

STATE CONSOLIDATED PLAN 2015-2019 ACTION PLAN 2015



COMMONWEALTH OF PUERTO RICO

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

April 13, 2015

DRAFT FOR PUBLIC COMMENTS

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan

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EXECUTIVE SUMMARY

ES-05 Executive Summary - 91.300(c), 91.320(b)

1. Introduction

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

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

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

Other agencies currently responsible for the administration of Programs are:

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

The *Consolidated Plan* addresses the community needs of the State Jurisdiction in the context of the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended. Based on the needs assessment, which required the undertaking of a research and consultation process, the State developed the set of goals, strategies and activities to be undertaken during the 2015-2019 planning and implementation period.

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

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

Provide Decent Housing

- Provide street outreach, supportive services and emergency shelter

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

Create a Suitable Living Environment

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

Expand Economic Opportunity

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

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

Goal Name	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Provide Decent Housing	Homelessness	Statewide	Street outreach, supportive services and emergency shelter	\$12,286,155	Persons assisted: 25,000
Provide Decent Housing	Homelessness	Statewide	Provide homeless prevention and rapid rehousing assistance	\$6,245,462.15	Households assisted: 10,000
Provide Decent Housing	Affordable housing Special Needs	Statewide	Provide housing assistance and supportive services to HIV population	\$8,115,819.30	Persons assisted: 3,750
Create Suitable Living Environments	Non-Housing Community Development	CDBG non-entitlement	Social needs (public service)	CDBG: \$13,000,000	Persons assisted 2,500
Create Suitable Living Environments	Non-Housing Community Development	CDBG non-entitlement	Community Development (Infrastructure and public facilities)	CDBG: \$71,000,000	Persons assisted 1,000,000
Provide Decent Housing	Affordable Housing	CDBG non-entitlement	Rehabilitation of units	CDBG: \$10,633,475	Housing units 3,650
Expand Economic Opportunity	Non-Housing Community Development	CDBG non-entitlement	Economic Development	CDBG: \$5,895,585	Jobs 60 Business 60
Provide Decent Housing	Affordable Housing	CDBG non-entitlement	Homeownership assistance	CDBG: \$875,000	Housing units 250
Create Suitable Living Environments	Community Development	CDBG non-entitlement	Emergency relief	CDBG: \$1,500,000	Persons assisted 1,500
Provide decent housing	Affordable housing	Statewide	Downpayment and closing costs assistance	HOME: \$4,100,585	Households assisted: 125
Provide decent housing	Affordable housing	Statewide	Rehabilitation and production of rental housing	HOME: \$26,653,795	Housing units: 2,500
Provide decent housing	Affordable housing	Statewide	Rehabilitation and production of rental housing (CHDOs)	HOME: \$6,150,875	Housing units:600

Table 1: Goal Summary Information

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

1. The local economy has been facing economic development challenges that have caused an historical downturn of the Island's economy and its demographic characteristics. This context have increase the needs to expand economic development opportunities.
2. The number of households dropped 2% relative to 2000, from 1,261,816 in 2000 to 1,230,868 in 2013.
3. The number of vacant housing is high and is increasing. Property values are decreasing, but housing affordability remains a challenging housing issue.
4. Mortgage delinquency rates and foreclosures are high, which is a reflection of the weak financial situation of consumers and of the effect of the economic situation on the risk of homelessness.
5. The greatest need is among low and moderate income households that live in substandard housing followed by cost burden housing problems. As much as 332,445 households with incomes below 100 AMI are considered to have one or more housing problems, of which 90% or close to 300,000 are low and moderate income households. Among these, 175,750 were owners and 123,000 were renters.
6. Over the past years, Puerto Rico has experienced a demographic transformation. The elderly population, those 65+, has experience a consistent increase, when compared to other groups of the population.
7. Elderly households living alone are those who are more vulnerable given that more than 172,000 have an independent living difficulties, of which 33%, or approximately 57,000, are estimated to be low and moderate income households.
8. During the most recent Point in Time Survey conducted in the Island (2013), a total of 4,128 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 3,487 households, out of which 5% were households with at least one adult and one child. In those households without children the majority of persons are over 24 years old (95%), while in the case of households with at least one child, the majority of the household members are under age 18 (54.8%). Most or 51.6% are chronically homeless, while 45.3% suffer from chronic substance abuse. Almost one fifth of persons counted, (18.5%) were severely mentally ill, 7.9% have been victims of domestic violence, and 7.4% are affected by HIV/AIDS. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population. It is important to mentioned, however, that – although an increase is observed - this number is probably underestimated.
9. Historic data for CoC 502, also shows how the population of chronic homeless, along with victims of domestic violence (which are mostly women), and persons with mental illness, make up the majority of homeless subpopulations. This facts points out to the need of housing, but also of supportive services for to address the special needs of these groups.
10. In addition to the homeless population, other groups also require support services. These groups include: persons with HIV/AIDS, persons living in poverty, the elderly population, victims of domestic violence, and people with drug addiction problems.

11. Domestic violence constitutes one of the gravest and most complex problems affecting Puerto Rican society. As the Prologue to Law 54 for the Prevention and Intervention with Domestic Violence of August 15, 1989 indicates, domestic violence threatens the integrity of the family and its members, and constitutes a serious threat to the stability and preservation of civilized coexistence in our society. Puerto Rico police statistics show that the problem of domestic violence has become increasingly complex. The most recent data (2012) shows a total of 11,412 cases of domestic violence.
12. As of March, March 31, 2015, a total of 36,886 AIDS cases have been reported in the Island. Out of these cases, 25,126 persons died, representing a fatality rate of 68% Individuals living with HIV/AIDS and their families present a series of needs related to housing and complimentary services.
13. Other needs of special populations include: Shelter and outreach services for homeless population, Chronic homelessness, Substance abuse, Mentally ill, and Victims Domestic Violence, Woman with Children; and prevention and rapid rehousing for persons at risk of becoming homeless.
14. Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provides a baseline for determining the needs for public services. Traditionally under the CDBG program local communities can select from the whole array of eligible activities described in CDBG regulations and guidelines. Such services usually target low income population with special needs, such as the elderly in rural communities and disadvantaged youth.
15. Non-entitlement municipalities have many infrastructure needs. Traditionally, most CDBG allocations have addressed infrastructure needs of low income communities.

3. Evaluation of past performance

The Commonwealth of Puerto Rico conducts an annual Evaluation and Performance Report. This report summarizes the allocations, actions, activities and performance measures of HUD's CDBG, ESG, HOPWA and HOME grants. The report is developed each year after grantees complete their self-evaluations. The most recent report incorporates the accomplishments of PY 2013. The actual data for PY 2014 will be published in the following months, however the past reports contain cumulative data since the development of the 5 year Consolidated Plan (2010-2014).

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

For the past four years the CDBG program has suffered from a reduction in the total funding allocation. The magnitude of such reductions have varied, the most recent being close to 7% from the previous year allocation. This scenario is also reflected in the program outcomes which have decreased when compared to the projected outcomes at the beginning of the 5 year period. To cope with such changes the local communities have adapted the scope of their projects, yet deeper budget cuts have caused a substantial modification in the program structure. For

instance, in 2014 the Government of the Commonwealth of Puerto Rico enacted a new law which prescribed a particular method of distribution for the CDBG program. The new method allows for a more flexible distribution of funds, ultimately allowing municipalities a wider range of CDBG activities, so that actions are most suited to the needs of each particular community. During the past four years, the program has enacted several changes in their local guidelines to improve performance and compliance.

The CDBG program has allocated over \$177 million for projects targeted to the low and medium income populations of the 51 non-entitlement municipalities in Puerto Rico. The execution of activities has been concentrated in the areas of public services for the elderly, public infrastructure of roadways and sidewalks, and housing activities. With a set of amendments, a new set of economic development funds have been put in place.

The HOME program has provided over \$60 million for projects and activities identified as priorities in the 5 year Consolidated Plan (2010-2014). Activities have been concentrated in rental projects, homeowner assistance, and housing rehabilitation. Even though the program was initially administered by the Puerto Rico Housing Department, the set of activities have kept similar goals and objectives.

During the last four years HOPWA funds have been used to provide services to the population in need. HOPWA funds were allocated to the Municipality of San Juan (sponsor) who completes the distribution to other sub recipients. Funds support TBRA programs, Short-term rent, mortgage and utilities assistance, supportive services and transitional housing. Close to \$9 million have been allocated for such activities during the past four years (2010-2014). In terms of outcomes funds are usually allocated between 21 entities which include municipalities and nonprofit organizations. During PY 2013 Close to 700 families received assistance through the program, the biggest share of participants benefited from supportive services of housing assistance.

The ESG program serves the homeless population for all of Puerto Rico. During the period of 2010- 2014, the program has received close to \$19 million and for 2013 it provided resources for 77 projects in 57 non-profit and faith based organizations and 50 municipalities. A total of 9,271 homeless persons or at risk of becoming homeless benefited during PY 2013.

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

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

4. Summary of citizen participation process and consultation process

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

In fulfilling its primary role as lead agency, the Office of the Commissioner of Municipal Affairs (OCMA) established direction and supervised the processes of organization, identification of needs, and collection and processing of information. OCMA also acted as a liaison of the Interagency Committee composed of representatives from the PRDF, the PRDOH; the PRHFA and the MSJ. Each agency helped in the process of gathering information from secondary sources, official statistics and contact to other public entities, community leaders and NPOs.

Besides coordination to gather secondary data, other outreach and consultation methods were implemented in order to gather additional information about needs, and to establish contact with service agencies and entities. These include entities and agencies that have direct contact with and provide services to children, elderly persons, persons with disabilities, homeless and chronically homeless persons, among other special needs groups.

Efforts to consult and establish contact with these groups and agencies included: Postings at OCAM's Web Page; A Web Based survey to municipalities and NPOs recipients of ESG and HOPWA funds; Mailings and email blasts to NPOS and municipalities; Social media, Communication to housing related agencies; contacts through the agencies that are part of the Interagency Committee for Consolidated Planning, and Meetings and consultation through a survey to CoCs.

As required by the Hearth Act and the ESG regulation, on January 22, 2015 the PRDF held a meeting with the two Continuum of Care of Puerto Rico (CoC) to determine how to allocate ESG funds for eligible activities; develop the performance standards for activities funded under ESG; and develop funding, policies and procedures for the operation and administration of the HMIS. Also, 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. A total 49 entities participated in the consultation (27 private and nonprofit organizations and 21 Municipalities).

Other processes provided the means to obtain information from key stakeholders. These included: (1) The consultation processes that resulted in the enactment Law No. 137-2014, which provided a basic framework to distribute CDB; (2) The regular meetings of the Housing Policy and Implementation Committee (HPIC), created as a result of the 2014-2018 State Plan Housing, of which two of the agencies that administer CPD funds, (OCMA and PRHFA), are members; (3) lastly, the Office of the Commissioner of Municipal Affairs conducted a series of meetings with representatives of public agencies, NPOs and the private sector, for the purpose of developing and establish liaisons for the Center of Social Innovation (CSI). The CSI is an initiative focused on addressing the recommendations of capacity building included in the Report of the President's Task Force on Puerto Rico's Status and the State Housing Plan and laid out in the State Housing Plan.

The State Housing Plan 2014-2018 was also considered when preparing the Plan. It covers aspects closely related to consolidated planning processes. It lays out the need for affordable housing for the working population, single parent families, young adults, and the elderly and for populations with special needs, such as the homeless. The Plan emphasizes the need for a strong Housing Policy that integrates social services with specific housing initiatives. Likewise, as is the intention of the Consolidated Planning processes, it brings together the activities of major stakeholders dealing with housing issues, creating the means for coordinating the diverse services required for housing and integrated community development. Its strategies and actions are closely related to several of the areas of impact of CPD programs, as well as they involve stakeholders such as local governments.

Finally, the Department of Housing participates in the Multisectorial Council in Support of the Homeless Population, which was created by Law Number 130 of September 27th, 2007. The entity is appointed by the Department of the Family of the Commonwealth of Puerto Rico to address the various situations experienced by homeless persons on a daily basis. The Council is composed of a minimum of twenty-one (21) members which represent a comprehensive group of government agencies in areas health, security, education, human resources, housing and community development; representatives of Coalitions of Services to the Homeless; citizens (2) who have experienced homelessness, and a representative of the private sector (entrepreneurial, commercial, or industrial).

5. Summary of public comments

The methods and strategies implemented in order to broaden public involvement included various approaches: (1) E mailing communication - Periodic emails were sent to nonprofit organizations, municipalities, and other interest groups; (2) Public Hearing- 113 persons attended the February 18, 2011 meeting, representing organizations from the private and non-profit sectors, public agencies, municipal agencies, and the general population; (3) Web-based Survey - a sample of 60 NPOs and Municipalities that receive HOPWA and ESG funds was selected, in which 9 persons participated; (4) Social media- notifications and information of the public hearing through Tweeter; and (5) Access to information and publishing of the Consolidated Plan– The

Five-Year Consolidated Plan and the Action Plan became available to the general public on April 13, 2015. A notice was published in the newspaper Primera Hora.

During the public hearing a total of 4 participants commented during the hearing, 1 of which presented written comments. After the meeting, citizens and municipalities could provide additional written comments for a period of 30 days (until April 10, 2015). **No additional comments were received during this period.**

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

N/A

7. Summary

The Consolidated Plan of the Commonwealth of Puerto Rico (2015-2019) for the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) addresses the most pressing needs of the local community. The consultation and citizen participation processes, along with the needs assessment, support the Commonwealth's set of goals, strategies and activities as means to achieve the goals of Title I of the Housing and Community Development Act of 1974 to provide decent housing, create a suitable living environment and expand economic activity .

THE PROCESS

PR-05 Lead & Responsible Agencies 24 CFR 91.300(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

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

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

Table 1 – Responsible Agencies

Narrative

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

Other agencies currently responsible for the administration of Programs are:

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

Consolidated Plan Public Contact Information

In compliance with the provisions of Section 91.115 of Title 24 of the Code of Federal Regulations and under Part I of the Law of Housing and Community Development of 1974, as amended, copies of the Consolidated State Plan 2015-2019 and the 2015 Annual Plan of Action will be available from the date of its publication (April 10, 2015), for review and submitting comments in the Internet at <http://www.ocam.gobierno.pr> and during working hours in the following locations:

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

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

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

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

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

Comments to the plan should be addressed to:

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

Questions regarding consolidated planning may be addressed to:

Ms. Tomasita Rosado
Deputy of Federal Programs
Office of the Commissioner of Municipal Affairs
787-754-1600
trosado@ocam.gobierno.pr

PR-10 Consultation - 91.110, 91.300(b); 91.315(I)

1.Introduction

The Puerto Rico Consolidated Plan 2015-2019 and the Annual Action Plan 2015 integrate the allocation of a variety of Federal funds for projects and activities benefitting low and moderate income persons. Applicable funds include those of the State Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Opportunities of Persons with Aids (HOPWA) and Emergency Solutions Grant (ESG).

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

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

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

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

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

As required by the Hearth Act and the ESG regulation, on January 22, 2015 the PRDF 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. A

total 49 entities participated in the consultation (27 private and nonprofit organizations and 21 Municipalities). The most relevant findings of these surveys are discussed in the following sections.

The entities are classified as follows: 38 (77.6%) of them belong to a CoC; 47 (95.9%) receive ESG Funds from the PRDF; 4 (8.2%) entities answered to have a leader agency role from CoC; 3 (6.1%) answered to have a leader agency role from HMIS CoC; and, 4 (8.2%) of entities receive ESG Funds directly from HUD.

Those entities that belong to a CoC mostly belong in CoC PR-503 (11), PR-502 Balance of State, and Coalition of Coalitions (5).

Distribution of ESG Funds

Entities were asked to express whether they agreed or not with a few premises on recommendations for the distribution of funds. For Fiscal Year 2015 the DF will grant funds through an RFP, but was planning to develop a formula and a priority system to promote better utilization of ESG funds.

The following assumptions are those in which entities coincide the most:

More than half of entities (63.3%) agreed to establish criteria on minimum standards of compliance with measures for entities that receive funds; 27 (55.1%) entities agree to take into account the levels of poverty and the homeless census geographic areas served by the applicant organizations to allocate ESG funds; another 27 (55.1%) entities agree to establishing priorities for each eligible activity in budget proposals for ESG funds (Scope, Emergency Shelter, Prevention, Rapid Re-Housing, HMIS, Administration); 25 (51%) agree taking into account the per cent of funds that the organization spent in the previous year, if applicable to the granting of additional funds; 20 (40.08%) of entities agreed to prioritize renovation projects over new projects, provided they comply with applicable standards; and, 19 (38.8%) of entities agreed with setting a floor and a ceiling for amount of funds that an organization can receive.

Recommendations for the distribution of funds			Frec	%
A.1.	Limit the number of consecutive years in which an organization can receive ESG funds.	0	0.0%	
A.2.	Establish a floor and a ceiling for amount of funds that an organization can receive.	19	38.8%	
A.3.	Limit the number of entities to benefit thereby increasing the amounts received.	0	0.0%	
A.4.	Establish minimum standards of compliance for organizations receiving funds with standards or measures.	31	63.3%	
A.5.	Take into account other funds received by organizations seeking ESG funds from the DF (COC funds, etc.) to provide funds to needy organizations.	13	26.5%	
A.6.	Take into account the levels of poverty and the homeless census geographic areas served by the applicant organizations to allocate ESG funds.	27	55.1%	
A.7.	Establish priorities for each eligible activity in budget proposals for ESG funds (Scope, Emergency Shelter, Prevention, Rapid Re-Housing, HMIS, Administration).	27	55.1%	
A.8.	Take into account the per cent of funds that the organization spent in the previous year, if applicable to the granting of additional funds.	25	51.0%	

A.9.	Take into account the number of projects that exist in the area for the distribution of funds.	10	20.4%
A.10	Prioritize renovation projects over new projects, provided they comply with applicable standards.	20	40.8%
A.11	Limit to only two the number of projects that one organization can receive funds for.	13	26.5%
A.12	Other recommendations on distribution of ESG funds.	1	2.0%

The DF will review the assessment tool for ESG proposals. Entities were asked to express if they agreed with the given values assigned to each of the following recommendations for the assessment tool for ESG proposals and the way this tool will be used for evaluation of proposals.

A total of 43(95.6%) entities coincide that the component type for which they will request the fund should have a value of 10; 44(91.7%) entities agree that population needs should have a value of 10; 40 (95.2) entities coincide that the sub-population served should have a value of 8; 38 (90.5%) entities coincide that the requested budget should have a value of 10; 38 (88.4%) entities agree that the proposed project should have a value of 42; 38 (88.4%) entities coincide that implementing measures should have a value of 6; 38 (84.4%) entities agree that the number of participants should have an 8; and, 37 (88.1%) entities coincide that fiscal resources should have a value of 6.

Among eligible activities under ESG funds, entities were asked which one of them has higher priority according to CoC and member agencies. The order of priority goes from 1-6, 1 for the most important activity and 6 for the least important activity.

Street outreach activities

9 (19.6%) of entities consider street outreach activities to be first priority; 13 (28.3%) consider it third priority; and, 10 (21.7%) consider it fourth priority.

Emergency shelters

15 (31.9%) of entities consider emergency shelter activities to be first priority; that same amount of entities consider it second priority activity; while 7 (14.9%) of entities consider it third.

Activities for the prevention of homelessness

17 (37%) of entities consider activities for the prevention of homelessness a first priority; 8 (17.4%) consider it a second priority; and the same amount of entities considers it third.

Rapid Rehousing of homeless individuals

10 (21.7%) of entities consider Rapid Rehousing of homeless individuals activities to be first priority; 9 (19.6%) consider it a second priority; 8 (17.4%) consider it third priority; and, 11 (23.9%) consider it fourth.

