF has implemented a monthly monitoring reimbursement process to assure that payments are processed in a timely manner.
HMIS should be evaluated considering the standards, compliance, the process, and methodology to implement the MOU. For instance, who will receive and generate the reports for the CAPER, who the contact person will be, etc.	The DF will keep regular meetings with the two CoC's to implement the MOU signed on February 18, 2014.
Sub recipients should be trained in a more interactive manner.	The DF is in the process of developing a training sessions by component.
There is a need of understanding how to do the data entry and how this might affect their implementation.	The DF plans to hold regular meetings with the two HMIS administrators to address these issues and others related to the data gathering and quality.
Currently, ESG did not approve data entry and supplies.	The DF will re-evaluate this decision.
The regular mandatory HMIS meetings are time consuming and do not present new information. Occasionally, the system generates errors and the Organizations are affected by it.	The DF plans to hold regular meetings with the two HMIS administrators to address ongoing issues.

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 reducing homelessness. As required, we are obligated to request comments from the organizations on:

- Determining how to allocate ESG assistance for eligible activities;
- Developing written performance standards for, and evaluate the outcomes of projects and activities assisted by ESG funds;
- Developing funding, policies, and procedures for the operation and administration of the HMIS.

For Program Year 2014, the Department of the Family will continue strengthening citizen participation and technical assistance to ESG organizations and municipalities through:

- Surveys to organizations and municipalities regarding: priorities for funding, performance standards and HMIS's operation.
- Inviting to make a presentation to stakeholders of both Puerto Rico Continuums of Care and the HMIS Leads agencies, regarding the consultation to determine the allocation of ESG funds, "developing the performance standards for, and evaluating the outcomes of projects and activities assisted by ESG funds; and developing funding, policies and procedures for the administration and operation of the HMIS." (CFR 2012-Title 24 vol.13 sec. 576.400)
- 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 Public Participation

The State published a Notice of Public Hearings (a copy of which is included in **Exhibit II** of this document) in the February 21, 2014 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

The hearing was held at 9:00am on March 10, 2014, in the facilities of the Department of the Family, central offices, in San Juan. One hundred and eleven persons attended the hearing, representing the private and non-profit sectors, public agencies, municipal officials, and the general population.

A total of six (6) persons commented during the hearing. After the hearing, citizens and municipalities could provide additional written comments for a period of 30 days (until April 9, 2014). No additional comments were received.

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

Name	Program	Comments and questions	Agency's response
<p>Millie Marcano, Millie Marcano & Asociados</p>	<p>CDBG</p>	<p>Requested to make a change to the Action Plan this year, and instead of presenting two proposals (one for the basic allocation and one for the competitive fund), to present only one.</p>	<p>OCAM indicated that the recommendation would be considered. Further detail will be provided in the guidelines to be distributed in April 25, 2014</p>
<p>Iris Carrasquillo, Consultant of various municipalities</p>	<p>CDBG</p>	<p>The citizen who provides consulting services to several municipalities, asked for the 2010 Census data. She said that she has been asking for the data since many years ago, and that for not having it, one of the municipalities she works for has not being able to apply for the 2010 competitive funds. She explained that this municipality is not eligible when considering the 2000 census data, but it is eligible according the 2010 data.</p>	<p>OCAM indicated that this information have been requested to HUD, but is not yet available. The Agency also indicated that municipalities have the option of challenging the data, with the survey procedures established by OCAM, according to the regulations of CDBG.</p>

		<p>Ms. Carrasquillo also recommended the amendment of P.L. 50, which currently establishes the \$350,000 Basic Allocation for municipalities. She suggested to the Commissioner to request to the Legislature an amendment to the law with the purpose of empowering him to make more flexible decisions when it comes to the use of funds, especially when these funds will diminish. She said that for OCAM it is easier to evaluate an AB proposal only, instead of evaluating different types of proposals.</p>	<p>The Commissioner of Municipal Affairs responded to this comment, and mentioned OCAM's intention to amend the law. He indicated that there is currently a bill for these purposes, at the Senator Martín Vargas' Office, which is expected to be presented during the next weeks. The Commissioner also mentioned that having the funds being distributed equally among municipalities (instead of having a basic allocation and a competitive fund), will also provide municipalities other opportunities such as applying for Section 108 Loans.</p>
<p>Marisol Luna</p>	<p>General</p>	<p>Ms. Luna mentioned that she has been working with non-profit organizations since many years ago, and one of the problems that she has encountered is that many times, the non-profit organizations do not have funds for matching</p>	<p>The Department of Family responded to this comment and indicated that she understands that the federal government will be stricter when it comes to matching requirements and that the non-profit organizations cannot depend on federal funds</p>

		<p>requirements. She recommended to inform and orientate municipalities about this topic.</p>	<p>only, and instead, should look for other sources of funding.</p>
			<p>The Commissioner of Municipal Affairs also mentioned about the tendency of a diminution in federal funds and a greater importance of matching funds. Within this context capacity building and training becomes more important. The Commissioner talked about a project of the agency that addresses that area of need, using a distance learning approach.</p>
			<p>The Director of the Puerto Rico Housing Financing Authority, also said that HUD has established very strict parameters this year regarding this topic. In the case of the HOME Program, he mentioned that some CHDO's have failed to comply with this requirement, and as a</p>

			consequence regulations are stricter.
			Ms. Nieves, from HOPWA, agreed with Ms. Meléndez from the Department of Family, and mentioned that even though the program does not require matching, they asked for information regarding other funds that are used to pay for the employees providing the services. Also, Nieves commented about HUD’s requirement of having a cost allocation.
Omar Santos, Municipality of San Lorenzo	ESG	Asked what is the deadline for the proposals	Ms. Mussenden, director of ESG Program, clarified that no meeting will be conducted because the Puerto Rico Department of the Family is currently using a method of distribution in which an award is granted for a two (2) year period
	HOME	Indicated that some municipalities, including the Municipality of San Lorenzo, have not being able to use the funds that were assigned to them in 2012 because of a	Mr. Sierra, Director of the Puerto Rico Housing Financing Authority, said that they are working with HUD, at the local and federal levels, to be able to solve this situation and that they

		specific situation that has to be resolved. He asked what the status of that situation is.	expect it to be solved during the current year.
Luis Segarra, Hogar Fortaleza del Caido	ESG	Mentioned that prevention funds from ESG during this past program year were directed to people who reside in public housing or Section 8. He expressed his concern about this fact, because in Puerto Rico, most people live in houses, and not in apartments. He said that this has limited the organization he works for when providing services to people with limited resources.	Ms. Mussenden recognized that this is a challenge, but that the Department of Family is seeking to comply with the federal regulation which is focused in stabilizing persons in their housing. To this effect the Department will be announcing a series of training to discuss this topic.
Ms. Alvarez	ESG	Indicated that she did not understand one of the aspects regarding limitations to emergency and transitional shelters that were discussed by Ms. Meléndez during her presentation.	Ms. Melendez clarified the information regarding emergency shelters, these include shelters that may provide support (three months for the short term, and six months for the medium term).

Notice Published for the Public Availability of the Action Plan

Exhibit IV 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 14, 2014 in “Primera Hora,” a 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

Only one comment was received during the public participation period. The summary of the comment, as well as the response of the Agency are included in the following table.

Name	Program	Comments and questions	Agency's response
<p>Mr. Jorge Méndez</p>	<p>CDBG</p>	<p>The comment was received via telephone. The citizen, requested clarification concerning some of the criteria or requirements of the CDBG Basic and Competitive Allocation, including the requirement of submitting the Municipality’s citizen participation plan.</p>	<p>Clarifications were included in the text, and were also provided in the guidelines for submitting a proposal to OCMA.</p>

Notice of Funding Availability

The following table shows the allocation for each program for PY 2014 compared to the previous year, as announced by the Deputy Assistant Secretary for Community Planning and Development (CPD) of the US Department of Housing and Urban Development (HUD):



Comparative CPD Allocations for PY'S 2013 and 2014

PROGRAM	2013	2014	CHANGE
CDBG	\$27,793,428	\$26,111,449	(\$1,681,979)
HOME	\$8,469,034	\$9,301,975	\$832,941
ESG	\$3,450,602	\$3,867,010	(\$416,408)
HOPWA	\$1,693,542	\$1,808,174	\$114,632

RESOURCES FOR THE CDBG PROGRAM [91.320 (c)]

Federal Resources and Program Income Expected To Be Available

The State CDBG allocation for PY 2014 amounts to \$ 26,111,449. 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.

The allocation for non-entitlement municipalities will reach 96% of the 2014 budget, equally distributing 69% 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, 27% of the funds will be made available for competitive grants to the non-entitlement municipalities. Details of the Method of Distribution are presented in the table titled Use of Funds for PY 2014.

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.

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

Instructions regarding the reporting and expenditure of program income are posted at: <http://www.ocam.gobierno.pr>. The municipalities are required to send their program income estimates and reports through e-mail, fax, or PROFE.

Redistribution of Recaptured Funds

Non-entitlement municipalities are subject to OCAM's policy on recapturing unused funds for longer than five (5) years. OCAM will then allocate such funds according to a set of criteria that will be announced to municipalities

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

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 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 2014 correspond to the fourth year of OCAM's 5 Year Housing and Community Development Strategy (5YHCDS) for the 2010-2014 Consolidated Plan.

AMENDED OPTIONAL TABLE 3A- SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

Specific Obj. #	Outcome/Objective	Performance Indicators	Program Year	Expected Number	Actual Number	Per cent Completed
	Specific Annual Objective					
DH-2	AFFORDABILITY OF DECENT HOUSING					
DH-2.1	Down payment and closing assistance for acquisition and existing housing for low income homeownership. MC# 13	Direct financial assistance to homebuyers.	2010	50	51	102%
			2011	50	41	82%
			2012	75	14	19%
			2013	75		0%
			2014	100		0%
			MULTI-YEAR GOAL			350
DH-2.2	Homeowner rehabilitation of housing units from substandard conditions. MC# 14	Owner occupied units rehabilitated.	2010	500	773	155%
			2011	550	1,293	235%
			2012	600	2,051	342%
			2013	650		0%
			2014	700		0%
			MULTI-YEAR GOAL			3,000
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	0	0%
			2012	25	0	0%
			2013	30		0%
			2014	35		0%
			MULTI-YEAR GOAL			125
SL-1	AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT					
SL-1.1		People	2010	1,250	2,377	190%

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	Senior citizen assisted. MN #05A		2011	1,500	1,867	124%
			2012	1,750	1,946	111%
			2013	2,000		0%
			2014	2,250		0%
			MULTI-YEAR GOAL		8,750	6,190
SL-1.2	Youth services assisted. MC# 05D	People	2010	1,500	1,077	72%
			2011	1,750	1,355	77%
			2012	2,000	1,558	78%
			2013	2,250		0%
			2014	4,500		0%
			MULTI-YEAR GOAL		10,000	3,990
SL-1.3	Persons assisted with health services. MC# 05M	People	2010	250	507	203%
			2011	500	1,305	261%
			2012	750	1,169	156%
			2013	1,000		0%
			2014	1,250		0%
			MULTI-YEAR GOAL		3,750	2,981
SL-1.4	Persons for which access to new or improved senior centers were provided. MC# 03A	People	2010	250	922	369%
			2011	500	187	37%
			2012	750	0	0%
			2013	1,000		0%
			2014	1,250		0%
			MULTI-YEAR GOAL		3,750	1,109
SL-3	SUSTAINABILITY OF SUITABLE LIVING ENVIRONMENT					
SL-3.1		Public Facilities	2010	15,000	0	0%

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	Persons for which access to acquisition of real property were provided. MC# 01		2011	15,000	0	0%
			2012	15,000	0	0%
			2013	15,000		0%
			2014	15,000		0%
			MULTI-YEAR GOAL		75,000	0
SL-3.2	Persons assisted with general public services. MC# 05	Public Services	2010	1,000	393	39%
			2011	2,000	806	40%
			2012	3,000	128	4%
			2013	4,000		0%
			2014	5,000		0%
			MULTI-YEAR GOAL		15,000	1,327
SL-3.3	Persons assisted with crime awareness services. MC# 051	People	2010	15,000	47,229	315%
			2011	20,000	16,128	81%
			2012	25,000	27,399	110%
			2013	30,000		0%
			2014	35,000		0%
			MULTI-YEAR GOAL		125,000	90,756
SL-3.4	Persons for which access to a new or improved public facilities were provided. MC# 03	People	2010	35,000	226,003	646%
			2011	40,000	31,970	80%
			2012	45,000	28,849	64%
			2013	50,000		0%
			2014	55,000		0%
			MULTI-YEAR GOAL		225,000	280,548
SL-3.5		People	2010	35,000	25,040	72%
			2011	40,000	5,666	14%

State Consolidated Plan



	Persons for which access to improvements were provided. MC# 03		2012	45,000	3,297	0%
			2013	50,000		0%
			2014	55,000		0%
			MULTI-YEAR GOAL		225,000	34,003
SL-3.6	Persons for which access to a new or improved neighborhood facilities were provided. MC# 03E	Public Facilities	2010	16,000	17,211	108%
			2011	17,000	2,617	15%
			2012	18,000	3,273	18%
			2013	19,000		0%
			2014	20,000		0%
				MULTI-YEAR GOAL		90,000
SL-3.7	Persons for which access to a new or improved parks and recreational facilities were provided. MC# 03F	Public Facilities	2010	125,000	277,433	222%
			2011	150,000	109,145	73%
			2012	175,000	57,432	33%
			2013	200,000		0%
			2014	225,000		0%
				MULTI-YEAR GOAL		875,000
SL-3.8	Persons for which access to new or improved parking facilities were provided. MC# 03G	Public Facilities	2010	5,000	12,629	253%
			2011	5,000	11,750	235%
			2012	5,000	0	0%
			2013	5,000		0%
			2014	5,000		0%
				MULTI-YEAR GOAL		25,000
SL-3.9	Persons for which access to new or improved solid waste were provided. MC# 03H	Public Facilities	2010	25,000	13,203	53%
			2011	25,000	0	0%
			2012	25,000	0	0%

State Consolidated Plan



			2013	25,000		0%
			2014	25,000		0%
		MULTI-YEAR GOAL		125,000	13,203	11%
SL-3.10	Persons for which access to new or improved flood drain facilities were provided. (MC # 03I)	People	2010	5,000	12,488	250%
			2011	6,000	0	0%
			2012	7,000	6,474	92%
			2013	8,000		0%
			2014	9,000		0%
			MULTI-YEAR GOAL		35,000	18,962
SL-3.11	Persons for which access to new or improved water/sewer facilities were provided. MC# 03J	People	2010	5,000	11,596	232%
			2011	6,000	9,533	159%
			2012	7,000	0	0%
			2013	8,000		0%
			2014	9,000		0%
			MULTI-YEAR GOAL		35,000	21,129
SL-3.12	Persons for which access to new or improved street facilities were provided. (MC # 03K)	People	2010	300,000	420,204	140%
			2011	325,000	182,271	56%
			2012	350,000	198,696	57%
			2013	375,000		0%
			2014	400,000		0%
			MULTI-YEAR GOAL		1,750,000	801,171
SL-3.13	Persons for which access to new or improved sidewalks facilities were provided. MC# 03L	People	2010	5,000	5,394	108%
			2011	6,000	8,187	136%
			2012	7,000	5,159	74%
			2013	8,000		0%
			MULTI-YEAR GOAL			

		2014	9,000		0%
		MULTI-YEAR GOAL		35,000	18,740 54%

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

RESOURCES FOR THE HOME PROGRAM [91.320 (c)]

Federal resources including program income and recapture funds

The PRHFA will receive \$9,301,975 in HOME funds for PY 2014. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 250 affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO’s – set aside only). This includes site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2014 is shown below. The category distribution followed the distribution mention in the Executive Summary.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2014

Assigned Budget:	\$9,301,975
Distribution by Category:	
State Administration	\$930,197
Construction of Housing or Rehabilitation by Community	
Housing Development Organizations (CHDO)	\$1,395,296
Rehabilitation or Construction of Housing for Rent	\$5,395,146
Down payment Assistance to Homebuyers	\$1,581,336

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. It should be noted that once the PRHFA re-gain access to the IDIS system it will be in position to 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.