HMIS activities

Only 1 (2.2%) entity considers HMIS activities a first priority whereas 19 (41.3%) of entities consider it fifth.

Administrative activities

Only 1 (2.1%) entity considers administrative activities as first priority whereas 24 (51.1%), more than half of the entities, consider it sixth priority.

Performance standards

Entities were asked for recommendations regarding performance standards to be reported to DF to measure achievements of the ESG projects. The scale of importance used was: very important, somewhat important, and not important.

A total of 44 (95.7%) entities agree that homeless neediest populations served by the project are very important.

36 (78.3%) entities coincide that the extent to which the number of homeless persons, sheltered and not sheltered, has been reduced is very important.

34 (75.6%) entities consider very important the extent to which time without a roof has been reduced for a homeless person. 10 (22.2%) entities consider it somewhat important.

33 (70.2%) entities consider very important the extent to which barriers for affordable housing has been reduced. 13 (27.7%) entities consider it somewhat important.

35 (74.5%) entities coincide that it is very important the degree to which they have reduced the risks of the people served losing their homes and become homeless. 11 (23.4%) of entities consider this somewhat important.

24 (54.5%) entities consider very important the amount of persons who has been impacted by their community outreach activities. 20 (45.5%) entities consider it somewhat important.

35 (76.1%) entities consider very important the amount of people admitted to Emergency Shelters. 10 (21.7%) entities consider it somewhat important.

33 (71.7%) consider very important the amount of persons located in Temporary Shelters. 13 (28.3%) consider it somewhat important.

37 (80.4%) entities coincide that the amount of people located in Transitional Housing ended the program on the projected time is very important. 9 (19.6%) consider it somewhat important.

42 (87.5%) entities consider very important the amount of persons located in Permanent Housing. 6 (12.5%) consider it somewhat important.

38 (79.2%) entities consider very important the amount of persons located in Permanent Housing and stay for 6 months or more. 10 (20.8%) consider it somewhat important.

41 (85.4%) entities consider very important the amount of persons in risk of homelessness that could have remained home. 6 (12.5%) consider it somewhat important.

24 (51.1%) entities consider very important the amount of people that increased benefits such as PAN, TANF, Healthcare, etc. 14 (29.8%) consider it somewhat important whereas 9 (19.1%) consider it not important.

27 (57.4%) consider very important the amount of people that received benefits such as SS, employment, alimony, etc. 15 (31.9%) considers it somewhat important whereas 5 (10.6%) consider it as not important.

Other measures recommended by participants, included the amount of prevention services for homeless individuals; mental health services provided; and the amount of persons who improve academically.

Entities were also asked to check the options that apply as the performance standards used to measure the success of eligible activities of ESG projects, including the % of expenditure of funds granted. 37 (75.5%) entities checked the achieving results of projected outcomes; 33 (67.3%) percent of expenditures, according to the budget allocated by expenditure; 31 (63.3%) implementation of planned activities; 26 (53.1%) amount of persons served by sub-population; and, 25 (51.0%) the amount of participants that completed the service plan.

Challenges anticipated by the entities upon the implementation of performance standards in the CoC and the organization, include the following:

39 (79.6%) of entities indicated the high level of unemployment in Puerto Rico, which limits opportunities for homeless persons.

37 (75.5%) of entities indicated the increase in the amount of homeless individuals and families due to the economic crisis.

36 (73.5%) of entities indicated funding reduction from traditional sources available to meet the needs of homeless individuals.

30 (61.2%) of entities indicated the increase in requirements to qualify for funding from competitive programs.

29 (59.2%) of entities indicated the high percentage of the homeless individuals in Puerto Rico with physical and/or mental chronic conditions.

28 (57.1%) of entities indicated the bureaucratic procedures for obtaining documents required for some services.

27 (57.1%) of entities indicated the change in the characteristics of the homeless individuals which requires new intervention strategies.

26 (53.1) of entities indicated Continuous changes in laws, regulations and requirements of agencies in charge of delegating funds.

In addition, some entities anticipate the operation of homeless programs with the same budget from previous years as a future challenge. Another entity expressed that qualification criteria will be another challenge, while other entity expressed concern eligibility criteria to locate individuals on permanent housing.

Entities were asked if providers' capacity to provide services that effectively reduce the number of homeless and the time an individual remains in safe housing, and participates in ESG funded activities, either facilitate or limit performance standards.

19 (38.8%) entities find that performance standards facilitate the ability of ESG providers to design programs for the reduction.

12 (24.5%) entities coincide that performance standards limit the ability of ESG service providers because they do not take into account the particular circumstances of communities to design programs and realistic goals to achieve.

12 (24.5%) entities coincide that performance standards facilitate the ability of ESG services providers to offer effective services.

Additional observations made by some entities include aspects related to disbursement process; performance standards must be consonant with national goals without giving space to the needs of each geographical area; and little emphasis on performance standards for service providers in the area of prevention.

HMIS

Entities were asked about rules and procedures from HMIS for ESG programs beneficiaries.

35 (79.5%) of entities consider there are all the rules and procedures needed to HMIS ESG programs.

8 (18.2) of entities consider there are rules and procedures HMIS for ESG programs, but new rules and new procedures are needed.

Additional comments provided by some entities, include the following:

- There should be a review for alternate methods according to the type of project;
- Effective communication which informs the action taken as required by necessity; and,
- Requirements must be reviewed in order to eliminate duplicity and bureaucracy.

In terms of the fees charged by the entity leader of area to participate in the HMIS 36.73% are charged \$778.00

Meanwhile the sources of funds to cover the costs of participating in the HMIS, include the following:

- 5 (10.2%) of entities use ESG funds;
- 2 (4.1%) of entities use ESG State funds;
- 1 entity uses federal funds;
- 1 entity uses funds from HUD; and,
- 1 entity uses funds from the DF.

In terms of the databases used by providers of services to survivors of domestic violence in their area. the following are some of the answers provided:

- 1 entity answered awards
- 1 entity answered Department of the Family, Puerto Rico Police Department
- 1 entity answered Department of the Family, Puerto Rico Police Department, Statistics
- 1 entity does not know

Problems with (the) suppliers of HMIS by area and recommendations to mitigate or resolve such problems include the following:

8 (16.3%) of entities said the system goes off frequently causing dilatation in data input.

6 (12.2%) of entities said that HMIS provider does not provide sufficient training or technical assistance.

5 (10.2%) of entities said system programming is not easy to use for reporting the data.

Other problems identified by the entities include:

- The system language, which is English;
- System does not allow to write participant's address;
- The data migration process has taken a lot of time; and,
- Limitation on time for the use of the system.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities.

Besides coordination to gather secondary data, other outreach and consultation methods were implemented in order to gather additional information about needs, and to establish contact with service agencies and entities. These include entities and agencies that have direct contact with and provide services to children, elderly persons, persons with disabilities, homeless and chronically homeless persons, among other special needs groups.

Efforts to consult and establish contact with these groups and agencies included: Postings at OCAM's Web Page; A Web Based survey to municipalities and NPOs recipients of ESG and HOPWA funds; Mailings and email blasts to NPOS and municipalities; Communication to housing related agencies; contacts through the agencies that are part of the Interagency Committee for Consolidated Planning, and Meetings and consultation through a survey to CoCs.

The Method of distribution for CDBG funds is based on the recently enacted Law No. 137-2014, which responds to recommendations gathered from consultation processes of previous years. Local Governments were informed of the Law in a communication dated August 14, 2014, and a second letter was sent of February 19, 2015 to motivate their participation in a public hearing and gather their input regarding current needs and the proposed method of distribution.

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

Lastly, the Office of the Commissioner of Municipal Affairs has conducted a series of meetings with representatives of public agencies, NPOs and the private sector, for the purpose of developing and establish liaisons for the Center of Social Innovation (CSI). The CSI is an initiative focused on addressing the recommendations of capacity building included in the Report of the President’s Task Force on Puerto Rico’s Status and the State Housing Plan. As the State Housing Plan lays out, there is an imperative need in Puerto Rico for affordable housing for the working population, single parent families, young adults, and the elderly and for populations with special needs, such as the homeless. To address this situation, the Plan emphasizes the need for a strong Housing Policy that promotes the integration of efforts of government agencies, municipalities and the nonprofit sector, creating the means for coordinating the diverse services required for housing and integrated community development. A key element of this recommendation is the promotion of capacity building initiatives aimed at improving knowledge of requirements of affordable housing programs in NPOs and state and municipal government staffs in order to enhance their effectiveness and assure continuity. The CSI will provide capacity building opportunities and technical assistance to those dealing with the development of affordable housing for low income families in Puerto Rico.

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

Other Plans considered when preparing the Plan, include the 2014-2018 Puerto Rico State Housing Plan, led by the Puerto Rico Department of Housing. The State Housing Plan covers aspects closely related to consolidated planning processes. It lays out the need for affordable housing for the working population, single parent families, young adults, the elderly and for populations with special needs, such as the homeless.

The Plan emphasizes the need for a strong Housing Policy that integrates social services with specific housing initiatives. Likewise, as is the intention of the Consolidated Planning processes, it brings together the activities of major stakeholders dealing with housing issues, creating the means for coordinating the diverse services required for housing and integrated community development.

Strategies included in the State Housing Plan, are closely related to several of the areas of impact of CPD programs, as well as they involve stakeholders such as local governments. These include the following:

- Incorporating municipal governments in the formulation and implementation of housing policies and create Regional Housing Councils.
- Identify available public land suitable for affordable housing development and promote its development, leveraging public and private resources.
- Promote neighborhood stabilization and renewal through infill housing and rehabilitation, and facilitating the application of legislation on nuisance properties that can make them available for this purpose.
- Stimulate rental housing and maintain Section 8 units with expiring contracts in the rental market is recommended.
- Develop programs to promote rural housing rehabilitation.
- Coordinate initiatives with the PR Planning Board and other government agencies to make possible location of affordable housing projects in areas in which affordable transportation is easily accessible.
- Continue to promote capacity building initiatives aimed at improving knowledge of requirements of affordable housing programs in banking staff, CBOs and state and municipal government staffs in order to enhance their effectiveness and assure continuity.
- Promote the introduction of innovative housing construction methods, new materials and feasible energy efficient technologies in the construction of affordable housing.
- Utilize innovative financing techniques and fund layering strategies.
- Make the Continuum of Care Model for dealing with the homeless population more flexible, recognizing that not all homeless need to go through the different stages of the process.
- Promote legislation that is consistent with the suggested housing policy recommendations.
- Concentrate government incentives exclusively on affordable housing.
- Establish a banking industry CRA entity in charge of coordinating with the HPIC the development of individual and collective bank initiatives that support the priorities of the Housing Plan.

Describe cooperation and coordination among the State and any units of general local government, in the implementation of the Consolidated Plan (91.315(I))

Narrative (optional):

The OCMA is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico. Its responsibilities associated with the Consolidated Plan are coordinated by OCMA's Office of Federal Affairs. The main component of the institutional structure consists of OCAM, the Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG); the Puerto Rico Department of Health, which administers the Housing Opportunities for Persons

with AIDS Program (HOPWA) in conjunction with the Municipality of San Juan; and the Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME).

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

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

- Private Industry- The private sector has traditionally played a very important role in providing affordable housing for rent and ownership. The government of the Commonwealth of Puerto Rico encourages public/private partnerships and other initiatives to coordinate and leverage the necessary resources for providing affordable housing.
- Developer/Builder/Owner Sector – develops the private housing stock and supports public and subsidized housing development. Households with moderate, middle, and high incomes are currently serviced exclusively by the private sector.
- Municipalities- key in promoting affordable housing development. They have land resources and an institutional framework critical implementing housing and economic development initiatives.
- Financial Sector – Provides the primary financing for housing development and related activities, and conducts community lending operations and participates in other economic development programs through CRA initiatives that promote home ownership and economic development.
- Not-for profit organizations and faith-based organizations –There is a substantial amount of organizations in Puerto Rico that provide housing services, as well as other social support services, to persons and families with special needs, in particular to the economically deprived.

Also, the Department of Housing participates in the Multisectorial Council in Support of the Homeless Population, which was created by Law Number 130 of September 27th, 2007. The entity is appointed by the Department of the Family of the Commonwealth of Puerto Rico to address the various situations experienced by homeless persons on a daily basis and thus achieve a genuine transformation in their quality of life; promote rapid access to existing services and a quick integration to the community; establish their duties and needs; continuously develop and revise public and strategic planning policy; promote the search for, assignment, and authorization to match funds; ensure the fulfillment of program requirements and services through its Office of Outreach and Coordination of Homeless Services. The Council is composed of a minimum of twenty-one (21) members: Nine representatives of the Government sector, including the Secretary of the Department of the

Family; the Secretary of the Department of Labor and Human Resources; the Secretary of the Department of Education; the Secretary of the Department of Correction and Rehabilitation; the Secretary of the Department of Health; the Administrator of the Administration of Mental Health and Other Drug Abuse Services; the Police Superintendent; and the Commissioner of Municipal Affairs or his/her representatives; Twelve representatives of interested sectors: one representative for each of the nine (9) existing Coalitions of Services to the Homeless; Two (2) representatives of persons who have experienced homelessness, who will be nominated by service organizations; and One (1) representative of the private sector (entrepreneurial, commercial, or industrial).

PR-15 Citizen Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

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

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

Public Hearing –The Lead Agency, the Office of the Commissioner of Municipal Affairs (OCMA), published an invitation to the public hearing in a major newspaper (Primera Hora) on February 18, 2015.

The hearing was held at 9:00am on March 5, 2015 at the Department of the Family. 113 persons attended the meeting, representing organizations from the private and non-profit sectors, public agencies, municipal agencies, and the general population.

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

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

A total of 4 participants commented during the hearing, 1 of which presented written comments. After the meeting, citizens and municipalities could provide additional written comments for a period of 30 days (until April 10, 2015). **No additional comments were received during this period.**

Access to information and publishing of the Consolidated Plan– The Five-Year Consolidated Plan and the Action Plan became available to the general public on April 13, 2015. A notice was published in the newspaper *Primera Hora*.

Web-based Survey was sent to a sample of 60 NPOs and Municipalities that receive HOPWA and ESG funds, and that have direct contact with special populations. Response rate was 15% (9 persons entered into the link), which is within the expected response parameters for a sampling of this type (5% -15%).

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

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Other: Public Hearing	Other: NPOs, Public Agencies, Municipalities, general public	113	See attached narrative	See narrative bellow.	www.ocam.gobierno.pr
2	Internet Outreach	Other: NPOs, Public Agencies, Municipalities, general public	N/A	N/A	N/A	www.ocam.gobierno.pr
3	Publication of Draft	Other: NPOs, Public Agencies, Municipalities, general public	N/A	N/A	N/A	www.ocam.gobierno.pr
4	Web Survey	Other: NPOs and Municipalities, recipients of ESG and HOPWA Funds	9	See attached narrative	N/A	N/A
5	Social Media	Other: general public	16 retweets and 5 favorites	N/A	N/A	N/A

Table 2 – Citizen Participation Outreach

Summary of comments provided during the public hearing

First participant:

Mrs. Belinda Hill, Culebra Community Library

Comments

Culebra Community Library is a nonprofit organization dedicated to serve the community of Culebra. This entity is focused on youth and elderly population. In addition of the library, they have a movie theater with showings for the elderly twice a week. The purpose of the participation was to request CDBG funds in order to expand their services to the community, in collaboration with the Department of the Family, and implement the following:

- A program directed to prevent school dropout;
- Prevention of teen pregnancy;
- Services for young parents; and,
- Design a high school completion program.

OCMA Response:

Mr. Carlos Santini, OCMA's Commissioner, congratulated Mrs. Hill, on her valuable contribution to the community, since education, as he explained, is one of OCMA's priorities. However, Commissioner Santini explained to Mrs. Hill that CDBG funds are granted to Culebra's municipality. In addition, Commissioner Santini explained to the citizen that she needs to go directly to the municipality in order to request CDBG funds or other assistance that her organization may need.

Mrs. Tomasita Rosado, Deputy Commissioner of Federal Programs at OCMA, explained the importance of identifying activities and their eligibility as certain activities may or may not be eligible for CDBG funding. Mrs. Rosado mentioned the importance of knowing whether activities qualify or not and that Mrs. Hill may find out about this at Culebra's municipality.

Anitza Cox, Director of Policy and Social Analysis at *Estudios Técnicos, Inc.*, also explained that municipalities have periods and different ways of citizen participation and urged Mrs. Hill to participate in the process.

Finally, Commissioner Santini brought to the attention of Mrs. Hill's the fact that Culebra's municipality is working towards developing a movie theater and how it could help her organization.

Second participant:

Iris Carrasquillo in representation of various municipalities.

Comments

Iris Carrasquillo, a Federal programs and planning consultant, presented a question for OCMA's Deputy Commissioner. Carrasquillo raised a concern on what will happen with a project that is currently in

development within a census block. The project's second phase will have funding from fiscal year 2014, additional funds were approved, and it is located within an area under 51%. Which regulations will apply?

The second question was if 2010 funds were included in 2015 proposal and if 2000 criteria will be replaced for 2010 census criteria.

Carrasquillo presented a third issue on OCMA's emergency funds and how the \$100,000 fund is not enough to respond to these emergencies. She suggested looking at the current maximum amount of funds and see if there is a possibility of change. This change would be an increase in emergency funds with a reduction on the amount of municipalities that can request emergency funds.

OCMA Response:

Rosado, OCMA's Deputy Commissioner, explained that there are two ways to deal with this project. The first option is to evaluate the program according to the U.S. Housing and Urban Development's (HUD) regulations. The second option is to challenge the census through a survey. OCMA will provide technical assistance to municipalities on this matter.

Rosado's response to the second question was affirmative. OCMA's Deputy Commissioner explained that HUD notified OCMA that 2000 criteria must be replaced with 2010 census criteria.

On the third matter, Commissioner Santini made the commitment to speak with HUD about this situation. Commissioner Santini indicated that he will evaluate Carrasquillo's recommendation on emergency funds. However, he explained that these funds are to help municipalities if there is an emergency. The fund cannot be seen as a fund to complete certain projects, rather to complement funding during an emergency.

Third participant:

Joalis Rivera, Director of Federal Programs at Corozal.

Comments

Rivera presented her question to HOPWA's Program coordinator, Wilmary Nieves. Rivera wanted to clarify which guides were going to be distributed and if they applied to her municipality.

Response:

Nieves clarified that the guides are for recipients of funds from the Department of Health (DH). In addition, Nieves told Rivera that proposals for HOPWA MSJ and proposals for the DH have different deadlines.

NEEDS ASSESSMENT

NA-05 Overview

Needs Assessment Overview

Since 2006, the local economy has been facing economic development challenges that have caused an historical downturn of the Island's economy and population growth. In contrast to 2006, the local economy, in terms of output, is 10.3% smaller and the labor market today – as of May 2014- employs 121,435 less persons. As a result of migration, population growth continued declining at an annual rate of 1% during years 2010 to 2013, household formation has stagnated and vacant housing continues to be a local economic and urban development challenge.

The number of households dropped 2% relative to 2000, from 1,261,816 in 2000 to 1,230,868 in 2013. However, according to the PRCS, the number of households in Puerto Rico grew 0.3% between 2010 and 2013, and in non-entitlement areas households grew 1.5% during the same period, which suggest that housing formation may be strengthening but only in a few non-entitlement municipalities.

Notwithstanding, the needs assessment shows that Puerto Rico is still a phasing substantial affordable housing needs. As much as 332,445 households with incomes below 100 AMI are considered to have one or more housing problems, of which 90% or close to 300,000 are low and moderate income households. Among these, 175,750 were owners and 123,000 were renters. Close to 50,000 had negative incomes, of which 28,700 were renters and 20,560 were owners. The greatest need is among low and moderate income households that live in substandard housing followed by cost burden housing problems.

Other needs include:

1. Shelter and outreach services for homeless population, Chronic homelessness, Substance abuse, Mentally ill, and Victims Domestic Violence, Woman with Children
2. Prevention and rapid rehousing for persons at risk of becoming homeless
3. Housing and supportive services for special needs population
4. Economic development opportunities
5. Investments in public facilities, urban renewal and infrastructure

NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)

The decline in population and households has increased the number of vacant housing. Therefore, in general there is sufficient housing stock to serve the housing needs of the population. However, as show by CHAS data there is a substantial need of housing in Puerto Rico. As much as 332,445 households with incomes below 100 AMI are considered to have one or more housing problems. The greatest need is among low and moderate income households that live in substandard housing followed by cost burden housing problems. Elderly households living alone are those who are more vulnerable given that more than 172,000 have an independent living

difficulty, of which 33%, or approximately 57,000, are estimated to be low and moderate income households.

Demographics	Base Year: 2000	Most Recent Year: 2013	% Change
Population	3,808,610	3,682,966	-3%
Households	1,261,816	1,230,868	-2%
Median Income	\$14,412.00	\$19,624.00	36%

Table 3 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2009-2013 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households *	265,485	162,555	207,660	104,225	490,165
Small Family Households *	120,855	60,815	91,010	51,340	288,535
Large Family Households *	24,665	13,070	15,060	9,805	48,790
Household contains at least one person 62-74 years of age	48,455	49,600	62,340	29,335	111,065
Household contains at least one person age 75 or older	31,745	32,030	34,110	14,725	44,500
Households with one or more children 6 years old or younger *	56,230	22,765	28,075	15,785	55,125
* the highest income category for these family types is >80% HAMFI					

Table 4 - Total Households Table

Data Source: 2007-2011 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	32,760	14,280	15,875	6,395	69,310	38,260	28,295	33,745	14,830	115,130
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	1,585	665	485	370	3,105	900	495	705	475	2,575
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	7,320	2,710	2,550	1,005	13,585	4,560	3,030	3,770	2,620	13,980
Housing cost burden greater than 50% of income (and none of the above problems)	30,865	10,065	4,690	450	46,070	28,985	15,650	17,360	6,700	68,695

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	6,450	7,595	11,205	4,325	29,575	13,015	9,315	15,125	12,205	49,660
Zero/negative income (and none of the above problems)	28,700	0	0	0	28,700	20,560	0	0	0	20,560

Table 5 – Housing Problems Table

Data Source: 2007-2011 CHAS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	72,525	27,715	23,605	8,220	132,065	72,710	47,465	55,575	24,630	200,380
Having none of four housing problems	36,475	27,235	34,370	17,295	115,375	34,515	60,140	94,110	54,080	242,845

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Household has negative income, but none of the other housing problems	28,700	0	0	0	28,700	20,560	0	0	0	20,560

Table 6 – Housing Problems 2
Data Source: 2007-2011 CHAS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	29,225	12,680	11,830	53,735	25,235	13,790	20,445	59,470
Large Related	5,225	2,440	1,385	9,050	5,650	3,070	3,285	12,005
Elderly	7,025	5,480	3,640	16,145	23,805	12,045	11,620	47,470
Other	8,125	4,935	5,010	18,070	7,750	3,905	5,490	17,145
Total need by income	49,600	25,535	21,865	97,000	62,440	32,810	40,840	136,090

Table 7 – Cost Burden > 30%
Data Source: 2007-2011 CHAS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	24,955	6,975	2,710	34,640	18,200	9,150	10,335	37,685
Large Related	4,460	1,345	310	6,115	3,720	1,870	1,310	6,900
Elderly	4,720	3,010	1,060	8,790	14,185	6,070	5,715	25,970
Other	7,280	2,860	1,645	11,785	6,090	2,740	3,505	12,335
Total need by income	41,415	14,190	5,725	61,330	42,195	19,830	20,865	82,890

Table 8 – Cost Burden > 50%
Data Source:2007-2011 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	10,080	3,940	3,575	1,340	18,935	5,910	3,580	3,925	2,480	15,895
Multiple, unrelated family households	1,715	785	825	405	3,730	2,580	1,775	2,150	1,580	8,085
Other, non-family households	190	45	75	80	390	15	50	45	4	114
Total need by income	11,985	4,770	4,475	1,825	23,055	8,505	5,405	6,120	4,064	24,094

Table 9 – Crowding Information – ½
Data Source:2007-2011 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present								

Table 10 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

According to the 2013 Puerto Rico Community Survey (five years) there are a total of 297,027 single person households, which are those consisting of people living alone. Out of this total, 125,505 are male householders, of which 41,998 were male householders 65 years and over, and 171,522 are female householders, of which 84,636 were female householders 65 years and over. The Commonwealth of Puerto Rico does not have statistics on the specific needs of these households. Notwithstanding, from a social standpoint elderly households living alone are those who are more vulnerable given that more than 172,000 have an independent living difficulty.

	Puerto Rico	
	Estimate	Margin of Error
Total:	340,804	+/-2,795
Male householder:	147,125	+/-2,029
Living alone:	125,505	+/-1,881
Householder 15 to 64 years	83,507	+/-1,581
Householder 65 years and over	41,998	+/-1,193
Not living alone:	21,620	+/-900
Householder 15 to 64 years	18,096	+/-808
Householder 65 years and over	3,524	+/-359
Female householder:	193,679	+/-1,987
Living alone:	171,522	+/-1,893
Householder 15 to 64 years	86,886	+/-1,635
Householder 65 years and over	84,636	+/-1,362
Not living alone:	22,157	+/-965
Householder 15 to 64 years	17,654	+/-819
Householder 65 years and over	4,503	+/-413

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

According to the 2013 Puerto Rico Community Survey 758,181 persons have disabled status, which represents this figure represents 21% of the total civilian non-institutionalized population. The elderly account for 3% of the disabled population. Over 172,000 have an independent living difficulty, which is equivalent to almost one third of elderly civilian non-institutionalized population (31%). Ambulatory difficulty is the most common disability among the elderly (35%). There are no substantial differences in the prevalence of disability by racial group or gender.

Subject	Puerto Rico					
	Total		With a disability		Percent with a disability	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total civilian noninstitutionalized population	3,858,732	+/-262	758,181	+/-5,255	20.7%	+/-0.1
Population under 5 years	214,143	+/-70	2,481	+/-428	1.2%	+/-0.2
With a hearing difficulty	(X)	(X)	1,894	+/-346	0.8%	+/-0.2
With a vision difficulty	(X)	(X)	1,572	+/-302	0.7%	+/-0.1
Population 5 to 17 years	653,638	+/-117	65,654	+/-1,649	10.0%	+/-0.3
With a hearing difficulty	(X)	(X)	5,120	+/-499	0.8%	+/-0.1
With a vision difficulty	(X)	(X)	11,576	+/-868	1.8%	+/-0.1
With a cognitive difficulty	(X)	(X)	50,240	+/-1,501	7.7%	+/-0.2
With an ambulatory difficulty	(X)	(X)	7,212	+/-703	1.1%	+/-0.1
With a self-care difficulty	(X)	(X)	5,861	+/-516	0.9%	+/-0.1
Population 18 to 64 years	2,230,669	+/-479	400,034	+/-4,225	17.9%	+/-0.2
With a hearing difficulty	(X)	(X)	59,179	+/-1,667	2.7%	+/-0.1
With a vision difficulty	(X)	(X)	112,049	+/-2,635	5.0%	+/-0.1
With a cognitive difficulty	(X)	(X)	186,353	+/-3,089	8.4%	+/-0.1
With an ambulatory difficulty	(X)	(X)	196,531	+/-3,190	8.8%	+/-0.1
With a self-care difficulty	(X)	(X)	67,150	+/-1,937	3.0%	+/-0.1
With an independent living difficulty	(X)	(X)	156,380	+/-2,995	7.0%	+/-0.1
Population 65 years and over	558,284	+/-348	290,012	+/-2,087	51.9%	+/-0.4
With a hearing difficulty	(X)	(X)	85,325	+/-1,623	15.3%	+/-0.3
With a vision difficulty	(X)	(X)	100,886	+/-1,810	18.1%	+/-0.3
With a cognitive difficulty	(X)	(X)	111,859	+/-1,964	20.0%	+/-0.4
With an ambulatory difficulty	(X)	(X)	198,764	+/-2,065	35.8%	+/-0.4
With a self-care difficulty	(X)	(X)	76,664	+/-1,567	13.7%	+/-0.3
With an independent living difficulty	(X)	(X)	174,194	+/-2,045	31.2%	+/-0.4
SEX						
Male	1,743,325	+/-542	355,111	+/-3,484	20.4%	+/-0.2
Female	1,913,407	+/-451	403,070	+/-3,499	21.1%	+/-0.2
RACE AND HISPANIC OR LATINO ORIGIN						
One Race	3,227,161	+/-6,870	670,808	+/-5,067	20.8%	+/-0.2
White alone	2,560,344	+/-7,969	530,323	+/-4,941	20.7%	+/-0.2
Black or African American alone	282,206	+/-4,926	60,458	+/-1,743	21.4%	+/-0.5
American Indian and Alaska Native alone	10,400	+/-1,325	2,566	+/-472	24.7%	+/-3.3
Asian alone	11,841	+/-1,176	2,129	+/-368	18.0%	+/-2.7
Native Hawaiian and Other Pacific Islander alone	61	+/-47	12	+/-13	19.7%	+/-25.4
Some other race alone	362,309	+/-6,811	75,320	+/-1,935	20.8%	+/-0.4
Two or more races	429,571	+/-6,838	87,373	+/-2,334	20.3%	+/-0.5
White alone, not Hispanic or Latino	27,378	+/-1,355	5,277	+/-573	19.3%	+/-1.8
Hispanic or Latino (of any race)	3,817,733	+/-1,540	751,141	+/-5,361	20.8%	+/-0.1
PERCENT IMPUTED						
Disability status	3.3%	(X)	(X)	(X)	(X)	(X)
Hearing difficulty	2.1%	(X)	(X)	(X)	(X)	(X)
Vision difficulty	2.2%	(X)	(X)	(X)	(X)	(X)
Cognitive difficulty	2.6%	(X)	(X)	(X)	(X)	(X)
Ambulatory difficulty	2.7%	(X)	(X)	(X)	(X)	(X)
Self-care difficulty	2.6%	(X)	(X)	(X)	(X)	(X)
Independent living difficulty	2.8%	(X)	(X)	(X)	(X)	(X)

9-2013 5-Year American Community Survey

What are the most common housing problems?

The greatest need is among low and moderate income households that live in substandard housing, which accounted for 25% of housing problems. More than 184,440 households with incomes up to 100% AMI reported living in a substandard housing, of which 88% (163,215) were low and moderate income households; 113,595 had incomes below 50% AMI.

Severely cost burdened households – those with a housing cost above 50% of income - is also a challenging housing issue. Severely cost burden problems among low and moderate income households amounted to 144,220 cases (including other housing problems). This is a reflection of the gap between the median income in Puerto Rico and the median cost of adequate housing. Puerto Rico is a jurisdiction with high housing cost. The CHAS identified 107,615 households with incomes between 0 to 80% of the AMI severely cost burdened but without any other housing problems, of which 45,620 were renters, and 61,995 were homeowners. Therefore, among Severely cost burdened households over 45,000 households reported having other housing problems.

Needs associated to severely overcrowded and overcrowded conditions is less of a problem relative to other housing issues. Households living in overcrowded conditions (1.01-1.5 people per room) amounted to 23,940 low and moderate income households, of which 12,580 were renters and 11,360 homeowners. The CHAS report also reflected that 4,835 low and moderate income households were living in severely crowded conditions (1.51 people per room), among which renters accounted for a larger share (2,735) than homeowners (2,100). Very low income households (0-30% AMI renters) accounted for the largest share of severe cases, with 1,585 renters and 900 owners. The third largest group was 50-80% AMI homeowners with 705 severe cases.

Are any populations/household types more affected than others by these problems?

The greatest need among severely cost burden households was among small related families, which accounted for half of the cases (50%) or 72,325 households, among which very low income 0-30%AMI small related rental households (24,955) and very low income homeowners (18,200) represented the largest share. The needs among 50-80% AMI homeowners (10,335) were also relatively large.

When view by age, more than half (35,000) severely cost burden cases were among the elderly. Those having the greatest need are 0-30% AMI elderly homeowners, which accounted for over 14,000 cases. This will be a fast growing segment of the population.

Regarding substandard housing, the housing problem is more prevalent among low and moderate income homeowners (100,300); close to 63,000 renters also reported living in substandard housing. Very low income households (0-30% AMI) accounted for the largest groups living in this condition, of with 32,760 are renters and 38,260 homeowners.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Discussion

According to data gathered from the HMIS for CoC 502, 45% of persons who are receiving rapid re-housing assistance and are nearing the termination of that assistance, are women. While, 23% of all persons served are children. The greatest proportion of these persons came from emergency shelters (18%), rented housing units for which they did not have a subsidy (18%) and, or where living with relatives. Two percent, reported being a victim of domestic violence. Whereas, the needs that led them to seek rapid rehousing services are mainly related to: inability to pay rent (22%) and eviction (13%). Unemployment (7%) is also a reason mentioned for seeking these services.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

A disproportionately greater number of housing problems is defined when a member of a racial or ethnic group at a given income level experiences housing problems at a rate greater than 10% of the income level as a whole. The data summarizes each minority group experiencing any of four housing problems which include lacking complete kitchen facilities, lacking complete plumbing facilities, more than one person per room, and cost burden greater than 30%.

Racial and ethnic groups statistics for Puerto Rico may hide actual levels of disproportional needs among different groups, because most of the community classifies itself as Hispanics, independently of its racial background. Thus, housing burdens for Hispanics is the same as that as the community as a whole. Also, this situation provides limited data on racial groups. Notwithstanding, 2007-2011 CHAS data indicates that Asian and African/Americans, and in some cases whites, are the racial or ethnic groups that have disproportionately greater need.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	152,373	52,284	48,075
White	1,201	402	368
Black / African American	204	20	75
Asian	55	15	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	150,682	51,765	47,507

Table 11 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	81,646	71,557	0
White	677	432	0
Black / African American	130	31	0
Asian	20	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	80,717	71,048	0

Table 12 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	93,249	105,759	0
White	857	644	0
Black / African American	145	104	0
Asian	138	4	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	91,991	104,790	0

Table 13 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	44,059	58,312	0
White	464	580	0
Black / African American	45	67	0
Asian	25	29	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	43,505	57,584	0

Table 14 - Disproportionally Greater Need 80 - 100% AMI

Data Source:2007-2011 CHAS

*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

Discussion

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

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Black and Asians groups are also showing Disproportionately Greater Need associated to severe housing problems.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	131,525	73,064	48,075
White	1,048	554	368
Black / African American	204	20	75
Asian	35	35	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	130,058	72,348	47,507

Table 15 – Severe Housing Problems 0 - 30% AMI
Data Source:2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	62,985	90,375	0
White	561	547	0
Black / African American	100	61	0
Asian	20	0	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	62,245	89,640	0

Table 16 – Severe Housing Problems 30 - 50% AMI
Data Source:2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	65,499	133,582	0
White	485	1,018	0
Black / African American	85	164	0
Asian	104	38	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	64,734	132,156	0

Table 17 – Severe Housing Problems 50 - 80% AMI
Data Source:2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	26,839	75,462	0
White	303	741	0
Black / African American	10	102	0
Asian	10	44	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	26,511	74,528	0

Table 18 – Severe Housing Problems 80 - 100% AMI
Data Source:2007-2011 CHAS

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

There is also a disproportionately greater need when considering severe housing problems among low and moderate income Blacks and Asian groups. Asians have disproportionate needs among groups in the 30%-50% AMI and 50%-80%, with ratios of 100% and 73%, respectively. Among Blacks disproportionate greater needs were found among groups in the 0-30% AMI and 30%-50% AMI, among which 68% and 62%, respectively has severe housing problems. In the jurisdiction as a whole, the percentage of households with severe housing problems by AMI is as follows: 52% among 0-30% AMI, 41% among 30%-50% AMI and 33% among 50%-80% AMI. However, as previously stated these are very small populations.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)

Summary Table

	0%-30%	30%-50%	50%-80%	80%-100%
Jurisdiction as a whole	52%	41%	33%	26%
White	53%	51%	32%	29%
Black / African American	68%	62%	34%	9%
Asian	50%	100%	73%	19%
American Indian, Alaska Native				
Pacific Islander				
Hispanic	52%	41%	33%	26%

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Relatively larger needs associated to cost burden were identified among Blacks and Asian groups.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	817,534	164,203	164,394	66,696
White	9,311	1,818	1,719	575
Black / African American	829	280	284	115
Asian	596	219	119	0
American Indian, Alaska Native	0	0	0	0
Pacific Islander	10	0	0	0
Hispanic	806,001	161,901	162,356	65,867

Table 19 – Greater Need: Housing Cost Burdens AMI

Data Source: 2007-2011 CHAS

Discussion

There are no substantial disproportionately greater needs associated to housing cost burdens among racial and ethnic groups. However, relatively larger needs were identified among Blacks and Asian groups. Among Blacks, 20% are cost burdened and 20% are severe cost burdened, in contrast to 14% in both types of housing problems in the jurisdiction as a whole. Among Asians, 23% are cost burdened. The proportion of severe cost burdened Asians was lower than the average for the Island.

NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Asians have disproportionate needs among groups in the 30%-50% AMI and 50%-80%. Among Blacks disproportionate greater needs were found among groups in the 0-30% AMI and 30%-50% AMI.

If they have needs not identified above, what are those needs?]

Specifics surveys on housing needs are not available.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

The CHAS identified a small number of minorities having housing problems. The highest numbers are in San Juan. However, minority data for Puerto Rico is highly unreliable because most local residents classified themselves as Hispanics- regardless of race- , which for local purposes are not a minority.

**MINORITY HOUSEHOLDS WITH 1 OR MORE
HOUSING PROBLEMS BY RACE/ETHNICITY AND BY
MUNICIPALITY**

Municipalities	Black or	Asian	American	Pacific	Total
	African- American alone, non- Hispanic	alone, non- Hispanic	Indian or Alaska Native alone, non- Hispanic	Islander alone, non- Hispanic	
Arroyo	20	-	-	-	20
Bayamón	10	-	-	-	10
Carolina	15	-	-	-	15
Ceiba	10	-	-	-	10
Dorado	-	10	-	-	10
Guaynabo	4	-	-	-	4
Hormigueros	10	-	-	-	10
Naguabo	10	-	-	-	10
Ponce	-	10	-	-	10
Quebradillas	-	-	-	-	-
Rincón	15	-	-	-	15
San Juan	195	40	-	-	235
Puerto Rico	289	85	-	-	374

NA-35 Public Housing – (Optional)

Introduction

Totals in Use

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	255	50,830	10,378	1,044	9,154	63	106	0

Table 20 - Public Housing by Program Type

Data Source: PIC (PIH Information Center)

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Characteristics of Residents

Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	74	73	2	0	1	1	0
# of Elderly Program Participants (>62)	0	12	8,975	1,934	834	1,086	9	1
# of Disabled Families	0	14	3,611	923	200	701	16	5
# of Families requesting accessibility features	0	255	50,830	10,378	1,044	9,154	63	106
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 21 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	213	41,687	10,094	996	8,922	62	104	0
Black/African American	0	42	9,127	279	48	227	1	2	0
Asian	0	0	0	0	0	0	0	0	0
American Indian/Alaska Native	0	0	15	2	0	2	0	0	0
Pacific Islander	0	0	1	3	0	3	0	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 22 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	255	50,643	10,359	1,041	9,140	61	106	0
Not Hispanic	0	0	187	19	3	14	2	0	0

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Table 23 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

NA-40 Homeless Needs Assessment – 91.305(c)

Introduction:

Data of the homeless population, their characteristics and needs derive from the Point in Time Surveys conducted in the jurisdiction and the HMIS. The following sections provide an assessment based on information from the period of 2007 to 2014.