Non Federal Financing Available for Affordable Housing

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

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 Commonwealth's investors.

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

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

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

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

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

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

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

Interim Loans for Construction

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

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

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

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

Direct Loans

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

Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

New Market Tax Credits

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The program attracts investment capital to low-income communities

by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). In 2011, the PRHFA in collaboration with Citigroup launched “El Fondo de Desarrollo Comunitario”, a \$45 million revolving loan program to grant loans to affordable housing developers in the Island.

Subsidy 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 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 2014, 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.

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	58	58%
		2012		100	78	78%	
		2013		50	-	0.00%	
		2014		0	-	0.00%	
MULTI-YEAR GOAL				350	181	52%	
2.2.3	Rehabilitation or Construction of affordable housing units for rental occupancy	HOME	Rental units constructed or rehabilitated	2010	150	581	387%
				2011	150	323	215%
		2012		180	0	0.00%	
		2013		180	-	0.00%	
		2014		180	-	0.00%	
MULTI-YEAR GOAL				840	904	108%	
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	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	4	27%
		2012		15	12	80%	
		2013		0	-	0.00%	
		2014		0	-	0.00%	
MULTI-YEAR GOAL				45	35	78%	
GRAND TOTAL					1785	1,444	81%

RESOURCES FOR THE ESG PROGRAM [91.320 (d)]

The ESGP is administered by the DF, 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 77 Organizations and 50 Municipalities are expected to receive ESG funding in Program Year 2014 for the activities of Street Outreach, Shelter, Rapid Re-housing, Prevention, HMIS, and Administration. The 2014 allocation is contingent to compliance with all the requirements of the Emergency Solutions Grants Program.

For Program Year 2014 we will be receiving \$3,867,010 funds. This allocation is slightly higher than last year. The following table summarizes the proposed allocation for program year 2014:

ESTIMATED ALLOCATION BY PROGRAM ACTIVITIES

ACTIVITY	ALLOCATION FUNDS
	2014
Street Outreach	\$386,701
Shelter	\$1,160,103
Rapid Re-housing and Prevention	\$1,856,164.80
HMIS	\$193,350.50
Administrative Cost*	\$270,690.70
TOTAL	\$3,867,010

*Two (2%) percent of the administrative costs will be available to distribute to award Municipalities and Organizations

Federal and State Resources

The Puerto Rico Balance of State Continuum of Care (PR 502) and the South/Southeast Puerto Rico Continuum of Care (PR 503) 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 Collaborative Applicants.

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).

SHP and S+C Grants With Remaining Grant Funds

Recipients in this classification may extend the term of their grants through at least June 30, 2013, and use their remaining funds for eligible costs during the extension period by executing a grant agreement amendment.

SHP and S+C Grants With No Remaining Grant Funds

Recipients that have no remaining grant funds may continue the project by using other resources to cover eligible expenses incurred after the grant's official expiration date. If the project is selected for renewal in the FY2013 CoC Program Competition, the start date of the renewal grant will be the date after the expiration of the previous grant. This will allow for the recipient to be reimbursed for eligible expenditures incurred after the expiration date of the grant and before the renewal grant agreement is signed. However, renewal is not guaranteed.

Continuum of Care Competition 2013-2014

For the fiscal year 2013-2014, HUD announced the competition for the Continuum of Care Program on November 22, 2013. The proposal of the CoC PR-502 was submitted to HUD on February 3, 2014, which included 38 renovation projects and one for the CoC planning funds for a total of \$13,147,423.

On April 8, 2014 the DF was notified that 35 out of 38 SHP projects were funded to PR-502 Puerto Rico Balance of State Continuum of Care CoC, calendar year 2014 for Tier 1, by HUD with a total

allocation of \$11,887,729. Three projects are still in the evaluation process. On the other hand, South/ South East Continuum of Care was awarded by HUD \$5,380,329 (Enclosure 3).

Other federal and state resources (FY 2014)

The Department of the Family receives other federal and state resources (FY 2014) and it's expected to receive approximately \$2,632,031,523 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 in some cases to comply with the Program's matching fund requirements. The following table provides detailed information:

OTHER FEDERAL AND STATE RESOURCES (FY-2014)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$ 2,003,173,000	\$ 38,164,000	2,041,337,000	Provides supplemental income to families in need in order to address their nutritional needs.
Nutritional Assistance Program (PAN Spanish Eponymous)- ARRA				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)	\$ 85,170,000	44,401,000	\$ 129,571,000	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)	\$ 0	\$ 4,187,000	\$ 4,187,000	Helps poor families become self-sufficient.
	\$ 58,917,000	\$ 174,745,000	\$ 233,662,000	

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Services to the Families and Children				Provides care and protection to children for their constructive development. Also, provide support to individuals and families who offer social work services and intervention in child adoption, abuse, domestic violence and care and protect the elderly and the disabled. Furthermore, to work in community development, emphasizing prevention.
Child Support	\$ 27,068,000	\$ 14,522,000	\$ 41,590,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	0	1,582,000	1,582,000	Ensures that people aged 60 years or more that are in need of sustenance or livelihood obtain alimony from their legally responsible direct descendants. Establishes alimony orders by the administrative procedures of mediation or court proceedings. Locates descendants whose whereabouts are unknown and require them to comply with their obligation to provide sustenance to their relatives
Child Care	\$ 31,821,514	\$ 6,351,000	\$ 38,172,514	To assist low- income families with child care in order to: 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Head Start	\$125,463,009	\$ 1,967,000	\$ 127,430,009	Head Start and Early Head Start are comprehensive child development programs that serve children from birth to age 5, as well as pregnant women and their families. They are child-focused programs that aim to improve school readiness of young children in low-income families.
Disability Determination	\$ 14,500,000	\$ 0	\$ 14,500,000	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$ 2,346,112,523	\$ 285,919,000	\$ 2,632,031,523	

* According to 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 **\$8,166,500** 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	\$ 7,916,500	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	\$8,166,500	

MATCHING FUNDS

Each organization that receives ESG funds must match dollar-to-dollar the funding provided with funds from other public or private sources. Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as well as state, local, and private sources. However, the following requirements apply to matching contributions:

- The sub-recipient must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Emergency Solutions Grant (ESG) funds.
- If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the ESG matching requirements.
- In order to meet the matching requirement, the matching contributions must meet all requirements that apply to the ESG funds provided by HUD, except for the expenditure limits in § 576.100.
- Match must have been expended during the ESG contract term.
- Match must have been expended on eligible ESG activities.
- Match must be used for ESG eligible clients.
- Must document match in the same way as ESG funding.
- Source and amount of match has not been used as match for any other state or federal programs.
- Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.
- Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching requirement of ESG.

Recipients may use any of the following in calculating the amount of matching funds provided:

- Cash contributions. Cash expended for allowable costs, as defined in OMB Circulars A-87 (2 CFR part 225) and A-122 (2 CFR part 230 and A-122 (2 CFR part 230), of the sub-recipient.
- Noncash contributions. The value of any real property, equipment, goods, or services contributed to the sub-recipient's ESG program, provided that if the sub-recipient had to pay for them with grant funds, the costs would have been allowable. Noncash contributions may also include the purchase value of any donated building.
- To determine the value of any donated material or building, or of any lease, the sub-recipient must use a method reasonably calculated to establish the fair market value.
- Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the sub-recipient's organization. If the sub-recipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market.
- Some noncash contributions are real property, equipment, goods, or services that, if the sub-recipient had to pay for them with grant funds, the payments would have been indirect costs. Matching credit for these contributions must be given only if the sub-recipient has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of those contributions.

The total match that will be provided by the Department and the sub recipients will equal \$3,867,010.

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

The total amount of HOPWA funds allocated by HUD to the State Department of Health is \$1,808,174 to undertake eligible activities during PY 2014. With these notified funds, the PRDOH will undertake housing and supportive services related activities. Among the activities that the HOPWA Program will undertake during the PY 2014, are: permanent housing, temporary housing, transitional housing, and supportive services to persons with HIV/AIDS, and other eligible activities. All the Sponsors that are the sub-recipients of the HOPWA funds were directed to provide applications to the Municipality of San Juan for funding based upon this allocation. 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.

During PY 2013, the HOPWA sub-recipients provided over \$3.5 Million in leverage to support the eligible activities. We expect that the same level of assistance will be available during PY 2014. The following table shows the expected level of leverage for next program year:

Source of Leverage	Amount of Leveraged Funds	Type of Contribution
<i>Public Funding</i>		
<i>Ryan White-Housing Assistance</i>	\$ 988,367.40	Housing assistance
<i>Ryan White-Other</i>	\$ 204,631.20	Case management
<i>Ryan White-Other</i>	\$ 1,003,455.90	Medical services
<i>Shelter Plus Care</i>	\$ 92,872.80	Vouchers for homeless

Source of Leverage	Amount of Leveraged Funds	Type of Contribution
<i>Emergency Solutions Grant</i>	\$ 59,580.00	Operational expenses
<i>Other Public: HUD Transitional Housing</i>	\$ 130,816.80	Housing assistance
<i>Other Public: HUD Safe Heaven</i>	\$ 160,428.60	Housing assistance
<i>Other Public: Fondos Legislativos</i>	\$ 13,500.00	Operational expenses
<i>Other Public: Puerto Rico Law 52</i>	\$ 84,600.00	Employment outreach
<i>Other Public: State Department of the Family</i>	\$ 15,300.00	Food
<i>Other Public: HUD-Housing</i>	\$ 21,600.00	Operational expenses
<i>Other Public: Fondos Legislativos</i>	\$ 67,500.00	Operational expenses
<i>Private Funding Grants</i>	\$ 159,038.10	Operational expenses
<i>In-kind Resources</i>	\$ 239,692.50	Operational expenses
<i>In-kind Resources</i>	\$ 391,384.80	Operational expenses

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 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 2014

Use of Funds (category)	Allocation
Basic Allocation	\$17,955,000.00
Competitive Round	\$7,073,105.53
State Administration	\$783,343.47
Emergency Fund	\$300,000.00
Total	\$26,111,449.00

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. The certifications detailed in page 87, will be valid for both applications. OCAM expects to have approximately \$300,000 available from recaptured funds, which will be distributed according to a set of criteria that will be announced to municipalities. A separate application for the Redistribution of Recaptured Funds should be submitted as well.

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)), 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 2014 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section

105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.

Application Submission

Application kits or Request for Proposals for the Basic Grant, Competitive Round will be available on April 25, 2014. The proposals will be submitted on or before May 30, 2014 to OCAM via PROFE only (Electronic Federal Programs) no later than 4:30pm.

Applications for the Emergency Fund may be submitted at any time during PY 2014 as long as they comply with the requirements presented in Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.

Program Certifications

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

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

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a

Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all 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)

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

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

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

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

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular

urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2010, 2011 and 2012, shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

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

- 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 Laws- It will comply with applicable laws.

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 2014, are subject to citizen participation requirements. These requirements are mandatory and include the following items:

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

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

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

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

The second public hearing will be the municipality's response to the pressing needs of the

community. In this hearing, the municipality must present a complete inventory of the housing and community development needs, by each of the CDBG eligible categories included on this plan, strategy for the compliance with national objectives, specific objectives, funding priority, and expected performance measurement.

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

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

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

Fair Housing Certification

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

- The development and implementation of a public information campaign that includes publicizing the municipality's counseling and referral 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 -2004 and Act Num. 144 -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.

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 it with 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 for 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 basic grant)**	\$52,500.00	\$60,375.00
Administration (up to 18% of the grant)	\$63,000.00	\$72,450.00
Other eligible activities	\$234,500.00	\$269,675.00
Maximum to Request	\$350,000.00	\$402,500.00

*If the category of Administration is not submitted up to its maximum, whatever amount available can be used to increase the maximum amount allocated to all remaining categories, except Public Service, if the amount requested is over the cap of 15%.

The following is a description of each CDBG category eligible to obtain funds under this plan.

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

- Closure of sanitary landfill facility or purchase of heavy equipment to be used at the sanitary landfill, will only be allowed if the facility is in operation.

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.
- **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.

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.

Moderate Housing Rehabilitation

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

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

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

assure completion of the rehabilitation of every housing unit.

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

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

- 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
- 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.

Housing Rehabilitation Materials Program

Municipalities will be allowed to grant up to \$3,000 per housing unit to low-to-moderate income households in order to carry out rehabilitation activities on their own. The same purposes, objectives, and time frames as the moderate housing rehabilitation category apply to all applications under this activity. Although the Municipality will not be required to provide labor, it will be required to assure completion of the rehabilitation of every housing unit. The

Municipality must adapt the Moderate Housing Rehabilitation Guideline to the Housing Rehabilitation Materials Program. The Municipality is required to conduct two inspections on the property: one at the filing of the application and a second inspection upon completion of the rehabilitation. These two inspections will document (via photographs) the improvements made to the housing unit. The Municipality must ensure that materials are properly used.

Public Service

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

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

- 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.
- 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. The 15% Public Service Cap is based on the total CDBG State grant.

Public Facility for Business or Commercial Use

Economic development is a priority of the Commonwealth of Puerto Rico. The objective of this category is to provide funding for the construction, rehabilitation or installation of publicly-

owned property to create commercial space to be used to foster the development of microenterprises as per Section 105(a)(2). Applicants are cautioned to carefully consider their project needs. OCAM will evaluate project implementation based on the development program submitted by the municipality.

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

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

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

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

Microenterprise Assistance Program

The Program is targeted to promote the development of new and existing microenterprises; and to incentivize self-employment among individuals in the jurisdictions covered by non-entitlement municipalities as stated in Section 105(a)(22).

Eligible microenterprise activities include the provision of:

- Recoverable grants to qualified microenterprises.

- Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises;
- General support to owners of microenterprises and persons developing microenterprises including child care, transportation, counseling and peer support groups

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

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

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

Special Economic Development Program

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

These activities include:

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

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

- 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.

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

Competitive Grant - \$7,073,105.53

An amount of **\$7,073,105.53** has been allocated for the Competitive Grant.

Municipalities may request funds for one or more of the activities mentioned in the section regarding the basic allocation. The maximum amount to be requested under the competitive grant is \$139,945.46 per municipality. 15% mark-up to the municipalities of Vieques and Culebra (\$160,937.28).

CAPS FOR CDBG ALLOCATION UNDER THE COMPETITIVE FUND

	Minimum Allocation	Average Allocation	Maximum Allocation	Minimum Allocation for Vieques and Culebra	Average Allocation for Vieques and Culebra	Maximum Allocation for Vieques and Culebra
Allocation	\$135,809.14	\$137,877.30	\$139,945.46	\$156,180.51	\$158,558.90	\$160,937.28
Public Service (up to 15% of the competitive grant)	\$20,371.37	\$20,681.60	\$20,991.82	\$23,427.08	\$23,783.84	\$24,140.59
Administration (up to 18% of the grant)	\$24,445.65	\$24,817.91	\$25,190.18	\$28,112.49	\$28,540.60	\$28,968.71
Other eligible activities	\$90,992.12	\$92,377.79	\$93,763.46	\$104,640.94	\$106,234.46	\$107,827.98

** If the category of Administration is not submitted up to its maximum of the total grant (18%), whatever amount available can be used to increase the maximum amount allocated to all remaining programs, except Public Service, up to the 15% of the cap.*

Under the Competitive Grant, non-entitlement municipalities may request funds for the activities indicated under the basic allocation, with the same limitations stipulated on the Basic Grant. Submission of a budget breakdown is mandatory as required in OCAM’s Memorandum issued on July 6, 2001 for construction projects. For other projects under economic development, municipalities must still submit an estimated budget breakdown, which could include expected beneficiaries and detailed costs of the project.

In determining an appropriate amount, OCAM reserves the right to adjust requested funds, based on review of compliance with the following 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.
- Timely expenditure of funds.

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 project is fully completed, the Municipality may transfer remaining funds to the administration activity, in excess of the 10%, but no greater than 18% of the competitive grant. Under the Competitive Grant, the maximum allocation for administration will be subject to past performance evaluation criteria. If the municipality is not in compliance with OMB-A-133 Circular, administrative funds may be withheld by OCAM.

Emergency Fund

This is the last priority of the Government of Puerto Rico. 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 need to follow the same criteria established in 24 CFR 570.483 (d). Funds to assist the municipalities in attending sudden emergencies with CDBG funds will be provided with **\$300,000**. The grant limit per Municipality is made on a case by case basis up to \$100,000, depending on the damages quantified per occurrence within the municipal jurisdiction. The objective of this category is to provide a temporary solution to alleviate urgent problems that occur during the regular grant application process.

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 certification from the Municipal Emergency Management Office should be accompanied

with a corroborating and valid certification from the State Emergency and Disaster Management Agency, indicating the nature and date of such emergency. It is the responsibility of the State to validate the nature of the emergency.

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

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

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

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

If the project is not commenced within a period of 60 days from the date of the registration of the contract with the Comptroller Office, the funds will be recaptured by OCMA.

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

The evaluation process will be conducted by an evaluating committee designated by the

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

As soon as the petition from the affected municipalities is received, the committee will analyze the application for emergency funds that has been received. The evaluation/recommendation will be considered for final decision by the Commissioner or other designated person.

State Administration

The amount of **\$783,343.47** (3% of the CDBG grant) will be allocated for the State program administration. The expenditure of the first \$100,000 could be disbursed without any matching requirement, forcing the State to match no less than \$633,802.84 from state funds.

The Evaluation of Proposals

The applications submitted under the Competitive Grant will be evaluated by an in-house committee appointed by the Commissioner or the Deputy Commissioner for Federal Programs. Competitive funds would be assigned to municipalities that: (1) submit proposals and (2) comply with regulatory requirements (example, Fair Housing and Citizen Participation). The amount that each Municipality will receive in the competition shall be established according to the performance criteria listed below.

Step 1- municipalities will be ordered (sorted) from lowest to highest according to the obtained performance score, to identify where the median score is (that is where 50% of the cases are).

Step 2 - That municipality or municipalities which locate (are located) at the median score will be awarded with the average assignment /average allocation (that is, the assignment/ allocation that would apply if the funds were divided equally among all competing).

Step 3 - Municipalities with performance above the median will receive 1.5% more than the average assignment/ allocation, while those who are below the median will obtain 1.5% less than the average assignment/ allocation.

Step 4 - Any difference will be distributed equally among all municipalities competing.

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

The Evaluation Criteria for General Overall Performance

Under the General Overall Performance, the municipality could obtain a maximum of 75 points.

OVERALL GENERAL PERFORMANCE OF THE MUNICIPALITY

Criteria	Description	Maximum Points
Expenditure Rate	The municipality reached up to 1.5 on the timeliness ratio by April 30, 2014	10
	The municipality reached up to 2.5 on the timeliness ratio by April 30, 2014	3
	The municipality went over 2.5 on the timeliness ratio by April 30, 2014	0

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

***The Municipality can receive up to 10 points if the sum of all open Program Year balances- up to 2012-, is less than 1.5 times the average 2013 total grant allocation for all Non-entitlement municipalities. Balance will be based on the Municipality’s budget balance at OCAM.**

Criteria	Description	Maximum Points
Quarterly Financial Reports (QFRs)	4 QFRs were presented on time between Jan 2013 and March 2014.	10
	3 QFRs were presented on time between Jan 2013 and March 2014.	5
	2 QFRs were presented on time between Jan 2013 and March 2014.	1

The maximum points that will be awarded under the Quarterly Financial Reports factor are **10 points.**

Criteria	Description	Maximum Points
Presentation of the Single Audit Report (SAR)	SAR FY 13 was presented and filed with OCAM, on or before, March 31, 2014 and no findings made.	10
	The Municipality submitted the SAR on time, but had findings	4
	Corrective Action Plan (CAP) for the findings raised in the SAR has been presented	1
	The municipality did not present the SAR to OCAM on or before March 31, 2014.	0

The maximum points that will be awarded under the Presentation of the Single Audit Report (SAR) factor are **10 points.**

Criteria	Description	Maximum Points
Close Out of Program Years	The municipality has closed all the program years up to PY-2009. (properly submitted to OCAM according to rules and regulations; only consecutively closed program years will be considered.)	20
	The municipality has closed all the program years up to PY-2008. (properly submitted to OCAM according to rules and regulations; only consecutively closed program years will be considered.)	15
	The municipality has closed all the program years up to PY-2007. (properly submitted to OCAM according to rules and regulations; only consecutively closed program years will be considered.)	10
	The municipality has closed all the program years up to PY-2006. (properly submitted to OCAM according to rules and regulations; only consecutively closed program years will be considered.)	5

The maximum points that will be awarded under Close Out of Program Years factor are 20 points.

Criteria	Description	Maximum Points
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Monitoring Reports	OCAM found no findings in the last monitoring activity performed to the municipality.	10
	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	5

The maximum points that will be awarded under the Monitoring Reports factor are 10 points.

Criteria	Description	Maximum Points
Program Income Reports	The municipality presented the corresponding Program Income Estimates in the Report for PY 2013-2014 on time (July 31 st 2013).	10
	The municipality presented the maximum of 3 quarterly PIRs for 2013-2014 on time. (July-Sept 2013, Oct-Dic 2013, Jan-March 2014)	5
	The municipality presented 2 quarterly PIRs for PY 2013-2014 on time. (any two PIRs of the abovementioned periods)	3

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 15 points.

If the Municipality did not comply with the citizen participation requirements outlined in the Action Plan, the proposal will be disqualified.

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 \$300,000 belonging to Program Years 2004, 2006, 2007, 2008 and 2010. 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. Funds will be distributed according to a set of criteria that will be announced to municipalities.

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 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), until the set aside funds are fully distributed. It is the executive director discretion to assign more funds to CHDO's from PY 2014 funds.

As presented earlier, the **State HOME Program** will allocate the amount of **\$9,301,975** (projection based on PY 2014) 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:

- Project Location
- Project Characteristics;

- Project owners/developer characteristics;
- Financing characteristics;
- Special needs projects;
- Housing 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.

- a. Application's Agreement and Certification
- b. Submitted certified copies of the organizational documents of all entities (owner, general partners, sponsors, developer and officer) involved in the project.
- c. The owner, developer and their shareholders, directors, officers and partners, general contractor, as applicable, must demonstrate that:
 - a. they have not been involved in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and in which a default notice under the terms and conditions of the applicable financing (or other source of funds, e.g., ARRA funds: *American Recovery & Reinvestment Act of 2009, Tax Credit Program, etc.*) documents occurred that PRHFA determined as detrimental and/or resulted in the foreclosure of the project or in the substitution of the owner or any shareholder, director, officer, partner or general contractor

thereof, as applicable. **(Submit a Certification with the previous language)**

- b. Any identity of interest with any other party of the project must be identified
- c. They have not been involved or are in any conflict of interests (fact or appearance) in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) with PRHFA or its employees. Any conflict of interest disqualifies immediately the applicant of any participation with the PRHFA HOME Program.
- d. Unexpired Evidence of site control.
- e. Unexpired Construction Permit or Notification of Construction Permits issued by the applicable permitting office.
- f. State Historic Preservation Office (36 CFR 800) -Technical Assistance or Final Determination Letter
- g. Wetland Inventory Map-US Fish and Wild Life Service (Wetlands Protection (Executive Order 11990)
- h. FEMA Map (Floodplain Management Act (24 CFR 55, Executive Order 11988)
- i. USFWS Map (Coastal Barrier Resources Act (24.CFR 58.6(b)(2)
- j. P.R. Natural Resources Department- Final Determination Letter (Coastal Zone Management Act (Section 307(c) & (d))
- k. U.S. Fish & Wild Life Service-Department of Interior -(Endangered Species Act (50 CFR 402)) -Technical Assistance or Final Determination Letter
- l. Proposed project of new construction, major rehabilitation, or conversion located
 - 1. 1,000 feet of a major noise source, road or highway
 - 2. 3000 ft of a railroad; or
 - 3. 5 miles of a civil airport

Must provide a Noise Study in accordance to the requirements set forth in the American National Standard Method for the Physical Measurement of Sound. The result of the noise level must comply with the acceptable noise level of 65 decibels established in 24 CFR 51.100 Noise Abatement and Control

- m. Resumes of the Development Team
- n. Drawings and outline specifications.
- o. Cost breakdown certified by the proposed General Contractor or Designer.
- p. Conditional or firm financing commitment specifying terms of available financing
- q. Field Studies: Soil Survey, Archeological/Ecologic Field Study, Hydraulic/Hydrologic Study
- r. Phase I environmental assessment report. (Must comply with ASTM E 1527-05 or any Updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations.
- s. Comprehensive market study report by a party unaffiliated with the developer, of the low-income housing needs in the area to be served. **(Prepared within six months of the application).**
- t. Appraisal report for site and project **(prepared within six months of the application).**
- u. Certification from the Owner as to any Federal, State, or Local subsidies received, or expected to be received, for the development and operation of the project.



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- v. If the project has, or will have, Federal, State, or Local subsidies copies of the contracts or **firm** commitment letters must be included with the application.
 - w. Detail sources and uses of funds schedule.
 - x. Pro-forma financial statements certified by the proposed management agent, if applicable.
 - y. Affirmative Marketing Plan
 - z. Designer's Preliminary Opinion with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.
 - aa. CHDOs Designation

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 440 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.



Project Location (Up to 150 points)

i) Up to 50 points:

Projects located on or near the following mass transportation facilities: existing ATI Urban Train Stations, central hubs for Metropolitan Bus Authority buses (AMA for its spanish acronym) or public car terminals. Points will be awarded according to distance in meters to the center of the aforementioned facilities, as follows:

- (a) Projects located within a **100 meter** radius from the center of the station or terminal - **50 points**
- (b) Projects located within a **250 meter** radius from the center of the station or terminal - **25 points**
- (c) Projects located within a **500 meter** radius from the center of the station or terminal - **15 points**

ii) 50 points:

Projects located within the urban core areas ("Centros Urbanos") recognized formally by the different municipalities. Points will be awarded only if a certification from the municipality is submitted with the application attesting to the fact that the project lies within the current delimitation map. Copy of the official delimitation map is also required. - **50 points**

iii) Up to 50 points:

Projects located near existing public or private hospital facilities. The facilities to be considered will be strictly: 1) general hospitals as define by the Puerto Rico Department of Health pursuant to Article III, paragraph 21 of "Secretary of Health's Regulation Number 112 to Regulate the Evaluation Process for the Issuance of Convenience and Necessity Certificates", but excluding the term "specialized" from its last sentence, and 2) Treatment and Diagnostic Centers ("Centros de Diagnóstico y Tratamiento" or "CDT's" for their Spanish acronym), as define in Article III, paragraph 7 of the afore mentioned regulation. No other type of medical facility will be considered. Points will be awarded according to distance in meters to the center of the afore mentioned facilities, as follows:

- (a) Projects located within a **100 meter** radius from the center of the facility - **50 points**
- (b) Projects located within a **250 meter** radius from the center of the facility - **25 points**

<p>(c) Projects located within a 500 meter radius from the center of the facility - 15 points</p>
<p>b) Project Characteristics (Up to 70 points)</p>
<p>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:</p> <ul style="list-style-type: none"> a) Unexpired Construction Permit issued and approved by OGPe or an Autonomous Municipality, as the case may be. - 40 points b) Unexpired Notification of Approval of Construction Permit issued and approved by OGPe or an Autonomous Municipality, as the case may be. - 25 points.
<p>ii) State Historic Preservation Office SHPO No Adverse Effect Designation Letter (5 points) Other SHPO Determinations - Project will not be accepted. (0 points)</p>
<p>iii) Wetland Inventory Map U.S. Fish & Wild Life Service. Project outside of Wetland Areas(5 points) Project locate in Wetland Areas - Project will not be accepted. (0 points)</p>
<p>iv) FEMA MAP (Floodplain Management Act) Project outside of 100 year floodplain area (5 poin Other Project locations - Project will not be accepted.(0 points)</p>
<p>v) P.R. Natural Resources Department Final Determination Letter Without Corrective Actions Required (5 points) Other P.R. Natural Resources Department Determinations.(0 points)</p>
<p>vi) U.S. Fish & Wild Life Service - Department of Interior USFWLS No Adverse Effect Designation Letter(5 points) Other USFWLS Determination(0 points)</p>
<p>vii) Project emphasizes its energy efficiency Green Certified Projects Designated by OGPE (5 points) Non Green Certified Projects(0 points)</p>



c) Project Owner/Developers Characteristics (Up to 40 points)

i) Project Owner/Developer can demonstrate successful past experience in the development of affordable housing units with HOME Funds in Puerto Rico (25 points)

ii) Project Owner/Developer is a CHDO certified by PRHFA HOME Program. (15 points)

d) Financing Characteristics (Up to 50 points)

**i) 50
Points:**

the combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or tax credit equity providers) must be equal to or greater than three million dollars (\$3,000,000.00); and the current assets must include at least one million dollars (\$1,000,000.00) in liquid assets (cash equivalents and/or marketable securities).