The State is currently in the process of analyzing 2015 data for the Point in Time Survey. However, a preliminary analysis of the 2015 data shows a similar trend when compared to 2013 information. The information included in this section will be substituted with the most recent data of the PIT Survey and HIC, if available upon submission of the document to HUD.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Discussion:

Data from these sources mentioned above, show how throughout the years, the problem of homelessness has become more complex in Puerto Rico. The difficult fiscal and socioeconomic situation that the Island has experienced in recent years directly impacts this population. During the most recent Point in Time Survey conducted in the Island (2013¹), a total of 4,128 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 3,487 households, out of which 5% were households with at least one adult and one child. In those households without children the majority of persons are over 24 years old (95%), while in the case of households with at least one child, the majority of the household

¹ The State is currently in the process of analyzing 2015 data. The information included in this section will be substituted with the most recent data of the PIT Survey and HIC. However, a preliminary analysis of the 2015 data, shows a similar trend when compared to 2013 information.

members are under age 18 (54.8%).

2013 PIT

Population	Sheltered	Unsheltered
Persons in households with Adults(s) and Child(ren)	345	313
Persons in household with only children	0	4
Persons in household with only adults	1057	2,409
Chronically homeless Individuals	261	1,869
Chronically homeless families	5	496
Veterans	40	42
Unaccompanied Youth	0	2
Persons with HIV	164	140

According to the 2013 PIT data, 51.6% are chronically homeless, while 45.3% suffer from chronic substance abuse. Almost one fifth of persons counted, (18.5%) were severely mentally ill, 7.9% have been victims of domestic violence, and 7.4% are affected by HIV/AIDS.

In terms of ethnicity, the majority of persons counted in the PIT (nine out of every ten), are *latino/hispano*. While in the case of race, the majority are white, followed by black or African American.

The PIT reflects as the most common causes for homelessness in Puerto Rico those related to substance abuse, economic problems and unemployment, and family related problems. When analyzed in terms of type of area, cities and urban areas are the places where a higher concentration of homeless persons were counted. San Juan has by far the largest amount of homeless on the Island, with around 1/5 of the homeless population (22%). The other municipalities having relatively higher concentrations of homeless were Ponce (7.9%), Caguas (7.1%), Mayagüez (6.6%) and Arecibo (5.2%).

As shown in the following table, 33.9% of the persons identified in the PIT are sheltered. In terms of the subpopulations, those in which the highest proportions of unsheltered persons are observed include: Persons in household with only children; Persons in household with only adults; Chronically homeless Individuals; and Chronically homeless families.

When data is compared to previous point in time surveys the total of homeless persons identified increased from 2011 to 4,128 in 2013 in 42%. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population. It is important to mention, however, that – although an increase is observed - this number is probably underestimated. The homeless count is a snapshot in time of the population facing a problem of homelessness. While the goal is to try to count all homeless persons, the mobility and the characteristics of this population limit this task. Also, there are other external circumstances that make it impossible to reach the entire population, including - for example - safety considerations. Therefore the Homeless Count should not be seen as a census.

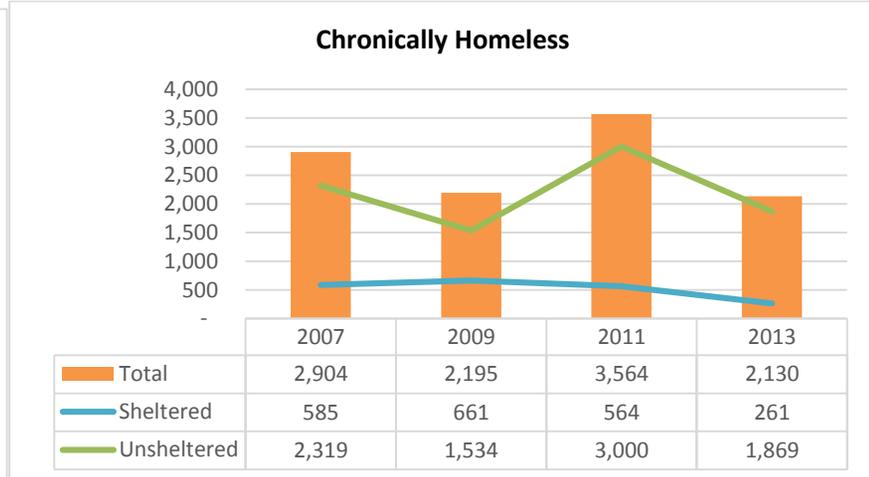
	2007			2009			2011			2013		
	Sheltered	Unsheltered	Total									
Total Homeless	1,368	2,941	4,309	1,325	2,745	4,070	1,034	1,866	2,900	1,402	2,726	4,128
Homeless Individuals	1,150	2,764	3,914	1,133	2,597	3,730	796	1,550	2,346	1,057	2,413	3,470
Homeless People in Families	218	177	395	192	148	340	238	316	554	345	313	658
Chronically Homeless			-			-	564	3,000	3,564	261	1,869	2,130
Chronically Homeless Individuals	585	2,319	2,904	661	1,534	2,195	249	1,398	1,647	256	1,373	1,629
Chronically Homeless People in Families			-			-	315	1,602	1,917	5	496	501
Homeless Veterans			-			-	50	87	137	40	42	82
Homeless Unaccompanied Youth and Children			-			-			-	72	81	153
Homeless Unaccompanied Children			-			-			-		1	1
Homeless Unaccompanied Young Adults			-			-			-	72	80	152

Source: PIT 2007-2014

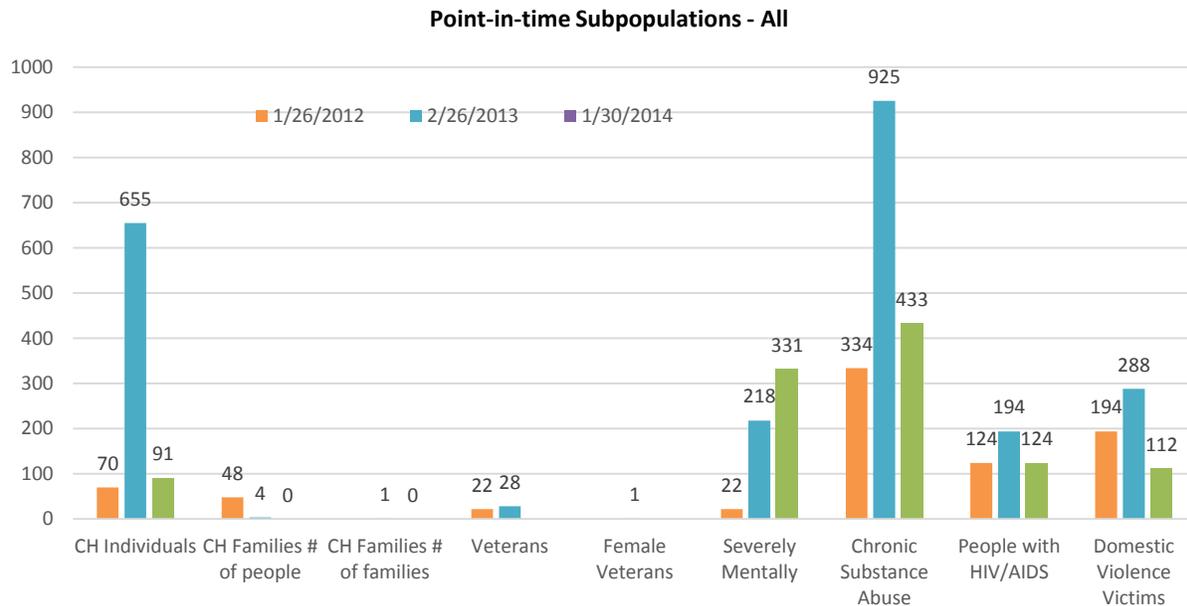
Crecimientos

	2007			2009			2011			2013		
	Sheltered	Unsheltered	Total	Sheltered	Unsheltered	Total	Sheltered	Unsheltered	Total	Sheltered	Unsheltered	Total
Total Homeless				-3.1%	-6.7%	-5.5%	-22.0%	-32.0%	-28.7%	35.6%	46.1%	42.3%
Homeless Individuals				-1.5%	-6.0%	-4.7%	-29.7%	-40.3%	-37.1%	32.8%	55.7%	47.9%
Homeless People in Families				-11.9%	-16.4%	-13.9%	24.0%	113.5%	62.9%	45.0%	-0.9%	18.8%

Source: PIT 2007-2014



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



Source: PIT 2012-2014

Individuals Living Situation Prior to Program Entry

Data from the CoC 502 shows the trends regarding the prior situation of individuals before entering a program.

Homeless before entry

During 2012, 316 participants were homeless before program entry; 240 of them were living in a place not meant for habitation prior to program entry; and, 76 were in emergency shelters, safe haven, or transitional housing.

During 2013, 1,170 participants were homeless before program entry; 842 of them were living in a place not meant for habitation prior to program entry; and, 328 were in emergency shelters, safe haven, or transitional housing.

During 2014, 1,528 participants were homeless before program entry; 1,040 of them were living in a place not meant for habitation prior to program entry; and, 488 were in emergency shelters, safe haven, or transitional housing.

Housed before entry

During 2012, 250 of participants were housed before program entry; 163 of them were staying with family or friends; 87 were staying at their own house or rented.

During 2013, 570 of participants were housed before program entry; 407 of them were staying with family or friends; 163 were staying at their own house or rented.

During 2014, 546 of participants were housed before program entry; 369 of them were staying with family or friends; 177 were staying at their own house or rented.

Institutional situation before entry

During 2012, 90 of the participants were in an institutional situation before program entry; 72 of them were at a psychiatric facility, substance abuse center, or hospital; 17 of them were in jail, prison, or in juvenile detention; 1 was at a foster care home.

During 2013, 280 of the participants were in an institutional situation before program entry; 197 of them were at a psychiatric facility, substance abuse center, or hospital; 81 of them were in jail, prison, or in juvenile detention; 2 of them were at a foster care home.

During 2014, 295 of the participants were in an institutional situation before program entry; 222 of them were at a psychiatric facility, substance abuse center, or hospital; 64 of them were in jail, prison, or in juvenile detention; 9 of them were at a foster care home.

Family Living Situation Prior to Program Entry

Homeless before entry

During 2012, 9 participants were homeless before program entry; 1 was living in a place not meant for habitation prior to program entry; and, 8 were in emergency shelters, safe haven, or transitional housing.

During 2013, 102 participants were homeless before program entry; 77 of them were living in a place not meant for habitation prior to program entry; and, 25 were in emergency shelters, safe haven, or transitional housing.

During 2014, 102 participants were homeless before program entry; 80 of them were living in a place not meant for habitation prior to program entry; and, 22 were in emergency shelters, safe haven, or transitional housing.

Housed before entry

During 2012, 23 of participants were housed before program entry; 16 of them were staying with family or friends; 7 were staying at their own house or rented.

During 2013, 70 of participants were housed before program entry; 46 of them were staying with family or friends; 24 were staying at their own house or rented.

During 2014, 81 of participants were housed before program entry; 56 of them were staying with family or friends; 25 were staying at their own house or rented.

Institutional situation before entry

During 2012, 1 participant was in an institutional situation before program entry; the participant was not at a psychiatric facility, substance abuse center, or hospital; the participant was in jail, prison, or in juvenile detention; the participant was not at a foster care home.

During 2013, 3 participants were in an institutional situation before program entry; 2 of them were at a psychiatric facility, substance abuse center, or hospital; 1 of them was in jail, prison, or in juvenile detention; none of them were at a foster care home.

During 2014, 5 participants were in an institutional situation before program entry; 4 of them were at a psychiatric facility, substance abuse center, or hospital; 1 of them was in jail, prison, or in juvenile detention; none of them were at a foster care home.

Length of Stay for Families in Permanent Supportive Housing

Data of the CoC 502 shows that during 2013, 74 participants stayed from 1-180 nights (0-6 months); 181 participants stayed from 181-365 nights (6-12 months); 30 participants stayed from 366-545 (12-18 months); 7 participants stayed from 546-730 (18-24 months). No participant stayed more than 2 years.

During 2014, 59 participants stayed from 1-180 nights (0-6 months); 149 participants stayed from 181-365 nights (6-12 months); 73 participants stayed from 366-545 (12-18 months); 7 participants stayed from 546-730 (18-24 months). No participant stayed more than 2 years.

Length of Stay for Individuals in Permanent Supportive Housing

During 2014, 199 participants stayed from 1-180 nights (0-6 months); 378 participants stayed from 181-365 nights (6-12 months); 120 participants stayed from 366-545 (12-18 months); 29 participants stayed from 546-730 (18-24 months); 4 participants stayed from 731-1825 nights (2-5 years); and, no participant stayed more than 5 years.

Lastly, most recent data from the HMIS for CoC 502 shows a total of 846 persons of persons exiting homelessness during 2013, which represents an increase when compared to data of 2012 (730). The majority of persons exiting homelessness during 2013, 62.6% moved to permanent housing or to a housing unit of a relative.

NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)

Introduction

In addition to the homeless population, other groups also require support services. These groups include: persons with HIV/AIDS, persons living in poverty, the elderly population, victims of domestic violence, and people with drug addiction problems. The following sections provide a profile of these populations in Puerto Rico.

HOPWA

Current HOPWA formula use:
Cumulative cases of AIDS reported
Area incidence of AIDS
Number of new cases prior year (3 years of data)
Rate per population
Rate per population (3 years of data)
Current HIV surveillance data:
Number of Persons living with HIC (PLWH)
Area Prevalence (PLWH per population)
Number of new HIV cases reported last year

Table 24 – HOPWA Data
Data Source: CDC HIV Surveillance

HIV Housing Need (HOPWA Grantees Only)

Type of HOPWA Assistance	Estimates of Unmet Need
Tenant based rental assistance	4,346
Short-term Rent, Mortgage, and Utility	375
Facility Based Housing (Permanent, short-term or transitional)	57

Table 25 – HIV Housing Need
Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

Describe the characteristics of special needs populations in your community:

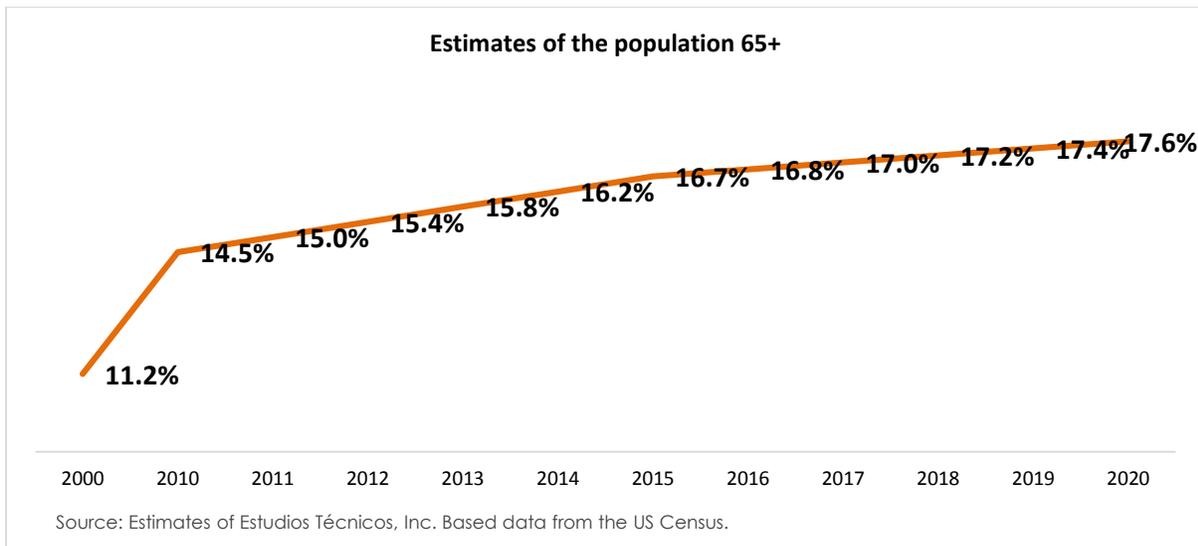
What are the housing and supportive service needs of these populations and how are these needs determined?

The following sections provide a summary of the characteristics of the identified special populations, which show the need for housing and supportive services. These needs were determined based on several sources of information including the American Community Survey, the US Census, and other secondary data the PIT regarding subpopulations of homeless persons and the survey conducted to Municipalities and NPOs receiving HOPWA and ESG Funds.

Elderly

Over the past years, Puerto Rico has experienced a demographic transformation. The elderly population, those 65+ has experience a consistent increase, when compared to other groups of the population. According to the 2010 Population Census, those over 65 years of age represent around 15% of the total population of Puerto Rico. An estimate for 2020 shows an even greater proportion of 17.6%. This is one of the population groups with the greater housing and social needs.

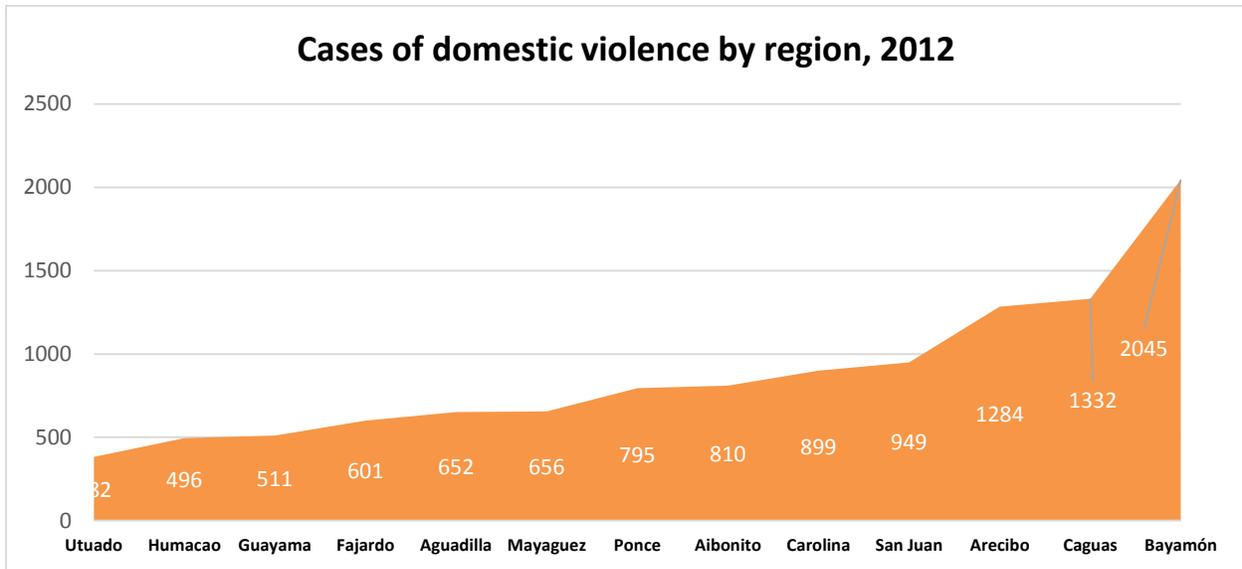
Elderly households living alone are those who are more vulnerable given that more than 172,000 have independent living difficulties, of which 33%, or approximately 57,000, are estimated to be low and moderate income households.