**ii) 25
points:**

the combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or tax credit equity providers) must be equal to or greater than two million dollars (\$2,000,000.00); and the current assets must include at least half million dollars (\$500,000.00) in liquid assets (cash equivalents and/or marketable securities).

e) Special Needs Projects (Up to 40 points)

**i) 40
points:**

Special 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, or homeless (an endorsement letter from the authority or entity that provides supportive services to the targeted special population must be included).

f) Housing Needs Characteristics (Up to 50 points)

i) 50 points:

Project bedroom's distribution is at least 75% 2 or more bedrooms units.

ii) 25 points:

Project bedroom's distribution is at least 50% 2 or more bedrooms units.

For purposes of the percentage computation, units targeted for the elderly will not be counted even if they are 2 or more bedrooms units.

g) Additional Criteria for Rental Housing Projects (Up to 40 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) 10 points:

Rental subsidy award:

(a) Agreement to enter into a Housing Assistance Payments Contract, between PHA and Owner.

(b) Contract with the Department of Housing under Act Number 173 of August 31, 1996.

<p>(c) Other similar long-term public or private rental subsidy assistance. In order to be considered, private rental subsidy assistance must be shown, and supported with proper documentation (along with cash flows), be economically sustainable for at least 15 years.</p>
<p>(d) Firm commitment letter (must indicate the gross rents and utility allowances approved for the project) of HUD’s project based assistance (e.g., Section 8, Section 202-Supportive Housing for the Elderly, Section 811-Supportive Housing for Persons with Disabilities, Stewart B. McKinney Homeless Assistance Act of 1987, among others).</p>
<p>(e) Firm commitment letter (must indicate the gross rents and utility allowance approved for the project) of PR Department of Housing, Act Number 173 of August 31, 1996, as amended.</p>

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

- Activity Name:** Down Payment Assistance to Homebuyers

HOME Allocation: \$1,581,336

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

HOME funds will be used to subsidized part of the down payment and closing costs to prospective homebuyers in

order to reduce the monthly mortgage payments. The dwelling should meet property standards set forth in CFR 92.251 and the homebuyer should meet income targeting requirements set forth in sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).

Permanent financing would be secure through a private financial institution or the Puerto Rico Housing Finance Authority. The subsidy per family is up to \$45,000.00.

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

On this basis, the Commonwealth Program will be able to consider the approval of individual homebuyer activity with a sale price up to \$150,000.

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

1. To qualify as a low income family in the municipality where he/she is interested in purchasing the housing unit. Eligible families are Section 8, public housing, private tenants and married or unmarried couples looking to relocate because of marriage or job replacement. We encourage single parents, handicapped and elderly looking for secure housing opportunities. Income eligibility will be determined using Annual Gross Income as defined in 24 CFR Part 5. We also

encourage occupation in Projects financed by the Puerto Rico Housing Finance Agency if of any interest by the solicitants of the Home Program.

2. To look into the housing market and request a sale offering from the owner seller once the family has decided on a property.
3. To request a pre-qualification from a mortgage bank, calculating the equity available for down payment, the amount of Home funds needed for down payment assistance and the monthly mortgage.
4. To obtain the final eligibility and subsidy analysis form the Commonwealth Home Program, in order to obtain the final program commitment. Individualized analysis and criteria per family will take place in this step.
5. To qualify in the Home Program solicitants must be living in Puerto Rico for at least one year.

The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.

It is expected that 35 new low income participants will be assisted during PY 2014.

2. **Activity Name:** Rehabilitation or Construction of Rental Housing
- HOME Allocation:** \$5,395,146
- Description:** **HOME** funds will be as a grant to provide incentives or a direct loan to developers in order to reduce financing expenses in the construction loan.
- The rental construction, rehabilitation, or conversion will be carried out in compliance with sections 24 CFR 92.205 (eligible activities), 92.206 (eligible project costs), 24 CFR 92.251, **HOME** Program property standards, and Commonwealth construction requirements. Eligible project costs will be evaluated by the **HOME** staff, with the Reasonable Cost Certification issued by the **HOME** Program.
- The amount of the subsidy to be awarded will be granted after the subsidy layering analysis is done to the project in compliance with 24 CFR 92.250 (b).
- For rental housing, 90 percent of the occupants of **HOME**-assisted rental units must have incomes that are 60 percent or less of the area median; and 20 percent of the units in each rental housing project of five or more units must be occupied by tenant families with incomes at or below 50 percent of median income.
- Enforcement of the affordability period, rent and occupancy requirements will be secured through covenants running with the property and deed restrictions. Covenants and deed restrictions may be

suspended upon transfer by foreclosure or deed-in-lieu of foreclosure.

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

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

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

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

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

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

allowable under the project-based rental subsidy program.

Rental developers are advised that the payment standard applicable to the **HOME** Program is the High or Low **HOME** rent established by HUD for the market areas defined in Puerto Rico. The payment standard includes the utilities that should be paid by the landlord. In case the tenant pays any of these utilities, the contract rent executed by the tenant should discount the amount paid for such utilities. The **HOME** Program will use the utilities adopted by the PRHFA Section 8 Program.

For PY 2014 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: \$1,395,296

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 assistance of **HOME** funds.

The Commonwealth **HOME** Program must certify new organizations as a CHDO, prior to committing funds, the Commonwealth **HOME** Program will assure that the entity meets the criteria pursuant to 24 CFR Part 92.2.

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 13 very low and low-income families will benefit from the CHDO activity.

4. Activity Name: **HOME Program Planning and Administration**

HOME Allocation: \$930,197

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 2014 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
Down Payment Assistance to Homebuyers	1,581,336	17%
Rehabilitation or Construction of Housing for Rent	5,395,146	58%
CHDO Project Funds Set Aside (15% of PY 2014) **	1,395,296	15%
Program Planning and Administration (10% of PY 2014) *	930,197	10%
Total PY 2014 HOME Allocation	\$9,301,975	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.

ACTIVITIES FOR THE ESG PROGRAM [91.320 (d)]

Area Wide Systems Coordination Requirements (CFR 576.400)

Applicants must participate in Continuums of Care (CoC) appropriate to their program(s).

There are 2 CoCs in Puerto Rico. Department of the Family's ESG Program application will include a requirement for organizations and municipalities to participate in their local Continuum of Care and its community planning process by attending CoC meeting/Housing Team meetings to make sure collaboration and planning take place locally.

The Department of the Family will also require applicants to consult with the CoCs in the development of their application and to obtain a letter of support for their application. This requirement is based on HUD's new mandate to coordinate with CoCs and to prevent duplication and waste, and assure grantees that can best provide eligible services are identified and funded. Coordination includes how to allocate ESG Program funds, develop performance standards for and evaluate outcomes of projects and activities assisted with ESG Program funds. The application will require communities to use the most appropriate method for more localized planning, including participation from a broad group of stakeholders. Grantees will be required

also to coordinate with existing state and federal programs such as the Community Services Block Grant (CSBG), Community Development Block Grant (CDBG), Victim Services/Domestic Violence Programs, Veterans programs, ASSMCA programs, among others.

Department of the Family expects grantees to conduct local community planning that prevents duplication of services and aligns ESG Program activities with the Continuum of Care strategies to prevent and end homelessness and encourage links to employment and other programs that support economic self-sufficiency.

HOMELESS DEFINITION AND CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS



Homeless Definition

ELIGIBILITY BY COMPONENT (Emergency Solutions Grants Program)	Street Outreach	<p>Individuals defined as Homeless under the following categories are eligible for assistance in SO:</p> <ul style="list-style-type: none"> • Category 1 – Literally Homeless • Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1) <p>SO projects have the following additional limitations on eligibility within Category 1:</p> <ul style="list-style-type: none"> • Individuals and families must be living on the streets (or other places not meant for human habitation) and be unwilling or unable to access services in emergency shelter
	Emergency Shelter	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in ES projects:</p> <ul style="list-style-type: none"> • Category 1 – Literally Homeless • Category 2 – Imminent Risk of Homelessness • Category 3 – Homeless Under Other Federal Statutes • Category 4 – Fleeing/Attempting to Flee DV

Rapid Rehousing	<p>Individuals defined as Homeless under the following categories are eligible for assistance in RRH projects:</p> <ul style="list-style-type: none"> • Category 1 – Literally Homeless • Category 4 – Fleeing/Attempting to Flee DV (where the individual or family also meets the criteria for Category 1)
Homelessness Prevention	<p>Individuals and Families defined as Homeless under the following categories are eligible for assistance in HP projects:</p> <ul style="list-style-type: none"> • Category 2 –Imminent Risk of Homelessness • Category 3 – Homeless Under Other Federal Statutes • Category 4 – Fleeing/Attempting to Flee DV <p>Individuals and Families who are defined as At Risk of Homelessness are eligible for assistance in HP projects.</p> <p>HP projects have the following additional limitations on eligibility with homeless and at risk of homelessness:</p> <ul style="list-style-type: none"> • Must only serve individuals and families that have an annual income below 30% of AMI



At Risk of Homelessness

CRITERIA FOR DEFINING AT RISK OF HOMELESSNESS	Category 1	Individuals and Families	An individual or family who: <ul style="list-style-type: none"> (i) Has an annual income below 30% of median family income for the area; AND (ii) Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition; AND (iii) Meets one of the following conditions: <ul style="list-style-type: none"> (A) Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR (B) Is living in the home of another because of economic hardship; OR (C) Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR (D) Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs income individuals; OR (E) Lives in an SRO or efficiency apartment unit in which reside more than 2 persons or lives in a larger housing unit in which reside more than one and a half persons per room; OR (F) Is exiting a publicly funded institution or system of care; OR (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness. For example, an individual or family living in housing that has characteristics associated with instability or lack of essential services, such as water and electricity, that increases a risk of being lost or being removed of their homes would meet the definition of At Risk of Homelessness.
	Category 2	Unaccompanied Children and Youth	A child or youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under another Federal statute.
	Category 3	Families with Children and Youth	An unaccompanied youth who does not qualify as homeless under the homeless definition, but qualifies as homeless under section 725(2) of the McKinney-Vento Homeless Assistance Act, and the parent(s) or guardian(s) or that child or youth if living with him or her.

WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE

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

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

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

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

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

and includes a single person and families with or without children. HUD's rule clarifies that otherwise eligible families may not be excluded because one or more members of the family may be an LGBT individual, have an LGBT relationship, or be perceived to be such an individual or in such relationship.

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

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

In these cases the organization will do as follows:

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

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

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

Description of the Method of Distribution

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

Applicants will have to demonstrate willingness and capacity to be accountable for any funds received through monitoring and oversight of any proposed subcontracted nonprofit agency.

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

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

Outreach and Emergency Shelter Components Funds: The Department of the Family intends to allocate outreach and emergency shelter components funds by soliciting competitive individual proposals from municipalities and nonprofit organizations, including faith based organizations and victim services/domestic violence providers that have the support of their local government and their local CoC. This activity will be completed by December 31st, 2015, unless a three months extension contract is granted.

Prevention and Rapid Re-Housing Components Funds: The Department of the Family recommends soliciting individuals and competitive collaborative proposals, per geographical region, for allocation of prevention and rapid re-housing components funds.

Considering the concentration of services providers for the homeless population in the metropolitan/urban areas versus non-metropolitan areas, the risk of rehousing domestic violence participants near their aggressors, and that most of the homeless persons have drug abuse and mental illness problems, it became clear that we need to expand the geographical areas when contracting for homeless services. The Department of the Family proposes to work with six regional areas; the same ones established by the Department of Health of Puerto Rico. This activity will be completed by December 31st, 2015, unless a three months extension contract is granted.



If a CoC meets legal requirements to receive funds and has the capacity to administer grants, DF may consider allowing a CoC to participate in the proposal process. Local governments and organizations may submit individual proposals for Prevention and Rapid Re-Housing Components Funds, but have to establish collaborative agreements with its jurisdictional CoC or qualified nonprofit organizations to help meet the community’s needs related to the homeless and those at risk of imminent homelessness.

We are not going to establish a maximum of funds for Prevention and Rapid Re-Housing Components applications; therefore the Department of the Family reserves the right to utilize

different but comparable methods of distribution for different geographical areas or municipalities clusters.

HMIS: It is a requirement the use of the Homeless Management Information System. Part of the ESG grant must be dedicated to the acquisition of a license to access the HMIS. In addition funds may be used to pay the costs for contributing data to the HMIS designated by the Continuum of Care for the area. Eligible activities include (computer hardware, software, salaries of data entry, internet access, and staff training costs).

Administrative Cost: Sub-recipients may use 2.0% percent of the sub-recipient's ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. Employee compensation and other overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, rapid re-housing and HMIS activities are eligible costs of those activities and not subject to the spending limit for administrative costs. Refer to 24 CFR §576.108 for eligible costs and requirements. Sub-recipients will complete the activity by will be completed by December 31st, 2015, unless a three months extension contract is granted. The DF will complete this activity by June 30, 2016.

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 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/increased, 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 awarded 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

Availability of funds from HUD

The ESG funds are slightly higher for program year 2014. Thus, the Department of the Family expects to make funds available to new projects targeted to provide emergency shelter for families identified by the Department at its local offices in a regular basis. Also, upon request, the DF will consider entitlement Municipalities and Municipalities that recently lost funding due to a change in the ESG allocation funds formula. Second year grant levels may be reduced/increased due to their overall performance. If the funds are decreased organizations 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 the organization must present a written acceptance within 15 days. 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 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.

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

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

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. A special tabulation will be used to verify compliance and points will be awarded using the following criteria:

Criteria	Description	Maximum Points
Homeless Management Information System	Has the organization project entered the data for 100% of the beneficiaries reported to the Department in the quarterly reports?	9
	Has the organization project entered the data for 75% or more of the beneficiaries reported to the Department in the quarterly reports?	6
	Has the organization project entered the data for 50% or more of the beneficiaries reported to the Department in the quarterly reports?	4
	Has the organization project entered the data for 30% or more of the beneficiaries reported to the Department in the quarterly reports?	2
	Has the organization project 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 falls below the passing grade, the ESG funds for the second program year will not be awarded and the contract will be terminated at the end of the program year. The Department will review the performance and obligation levels of all sub-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, 2014. If no appeal is received, funds for the second program year will not be distributed to the organization and will be 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. The Department may also make funds available to projects through a Request of Proposal.

Compliance with 24 Months Deadline

Municipalities and Organizations must spend all of the grant amounts within 12 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 spent within the applicable 12 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 make 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 newspaper of wide circulation throughout the Island and in the web page of the Department at: www.familia.pr.gov. Also, as required by the new ESG regulation, the DF will consult with the two Continuums of Care of the island on:

- The allocation of ESG funds (proposed activities and components)
- The need for 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.

The Department of the Family reserves the right to reallocate Emergency Solutions Grants Program funds as provided for in the federal regulations governing the program in order to ensure that the funds provide the maximum benefit to Puerto Rico's homeless population. Funding (grant award) reallocations will be made on the basis of the DF's determination of the best use of available funds. The DF will consider the amount of available funds, sub grantee programmatic performance, sub grantee expenditure levels, and strategic programmatic needs in reallocating available funds.