Victims of Domestic Violence

Domestic violence constitutes one of the gravest and most complex problems affecting Puerto Rican society. As the Prologue to Law 54 for the Prevention and Intervention with Domestic Violence of August 15, 1989 indicates, domestic violence threatens the integrity of the family and its members, and constitutes a serious threat to the stability and preservation of civilized coexistence in our society.

Puerto Rico police statistics show that the problem of domestic violence has become increasingly complex. The most recent data (2012) shows a total of 11,412 cases of domestic violence. Of these cases, the most frequent type of assault is physical. Victims of domestic violence are mostly women with children. Data of CoC 502, as mentioned in a previous section, shows how victims of domestic violence is one of the three most significant subpopulations of homeless persons. This is a group that has been increasing during recent years and that require of specific housing and supporting service.



Source: Division of Statistics of the Department of Police of Puerto Rico. (2012)

Persons with alcohol or other drug addiction problems

Most recent data published by the Mental Health and Anti-Addiction Services Administration (“Administración de Servicios de Salud Mental y contra la Adicción”) in 2008, shows that 76.8% or 2.2 millions of persons in Puerto Rico, among the ages of 15 and 74 years of age have consumed alcohol at least once in their lifetime. Almost half of this persons (48.8% or 1.4 millions), consumed alcohol during the 12 months prior to the survey.

On the other hand, 22.7%, or 658,000 persons in this age group, has used drugs at least once in their lifetime, including both prescription and illicit drugs. Meanwhile, 9.2% or 268,000 used drugs in the 12 months prior to the study.

The magnitude of this situation in Puerto Rico is alarming when we take into account the implications of an alcohol or drug abuse problem in the different dimensions of a human being. This can also be observed when we analyze the data from the 2013 PIT which points to substance abuse as the main cause of homelessness. Furthermore, almost half of homeless persons suffer from chronic substance abuse.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

Discussion:

As of March, March 31, 2015, a total of 36,886 AIDS cases have been reported in the Island. Out of these cases, 25,126 persons died, representing a fatality rate of 68%. With respect to persons affected by HIV, not AIDS, 9,922 persons were registered with the Department of Health as of March 31, 2015. Almost 37.8% of HIV/AIDS cases are residents of the San Juan Metropolitan Area. The high risk populations for HIV infection in Puerto Rico differ from the high risk populations in most states and territories. Injection drug use (IDU) has been the predominant

mode of exposure since the beginning of the epidemic , followed by Heterosexual Contact and men who have sex with men (MSM), including MSM-IDU.

Information available by municipality, for 2014, shows how the municipality of San Juan reflects the highest proportion of personas affected by HIV/AIDS.

HIV/AIDS accumulated cases as of October, 2014			
Municipality	Number of cases diagnosed	Percentage of cases diagnosed	Deaths
Adjuntas	97	0.2%	55
Aguada	185	0.4%	108
Aguadilla	746	1.6%	420
Aguas Buenas	200	0.4%	107
Aibonito	200	0.4%	100
Añasco	234	0.5%	130
Arecibo	955	2.1%	528
Arroyo	161	0.4%	88
Barceloneta	197	0.4%	105
Barranquitas	210	0.5%	123
Bayamón	3680	8.0%	2096
Cabo Rojo	284	0.6%	154
Caguas	1942	4.2%	1131
Camuy	129	0.3%	70
Canóvanas	588	1.3%	297
Carolina	2533	5.5%	1429
Cataño	793	1.7%	511
Cayey	602	1.3%	380
Ceiba	156	0.3%	81
Ciales	148	0.3%	86
Cidra	245	0.5%	135
Coamo	307	0.7%	197
Comerío	123	0.3%	56
Corozal	276	0.6%	162
Culebra	14	0.0%	5
Dorado	331	0.7%	183
Fajardo	542	1.2%	306
Florida	84	0.2%	45
Guánica	214	0.5%	128
Guayama	564	1.2%	306
Guayanilla	135	0.3%	67
Guaynabo	1159	2.5%	616
Gurabo	335	0.7%	183
Hatillo	222	0.5%	123
Hormigueros	74	0.2%	33

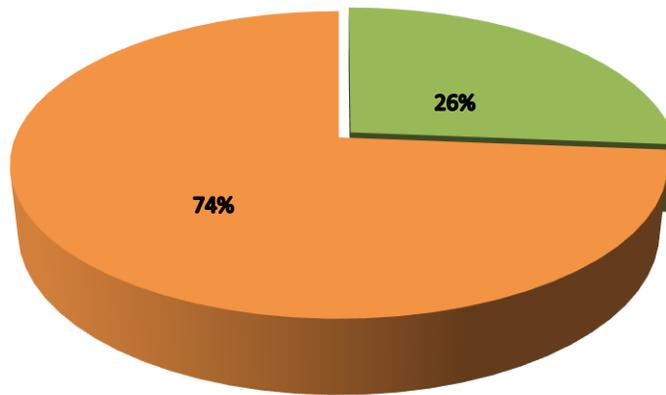
Humacao	625	1.4%	349
Isabela	213	0.5%	114
Jayuya	77	0.2%	39
Juana Díaz	608	1.3%	333
Juncos	394	0.9%	216
Lajas	112	0.2%	51
Lares	105	0.2%	61
Las Marías	34	0.1%	14
Las Piedras	208	0.5%	103
Loíza	385	0.8%	215
Luquillo	266	0.6%	134
Manatí	457	1.0%	289
Maricao	19	0.0%	9
Maunabo	112	0.2%	76
Mayagüez	1198	2.6%	690
Moca	147	0.3%	79
Morovis	187	0.4%	103
Naguabo	250	0.5%	138
Naranjito	219	0.5%	115
Orocovis	106	0.2%	55
Patillas	97	0.2%	48
Peñuelas	138	0.3%	73
Ponce	3480	7.6%	2165
Quebradillas	124	0.3%	60
Rincón	94	0.2%	51
Río Grande	470	1.0%	280
Sabana Grande	137	0.3%	82
Salinas	343	0.7%	212
San Germán	219	0.5%	117
San Juan	11025	24.0%	6431
San Lorenzo	295	0.6%	167
San Sebastián	238	0.5%	129
Santa Isabel	339	0.7%	205
Toa Alta	427	0.9%	229
Toa Baja	1144	2.5%	613
Trujillo Alto	813	1.8%	445
Utua	94	0.2%	48
Vega Alta	492	1.1%	250
Vega Baja	794	1.7%	457
Vieques	129	0.3%	72
Villalba	123	0.3%	58
Yabucoa	240	0.5%	113
Yauco	304	0.7%	147
Total	45,946		26,179

The PR-EMSA is composed of 37 municipalities. As shown in the map. This region accounts for 26% of HIV/AIDS cases in the Island.

PR-EMSA



HIV/AIDS accumulated cases as of October, 2014



Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area

Municipio	Number of cases	Deaths	%	Gender	Median Age	Modes of transmission		
						1	2	3
Adjuntas	97	55	57%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Aguada	185	108	58%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Aguadilla	746	420	56%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Añasco	234	130	56%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Arroyo	161	88	55%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Cabo Rojo	284	154	54%	Hombres	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Ceiba	156	81	52%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Coamo	307	197	64%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Fajardo	542	306	56%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guánica	214	128	60%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guayama	564	306	54%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guayanilla	135	67	50%	Hombres	25 a 34	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Hormigueros	74	33	45%	Hombres	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Isabela	213	114	54%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Jayuya	77	39	51%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact

Municipio	Number of cases	Deaths	%	Gender	Median Age	Modes of transmission		
						1	2	3
Juana Díaz	608	333	55%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Lajas	112	51	46%	Hombres	35 a 44	male-to-male sexual contact	Heterosexual sex contact	injection drug use (IDU)
Lares	105	61	58%	Hombres	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Las Marías	34	14	41%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Luquillo	266	134	50%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Maricao	19	9	47%	Hombres	25 a 34	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Mayagüez	1198	690	58%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Moca	147	79	54%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Patillas	97	48	49%	Hombres	25 a 34	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Ponce	3480	2165	62%	Hombres	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Rincón	94	51	54%	Hombres	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Sabana Grande	137	82	60%	Hombres	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Salinas	343	212	62%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
San Germán	219	117	53%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
San Sebastián	238	129	54%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Santa Isabel	339	205	60%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact

Municipio	Number of cases	Deaths	%	Gender	Median Age	<i>Modes of transmission</i>		
						<i>1</i>	<i>2</i>	<i>3</i>
Utuaado	94	48	51%	Hombres	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Vieques	129	72	56%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Villalba	123	58	47%	Hombres	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Yauco	304	147	48%	Hombres	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Total	12,075	6,931						

Individuals living with HIV/AIDS and their families present a series of needs related to housing and complimentary services. According to data from the PIT, one out of every homeless persons is affected by the condition. This situation is more complicated taking into account that injection drug use (IDU) has been the predominant mode of exposure. Furthermore, current social and economic context requires an environment of stable housing for families who are experiencing an economic crisis as a result of complications and situations that arise in people with HIV / AIDS.

The needs of persons with HIV and their families are also present in other groups with special needs such as the ones previously discussed. All of these groups need of supportive services, as well as services that would give them access to other social services. These include for example, transportation services to access health services or education services.

NA-50 Non-Housing Community Development Needs - 91.315 (f)

Describe the jurisdiction's need for Public Facilities:

Public facilities serve as the backbone of many communities in Puerto Rico. The interconnection between communities and their spatial surrounding is a catalyst for social interactions, which consequently render healthier and vibrant communities. Public facilities under the CDBG program provide for parks, community centers, youth facilities, among others.

How were these needs determined?

Public facilities needs are determined by non-entitlement municipalities through their annual public participation processes. Such procedures are required for the annual submission of the municipality's CDBG proposals. Moreover, the historical use of funds provides a basis several CDBG applications are directed towards public facilities. Historic trends in the use of funds evidence the continuous need for facilities.

Describe the jurisdiction's need for Public Improvements:

Public infrastructure in Puerto Rico has accelerated its aging process. Systems suffer from lack of maintenance, and prolonged use. Such improvements are necessary to bootstrap the economic development of local governments. Without an adequate infrastructure municipalities cannot provide vibrant communities and thus lack the necessary tools to attract new investments.

How were these needs determined?

Public improvements needs are determined by non-entitlement municipalities through their annual public participation processes. Such procedures are required for the annual submission of the municipality's CDBG proposals. Historic trends in the use of funds evidence the continuous need for improvements.

Describe the jurisdiction's need for Public Services:

Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provides a baseline for determining the needs for public services. Traditionally under the CDBG program local communities can select from the whole array of eligible activities described in CDBG regulations and

guidelines. Such services usually target low income population with special needs, such as the elderly in rural communities.

The above is particularly important due to Puerto Rico’s gaining population, and high migration of families in highly productive ages. Even though there are some differences between communities, i.e. urban vs. rural, these needs permeates along all communities in the Island.

How were these needs determined?

To document such needs, OCAM developed a web-survey to 29 non-entitlement municipalities which currently have public service programs. Within these municipalities the main service programs are for elderly persons (over 60 years old) particularly, homecare assistance. This is consonant with the tendencies outlined in the needs assessment. For the past years OCAM’s program evaluation has also pointed out the need for public services in communities with an elderly population and low income persons.

HOUSING MARKET ANALYSIS

MA-05 Overview

Housing Market Analysis Overview:

This section provides information on the affordability and condition of the housing market in Puerto Rico. Many of the data tables were populated by HUD and use the Puerto Rico Community Survey (2009-2013 ACS) and the Comprehensive Housing Affordability Strategy (CHAS) five year (2007-2011) data set. Also, information is obtained from estimates presented in the Puerto Rico’s State Housing Plan.

Population growth and household formation has diminished considerably in Puerto Rico. According to the Bureau of the Census, net migration has remained at approximately 50,000 persons during the past three years and the number of vacant housing has increased. According to the 2013 PR Community Survey, Puerto Rico has 30 730 units vacant for rent and 29,056 units vacant for sale. As a result housing prices have dropped by more than 30% since 2007, according to industry consensus.

	Puerto Rico	
	Estimate	Margin of Error
Total:	294,009	+/-2,756
For rent	30,730	+/-1,250
Rented, not occupied	4,252	+/-415
For sale only	29,056	+/-1,115
Sold, not occupied	7,309	+/-599
For seasonal, recreational, or occasional use	71,636	+/-1,457
For migrant workers	362	+/-110
Other vacant	150,664	+/-2,165

Notwithstanding, many local residents cannot afford affordable safe and decent housing. More than 130,000 jobs have been lost and the labor participation rate is at an historical low of 42%. The financial situation of local residents has deteriorated since the economic downturn began in 2007. The mortgage portfolio has sustained very high mortgage delinquency rates (90+ days) of an average of 16.2% during the past five years and mortgage foreclosures have averaged close to 3,500 units annually. Thus, although there is sufficient housing stock in the Island, low income levels, high cost of housing and the poor credit situation of local residents is affecting housing accessibility.

MA-10 Number of Housing Units – 91.310(a)

Introduction

The following section describes the number of units, type, tenure and size of housing in the in Puerto Rico.

The homeownership rate of Puerto Rico is 70.1%. Its housing stock of 1,524,877 units is mainly single family detach units, which account for 68% of the stock. Only 305,079 units are multifamily units, accounting for only 21% of the units. This is associated to suburban development patterns, mostly driven by the lower construction cost associated to single family units, the considerably high cost of developing urban areas and consumer preferences of families with children, which prefer single family homes.

Also, most of the occupied housing (75%) has 3 or more beds rooms, where the norm is three bed rooms. Renters demand smaller units. Only 56% of renter occupied housing has three or more rooms, in contrast to 83% among owner occupied housing. Also, 30% of the renter occupied housing has two (2) bedrooms and 12% one (1) bedroom, in contrast to 15% and 2% among owner occupied. The number of 1 bedroom renter occupied units is more than twice as much as owner occupied units, and those with no bedrooms- mainly studios- is three times as much.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	1,029,331	68%
1-unit, attached structure	186,146	12%
2-4 units	104,238	7%
5-19 units	115,552	8%
20 or more units	85,289	6%
Mobile Home, boat, RV, van, etc	4,321	0%
Total	1,524,877	100%

Table 26 – Residential Properties by Unit Number

Data Source:2009-2013 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	3,138	0%	9,424	3%

	Owners		Renters	
	Number	%	Number	%
1 bedroom	20,116	2%	43,250	12%
2 bedrooms	125,755	15%	109,431	30%
3 or more bedrooms	713,871	83%	205,883	56%
Total	862,880	100%	367,988	100%

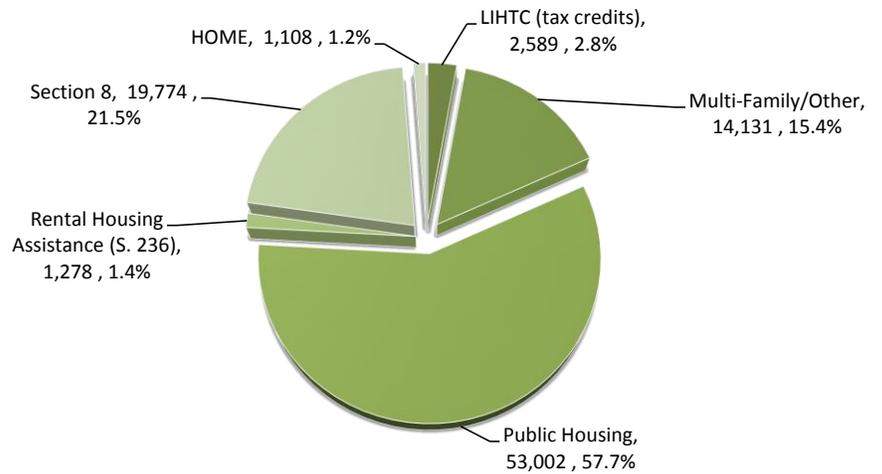
Table 27 – Unit Size by Tenure
Data Source: 2009-2013 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

Federal programs typically targeted public housing, rental housing for the elderly and homeownership housing for the general population. However, as a result of the local housing and migration crisis, priority has been given to rental housing, in particular for the elderly- a growing population segment with greater housing needs-, mostly funded with HOME and LITCH funds. However, Commonwealth programs focus on three main programs: Law 173 rental subsidies for the Elderly, homebuyer subsidies for families with incomes below \$60,000 and tax incentives are provided for affordable housing builders. Recently, the state has also prioritized young working families, as discussed in the State Housing Plan.

Specifically, Puerto Rico, as of 2014, had a total of 91,882 units Island wide supported by federal programs. From this total, 57.7% of the units were public housing, while 21.5% were Section 8 or Housing Choice Voucher Program, and 2.8% were financed built with Low-Income Housing Tax Credits (LITCH). Most of the units supported by these programs are located in important population centers of the Island, considering the services and amenities that are accessible to the population in such locations.

Housing units in all HUD Programs in Puerto Rico

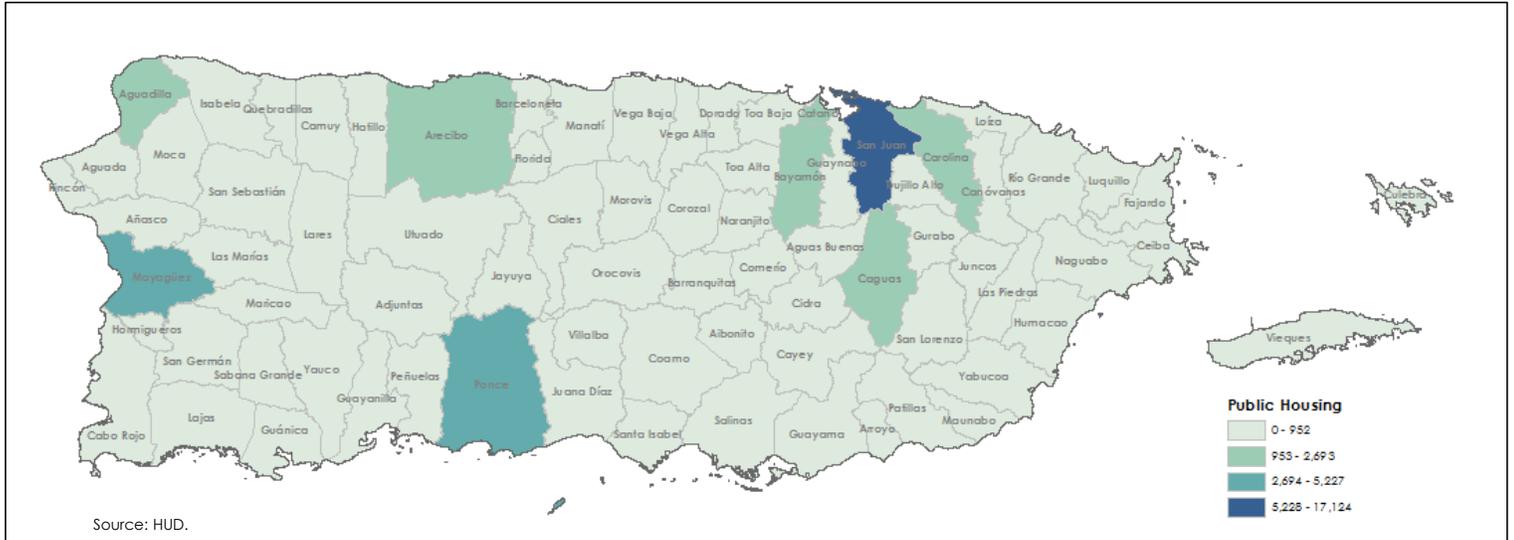


Source: PRHFC, HUD and Estudios Técnicos, Inc. Research 2014.