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 DF 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.

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 ESGP 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 DF.

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 program years or an earlier year.
- The application does not include required certifications.

All proposals are evaluated and scored by an evaluation committee appointed by the DF 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 (2013) showed that most homeless persons that 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 Balance of State Continuum of Care and South/ South East Continuum of Care lead our efforts for Program Year 2014.

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 proportion of unsheltered homeless persons by Municipality.



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:

- 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 2014 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.

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: \$ 386,701

Description: 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:

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, 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 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 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 accompany or assist participants in the use of 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.

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: \$1,160,103

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;
 - 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 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 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 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 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 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:
 - 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 paragraph 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 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 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 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: \$1,856,164.80

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. Utilities payments will be associated with housing instability and an increased risk of homelessness when utilities are already disconnected. The Department of the Family will consider utility assistance previous to disconnection in the following exceptions: if the family has an active child protection case or children were removed from home, there are elderly within the family component, recent traumatic events such as loss of a spouse, medical crisis,



loss of income of the main provider, significant medical debt and the use of medical devices with power consumption. Priority will be given to families living on unsubsidized housing and section 8 when the contracts states that that failure to keep utilities payments can result on eviction.

ESG funds may be used to provide housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. 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 month's 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 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 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 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



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 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 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.
- 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.
- 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:	\$193,350.50
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;• Purchasing or leasing equipment, including telephones, and fax machines;• Paying charges for phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS;

- Completing data entry.
- 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:	\$270,690.70
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 percent of those administrative costs shall be shared with Municipalities. The Department may share two (2%) percent of the administrative cost with the Municipalities and organizations. 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.

Funds for PY 2014 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to sub recipients. The distribution of the funds to potential sub recipients will be conducted using a competitive Request for Proposal process. Due to the law restrictions administrative funds will not be distributed to sub recipients. The competition will distribute funds for the provision of housing and other activities. If remainder funds are available after distribution, distribution of funds will not require a new competitive process but will be distributed among organizations and municipalities that previously submitted their proposals.

The availability of the RFP guide was announced during the public hearing. The RFP competition will be open from March 13, 2014 and proposals will be due on April 22, 2014. The Municipality of San Juan will select sub recipients from Municipalities, Faith-Based, and other Community Based Organizations that provide services to the HIV/AIDS populations. Interested sub recipients (Municipalities and Nonprofits), will submit proposals to be evaluated on a competitive basis, in compliance with the RFP and Application Guidelines.

For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PR-EMSA Municipalities for the HOPWA grant.

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 a proposal 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
<i>Transmittal Letter</i>	3	Transmittal Letter	2
<i>Description organization</i>	6	General Information Municipality	2
<i>Financial and Programmatic Background</i>	6	Description of the Municipality Capacity	25
<i>Past Performances</i>	10	Financial and Programmatic Background	6
<i>Services to be provided</i>	10	Proposed Project Description	20
<i>Needs Analysis</i>	18	Action Plan	20
<i>Action Plan</i>	25	Budget	20
<i>Budget</i>	20	Performance	5
<i>Required Documents</i>	2		
Total	100		100

For new Municipalities the following criteria will be used:

MUNICIPAL SUB RECIPIENTS	
CRITERIA	MAXIMUM POINTS
<i>Transmittal Letter</i>	2
<i>General Information Municipality</i>	3
<i>Description of the Municipality Capacity</i>	15
<i>Financial and Programmatic Background</i>	10
<i>Proposed Project Description</i>	20
<i>Action Plan</i>	25
<i>Budget</i>	25
	100

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

No funds will be allocated to this activity during PY 2014.

Acceptance of proposals

For PY 2014 the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (SJ-EMSA). Priority will be given to potential sub recipients that are not included in the SJ-EMSA. Applicants located in

the San Juan EMSA that are currently receiving HOPWA funds from the Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.

A recent notification of the Office of Management and Budget of the United States Government announces a revision in the delineations for the Nation's Metropolitan Statistical Areas, Micropolitan Statistical Areas and Combined Statistical Areas. This delineation process produced a change in the composition of the Puerto Rico Eligible Metropolitan Statistical Areas (EMSA's) for the HOPWA Program. Due to the referred delineation process for the PY 2014 the Municipalities of Arecibo, Camuy, Hatillo and Quebradillas were added to the PR-DOH EMSA and the Municipalities of Ceiba, Fajardo and Luquillo were removed from the EMSA and added to the Municipality of San Juan EMSA.

In terms of the evaluation of the proposals submitted for funding under the PR-DOH HOPWA Program, the Municipality of San Juan will give a preference code to Municipalities under the PR-DOH EMSA that will assure priority funding after the application is evaluated. All the applications will be evaluated by the same standards and criteria.

No proposals that combine housing and support services will be accepted during the PY 2014. 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 shows the eligible supportive services eligible costs:



DUNS Number, Central Contractor Registration and Sam.gov

All sub-recipients are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. In addition the must obtain certification from the Central Contractor Registration (CCR). The CCR website and other federal websites were migrated to a single system called the System for Award Management (SAM). All HOPWA sub-recipients must migrate to the SAM system in order to be granted during PY 2014.

Activities

The PY 2014 HOPWA funds will be focused on direct housing assistance to those most in need and supportive services for the HOPWA eligible individuals. Applicants are strongly encouraged to partner with other public or private service providers to coordinate client services and fully leverage the available resources in the particular service area.

The organizations whose proposals have been funded will be notified through mail or email. Also, they will be informed of the documents required by the Municipality of San Juan. Contracts will be granted to project sub recipients when all required documents have been submitted.

For PY 2014, HOPWA funds will be allocated in three major categories, as follows:

ACTIVITIES FOR THE PY 2014 STATE HOPWA PROGRAM				
ACTIVITY	PROGRAM	DESCRIPTION/LOCATION	PROPOSED GOAL	ALLOCATION
Administration	HOPWA	For the grantee administrative costs of the HOPWA program.	N/A	\$54,245.22
	HOPWA	For the City of San Juan administrative costs of the HOPWA program.	N/A	\$122,775.01
Housing Activities Sub recipients	HOPWA	To undertake HOPWA eligible housing related activities	250	\$1,060,249.95
Supportive Services and other eligible activities	HOPWA	To provide grants to be used for supportive services and operational expenses.	500	\$570,903.82
Total			750	\$1,808,174

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	\$177,020.23
	\$54,245.22 PR-DOH
	\$122,775.01- City of San Juan
Consolidated Plan Objective:	N/A
Expected Accomplishment:	N/A
Timeframe for completion	July 1, 2014- June 30, 2015

According to the HOPWA Act, no administrative funds will be distributed to sub recipients; instead they will receive delivery costs for the undertaking of the eligible activities. The HOPWA Program regulations define eligible administrative costs as “costs for general management, oversight, coordination, evaluation, and reporting on eligible activities. Such costs do not include costs directly related to carrying out eligible activities, since those costs are eligible as part of the activity delivery costs of such activities.”

HOPWA Activity #2-Housing Activities

A total of \$1,060,215.94 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

<i>Allocation:</i>	\$1,060,215.94
<i>Consolidated Plan Objective:</i>	DH2.1
<i>Expected Accomplishment:</i>	250 households or individuals
<i>Timeframe for completion:</i>	July 1, 2014- June 30, 2015

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 summarizes the services the eligible housing costs that can be provided under each eligible category:

Short-Term Supported Housing	Short-Term Rent, Mortgage, and Utility (STRMU) Assistance	Permanent Housing Placement
<ul style="list-style-type: none"> • Temporary shelter, such as a detox services or 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 - • <u>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</u> 	<ul style="list-style-type: none"> • 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) • <u>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</u> • Material costs related to checks and postage • <u>NOTE: The payment of Rent Deposits is not eligible under STRMU</u> 	<ul style="list-style-type: none"> • 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) • <u>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</u>

Facility-Based Housing Development	Facility-Based Housing Operations (including PBRA, Facility Leasing costs or Master Leasing costs)	Tenant-Based Rental Assistance (TBRA)
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Project-based rental assistance • Facility leasing costs • Maintenance, security, insurance, utilities, furnishings, equipment, supplies • Nutrition (food supplies) for facility meals prepared on site for facility residents • Delivery costs (staff time for conducting initial housing eligibility assessments, creating initial housing plans • <u>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</u> 	<ul style="list-style-type: none"> • 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 • <u>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</u> • Material costs related to checks and postage • HQS inspections

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 assisting eligible participants to stabilize their living situations and help address care needs of persons living with HIV infection.

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

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

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, 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 \$570,885.50 is allocated to this activity. This activity is available only to nonprofit organizations.

HOPWA ACTIVITY #3- SUPPORTIVE SERVICES AND OTHER ELIGIBLE ACTIVITIES	
<i>Allocation</i>	\$570,885.50
<i>Consolidated Plan Objective:</i>	SLH3.2
<i>Expected Accomplishment:</i>	500 persons
<i>Timeframe for completion</i>	July 1, 2014- June 30, 2015

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. The following table summarizes the reasons for allocating priorities and how the activities will address the consolidated plan objectives:

ACTIVITIES FOR THE HOPWA PROGRAM			
ACTIVITY	PROGRAM	DESCRIPTION/LOCATION	CONSOLIDATED PLAN OBJECTIVE
Housing Activities Sub recipients	HOPWA	Housing activities will lower the cost of living of the low income HIV/AIDS individual.	DH2.1
Supportive Services and other eligible activities	HOPWA	Providing supportive services with housing subsidy assistance has had a positive effect on increasing client's access to care, maintaining housing stability, and preventing homelessness.	SLH3.2

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 PR-DOH / 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 PR-DOH 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.

Another obstacle to addressing the underserved HIV/AIDS client continues to be the conflict between outreach and confidentiality. Outreach workers of infectious diseases need to be aware of the legal issues that affect the operation of their programs. Of primary concern among these issues is confidentiality: the protection of the client's right to privacy. The state must develop training on outreach for HIV/AIDS persons and how to comply with confidentiality issues. This will allow the reaching of individuals with special needs that refuse service because of confidentiality.

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

Priority will be given to potential sub recipients that are part of the State EMSA. Applicants located in the San Juan EMSA that are currently receiving HOPWA funds from the Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.

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 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, LMJ, LMA 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.

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. Data 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:

- Direct financial assistance to homebuyers;
- Jobs retained and created;
- Business/Microenterprise assisted;
- Owner occupied units rehabilitated;
- Public services; and
- Public facilities and infrastructure.

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 2014, the State CDBG Program expects to assist 687,950 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.

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	75	13 Direct homeownership assistance
DH-2 Affordability of Decent Housing	Owner occupied units rehabilitated	600	14 A Single family rehabilitation
EO-1 Availability/Accessibility of Economic Opportunities	People	25	18C Micro enterprise assistance 18A Direct financial assistance to for-profits 17C Public facilities for economic development 18B Economic development technical assistance

SL-3 Sustainability of Suitable Living Environment	Public Facilities	15,000	01 Acquisition of real property
	People	45,000	03 Public facilities and improvement
	Public Facilities	18,000	03E Neighborhood facilities
	Public Facilities	175,000	03F Parks and recreational facilities
	Public Facilities	5,000	03G Parking facilities
	Public Facilities	25,000	03H Solid waste disposal
	People	7,000	03I Flood drain facilities
	People	7,000	03J Water and sewer facilities
	People	350,000	03K Street improvements
	People	7,000	03L Sidewalks
		3,000	05 General public service
		25,000	05I Crime awareness
SL-1 Availability/Accessibility of Suitable Living Environment	People	1,750	05A Senior citizens assistance
	People	2,000	05D Youth services
	People	750	05M Health services
	Public Facilities	750	03A Senior center
*Use one of 9 outcomes/objectives 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

Expenditure Limits

Sections 105 (a) (8) and (12) of Title I of the Housing and Community Development Act of 1974, as amended, established 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% overall cap limit for administrative expenses, both for the State (3%) and the non-entitlement municipalities.

ADMINISTRATIVE CAP FOR THE CDBG PROGRAM

ADMINISTRATIVE SERVICES	
2014 Grant	\$26,111,449
Overall Administrative Cap	\$5,222,289.80 (20.0%)
State Administrative Cap	\$783,343.47 (3%)

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
2014 Grant	\$26,111,449	\$3,916,717.
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.

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.

Table 3C (Optional)			
Annual Action Plan Planned Project Results			
Outcomes and Objectives	Performance Indicators	Expected Number	Activity Description
DH-2 Affordability of Decent Housing	Downpayment Assistance to Homebuyers	35	Down payment and closing costs assistance to homebuyers
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.

OUTCOMES FOR THE ESG PROGRAM [91.320 (e)]

The DF is committed with ESG objectives of provide decent, affordable housing options for individuals and families at risk of homelessness or to those that are already homeless. The ESGP will fund homelessness prevention activities as well as rapid rehousing activities in order to alleviate potential homelessness and provide low income households with the services necessary to build housing stability.

Provide a suitable living environment for homeless individuals and families. ESG will fund and a wide range of emergency and transitional shelter programs for homeless persons as well as related services to alleviate homelessness and provide households with the support services necessary to build self-sufficiency.

On Program Year 2014, the ESG Program expects to serve 8,300 homeless individuals with the ESG funds allocated and reallocated to approximately 50 Municipalities and 77 Organizations. The next table is a HUD template that shows the specific annual objectives arranged by:

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

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	Street Outreach and Emergency Shelter	2010	11,000	15,775	143%
				2011	11,000	13,610	124%
DH-1.1				2012	11,000	4,140	38%
				2013	8,300		
				2014	11,000		
			MULTI-YEAR GOAL			52,300	33,525
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	3,697	264%
				2011	1400	2,201	157%
DH-2.1				2012	1400	1,494	14%
				2013	1400		
				2014	1400		
			MULTI-YEAR GOAL			7,000	7,392

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	3,100	Street Outreach- Essential services to address the needs of homeless persons living on the street, in emergency shelters, or in transitional housing.
		5,100	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 performance standards of the program, will evolve over the next few years as the ESG Rule is fully implemented and as ESG sub-grantees improve their program outcomes through the evaluation of HMIS data and through integration of ESG services into their local Continuum of Care. This program year of implementation of the Emergency Solutions Grant the Department of Family will use the measures indicated in the “eCon Planning Suite: A Desk Guide for Using IDIS to Prepare the Consolidated Plan, Annual Action Plan, and CAPER/PER”. These include, among other, information required as part of screens CR-60 (Subrecipient Information); CR-65 (Persons Assisted under ESG); CR-70 (Assistance Provided); and CR-75 (Expenditures).

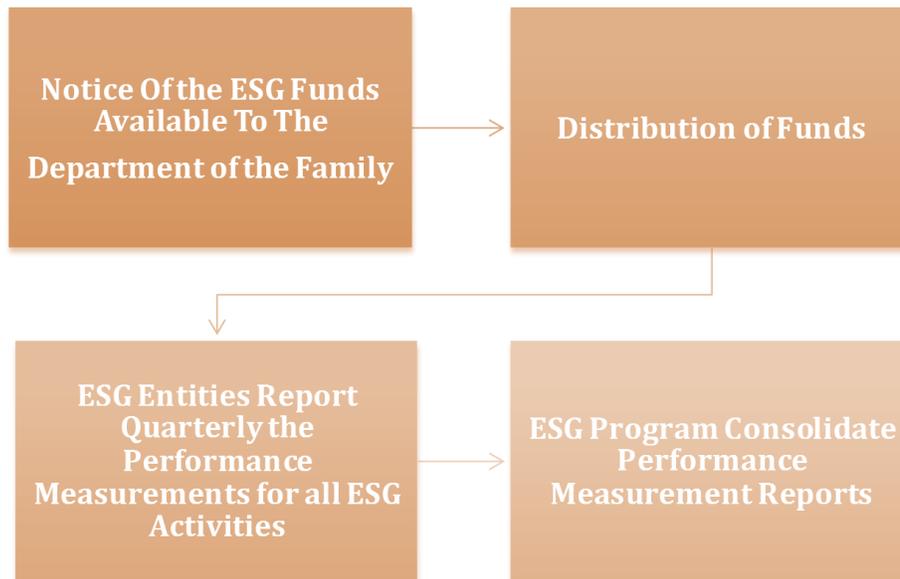
Entities with ESG funds allocated by the DF are compelled to submit a quarterly report to the Department as part of the requirements for receiving the funds. This condition is incorporated in the contract awarded to delegate the funds.

The structure of the performance data report includes a monthly form that covers the outputs that the entities summarize in the quarter periods report. At the end of the Program Year, the performance of the entities is evaluated according to the RSP as well as to the program as a whole.

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.

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



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

The State HOPWA Program expects to assist approximately 750 eligible individuals through the design service activities. 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.

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

SPECIFIC OBJ. #	OUTCOME/OBJECTIVE SPECIFIC ANNUAL OBJECTIVE	PERFORMANCE INDICATORS	PROGRAM YEAR	EXPECTED NUMBER	ACTUAL NUMBER	PER CENT COMPLETED
<i>DH-2 AFFORDABILITY OF DECENT HOUSING</i>						
<i>DH-2.1</i>	2.1.1 Temporary Housing: Number of HIV/AIDS households receiving TBRA for temporary housing for the purpose of affordability of decent housing	People	2010	30	56	186%
			2011	30	70	233%
			2012	71	67	94%
			2013	100	-	
			2014	30	-	
	MULTI-YEAR GOAL			231	193	83.5%
	2.1.2. Short-Term Rental, Utility & Mortgage Assistance: Number of Households receiving STRUM for the purpose of affordability of decent housing	Households	2010	120	145	120%
			2011	120	18	15%
			2012	100	58	58%
			2013	50	-	
			2014	120	-	
	MULTI-YEAR GOAL			480	221	46%
	2.1.3.- Facility-based housing: Number of persons receiving facility-based housing assistance	People	2010	100	180	180%
			2011	100	213	213%
			2012	202	146	72%
2013			100	-		
2014			100	-		
MULTI-YEAR GOAL			702	539	78%	
<i>SL-1 AVAILABILITY/ACCESSIBILITY OF SUITABLE LIVING ENVIRONMENT</i>						
<i>SL-3.2</i>	3.2.1 Persons With HIV/AIDS receiving services at Facility Based Projects.	Persons	2010	500	929	185%
			2011	500	636	127%
			2012	430	438	102%
			2013	500		
			2014	500	-	
			MULTI-YEAR GOAL			2,430

The Performance Measurement System for the HOPWA Program

The PR-DOH adopted a Performance Measurement System that is organized around the housing and the support services activities funded with the State HOPWA Program. The system is based on the commitment of effectiveness and public accountability by focusing on results.

In order to collect the quantifiable data, the community based organizations and Municipalities are responsible to report to the PRDOH the accomplishments and benefits measured from their activities, according to the instructions outlined in this plan. In the execution of their housing activities the Municipalities and nonprofit organizations must collect the following information:

STRMU	TBRA	Facility Based Housing Development
<ul style="list-style-type: none"> • Total number of households receiving STRMU assistance, broken down by: <ul style="list-style-type: none"> The number that received mortgage assistance. The number that received assistance in the prior reporting year; and The number that received assistance in the prior two reporting years. • Total number of persons receiving STRMU assistance, broken down by: <ul style="list-style-type: none"> 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. • 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. 	<ul style="list-style-type: none"> • Number of households receiving TBRA, including: <ul style="list-style-type: none"> The number of previously homeless households; and Of this number, the number of chronically homeless households. • Number of persons receiving TBRA, broken down by: <ul style="list-style-type: none"> The number of persons with HIV/AIDS; and 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 household. • Number of households exiting the program, by destination or life event. 	<ul style="list-style-type: none"> • Facility type • Number of units by type of unit • Date of closing or lease execution • Date construction or rehabilitation began • Date construction or rehabilitation completed • Date first operations staff was hired. • Number of persons receiving facility-based housing assistance, broken down by: <ul style="list-style-type: none"> The number of persons with HIV/AIDS; and 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.

In the execution of their supportive services activities the Municipalities and Nonprofit organizations must collect the following information:

SUPPORTIVE SERVICES	
<ul style="list-style-type: none"> • The number of persons receiving support services in coordination with housing assistance, broken down by: <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> The number of persons with HIV/AIDS; and The number of other family members • The amount expended on each service activity • The number of persons placed in jobs through supportive service expenditures (e.g., case management, employment assistance). 	

The above data should be provided by Municipalities and faith based and community organizations and collected by the PRDOH staff, to be reported in the Integrated Disbursement and Information System (IDIS).

Expenditure Limits

The table below provides the analysis for compliance with the HOPWA limitation for administrative expenses. The administrative cap limits is set at 3% of the total grant for the Grantee administrative costs and 7% of the total grant for the Project Sponsor administrative costs.

ADMINISTRATIVE CAP FOR THE HOPWA PROGRAM

<i>ADMINISTRATION</i>	<i>AUTHORIZED</i>	<i>ADM-CAP</i>
<i>PY 2014 Allocation</i>	\$1,808,616	100.00%
<i>Grantee Administration</i>	\$54,243.48	3.00%
<i>Project Sponsor-Administration Costs</i>	\$122,771.08	7.00%

GEOGRAPHIC DISTRIBUTION FOR THE CDBG PROGRAM [91.330(f)]

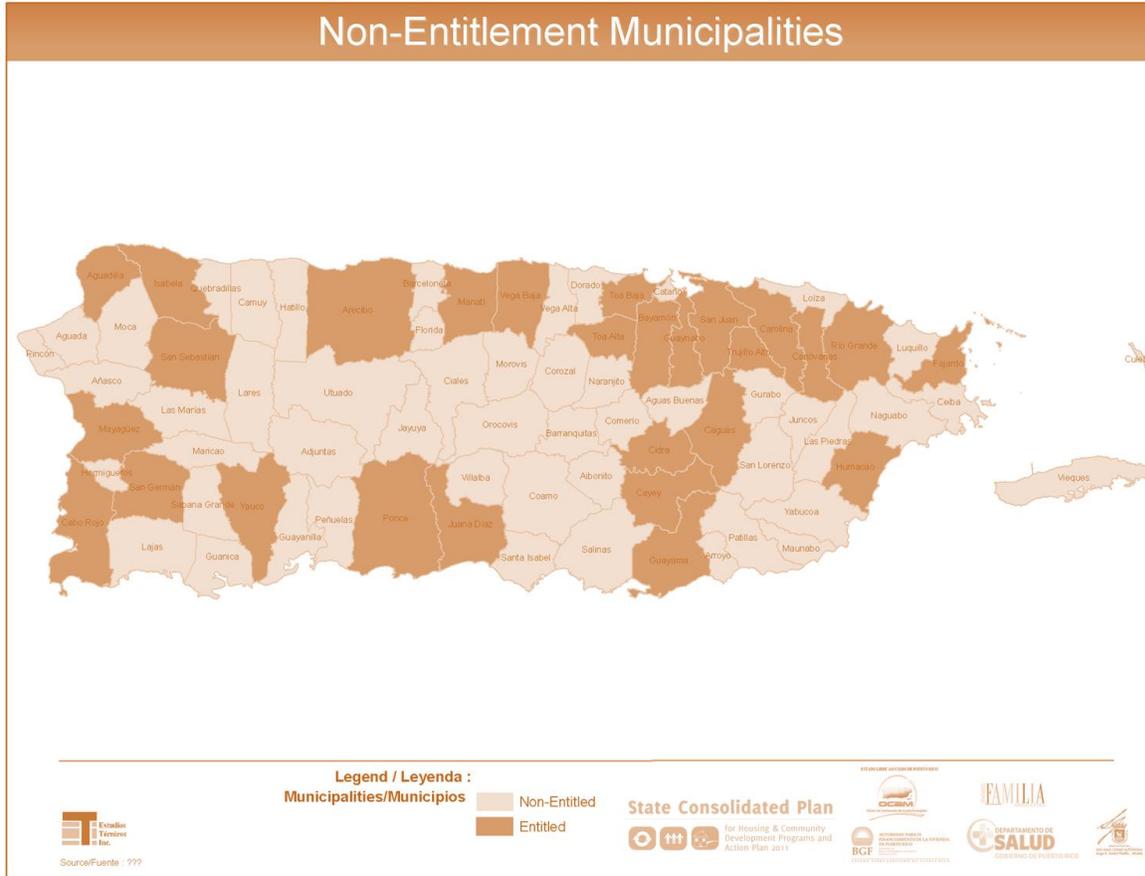
Statement Concerning that CDBG Funds Are Distributed Through a Competitive Process

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, 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 2014, \$17,955,000 will be distributed among the 51 non-entitlement municipalities, with \$350,000 distributed as the basic allocation and \$7,073,105.53 through the Competitive Grant, accounting for 97% of the CDBG funds allocated for PY 2014. 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 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 [91.330 (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 2014 will be distributed to benefit low income families in compliance with 24 CFR 92.203 (a), that Commonwealths *“The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family’s annual income.”* This requirement opens the geographical area of the Commonwealth of Puerto Rico’s 78 municipalities that could be served with the Commonwealth HOME Program. The PRHFA recognizes that the Municipalities of Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Guaynabo, Mayagüez, Ponce, San Juan, Toa Baja, and Trujillo Alto are local PJs on their own, and that the program could complement any eligible request made from these municipalities in order to further the strategic objectives set forth by the PRHFA. Below is a map with the location of the municipalities designated as local participating jurisdictions for the HOME Program. The map illustrated on the next page shows the location of the non-metropolitan municipalities in the island.

MUNICIPALITIES DESIGNATED AS PARTICIPATING JURISDICTIONS FOR THE HOME PROGRAM



MUNICIPALITIES DESIGNATED AS NON-METROPOLITAN COUNTIES



GEOGRAPHIC DISTRIBUTION FOR THE ESG PROGRAM [91.330 (f)]

Allocation Priorities and Geographic Distribution

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

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 2013 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 of the Coalitions, leads our efforts for Program Year 2014.

GEOGRAPHIC DISTRIBUTION FOR THE HOPWA PROGRAM [91.330(f)]

As previously established, the State HOPWA funds will be distributed by the Municipality of San Juan. For this reason, there is a single strategy in the implementation of HOPWA funds. Taking this into consideration, it is necessary to make HOPWA funds available to Municipalities and Nonprofit Organizations located within the 78 municipalities of Puerto Rico. 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 City of San Juan, cannot receive State HOPWA funds for the same purpose and uses.

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

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 sounds, 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 2014 are established in the following table. This table is a template provided by HUD known as Table 3B.

**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
ANNUAL AFFORDABLE RENTAL HOUSING GOALS (SEC. 215) _____						
Acquisition of existing units			<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Production of new units			<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units			<input type="checkbox"/>	X	X	<input type="checkbox"/>
Rental Assistance			<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Total Sec. 215 Affordable Rental			<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			<input type="checkbox"/>	X		
Rehabilitation of existing units			X	X		
Total Sec. 215 Affordable Owner			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			<input type="checkbox"/>	X		<input type="checkbox"/>
Rehabilitation of existing units	100		X	X	<input type="checkbox"/>	<input type="checkbox"/>
Homebuyer Assistance			X	X		<input type="checkbox"/>
Total Sec. 215 Affordable Housing			X	X	<input type="checkbox"/>	<input type="checkbox"/>
ANNUAL AFFORDABLE HOUSING GOALS (SEC.215) _____						
Homeless households	8,200		<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			<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>
Annual Owner Housing Goal			X	X	<input type="checkbox"/>	<input type="checkbox"/>
Total Annual Housing Goal			X	X	<input type="checkbox"/>	<input type="checkbox"/>

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

ONE YEAR GOALS FOR HIV/AIDS AFFORDABLE HOUSING

Affordable Housing	Activities	Goals
<i>Permanent Housing</i>	STRUM	50
<i>Permanent Housing</i>	TBRA	100
<i>Transitional Housing</i>	Facility Based Housing Operating Subsidy	100

Through the activities of STRMU and TBRA Assistance, HOPWA Program expects to provide services to an estimate of 200 clients during the PY 2014.

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. Under the Basic Grant allocation, OCAM provides the opportunity for municipalities to submit projects which target services for homeless and special need population.

In PY 2012, 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, 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. 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 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 for the only reason of said limitation from being discriminated against, denied 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 PRHFA 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 2014, 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 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 130-2007.

Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in 10-year planning processes to end chronic homeless

Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.

Implementation of specific action steps to improve access to services, reduce stigma and combat the criminalization of homelessness, based on the awareness that has been developed in policy and decision-makers, resulting in policy changes to reduce the time for elimination of criminal records, give priority to homeless populations applying for mainstream services, and others.

Continued education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.

Increased capacity building of municipal government representatives to partner with community based organizations in the development, financing and delivery of services to chronic homeless.

Continued emphasis on continuing education to professionals working with homeless individuals to improve sensitivity and humane treatment as well as the level of intensity and quality of services needed by the chronic homeless to achieve their recovery and promote self-sufficiency

over time, including the inclusion of curricular content related to homelessness in pre-service training of Police Cadets and in courses of public and private high schools.

Continue with the implementation of the dedicated HMIS - currently under San Juan's Coalition and the Coalition of Coalitions - for uniform data collection to track populations served through the various systems to permit continuous monitoring of the number and quality of services provided, and outcomes in the homeless served.

Collaborate with the San Juan's Coalition, the Coalition of Coalitions, and the entities that comprise the CoC in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.

Continued identification and work with public and private housing developers to target homeless in the development of permanent supportive housing. The current strategies include primarily work with state and non-profit sectors so that more efforts will be directed to local governments and the for-profit stakeholders to improve housing accessibility and service infrastructures for the chronic homeless.

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.

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 February 26, 2013 and which is to be carried out every two years in accordance with HUD requirements to assess changing statistics on the number and needs of homeless population.