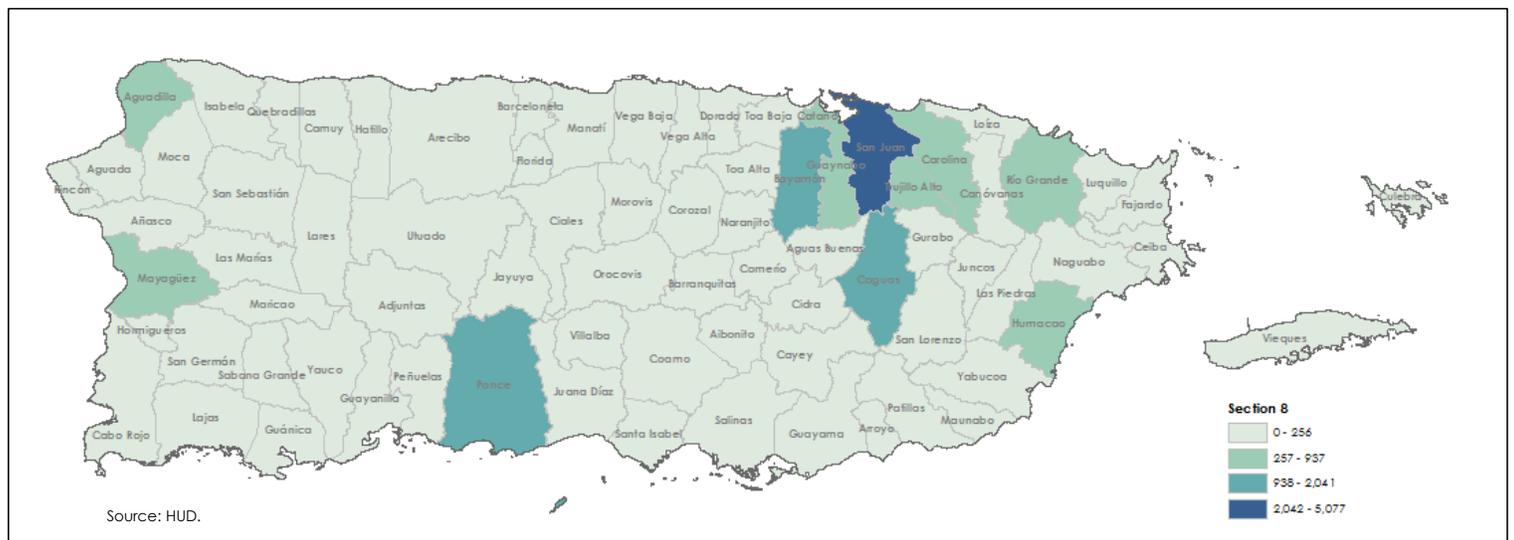
Public housing in Puerto Rico is administered by the State. Currently there are more than 29,000 units in waiting list, thus public housing units are considered to be at full occupancy. Vacancies typically occur due to remodeling works, demolition or disposition of some of the facilities, among other reasons not associated to demand.

There are a total of 19,774 units under the project based and Tenant Based Section 8 Housing Choice Voucher Program. This program is administered by various agencies including municipalities, the Puerto Rico Department of Housing and the Puerto Rico Housing Finance Authority.

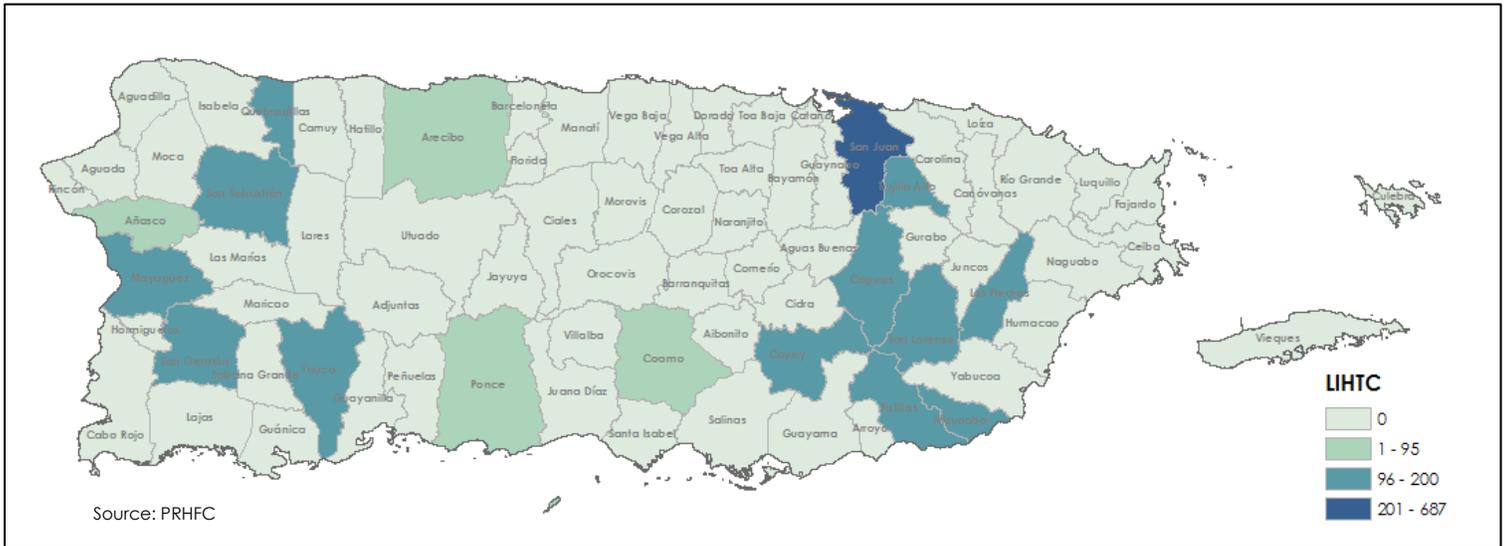
Public Housing Units, November 2014



Section 8 Units, November 2014



Units Assisted by Low Income Housing Tax Credits from 2011 as of 2014



According to the Puerto Rico Housing Finance Authority, between 2011 and 2014, the Puerto Rico Housing Finance Authority allocated LIHTC funds. Awards were made to finance 2,589 units in 31 projects, including 17 for the elderly. These projects includes those receiving HOME program funds from the State.

The HOME Program (State and PJs) is currently supporting the production of 1,548 affordable housing units around the Island. Between 2011 to 2014, the State HOME program supported a total of 13 projects with 1,108 units by layering HOME funds, tax credits, construction loans provided by the PR Housing Finance Agency (PRHFA) and other private sources.

A total of \$63.2 million in State HOME funds were layered with \$9.6 million in tax credits, \$71.8 million in PRHFA loans and other private investment loans from the commercial banking sector.

Units in Production: HOME Program Participating Jurisdictions

<u>Municipality</u>	<u>Total Projects</u>	<u>Total Units</u>
Carolina	2	47
Cidra	0	0
Rio Grande	0	0
Guaynabo	1	20
Ponce	8	57
Mayaguez	1	na
Caguas	2	68
San Germán	1	30
San Juan	2	218
Cayey	0	0
Canóvanas	0	0
Isabela	0	0
State	13	1108
Total	30	1,548

Source: Data provided by Participating Jurisdictions and the State Program
na: not available

note: When indicated cero (0) it means that the jurisdiction indicated that they have no home projects at this time.

State HOME Program 2011-2014

Number of Projects	Units	Sources of Funds (Government)		
		Home Funds Requested	Tax Credit	PRHFC Loans
13	1,108	\$ 63,203,211	\$ 9,683,755	\$71,887,955

Source: PR Financing Co.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

During the next five-years a total of 7,737 units may be lost from the affordable housing inventory as a result of expiration of Section 8 contracts. There is opportunity to provide additional funding as incentive to avoid such an event. The housing market is weak and does not provide developers sufficient economic incentives to reinvest and target these units to non-low and moderate income households.

NUMBER OF UNITS IN ASSISTED AND SECTION 8 PROGRAMS, BY EXPIRATION DATA

Years	2014	2015	2016	2017	2018	2019
Number of Units	56	2449	1997	870	1016	1405

Source: HUD

Does the availability of housing units meet the needs of the population?

In general, there is enough housing in Puerto Rico to meet the needs of local residents. However, there is a lack of affordable safe and decent housing for families with low and moderate earnings, in particular in urban settings served by public transportation. CHAS data shows that there is only 190,920 affordable units for households with earnings between 0-50%AMI, in contrast to 428,040 households. There is enough affordable housing units for households with earnings between 50-80%AMI, however the availability is mainly for rental housing. The number of for owner occupation is limited 92,850 units, in contrast to 149,685 homeowners. Among low and income households, 51% of households have 1 or more of four housing problem. Note that poor housing conditions is also an issue among households with income above 80% AMI.

Summary of Housing Conditions by Income

Condition of Units	Households by AMI		Total
	>0-80%	80% +	
Having 1 or more of four housing problems	299,595	229,063	528,658
Having none of four housing problems	286,845	415,365	702,210
Total	586,440	644,428	1,230,868
% with conditions	51%	36%	43%

Moreover, the Puerto Rico Public Housing Authority's has 29,792 persons in waiting list. The waiting list is currently closed to new applicants, this the housing need for very-low income persons exceeds that amount.

Also a substantial amount of units occupied by low and moderate income households in Puerto Rico require some sort of rehabilitation.

Describe the need for specific types of housing:

The following list described the priority needs:

1. Supportive housing
2. Affordable housing for elderly couples or those living alone, mainly one bedroom units for rent.
3. Affordable housing for young small families for rent (mainly 3 bedroom 2 bathroom units)

MA-15 Cost of Housing – 91.310(a)

Introduction

Cost of housing in Puerto Rico is very high in contrast to median income. Although average prices have declined by more than 30% since 2007, the median value of a home in the Island was \$121,000 in 2013, which is unaffordable for a household earning the median income of close to \$20,000. There is a considerable gap of affordable housing in Puerto Rico.

Cost of Housing

	Base Year: 2000	Most Recent Year: 2013	% Change
Median Home Value	77,000	121,200	52%
Median Contract Rent	251	351	34%

Table 28 – Cost of Housing
 Data Source:2000 Census (Base Year), 2009-2013 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	169,673	73.3%
\$500-999	55,973	24.2%
\$1,000-1,499	4,092	1.8%
\$1,500-1,999	1,089	0.5%
\$2,000 or more	776	0.3%
Total	231,603	100.0%

Table 29 - Rent Paid
 Data Source:2009-2013 ACS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	316	323	401	521	609
High HOME Rent	276	298	359	406	434
Low HOME Rent	227	243	292	338	377

Table 30 – Monthly Rent
Data Source: HUD FMR and HOME Rents, 2014

Is there sufficient housing for households at all income levels?

Chas data shows that the local market does not have sufficient housing for households at all income levels. The source estimates an availability of 24,935 units that are affordable to owner occupied households earning 30%- 50% AMI. In contrast, there are 107,605 owner-occupied households in this income segment, for a theoretical needs gap of 82,670 units. Meanwhile, close to 93,000 units are affordable for 50-80% AMI households, in contrast to 109,919 owner-occupied households in this income segment, for a theoretical needs gap of 56,835 units.

This above is an indication that homeownership is very unlikely among low and moderate income households. Most will have to seek housing in the rental market where affordability is not an issue. Chas data indicates that the number of affordable rental housing for households with income of 30%-80% AMI is of close to 271,000 rental units, which is much larger than while the number of renters with that income (112,000). However, the CHAS identified 62,340 affordable rental housing for very low income households, in contrast to 137,700 very-low income renter occupied households, for a theoretical needs gap of 75,360 units. Thus, housing for very-low income individuals is also showing a considerable gap. In fact, as mentioned there are 29,792 persons in public housing and 7,955 in Section 8 voucher program waiting list.

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	62,340	No Data
50% HAMFI	103,645	24,935
80% HAMFI	167,885	92,850
100% HAMFI	No Data	182,610
Total	333,870	300,395

Table 31 – Housing Affordability
Data Source:2007-2011 CHAS

How is affordability of housing likely to change considering changes to home values and/or rents?

The large gap between income and housing values, in particular among owner occupied housing is directly related to the fact that housing values in Puerto Rico increased at a much faster rate than income. During the years 2009 to 2013, the census shows the median income in Puerto Rico increased 1.3%, per year while median prices of housing 3.1% annually. Notwithstanding, although median housing prices increased, the fact is that property values (for same properties) have drop more than 30 percent since 2007, according to industry sources. Thus, housing in Puerto Rico has become and should continue to be more affordable. In fact, statistics from the Department of Labor and Human Resources show deflationary trends in housing costs.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

There is a consensus in Puerto Rico that HOME rents and FMRs are too low to produce or preserve affordable housing. Developers in the Island have typically used state subsidies to support the development of affordable rental housing. However, due to the fiscal condition of the local government, additional funding for rental subsidies to support the development of additional units is not available. In fact, Law 173 rental subsidy program for the elderly is currently without additional funding to finance new projects.

MA-20 Condition of Housing – 91.310(a)

Introduction:

Close to 725,000 housing units in the Island were built before 1979. As much as 56% of owner-occupied units and 66% renter-occupied units were built before this date. As a result housing conditions in the Island have deteriorated. According to the PRCS close to 530,000 occupied housing units have one or more conditions. Proportionally rental housing is showing more challenges; with 51% of renter-occupied units have at least one of the selected conditions in contrast to 35% of owner-occupied units. Notwithstanding, there are almost twice as much owner-occupied housing units that have one or more conditions than renter-occupied units (343,454 owner-occupied vs. 185,204 renter-occupied).

Definitions

As defined by the Census, conditions of units are classified for a lack of complete kitchen or plumbing facilities, for having more than one person per room, or having a cost burden greater than 30% of the household income.

Standard condition may be defined as housing which meets all local building, fire, health and safety codes and HUD's minimum Housing Quality Standards. Substandard condition may be defined as housing that does not meet local building, fire, health and safety codes or HUD's minimum Housing Quality Standards.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	293,094	34%	149,765	41%
With two selected Conditions	47,307	5%	32,471	9%
With three selected Conditions	2,933	0%	2,906	1%
With four selected Conditions	120	0%	62	0%
No selected Conditions	519,426	60%	182,784	50%
Total	862,880	100%	367,988	100%

Table 32 - Condition of Units

Data Source:2009-2013 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	78,116	9%	19,491	6%
1980-1999	309,147	35%	100,111	29%
1950-1979	442,729	50%	198,789	57%
Before 1950	49,341	6%	32,369	9%
Total	879,333	100%	350,760	101%

Table 33 – Year Unit Built

Data Source:2007-2011 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	461,517	53%	232,938	63%
Housing Units build before 1980 with children present	65,125	7%	35,025	10%

Table 34 – Risk of Lead-Based Paint

Data Source:2009-2013 ACS (Total Units) 2007-2011 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	N/A	N/A	N/A
Abandoned Vacant Units	N/A	N/A	N/A
REO Properties	N/A	N/A	N/A
Abandoned REO Properties	N/A	N/A	N/A

Table 35 - Vacant Units

Need for Owner and Rental Rehabilitation

The age of housing stock, foreclosures, very high mortgage delinquency rates and the challenging socioeconomic conditions in Puerto Rico will have a significant impact on general housing conditions, in particular among those occupied by cost burdened low and moderate income households. According to key stockholders, this is already impacting many communities which are dealing with families living in poor conditions. Also, an increasing number of vacant and abandoned housing is a deteriorating urban landscape and promoting crime. This is a threat to the stability of communities having a disproportionate stock of old housing and loss of jobs and economic activity.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Exposure to lead-based paint is a public health issue. The exposure to lead dust represents a threat to the health of residents of contaminated and deteriorated housing. The local **risk of** lead-based paint hazard in the Island is considerable given the number of properties built in the Island before 1980 (close to 700,000), of which over 100,000 have children. Although, there is no official estimate of the number of properties with lead-based paint hazards, the likelihood to find lead in these properties is very high. In fact, many municipalities avoid rehabilitating old housing given the substantial cost associated lead decontamination and management.

MA-25 Public and Assisted Housing – (Optional)

Introduction:

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	257	55,974	10,969	1,414	9,555	360	798	0
# of accessible units			1						
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 36 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

MA-30 Homeless Facilities – 91.310(b)

Introduction

According to the 2014 Housing Inventory Count², a total of 3,993 year round beds are available, out of which 67% are beds for adults. Of those beds available for adults the majority, 52% are emergency, safe haven or transitional housing. Data also showed a total 702 beds available for chronic homeless, 175 for veterans and 7 for youth. Data of the HMIS shows an average occupancy rate of 77%.

An analysis conducted for the State Housing Plan shows how with these numbers of beds the needs of the homeless appear to be well served. However, the plan also points out to the needs expressed by the community serving these populations. Service providers and community organizations have been consistent in expressing the need for transitional and permanent housing for women with children, and emergency shelters for those subjected to domestic violence. In addition, due to the increasing economic limitations and the rise in foreclosures, the need may have broadened. There is also a gap in terms of complementary services for homeless and other special needs populations.

² The State is in the process of analyzing the 2015 HIC data. Information will be updated as soon as the

Facilities Targeted to Homeless Persons

								Subset of Total Bed Inventory		
	Family units	Family Beds	Adult-Only Beds	Child-Only Beds	Total Yr-Round Beds	Seasonal	Overflow/Voucher	Chronic Beds	Veteran Beds	Youth Beds
Emergency, Safe Haven and Transitional Housing	145	576	1,386	0	1,962	0	0	n/a	46	1
Emergency Shelter	18	141	448	0	589	0	0	n/a	7	0
Safe Haven	n/a	n/a	87	n/a	87	n/a	n/a	n/a	0	0
Transitional Housing	127	435	851	0	1,286	n/a	n/a	n/a	39	1
Permanent Housing	252	755	1,276	0	2,031	n/a	n/a	702	129	6
Permanent Supportive Housing*	244	726	1,262	0	1,988	n/a	n/a	702	129	6
Rapid Re-Housing	8	29	14	0	43	n/a	n/a	n/a	0	0
Grand total	397	1,331	2,662	0	3,993	0	0	702	175	7

Table 37 - Facilities Targeted to Homeless Persons

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Nonprofit organizations as well as municipalities provide complementary services to the homeless population. Services include health, mental health, meal distribution, employment services and preventive services, among others.

Appendix A: includes an inventory of these facilities with the clientele that they assist, and the services offered.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Appendix B: provides a list of services and facilities that meet the needs of homeless persons, organized by the type of subpopulations served, including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. This is based in data obtained from the Continuums of Care and the Housing Inventory Count.

MA-35 Special Needs Facilities and Services – 91.310(c)

Introduction

HOPWA Assistance Baseline Table

Type of HOWA Assistance	Number of Units Designated or Available for People with HIV/AIDS and their families
TBRA	102
PH in facilities	0
STRMU	50
ST or TH facilities	270
PH placement	0

Table 38 – HOPWA Assistance Baseline

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

To the extent information is available, describe the facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

To the extent information is available, this section describes facilities and services for people who are not homeless but nonetheless require supportive housing and programs. This group includes persons returning from mental and/or physical health institutions.

Persons with HIV/AIDS and their families

The Department of Health covers many of the specific needs for this population. In addition, community based organizations (including faith-based organizations) provide services such as: housing, food services, case management, medical services to both sexes, and services to women and their children. Such organizations also offer psychological services, referrals to mental and physical health professionals, and vocational training. They likewise provide a continuum of care which includes counseling and treatment for drug abuse, as well as housing services. An inventory developed for the HIV Jurisdictional Plan, developed by the PRDOH, identified a total of 96 organizations that work with HIV/AIDS.