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 2014:

Activity	Type of Assistance	Annual Goal (Number of persons to be provided to Homeless and individuals at risk of becoming 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 	3,100
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 	5,100
Prevention	<ul style="list-style-type: none"> • Housing Relocation and Stabilization Services • Short and Medium term Rental Assistance 	1,250
Rapid Rehousing	<ul style="list-style-type: none"> • Housing Relocation and Stabilization Services • Short and Medium term Rental Assistance 	150

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:

Housing Type	Number of Homeless
Shelter	354
Permanent Supportive Housing	445
Safe Haven	21
Transitional Housing	263



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

Persons living with HIV/AIDS are vulnerable due to their increased risk for multiple health threats including substance abuse, mental illness, violence, poor access and adherence to HIV medical care, and high-risk sexual practices. The diversity of activities of the HOPWA Program has allowed the PRDOH to implement housing assistance to meet the varied circumstances of persons living with HIV/AIDS. An example of these is the Short Term Rent-Mortgage-Utilities (STRMU) Assistance and the Tenant Based Rent Assistance (TBRA) activities. These activities help persons living with HIV/AIDS remain in their current housing when their incomes decrease. TBRA can also help persons living with HIV/AIDS who must move, or are homeless, afford the rental costs of their new housing units.

As an active component of the Continuum of Care, the HOPWA Program addresses a wide range of client (from shelter to permanent housing). Participation and coordination with the CoC is vital due to stretching budgets. The Municipality of San Juan strongly encourages grantees and providers to coordinate with other local agencies to provide comprehensive service systems to meet the growing needs of persons living with HIV/AIDS and their families. By integrating the provision of services, HOPWA assistance helps to provide a comprehensive social safety net of support for those low-income households affected by HIV/AIDS and to prevent homelessness.

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, 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, through the STRMU activity, to

prevent homelessness. Participants can request 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 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.

Supportive housing activities 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 the abuse of these substances. 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, which 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 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 represent 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:

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.

- Zoning regulations and permitting processes;
- Building codes;
- Municipal construction-related taxes; and
- Property taxes.

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.

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 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, 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.
- 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(i)]

In order to meet housing needs and to reduce housing barriers for person living with HIV/AIDS, the PRDOH HOPWA Program will take the following action to remove barriers:

- Creation of a continuum of housing and service options that addresses the diverse housing needs of persons living with HIV/AIDS and their families. This continuum of care will provide a linkage system between organizations and government agencies to offer other options or solutions.
- Encourage HOPWA clients to live stable lives while meeting health and services needs in order to continue their productivity in job settings. Promotion of stable home environment for clients undergoing complex drug therapies and potential side effects from their treatments.
- Clients' control over their environment, thus promoting and facilitating independent living.
- Promote actions against discrimination against special sectors of the HIV population such that:
 - All HOPWA recipients and sponsors must adopt the public policy of zero tolerance for discrimination based on sexual orientation or gender identity, in all job steps, use facilities, contracting, services and other activities related to the HOPWA program;
 - The segregation of same-sex couples in homes, retirement homes or housing programs funded with HOPWA funds is prohibited;

- All HOPWA sub recipients and sponsors must agree to avoid discrimination based on sexual orientation or gender

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.

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 detrimental to the health and safety of the household; the need to invest up to \$15,000 for the purchase of construction material or material 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 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. 6. 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.

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 Alejandro García Padilla that includes the following:

- Creating over 50,000 jobs opportunities for families in order to increase employment levels and thus reduce inequality and dependency.
- Promote the creation of Small and Medium Enterprises.
- Renew Puerto Rico's public infrastructure.
- Provide emphasis on rehabilitation of housing units for rental housing for special needs populations, such the elderly and single mothers.

Develop Institutional Structure

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.

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.

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- Renew Puerto Rico's public infrastructure.
- Provide emphasis on rehabilitation of housing units for rental housing for special needs populations, such the elderly and single mothers.

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), 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.

Resale and Recapture Provisions

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

The PRHFA will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HOME assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and primary financing for the acquisition would be affected due to the lender's policies regarding the treatment of the Recapture provisions. It has been the PRHFA's experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property's Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary

lender's policies, the developer or CHDO may request the sale of the HOME assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the PRHFA's prior written approval before selling the unit using Resale provisions.

Recapture provisions will not be used when a project receives only a development subsidy and is sold at fair market value, instead, resale provisions will be used.

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

The recapture provisions will entail the following criteria:

The affordability restriction running with the deed will ensure that all of the HOME assistance to the homebuyer is recuperated. Recapture provisions will ensure that the property remains the beneficiary's principal residence for the term of the affordability. Thus, in case the recapture restriction is triggered, the PRHFA will recapture the entire amount of the HOME investment (net proceeds available from sale). Net Proceeds are defined as the sales price minus superior loan repayment and any closing costs. The PRHFA will not recapture more that is available from the net proceeds of the sale.

In the case of an investment from the homebuyer, in the form of additional funds for down payment, such amount could be recovered by the homebuyer if net proceeds are enough to cover the HOME-assistance. Thus, net proceeds will first cover the HOME assistance, secondly, any initial investments from the homebuyer and finally any surplus will be shared between the PRHFA and the beneficiary.

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

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

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

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

Other actions:

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.

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.

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)
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 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 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,

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 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 provides housing or other services regularly frequented by children less than 6 years old a certification that the property where they provide the services to the homeless is free of lead-base 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 accomplish 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.

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 TBRA and STRMU Assistance activities help fostering and maintaining affordable housing for low income persons living with HIV/AIDS. Both activities are included in the State HOPWA Program Annual Action Plan for PY 2014. In the case of the TBRA activities, they are undertaken by Municipal Government while the STRMU activities are undertaken by a Nonprofit Organization.

To Evaluate and reduce lead based paint hazards

The HOPWA Program requires to the Municipalities participating in the tenant based rental 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.

Not all properties need to comply with the lead based paint requirement. The regulation establishes a number of exemptions to the lead based paint requirements which will substantially lessen the impact for HOPWA sponsors. The following table summarizes the exemption as established by 24 CFR 35.115:

Exemption	Explanation
<p><i>All Housing Constructed after January 1 1978</i></p> <p><i>A zero-bedroom dwelling unit</i></p>	<p>All residential property for which construction was completed on or after January 1, 1978</p> <p>This includes a single room occupancy (SRO) dwelling unit; If shelters do not provide separate bedrooms, they are exempt under the zero bedroom exemption.</p>
<p><i>Emergency rental assistance or foreclosure prevention assistance up to 100 days</i></p>	<p>This exemption for a dwelling unit expires no later than 100 days after the initial payment or assistance – the exemption applies to the unit and the length of time the unit receives HUD assistance</p>
<p><i>For Tenant Based Rental Assistance (Sub-part M), applies only if child under 6 is present</i></p>	<p>Lead based paint requirements apply only to dwelling units occupied or to be occupied by families or households that have one or more children of less than 6 years of age, common areas servicing such dwelling units, and exterior painted surfaces associated with such dwelling units or common areas; If the designated party knows that the family includes a pregnant woman, the regulation applies</p>
<p><i>Housing for the elderly or a residential property designated exclusively for persons with disabilities</i></p>	<p>This exemption shall not apply if a child less than age 6 resides or is expected to reside in the dwelling unit</p>

Reduce the number of poverty level families

According to the Centers for Disease Control and Prevention, heterosexuals living below the poverty line in U.S. cities are five times as likely as the nation's general population to be HIV-positive, regardless of their race or ethnicity. The study also disclosed that poverty is the single most important demographic factor associated with HIV infection.

Improvements in HIV/AIDS health care have changed the prognosis of the disease from an imminent fatal outcome to a chronic, expensive illness. These medical changes has improved the survival rates and life expectancy of people living with HIV/AIDS making work a more central role in improving their quality of life.

The HOPWA Program activities assist in reducing the number of families living under the poverty level by reducing the costs of housing and supportive services. According to HUD, families should not pay more than 30% of their income on rent and utilities. In other words paying more than 30% in rent is considered a burden. Without HOPWA assistance a rent-burdened HIV/AIDS individual will routinely choose between paying rent and purchasing food, health care and other needs. The HOPWA activities will reduce the cost of living for eligible participants by providing rent/mortgage, utility assistance and other supportive service that will lower the burden of the HIV/AIDS clientele.

The PRDOH strategy to reduce the number of families living under poverty level, whose householder is an HIV/AIDS patient, is to provide TBRA assistance and other housing with 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. TBRA was designed on the assumption that the tenant would qualify for a Section 8 voucher before the rent assistance was exhausted the reality is that it has become a permanent housing solution. During PY 2014, the State will continue with this activity.

The second strategy used by the State HOPWA program is the Short-Term Rent, Mortgage, and Utility activity (STRMU). In some cases health issues prevent HIV/AIDS persons to maintain a

job and this will put them at risk of becoming homeless. For this clientele the STRMU activity was created. Under this activity eligible clientele who are facing the loss of their current housing arrangements through pending eviction, foreclosure, or the termination of utilities due to non-payment of these expenses can receive limited assistance to pay the arrears. During PY 2014, the State will continue with this activity.

The HOPWA activities 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, the 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 eligibility criteria to award funding to community-based organizations. Non-profit organizations play a critical role in the provision of public services initiatives:

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.

This type of collaboration will require participation from Municipal Governments, Non Profit Organizations, Health Service Providers and the HIV/AIDS clientele. The Municipality of San Juan will address the coordination and collaboration by conducting periodic meeting to organize and deliver housing and services to meet the specific needs of people with HIV/AIDS. The objective of the process will be as follow:

- Organizing an annual planning process that includes identifying desired outcomes and defining roles and responsibilities for the specific organizations and government bodies involved

- Collecting needs data and completing an inventory of mainstream resources
- Determining gaps in the current community process
- Developing both short- and long-term strategies
- Establishing action steps and identifying a process for monitoring implementation of identified strategies.

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 2014- \$ 109,216,245

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 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 Federal Programs Division at OCAM will receive the letter of intent and commence the administrative requirement review first. Once the administrative review is completed, the non-entitlement municipality will be authorized to submit an application for Section 108 Loan Guarantee. Applications for the Section 108 Loan Guarantee Program may be submitted throughout PY 2014.
- 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 2009 PY.
- Timely presentation of the single audit report.
- Once the administrative requirements are cleared, the Federal Programs Division 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.
 - 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;
- 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 or a direct loan to develop and support affordable rental housing and Homeownership affordability through the acquisition (including assistance to Homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations.

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

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

The resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original **HOME**-assisted owner a fair return on investment (including, the value of the original down payment, the amount of mortgage principal repaid, homeowner's investment and the value of any improvements installed at the seller's expense) and ensure that the housing will remain affordable to a reasonable range of low-income Homebuyers. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by receipts. Any improvements on the property will require written consent from the PRHFA. Additionally, any approval of improvements on the property will require the submission of quotes from a valid contractor

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The **PRHFA** would announce in the restrictive covenants that may use purchase options,

rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

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

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

- (1) The housing must be the principal residence of the family throughout the affordability period established in the recorded deed. The Homebuyer would not rent the dwelling or use it in any other manner than the principal residence of the family.
- (2) The Homebuyer must meet the affordability requirements for not less than the applicable period specified in the previous table, beginning after project completion.
- (3) Refinancing of the first mortgage would be allowed if two of the following conditions are met:
 - (a) That the dwelling unit has been continuously occupied by the Homebuyer;
 - (b) That the funding raised by the mortgage refinancing would be used for **HOME** improvements, approved by the **HOME** Program and that no cash will be used for other means;
 - (c) That the refinancing would improve the current mortgage payment, either lowering the monthly installments, interest rate or maturity term.
- (4) The PRHFA would conduct periodic inspections on the **HOME** assisted housing during the

affordability period to verify program compliance.

- (5) Resale of the property should be authorized in advanced by the **PRHFA**, and such offering should be made only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale price at resale should provide the original **HOME**-assisted owner a fair return on investment. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by receipts The housing will remain affordable to a reasonable range of low-income Homebuyers.
- (6) The **HOME** equity, other than homeowner's investment and any capital improvement, and any increase in the appraised value of the property should be kept in the property, to help meet the affordability criteria for the new Homebuyer.
- (7) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family at 75 percent 80 percent of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 28-30 percent of annual (gross) income.
- (8) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.
- (9) PRHFA may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

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:

- 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.

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.

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 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 make 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 newspaper of wide circulation throughout the Island. Also, on PY 2014 the DF will communicate to the PR Homeless Coalitions the availability of funds, for them to transmit the information to their members. To reach additional audiences all funding notifications will be published in the web page of the Department (www.familia.pr.gov)

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-economic independence and emancipation. For youth able to live independently, rental housing alternatives are identified and coordinated, including stipends for a designated period. For handicapped youth 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 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 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)

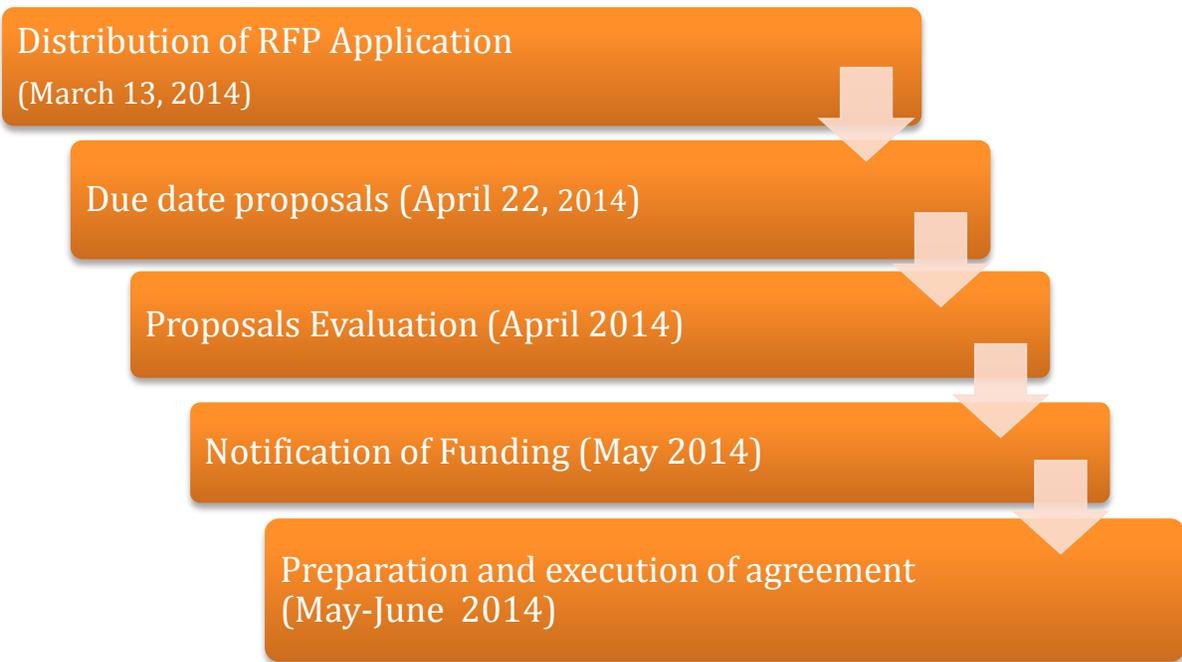
As in previous program years, the PY 2014 HOPWA funds will be conveyed to the Municipality of San Juan for its distribution to sub recipients. The distribution of funds to potential sub recipients will be conducted using a competitive Request for Proposal process. Due to restriction in the HOPWA Act, sub recipients will not receive funds for administrative purposes.