Victims of Domestic Violence

The Department of the Family provides primary services. Cases received by the Department are eventually referred to nonprofit organizations which provide necessary support services such as: orientation, temporary and transitory shelter, mental health, child care, food services, transportation and escort to medical appointments, emotional therapy and psychological services, educational talks, and employment training.

Persons with Disabilities

The Department of Education provides educational services adapted to the needs of persons with disabilities. These services are provided at specialized centers designed to serve this specific population. All services are provided by personnel trained to work with disabled persons.

The Department of Health offers physical and mental health services to persons with disabilities through the Health Reform and other programs of the agency.

Municipal governments and local health centers provide medical equipment, medication, medical treatment, accessible physical and mental health services, and transportation in order to obtain services, employment training, employment opportunities, and rehabilitation and occupational therapy programs.

The Department of Housing provides housing adapted to the needs of disabled, ensuring that units are located near health and transportation centers.

Children who are victims of child abuse and neglect

The Department of Health and the Division of Rehabilitation Services provide medical and rehabilitation services through the Department's seven pediatric centers.

The Department of Education provides specialized services to meet the needs of abused children. Such services include social orientation, tutoring, orientation and counseling to the child and family, and referral to the Department of Health in the case of conditions identified by teaching staff.

Persons with addiction to drugs and alcohol

Most services aimed at this population are provided by **not-for-profit** organizations and the Administration of Mental Health and Other Drug Abuse Services. Services include rehabilitation, temporary shelter, food services, personal cleanliness, emotional therapy, orientation and counseling, and prevention talks. Some facilities are specifically designed for women.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

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.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

Does not apply.

MA-40 Barriers to Affordable Housing – 91.310(d)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

The barriers to affordable housing development are a recurring issue in the Island. They have been amply discussed by the government and industry and identified through various needs assessments processes, including the one supporting the State Housing Plan. The following issues are those considered the most relevant barriers to affordable housing:

- Even with the dramatic reductions in land costs in Puerto Rico, land still represents a limiting factor in the construction of affordable housing units. Appropriate land to develop affordable housing is scarce; and the proposed land use plan by the Puerto Rico Planning Board is limiting housing construction to urbanized areas. Although this policy has many rational foundations, it will force developers to build in land having higher costs.
- Construction costs in the Island are also high. Most of the housing in Puerto Rico is build using concrete, which locally is very expensive to produce due to high energy prices and intermediate products prices. Other construction materials, such as wood are not used by formal developers, mainly because of insurance, financial and consumer preference limitations. State building codes have also increase building costs, in particular codes

associated to energy efficiency and environmental compliance. State and municipal taxes and fees also increase the cost of housing, thus lowering it's the affordability. Finally, offsite investments required by public utilities to developers also increase the cost of affordable housing.

- The “NIMBY” syndrome, “Not in My Backyard”, is affecting the development of affordable housing. It not only affects projects targeted to homeless persons, but also affordable housing in general. In fact, many municipalities opposed the development of affordable housing because they do not contribute to the tax base of their communities but they do demand different services from the municipality.

MA-45 Non-Housing Community Development Assets -91.315(f)

Introduction

Puerto Rico’s economic development strategy is under the responsibility of the Department Development and Commerce Company. The Department’s Plan for Economic Development is anchored on three pillars that work together towards sustained, long-term growth: 1. Reinvent and reenergize established industries; 2) Landmark high-impact projects; 3) innovative strategic ventures. The focus of the strategy is to position Puerto Rico as a unique location for business and investment.

This section describes the structure of the local economy by analyzing the contribution to jobs and income of economic sectors. According to the Puerto Rico Community Survey (2009-2013) the unemployment rate was 18.4%. This is well above the national average of 5.6%.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	14,535	0	0	0	0
Arts, Entertainment, Accommodations	94,481	0	0	0	0
Construction	65,828	0	0	0	0
Education and Health Care Services	256,271	0	0	0	0
Finance, Insurance, and Real Estate	58,834	0	0	0	0
Information	19,222	0	0	0	0
Manufacturing	102,420	0	0	0	0
Other Services	60,421	0	0	0	0
Professional, Scientific, Management Services	102,274	0	0	0	0
Public Administration	105,737	0	0	0	0
Retail Trade	146,147	0	0	0	0
Transportation and Warehousing	40,822	0	0	0	0
Wholesale Trade	32,146	0	0	0	0
Total	1,099,138	0	--	--	--

Table 39- Business Activity

Data Source: 2009-2013 ACS (Workers), 2011 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	1,346,962
Civilian Employed Population 16 years and over	1,099,138
Unemployment Rate	18.4
Unemployment Rate for Ages 16-24	39.5
Unemployment Rate for Ages 25-65	9.48

Table 40 - Labor Force
Data Source: 2009-2013 ACS

Occupations by Sector	Number of People	Median Earnings (dollars)
Management, business and financial	124,153	32,032
Farming, fisheries and forestry occupations	9,109	8,517
Service	225,969	13,275
Sales and office	304,909	16,423
Construction, extraction, maintenance and repair	55,726	14,188
Production, transportation and material moving	120,341	15,856

Table 41 – Occupations by Sector
Data Source: 2009-2013 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	560,882	54%
30-59 Minutes	331,874	32%
60 or More Minutes	140,652	14%
Total	1,033,408	100%

Table 42 - Travel Time
Data Source: 2009-2013 ACS

Education:

Educational Attainment by Employment Status (Population 25 years to 64 years)

Educational Attainment	In Labor Force			Unemployment Unemployed %	Not in Labor Force
	Civilian Employed	Unemployed	Total		
Less than high school graduate	43,846	20,059	63,905	31%	128,347
High school graduate (includes equivalency)	87,097	21,036	108,133	19%	94,969
Some college or Associate's degree	90,355	15,293	105,648	14%	52,683
Bachelor's degree or higher	96,103	8,876	104,979	8%	28,618

Table 43 - Educational Attainment by Employment Status
Data Source:2007-2011 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	12,318	31,419	41,934	153,006	238,518
9th to 12th grade, no diploma	44,583	41,055	38,705	92,956	71,406
High school graduate, GED, or alternative	108,039	122,700	123,429	268,350	126,770
Some college, no degree	163,266	95,297	70,841	106,957	34,969
Associate's degree	24,104	54,911	58,718	81,203	22,710
Bachelor's degree	21,885	103,775	102,162	155,288	48,525
Graduate or professional degree	1,350	30,055	39,020	62,487	21,766

Table 44 - Educational Attainment by Age
Data Source:2009-2013 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	10,807
High school graduate (includes equivalency)	14,588
Some college or Associate's degree	17,321
Bachelor's degree	26,025
Graduate or professional degree	37,218

Table 45 – Median Earnings in the Past 12 Months

Data Source: 2009-2013 ACS

Based on the Business Activity table above, what are the major employment sectors within the state?

The mayor employment sectors within the state include Educational and Health Care Services (256,271), Retail Trade (146,147), Public Administration (105,737), Manufacturing (102,420) and Professional, Scientific and Management Services (102,274), among which account for 65% of the jobs in the Island.

Describe the workforce and infrastructure needs of business in the state.

The main complaint of local business in Puerto Rico is the cumbersome regulatory context affecting business licenses and permits, labor laws and the high cost of energy. More recently, business have concerns with the reduction in shipping services to the Island, which is affecting inventory management, requirements and related costs.

Also, there is a workforce development needs in occupations related to hospitality, retail and aeronautics.

Describe any major changes that may have an economic impact, such as planned public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The Economic Development and Commerce Department has promoted effectively the following industries: aeronautics, advance services, tourism and agriculture. It is also promoting the expansion of large retail facilities. Moreover, the strong growth in population cohorts of persons aged 55 or more is increasing the demand for health services.

In fact, long-term employment projections of the Commonwealth of Puerto Rico show that the industries expecting the highest demand of jobs include: Administrative and Support Services; Hospitals; Food Services and Drinking Places; Ambulatory Health Care Services; General Merchandise Stores; Professional and Scientific and Technical Services. Priority workforce development initiatives should focus on occupations related to these industries and to those that are being target by the economic development policy. Specifically, according to industry sources there is a need to develop workforce in the aerospace industry and in the area of customer service, in particular in the tourism, retail and food service industries.

PUERTO RICO LONG TERM INDUSTRY PROJECTIONS
TOP 20 INDUSTRIES GAINING THE MOST NEW JOBS
2012-2022

Rank	NAICS Code	Industry NAICS Title	Employment 2012	Projected Employment 2022	Change (2012-2022)	
					Employment	Percent
1	561000	Administrative and Support Services	68,744	83,369	14,625	21.27
2	622000	Hospitals	31,466	42,705	11,239	35.72
3	722000	Food Services and Drinking Places	57,892	68,516	10,624	18.35
4	621000	Ambulatory Health Care Services	33,638	42,962	9,324	27.72
5	452000	General Merchandise Stores	24,744	33,036	8,292	33.51
6	541000	Professional, Scientific, and Technical Services	28,074	35,898	7,824	27.87
7	446000	Health and Personal Care Stores	17,531	25,150	7,619	43.46
8	624000	Social Assistance	10,930	17,346	6,416	58.70
9	424000	Merchant Wholesalers, Nondurable Goods	19,700	25,218	5,518	28.01
10	930000	Local Government, Excluding Education and Hospitals	60,792	65,779	4,987	8.20
11	441000	Motor Vehicle and Parts Dealers	12,478	16,431	3,953	31.68
12	111000	Crop Production	8,254	11,755	3,501	42.42
13	721000	Accommodation, including Hotels and Motels	13,753	16,985	3,232	23.50
14	517000	Telecommunications	9,820	12,946	3,126	31.83
15	531000	Real Estate	9,421	12,371	2,950	31.31
16	623000	Nursing and Residential Care Facilities	5,550	7,818	2,268	40.86
17	448000	Clothing and Clothing Accessories Stores	19,600	21,599	1,999	10.20
18	524000/ 525000	Insurance Carriers and Related Activities & Funds, Trust, and Other Financial Vehicles	13,653	15,511	1,858	13.61
19	562000	Waste Management and Remediation Service	4,008	5,505	1,497	37.35
20	445000	Food and Beverage Stores	26,652	28,116	1,464	5.49

PUERTO RICO LONG TERM INDUSTRY PROJECTIONS
INDUSTRY EMPLOYMENT PROJECTIONS
2012-2022

Industry		Employment 2012	Projected Employment 2022	Change (2012-2022)	
NAICS Code	NAICS Title			Employment	Percent
Total Employment, All Jobs		1,062,747	1,172,131	109,384	10.29
Goods-Producing Industries		127,743	117,070	-10,673	-8.36
	<i>Agriculture, Forestry, Fishing and Hunting</i>	11,266	14,696	3,430	30.45
	<i>Mining, Quarrying, and Oil and Gas Extraction</i>	780	803	23	2.95
	<i>Construction</i>	35,620	32,123	-3,497	-9.82
	<i>Manufacturing</i>	80,077	69,448	-10,629	-13.27
Service-Providing Industries		809,417	912,455	103,038	12.73
	<i>Trade, Transportation and Utilities</i>	176,731	207,062	30,331	17.16
	<i>Wholesale Trade</i>	32,824	38,631	5,807	17.69
	<i>Retail Trade</i>	129,297	153,390	24,093	18.63
	<i>Transportation and Warehousing</i>	14,258	14,593	335	2.35
221000	<i>Utilities</i>	352	448	96	27.27
	<i>Information</i>	18,995	24,444	5,449	28.69
	<i>Financial Activities</i>	44,696	51,440	6,744	15.09
	<i>Finance and Insurance</i>	31,795	34,994	3,199	10.06
	<i>Real Estate and Rental and Leasing</i>	12,901	16,446	3,545	27.48
	<i>Professional and Business Services</i>	111,211	134,303	23,092	20.76
	<i>Education and Health Services</i>	188,225	218,593	30,368	16.13
611000	<i>Educational Services (Public and Private)</i>	106,641	107,762	1,121	1.05
	<i>Health Care and Social Assistance</i>	81,584	110,831	29,247	35.85
	<i>Leisure and hospitality</i>	74,749	89,051	14,302	19.13
	<i>Arts, Entertainment, and Recreation</i>	3,104	3,550	446	14.37
	<i>Accommodation and Food Services</i>	71,645	85,501	13,856	19.34
	<i>Other Services (Except Government)</i>	14,985	15,566	581	3.88
	<i>Government</i>	179,825	171,996	-7,829	-4.35
Total Self-Employed not-incorporated		125,587	142,606	17,019	13.55

How do the skills and education of the current workforce correspond to employment opportunities in the state?

One key economic development limitation is that the local economy is not creating enough jobs for low skilled workers. Among persons with less than high school diploma the unemployment rate is 31%. Among high school graduates (includes equivalency) the unemployment rate is 19%. Among persons with Bachelor's degree or higher educational attainment the unemployment rate is 8%. Local universities produce enough professionals with bachelors, masters and professional degrees. In fact, many migrate to the mainland to seek job opportunities. Therefore, workforce development initiatives must be coordinated to support specific workforce needs in new and developing industries.

Describe current workforce training initiatives supported by the state. Describe how these efforts will support the state's Consolidated Plan.

The State does not have workforce training initiatives. Local initiatives are funded by WIA. Also, the public education system has high schools that provide vocational training programs.

Describe any other state efforts to support economic growth.

Various measures summarized below are being undertaken by the Commonwealth, under the leadership of the Department of Economic Development and Commerce.

1. Reinvent and reenergize established industries: Mainly involves the promotion of the manufacturing, export of high value services and tourism through the offering of attractive tax credits and exemption packages and anchored on Puerto Rico's highly educated and professional workforce.
2. Landmark high-impact projects: The commonwealth is focusing __ main projects: Port of the Americas a transshipment facility with capacity for Post-Panamax and Panamax vessels; Science, Technology and Research Trust (Act 214) stimulates innovation, technology commercialization, and the creation of high-tech jobs in industry sectors, sectors such as life sciences, alternative energy, environmental sciences, agriculture, computer science, information technology, medical devices, and aeronautics; and Roosevelt Roads Redevelopment Authority, created to redevelop former Roosevelt Roads Navy into a world class diverse community featuring residences, schools, hospitals, tourist attractions and a state-of-the-art port that will work together to reignite the economy of Puerto Rico's eastern region.
3. Innovative strategic ventures: Tax Incentives for Individuals Relocating to Puerto Rico, designed to attract new residents and new investments to Puerto Rico by providing a total exemption from local income taxes on all passive income realized or accrued after such individuals become bona fide residents. Other initiatives include promoting economic ties to Latin America, providing incentives to the Film and Media Production industry, and promoting the agricultural sector.

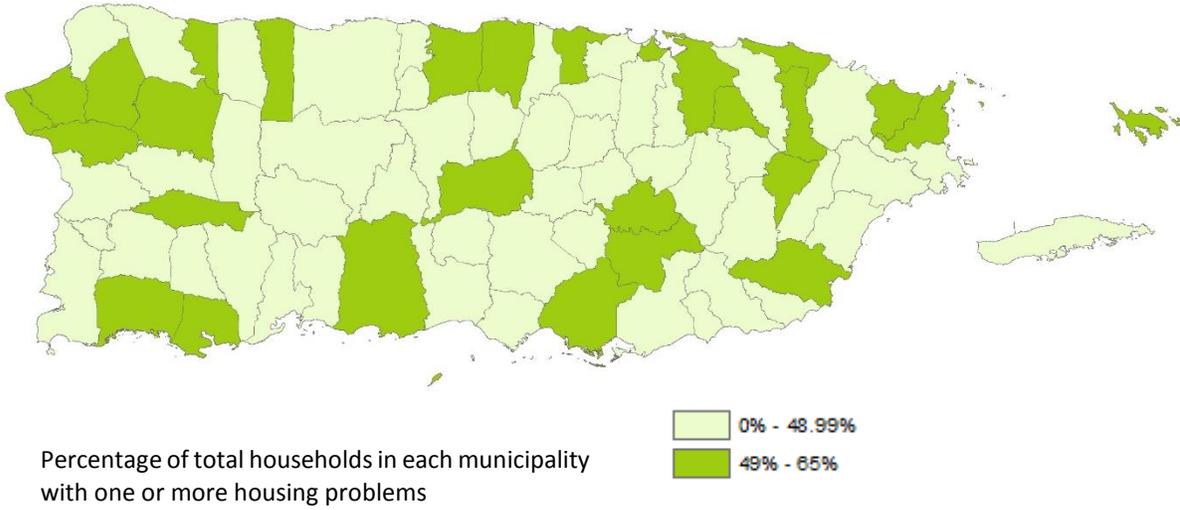
MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Households with multiple housing problems are concentrated in the municipalities presented on the following map. These include the following municipalities: Cayey, Salinas, Cidra, San Sebastian, Rincón, Aguada, Moca, Quebradillas, Añasco and in the North-East, Loíza, Canóvanas y Juncos.

These were identified based on the following criteria: municipalities having a percentage of housing with one or more housing problems 10% above the Commonwealth's average (44.5%), as per the CHAS data for Puerto Rico. The municipalities having which all are all non-entitlement municipalities or State PJs:

Municipalities with higher proportion of households with problems



Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

See above, comments in NA-30.

What are the characteristics of the market in these areas/neighborhoods?

Are there any community assets in these areas/neighborhoods?

Many municipalities have available land for the development of housing and have municipal employees capable of undertaking housing rehabilitation.

Are there other strategic opportunities in any of these areas?

Certain municipalities having a large concentration of households with housing problems are benefiting from local economic development initiatives. These communities may experience a greater need of housing for low and moderate income workers. The following table summarizes the relation of each community with the Commonwealth’s Economic Development Plan.

Region	Economic Development Initiative or Industry Focus
Aguadilla Region municipalities	Tourism/ Aeronautics/ Logistics/ Agriculture/ Manufacturing
Eastern Region	Tourism/ Strategic Projects- Roosevelt Roads Redevelopment
Southwest Region	Agriculture/ Local Tourism
North-Central Region (Dorado and nearby municipalities)	Tourism, Real Estate Development, Health, Tax Incentives for Individuals Relocating to Puerto Rico, Export of high value services
Central Mountainous Region	Agriculture/ Ecotourism

STRATEGIC PLAN

SP-05 Overview

Strategic Plan Overview

This section contains the Strategic Plan for Housing and Community Development that will guide the Commonwealth of Puerto Rico allocation of Community Development Block Grant, HOME, HPWA and ESG programs for the 2015-2019 planning period.

The Consolidated Plan addresses the community needs of the State Jurisdiction in the context of the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended.

The Commonwealth's goals for the five year planning period focus on priority needs. The available resources have been targeted to address the needs of the local communities relevant to the CDBG, HOME, HOPWA and ESG programs and achieve their goals of the 2015-2019 Consolidated Plan.

This complex set of goals can be summarized into three main areas and related activities:

Provide Decent Housing

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

Create a Suitable Living Environment

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

Expand Economic Opportunity

- Promote the development of microenterprises

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

SP-10 Geographic Priorities – 91.315(a)(1)

Geographic Area

Table 46 - Geographic Priority Areas

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

CDBG

According to Law 137-2014, CDBG funds will be distributed on an equal basis, with the exception of Vieques and Culebra that will receive an additional 15% to the 51 non-entitlement municipalities. The ultimate geographic distribution of the CDBG funds is made by the non-entitlement municipalities once they complete their own citizen and consultation process. Appendix C includes a map of non-entitlement municipalities.