The competition will distribute funds for the provision of services and housing to eligible population. The RFP competition opened on March 13, 2014 and proposals were due on April 22, 2014. 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.

For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PREMSA municipalities for the HOPWA grant.

The following diagram summarizes the RFP process:



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 a proposal 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
<i>Transmittal Letter</i>	3	Transmittal Letter	2
<i>Description organization</i>	6	General Information Municipality	3
<i>Financial and Programmatic Background</i>	6	Financial and Programmatic Information	10
<i>Needs Analysis</i>	18	Proposed Project Description	20
<i>Action Plan</i>	30	Action Plan	30
<i>Budget</i>	30	Budget	30
<i>Required Documents</i>	2	Past Performance	5
<i>Past Performances</i>	5		
Total	100		100

For new municipalities the following criteria will be used:

NEW MUNICIPAL SUB RECIPIENTS	
CRITERIA	MAXIMUM POINTS
<i>Transmittal Letter</i>	2
<i>General Information Municipality</i>	3
<i>Description of the Municipality Capacity</i>	15
<i>Financial and Programmatic Background</i>	10
<i>Proposed Project Description</i>	20
<i>Action Plan</i>	25
<i>Budget</i>	25
	100

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

No PY 2014 State HOPWA Program funds will be invested in acquisition, rehabilitation, conversion, lease and repair of property activities.

Acceptance of proposals

For PY 2014 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 but in the case that two proposals receive the same score the proposal from the State EMSA will be awarded funding.

During this Program Year the City 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 activities eligible costs:

STRMU	<ul style="list-style-type: none">• Rent, mortgage arrears and payment• Utilities
Transitional Housing With Supportive Services	<ul style="list-style-type: none">• Operating costs of up to 24 months of housing• Supportive services
Permantent Housing	<ul style="list-style-type: none">• Tenant Based Rental Assistance• Operating costs of Housing for more than 24 months• Supportive services
Emergency Shelter	<ul style="list-style-type: none">• Operating costs• Up to 90 days shelter• Supportive Services



DUNS Number and Central Contractor Registration and SAM.Gov

All sub-grantees 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 website and other federal websites were migrated to a single system called the System for Award Management (SAM). It is expected that all HOPWA sub recipients migrate to the new system before the end of the program year.

MONITORING FOR THE CDBG PROGRAM (91.330)

Standards and Procedures to Monitor Activities Carried Out In Furtherance of the Plan

For PY 2014 OCAM established standards and procedures that would use to monitor activities carried out in the 2014 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.

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. 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 97 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.

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

OCAM carries out its State CDBG Program through its 51 non-entitlement municipalities. As it was described above, OCAM has established standards and procedures to monitor activities carried out by non-entitlement municipalities during the Program Year. These are based on six main components, including: Risk Analysis; Calendar; Desk Review; Field Review; Preparation of the Monitoring Report; and Follow up and Closing Report.

MONITORING FOR THE HOME PROGRAM (91.230)

PRHFA carries out the HOME program compliance through an ongoing process involving continuous communications with project owners and regulatory evaluations. Monitoring activities are performed according to the regulations established in 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 Audit and Compliance Department (ACD) at PRHFA. The ACD 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 physical inspections.

The HOME Program internal controls are evaluated by the GDB General Audit Office to ensure compliance with HOME Investment Partnerships Program Goals and regulations.

In addition, outside controls are 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 for 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, 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. 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. HOME Project Development
3. HOME 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.

In all processed cases, the files should include written rehabilitation standards for the project in addition to the budget, certifications, agreements and periodic inspections.

For the homebuyer projects the length of the affordability period is based on the amount of HOME funds invested in the property. The required affordability period are described as follow:

HOME FUNDS PROVIDED	AFFORDABILITY PERIOD
<\$15,000	5 years
\$15,000 - \$40,000	10 years
>\$40,000	15 years

Annually a sample of 20% (per each activity in an affordability period of 5, 10 or 15 years) of the homebuyer activities during the fiscal year will be reviewed through random sampling. This review will 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. PRHFA will send a letter through the U.S. mail with a “return receipt” to each of the assisted homebuyers.

This 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 or a portion of the HOME funds assigned.

The ACD also select a sample of 20% of all homebuyer activities worked during the fiscal year and performed a compliance review of the program record keeping, property eligibility, occupancy requirements, written agreement, information in IDIS System and financial documentation requirements of the HOME program. The ACD review a total of 18 out of the 90 homebuyer transactions worked during the PY 2012.

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.

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

assisted units in a project. Property reviews are conducted on-site a minimum of once a year for properties consisting of more than 25 total units, once every two years for properties with 5-25 units, and once every three years for properties with 1-4 HOME assisted units. These inspections will consider a sample of at least 15% of HOME assisted units. During the physical inspection visit, the inspector completes an inspection of the exterior buildings, the grounds and common areas, and the interior of the units to ensure that the project is maintained in accordance with HUD regulations and continue to meet on going property standards requirements.

In addition, an on-site review of project files will be completed. This review will consider a sample of at least 15% of HOME assisted units in the project. For project with 10 units or less, all tenants' files will be review. 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.

During the PY 2013 the ACD conducted an on-site review of the project, tenant's file and physical inspection for the following projects:

	IDIS ID	ACTIVITY NAME	ACTIVITY ADDRESS	PROJECT TOTAL UNITS	HOME ASSISTED UNITS	SAMPLE
1	450	APARTAMENTOS ROSA I	SANTURCE	97	60	9
2	449	APARTAMENTOS ROSA II	SAN JUAN	78	40	6
3	9637	BRISAS DEL MAR ELDERLY	GUAYAMA	102	102	16
4	6048	COLEGIO Y EGIDA DE ENFERMERAS PRACTICAS	SAN JUAN	81	81	13
5	5497	JARDINES DE CARMENI	ADJUNTAS	24	24	4
6	3743	JARDINES DE LOIZA	LOIZA	27	27	5
7	8587	LA EGIDA DEL PERPETUO SOCORRO	SAN JUAN	66	66	10
8	622	LA MERCED ELDERLY	HATO REY	89	50	8
9	10814	LAS PIEDRAS ELDERLY	LAS PIEDRAS	123	123	19

10	6296	LOIZA HOME FOR THE ELDERLY		LOIZA	120	120	18
11	11958	PANORAMA APARTMENT	GOLD	BAYAMON	168	168	26
12	3759	PENINSULA HOUSES		SAN JUAN	102	102	16
13	8496	PONCE ELDERLY II		PONCE	80	80	12
14	9654	RIO DORADO ELDERLY		RIO GRANDE	120	120	18
15	10567	SALINAS ELDERLY		SALINAS	84	84	13
16	10419	SANTA ROSA ELDERLY		RINCON	33	33	5
17	10787	VILA CENTROAMERICANA		MAYAGUEZ	386	96	15
18	721	YAUCO ELDERLY HOUSING		YAUCO	136	136	21
19	217	APARTAMENTOS AMELIA		COMERIO	6	6	6
20	5487	APARTAMENTOS EL TIPICO		COROZAL	6	6	6
21	558	APART. ESTANCIA VILLAMIL		HATILLO	6	6	6
22	498	APARTAMENTOS ORTIZ		JUNCOS	8	8	8
23	5532	ERMELINDA APARTMENTS		UTUADO	8	8	8
24	695	HOGAR AMPARO		SANTURCE	83	75	12
25	714	HOGAR LA PIEDAD		CAGUAS	24	24	4
26	377	LOS GEMELOS		UTUADO	5	5	5
27	345	OSCAR APARTMENT		LARES	6	6	6
28	717	REMANSO DE LA ESPERANZA		CAGUAS	26	26	26

As part of the monitoring process, ACD requires that owners annually complete the “Owners Annual Certification of Compliance” form, which certifies that HOME assisted units are in compliance with program regulations. Owners are required also to maintain records that demonstrate compliance through submission of a “HOME Monitoring Report” annually. File audit standards are listed in 24 CFR Part 5. Guidance provided for the implementation of the standards in Part 5 are outlined in HUD Handbook 4350.3 REV-3 CHG 4. Owners are required to establish initial and ongoing tenant eligibility using the guidance found in Handbook 4350.3 REV-3 CHG-4, in combination with HUD’s published annual income and rent limits.

Following is the monitoring schedule for PY 2014: (Monitoring activities includes and on-site project and tenants’ file review and a physical inspection).

State Consolidated Plan



IDIS NO.	PROJECT	PROJECT TOTAL UNITS	TOTAL HOME UNITS	SAMPLE	ESTIMATED AUDIT DATE
1	468 APARTAMENTOS CASTRO-1	2	2	1	Jul-14
2	553 APARTAMENTOS CASTRO-2	2	2	1	Jul-14
3	677 APARTAMENTOS CASTRO-3	2	2	1	Jul-14
4	13164 Albergue EL Paraíso Corp.	26	26	4	Ago-14
5	6298 SAN MIGUEL HOME FOR THE ELDERLY	82	82	13	Ago-14
6	7487 ARECIBO SENIOR HOUSING	120	120	18	Ago-14
7	14565 LIYALY APARTMENTS	4	4	1	Sep-14
8	10416 MONSERRATE II	36	36	6	Sep-14
9	9072 EL REMANSO DE PAZ	50	50	8	Sep-14
10	6996 NOTRE DAME APARTMENTS	88	88	14	Sep-14
11	346 APARTAMENTOS PLAZA-1	1	1	1	Oct-14
12	578 APARTAMENTOS PLAZA-2	2	2	1	Oct-14
13	8495 CABO ROJO ELDERLY	88	88	14	Oct-14
14	10908 PONCE DARLINGTON	150	132	20	Oct-14
15	535 APARTAMENTOS DIAZ	4	4	1	Nov-14
16	14061 VISTAS DEL MAR ELDERLY	88	35	6	Nov-14
17	9741 LADERAS DEL RIO ELDERLY	124	124	19	Nov-14
18	14065 GOLDEN RESIDENCE AT FLORAL PARK	160	92	14	Nov-14
19	379 APARTAMENTOS PRIMOR	4	4	1	Dec-14
20	3743 JARDINES DE LOIZA II	27	27	5	Dec-14
21	8587 LA EGIDA DEL PERPETUO SOCORRO	66	66	10	Dec-14
22	718 HOGAR LA PIEDAD	26	26	4	Jan-15
23	10567 SALINAS ELDERLY	84	84	13	Jan-15
24	6296 LOIZA HOME FOR THE ELDERLY (FASE II)	120	120	18	Jan-15
25	721 YAUCO ELDERLY HOUSING	136	136	21	Jan-15
26	11960 ESPERANZA VILLAGE	9	9	2	Feb-15
27	9736 LOS ROBLES	13	13	2	Feb-15
28	717 REMANSO DE LA ESPERANZA	26	26	4	Feb-15
29	695 HOGAR AMPARO	75	75	12	Mar-15
30	449 APARTAMENTOS ROSA II	78	40	6	Mar-15
31	450 APARTAMENTOS ROSA I	97	60	9	Mar-15
32	9637 BRISAS DEL MAR ELDERLY	102	102	16	Mar-15
33	6048 COLEGIO Y EGIDA DE ENFERMERAS PRACTICAS	81	81	13	Apr-15
34	622 LA MERCED ELDERLY	89	50	8	Apr-15
35	11958 PANORAMA GOLD APARTMENT	168	168	26	Apr-15
36	5497 JARDINES DE CARMENI	24	24	4	May-15
37	10419 SANTA ROSA ELDERLY	33	33	5	May-15

IDIS NO.	PROJECT	PROJECT TOTAL UNITS	TOTAL HOME UNITS	SAMPLE	ESTIMATED AUDIT DATE
38 8496	PONCE ELDERLY II	80	80	12	May-15
39 10814	LAS PIEDRAS ELDERLY	123	123	19	May-15
40 3759	PENINSULA HOUSES	102	102	16	Jun-15
41 9654	RIO DORADO ELDERLY	120	120	18	Jun-15
42 10787	VILLA CENTROAMERICANA	388	96	15	Jun-15

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:

- Identifying organizations and municipalities at higher risk.

- On-site visits as an opportunity to identify recipient’s needs measure their performance and provide technical assistance;

- Tracking system of the grant awards, activities and performance measurement;

- A technical assistance tracking system of monitoring aspects;

- Review the uses of funds to determine that non-profit agencies conform to the requirement of the ESGP and other federal regulations.

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	
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 DF. In-depth on site monitoring must be completed for high-risk grantees.

Sub-grantees 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.

Monitoring Schedule

It is the intention of the DF to conduct approximately at least 25% on site monitoring reviews. The monitoring schedule will be developed during the second quarter of program year. The DF will monitor compliance within the 24 month expenditure deadline by implementing the high risk analysis assessment. The Department of the Family will continue desk reviews for all sub-grantees.

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 DF uses IDIS PR91 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 requirements of the ESGP.

Desk reviews will be performed on a daily basis and 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 Municipality of San Juan using own staff and contractors. Since all of the organizations (Municipal and Non Profit) undertaking HOPWA activities will be monitored (2013) for compliance, the Municipality of San Juan will use a risk analysis tool to determine which one will be monitored during PY 2014. Monitoring reviews will be conducted by the staff of the Municipality of San Juan and private contractors.

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:

- TBRA
 - HIV/AIDS Eligibility
 - Income Eligibility
 - Property Standards

- Financial Management

- Facility based
 - Consistency between services provided and approved scope of work
 - Confidentiality of files
 - HIV/AIDS Eligibility
 - Housing Plan
 - Financial Management
- Clients Housing Assessments
- Clients Housing Plans

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 PRDOH 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) Sub recipients will be monitored by the Municipality of San Juan or its contractors to evaluate the construction process, Financial Management, habitability standards and client Eligibility. Proposed goals included in the agreements and the actual delivery and performance.
- 3) The monitors 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 PRDOH and the Municipality of San Juan will have a duration of 12-month. 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 Municipalities provider of the HOPWA tenant based rental assistance must inspect the assisted units for compliance with the required standards. The standard to be used by the HOPWA program are the Housing Quality Standard of the Housing Choice Voucher Program. Inspections must be performed by trained inspectors every time a recertification or new admission voucher is issued.

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 sub recipient.

Actions taken by the State to monitor its sub recipients

The PRDOH will monitor the execution of the agreement with the Municipality of San Juan.

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 circulars and the applicable regulations. The following actions are standards actions for the monitoring activities:

- 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.

Desk review 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:

- 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

For PY 2014 the Municipality of San Juan will use a limited review process in which the existing monitoring guidelines were modified to reduce the scope of the review. The established work plan requires monitoring reviews of the recipients at least once annually 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 of San Juan 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 at the evaluation of the invoicing.