HOME

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

The HOME allocation for PY 2015 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



ESG

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

wide. The following table shows the distribution by geographic area of 2014 funds.

Program	Target Area	Percentage of Funds
Street Outreach	Aguadilla, Arecibo, Caguas, Carolina Cidra, Comerío, Mayagüez San Juan	9.6%
Emergency Shelter	Aguada, Aguadilla, Arecibo Bayamón, Caguas, Cataño Cayey, Cidra, Comerío, Dorado, Guaynabo, Humacao, Juncos, Las Piedras, Loíza, Mayagüez, Ponce, San Juan, Trujillo Alto, Vega Alta, Vega Baja, Yabucoa, Yauco	33.8%
Homelessness Prevention	Aibonito, Aguada, Aguadilla, Arecibo, Arroyo, Barceloneta, Barranquitas, Bayamón, Cabo Rojo, Caguas, Camuy, Canóvanas, Cataño, Cayey, Ceiba, Ciales, Cidra, Coamo, Comerío, Dorado, Fajardo, Florida, Guánica, Guayama, Guayanilla, Guaynabo, Gurabo, Hatillo, Hormigueros, Humacao, Isabela, Jayuya, Juana Díaz, Lares, Las Piedras, Loíza, Manatí, Maunabo, Mayagüez, Morovis, Orocovis, Ponce, Salinas, San Germán, San Juan, San Lorenzo, San Sebastián, Toa Baja, Vega Alta, Vega Baja, Villalba	34.1%
Rapid Rehousing	Aibonito, Aguadilla, Añasco, Arecibo, Barceloneta, Bayamón, Caguas, Ceiba, Ciales, Cidra, Coamo, Comerío, Fajardo, Guayanilla, Guaynabo, Hormigueros, Humacao, Jayuya, Juana Díaz, Loíza, Naguabo Ponce Sabana Grande, San Juan Vega Baja	12.5%

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

The PRDOH cannot predict the ultimate geographic distribution of HOPWA funds. Funds will be

distributed using an open competition method. It is expected that 100% of the funds are distributed.

SP-25 Priority Needs – 91.315(a)(2)

Priority Needs

Table 47 – Priority Needs Summary

1	Priority Need Name	Housing
	Priority Level	High
	Population	Very low, low and moderate income persons Elderly with functional disabilities , small families
	Geographic Area Affected	Statewide
	Associated Goals	Provide safe and decent affordable housing
	Description	<ol style="list-style-type: none"> 1. Support homeownership by providing down payment and closing cost assistance 2. Address the need of substandard housing by supporting rehabilitation of rental housing 3. Increase the supply or preserve affordable rental housing by supporting rehabilitation and production of housing, prioritizing special needs projects 4. Increase the supply of affordable housing by supporting through the participation of CHDO 5. Promote the development of special needs projects, which are those that provide supportive services 6.
	Basis for relative priority	Puerto Rico State Housing Plan, Community Participation, Consultations, needs assessment results and Program Performance.
2	Priority Need Name	Non-housing Community Development- Public Facilities
	Priority Level	High
	Population	Very low, low, moderate and middle income persons
	Geographic Area Affected	CDBG- Non-entitlement communities
	Associated Goals	Create Suitable Living Environments
	Description	Public facilities such as community centers, recreational facilities, parking lots, parks and facilities for special needs populations.
	Basis for relative priority	Public facilities to enhance and facilitate community life are constantly requested by municipalities. Such facilities bring new opportunities to low income families and help create vibrant communities.
3	Priority Need Name	Non-housing Community Development- Public improvements and infrastructure
	Priority Level	High
	Population	Very low, low, moderate and middle income persons
	Geographic Area Affected	CDBG- Non-entitlement communities
	Associated Goals	Create Suitable Living Environments
	Description	Flood and drainage facilities, sidewalks, street improvements, water/sewer improvements
	Basis for relative priority	Improvement of municipal infrastructure is constantly requested by local communities. These needs are highly important for low income communities due to the aging of Puerto Rico's core infrastructure. The

		planning process within the Island has rendered scatter developments with poor infrastructure for basic needs.
4	Priority Need Name	Non-housing Community Development- Public Services
	Priority Level	High
	Population	Very low, low, moderate and middle income persons
	Geographic Area Affected	CDBG- Non-entitlement communities
	Associated Goals	Create Suitable Living Environments
	Description	Public services for homecare assistance (elderly persons), youth services, counseling, crime prevention and educational programs, health services, among others
	Basis for relative priority	Puerto Rico has a high level of social needs due to poverty conditions. Over 45% of the population falls below the poverty line, labor force participation is low and several families depend on the Supplemental Nutrition Assistance Program. Based on a web survey conducted, over 29 municipalities demand public services for homecare assistance.
5	Priority Need Name	Non-housing Community Development- Economic Development
	Priority Level	High
	Population	Very low, low, moderate and middle income persons
	Geographic Area Affected	CDBG- Non-entitlement communities
	Associated Goals	Create Suitable Living Environments
	Description	Public facilities for commercial use, microenterprise assistance, and special economic development projects combining the efforts and resources of municipal enterprises.
	Basis for relative priority	The economic conditions of the Island have placed job creation and development of new economic opportunities as the top priorities of the government. The strategy is focused on local SMEs facing limited funding for the initial working capital or the infrastructure required for startups.
6	Priority Need Name	Chronic Homelessness
	Priority Level	High
	Population	Chronic homelessness Substance abuse Mentally ill Domestic Violence Woman with Children
	Geographic Area Affected	Statewide
	Associated Goals	Provide Decent Housing
	Description	The PRDF will address homeless persons needs identified as part of the analysis by focusing its efforts in outreach and emergency shelter and transitional housing. The PRDH will also provide for Tenant –Based Rental Assistance (TBRA) and shelter services to address these needs.
	Basis for relative priority	Puerto Rico State Housing Plan, Mandatory Consultations with CoC organizations, needs assessment results and Program Performance.
7	Priority Need Name	Homelessness Prevention
	Priority Level	Low
	Population	Extremely low income persons
	Geographic Area Affected	Statewide
	Associated Goals	Provide Decent Housing
	Description	The PRDF will address the needs of this population by providing prevention and rapid rehousing services.
	Basis for relative priority	Puerto Rico State Housing Plan, Mandatory Consultations with CoC organizations, needs assessment results and Program Performance.

SP-30 Influence of Market Conditions – 91.315(b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	There is lack of small housing units to support the typical homeless person, which is a single family.
TBRA for Non-Homeless Special Needs	N/A
New Unit Production	The excess inventory of housing in the Island and foreclosures do not support the production of new units for homeownership. However, there is a need for rental projects for low income persons, in particular elderly households, young couples and female headed households. The second greatest need in the Island is cost burden housing problems.
Rehabilitation	The greatest need is among low and moderate income households that live in substandard housing.
Acquisition, including preservation	N/A

Table 48 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.315(a)(4), 91.320(c)(1,2)

Introduction

Allocation for the Puerto Rico State Program for PY 2015 sums \$38,407,560. This represents a reduction of 7% when compared with the 2014 PY allocation. The most significant reduction was observed in HOME program of 12%, followed by CDBG 7%.

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

Program	PY 2014 Allocation	PY 2015 Allocation	Difference	Percentage
CDBG	\$26,111,449	\$24,311,690	(\$1,799,759.00)	-7%
HOME	\$9,301,975	\$8,201,168	(\$1,100,807.00)	-12%
ESG	\$3,867,010	\$4,095,385	\$228,375.00	6%
HOPWA	\$1,808,174	\$1,799,317	(\$8,857.00)	-0.50%
Total	\$41,088,608	\$38,407,560	(\$2,681,048)	-7%

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

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Formula grant	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$24,311,690			\$24,311,690	\$97,246,760	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico

HOME	Formula grant		\$8,201,168			\$8,201,168	\$32,804,672	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO's – set aside only).
ESG	Formula grant	Street Outreach Shelter Rapid Re-housing and Prevention HMIS Administrative Cost*	\$4,095,385			\$4,095,385	\$16,381,540	Funds will be used primarily for, Outreach, Emergency Shelter activities, and secondly to Homelessness Prevention, Rapid Re-Housing

HOPWA	Formula grant	Permanent housing in facilities Permanent housing placement STRMU Short Term or transitional housing facilities Supportive services TBRA	\$1,799,317			\$1,799,317	\$7,197,268	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG:

Matching Requirements

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

Leverage of Federal Funds

The non-entitlement municipalities will provide leverage to their projects in the form of: in-kind services and equity from municipal, state, and other federal funds. In some instances, private donations are available to the non-entitlement municipalities for the development of municipal facilities or services.

HOME:

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 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.

HOPWA:

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

During PY 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 and 2015. The following table shows the expected level of leverage for next program year:

[1] Source of Leveraging	[2] Amount of Leveraged Funds	[3] Type of Contribution
Public Funding		
Ryan White-Housing Assistance		
Ryan White-Other	\$987,407	Case management
Ryan White-Other		
Housing Choice Voucher Program	\$17,820	Housing Assistance
Low Income Housing Tax Credit		
HOME		
Shelter Plus Care		
Emergency Solutions Grant	\$16,600	Operational expenses
Other Public: Supporting Housing Program	\$88,635	Housing assistance
Other Public: HUD Safe Heaven		
Other Public: Fondos Legislativos		
Other Public: Puerto Rico Law 52		
Other Public: State Department of the Family		
Other Public: HUD-Housing		
Other Public: Fondos Legislativos		
Private Funding		
Grants	\$135,933	Operational expenses
In-kind Resources	\$275,848	Operational expenses

In-kind Resources		
Other Funding		
Grantee/Project Sponsor/Subrecipient (Agency) Cash		
Resident Rent Payments by Client to Private Landlord		
TOTAL (Sum of all Rows)		\$1,522,243

ESG

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

OTHER FEDERAL AND STATE RESOURCES (FY-2015)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$ 1,905,322,000	\$ 32,083,000	\$1,937,405,000	Provides supplemental income to families in need in order to address their nutritional needs.
Temporary Assistance to Needy Families (TANF)	\$ 92,812,000	41,203,000	\$ 134,015,000	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)	\$	\$ 4,650,000	\$ 4,650,000	Helps poor families become self-sufficient.
Services to the Families and Children	\$ 51,849,000	\$ 176,774,000	\$ 228,623,000	Provides care and protection to children for their constructive development. Also, provide support to individuals and families who offer social work services and intervention in child adoption, abuse, domestic violence and care and protect the elderly and the

				disabled. Furthermore, to work in community development, emphasizing prevention.
Child Support	\$ 31,305,000	\$ 12,659,000	\$ 43,964,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	0	1,053,000	1,053,000	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	\$ 37,415,000	\$ 14,153,000	\$ 51,568,000	To assist low- income families with child care in order to: 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.

Head Start	\$110,642,000	\$ 1,731,000	\$ 112,373,000	Head Start and Early Head Start are comprehensive child development programs that serve children from birth to age 5, as well as pregnant women and their families. They are child-focused programs that aim to improve school readiness of young children in low-income families.
Disability Determination	\$ 14,500,000	\$ 0	\$ 14,500,000	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$ 2,243,845,000	\$ 283,253,000	\$ 2,527,098,000	

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

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

Not applicable.

Discussion

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

SP-40 Institutional Delivery Structure – 91.315(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

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

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Office of the Commissioner of Municipal Affairs (OCMA)	State Agency	Lead Agency and grantee of CDBG Funds	Non Entitlement Municipalities
Puerto Rico Department of Family (PRDF)	State Agency	Grantee of ESG Funds	Statewide
Puerto Rico Department of Health (PRDOH)	State Agency	Grantee of HOPWA Funds	PR-EMSA
Municipality of San Juan (MSJ)	Local Government	Administers HOPWA Funds in conjunction with the PRDOH	PR-EMSA
Puerto Rico Housing Finance Authority (PRHFA)	State Agency	Grantee of HOME Funds	Statewide

Table 49- Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The OCMA is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico. Its responsibilities associated with the Consolidated Plan are coordinated by OCMA’s Office of Federal Affairs. The main component of the institutional structure consists of OCMA, the Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG);

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

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

The Housing Plan Implementation Committee is another institutional instrument which supports coordinating housing and community development initiatives. This Committee is chaired by the Secretary of the Puerto Rico Department of Housing of Puerto Rico and is composed of the main agencies and associations relevant to housing and community development. Committee Members include the following:

- Secretary of Housing – Chairman
- Executive Director of the PRHFA
- HUD Puerto Rico Office Director
- The Governor’s Advisor on Housing
- Director of the OGPE (Office of Permits Management)
- Chairperson of the Puerto Rico Planning Board
- Chair of the Mayors’ Association
- Chair of the Mayors’ Federation
- A representative of the Municipality of San Juan
- The Commissioner of Municipal Affairs
- A representative of the Community Based Organizations

OCMA and PHFA engaged in a Collaboration Agreement to develop joint underwriting criteria, funding efforts and standards, and capacity building initiatives, particularly in the case of CHODOS. Also HUD’s technical assistance efforts are supporting the Commonwealth in the development of a unified Notice of Funding Availability (NOFA) which will incorporate different funding sources. This scheme is promoting collaboration among agencies responsible for administering the funds to be allocated to this initiative. They are developing underwriting standards to address common housing and community development needs.

In addition, private and non-private institutions play a vital role in addressing housing and community development needs. The needs assessment conducted as a preamble to the state housing plan identified a need to enhance the technical capabilities of CBOs, CHDOs and non-profit organizations in managing housing and community development funds. In response HUD provided technical support to increase capacity, the Office of the Commissioner of Municipal Affairs is developing the Center of Social Innovation (CSI). The CSI, also addresses the recommendations of capacity building included in the Report of the President’s Task Force on

Puerto Rico’s Status, 2011. The CSI will offer systematic, periodic capacity building and training opportunities for Commonwealth’s agencies and non-governmental entities regarding topics such as: competitive funds grant application process, federal fund grant management and compliance requirements of HUD funded programs, as well as, other governmental initiatives, including those related to the implementation of the Plan.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

The following table summarizes available services targeted to the homeless population. This information is based on information gathered from the CoC, the HIC and a database of HOPWA program.

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X		X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement			
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X		
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Other			

Table 50- Homeless Prevention Services Summary

Describe the extent to which services targeted to homeless person and persons with HIV and mainstream services, such as health, mental health and employment services are made available to and used by homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families and unaccompanied youth) and persons with HIV within the jurisdiction

Services oriented to homeless and special populations cover a wide-spectrum of options. The majority of the Homelessness Prevention Services, Street Outreach Services and Supportive Services, with the exception of law enforcement, are available in the community. These are offered by different types of entities including local governments, community based organizations, faith-based organizations and other types of nonprofit organizations.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The majority of these services are available and targeted to the homeless populations, while in the case of persons living with HIV Aids there are certain gaps including mobile clinics and complementary services such as child care and education.

Several studies, however, have pointed out to capacity building as one of the priorities to strength our organizations and local governments. Furthermore, in an environment of limited fiscal resources, training and capacity building activities become a key instrument to maximize and make more efficient the use of available resources.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

One of the main strategies for overcoming gaps in the institutional structure and service delivery system is the Center for Social Innovation of the Office of the Commissioner of Municipal Affairs. As it was mentioned earlier, this initiative is aligned with the recommendations in the Report of the President's Task Force on Puerto Rico's Status, to strengthen the capacities and skills of staff in municipalities and community organizations, and with the State Housing Plan. The ultimate goal of the Center is to promote local development and social innovation, by providing a space for learning and information sharing for municipal officials, as well as for employees of other government agencies, community sector leaders and entrepreneurs.

The specific objectives that the CSI will pursue are the following:

1. The continued identification of core issues and technical assistance needs for training the target audience.
2. The systematic identification of best practices and case studies related to these issues.
3. Dissemination of information related to best practices and case studies, as well as those necessary to provide appropriate technical assistance to the management of municipalities, organizations and other stakeholders.

4. The provision of a forum for the exchange of information and interaction between groups that constitute the CSI target population, to promote innovation and the creation of multi-sector partnerships that contribute to local development.

To meet these objectives, the CSI incorporates four components:

1. Webinars (via live and on demand web trainings);
2. Production of instructional videos on best practices and case studies;
3. The development of a Web page with instructional materials; and
4. Periodic programs of interviews with experts.

The use of video in human resource training has proven to be a cost effective way to ensure that the information is transmitted in an effective and standardized manner. Furthermore, it has a greater impact and effect than the use of written materials and allows greater access to information by municipalities and community groups in distant and disadvantaged areas.

SP-45 Goals Summary – 91.315(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
	Provide Decent Housing	2015	2019	Homelessness	Statewide	Street outreach, supportive services and emergency shelter	\$12,286,155	Persons assisted: 25,000
	Provide Decent Housing	2015	2019	Homelessness	Statewide	Provide homeless prevention and rapid rehousing assistance	\$6,245,462.15	Households assisted: 10,000
	Provide Decent Housing	2015	2019	Affordable housing Special Needs	Statewide	Provide housing assistance and supportive services to HIV population	\$8,115,819.3	Persons assisted: 3,750

	Create Suitable Living Environments	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Social needs (public service)	CDBG: \$13,000,000	Persons assisted 2,500
	Create Suitable Living Environments	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Community Development (Infrastructure and public facilities)	CDBG: \$71,000,000	Persons assisted 1,000,000
	Provide Decent Housing	2015	2019	Affordable Housing	CDBG non-entitlement	Rehabilitation of units	CDBG: \$10,633,475	Housing units 3,650
	Expand Economic Opportunity	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Economic Development	CDBG: \$5,895,585	Jobs 60 Business 60
	Provide Decent Housing	2015	2019	Affordable Housing	CDBG non-entitlement	Homeownership assistance	CDBG: \$875,000	Housing units 250
	Create Suitable Living Environments	2015	2019	Community Development	CDBG non-entitlement	Emergency relief	CDBG: \$1,500,000	Persons assisted 1,500
	Provide decent housing	2015	2019	Affordable housing	Statewide	Down payment and closing costs assistance	HOME: \$4,100,585	Households assisted: 125
	Provide decent housing	2015	2019	Affordable housing	Statewide	Rehabilitation and production of rental housing	HOME: \$26,653,795	Housing units: 2,500

	Provide decent housing	2015	2019	Affordable housing	Statewide	Rehabilitation and production of rental housing (CHDOs)	HOME: \$6,150,875	Housing units:600
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Table 51 – Goals Summary

Goal Descriptions

CDBG

The CDBG State Program has developed a flexible allocation of resources for FY2015. Such distribution entails that municipalities can design their projects using the wide array of CDBG eligible activities. Thus, with this Action Plan OCAM is allowing a decentralized project or program design based on the specific needs of local governments. OCAM estimates that most activities will navigate around public services, public infrastructure and housing activities. When municipalities create their projects, OCAM will amend its plan to include the specifics of each activity.

HOME

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

ESG

The PRDF is committed to pursue the statutory goal of providing decent housing to homeless persons and persons in risk of becoming homeless, by providing assistance for the following services: Street outreach, supportive services and emergency shelter, prevention and rapid rehousing assistance. Based on the needs assessment and the tendencies during the past years, these services will be oriented to: reduce the number of families and individuals living on the street and place them in emergency shelters, transitional or permanent housing; Improve the quality of emergency shelters for homeless families and individuals; Assisting to operate these shelters; Provide support services to shelter’s residents; Quickly locate homeless individuals and families in permanent housing; and Prevent individuals and families to become homeless.

HOPWA

HOPWA funding will be used to provide housing assistance and supportive services to persons living with HIV/AIDS, by sponsoring the following activities: Housing Assistance Services (Temporary housing, transitional housing with supportive services, and Permanent housing, and emergency financial assistance); and Support Services (Day care, nutrition, health, and mental, and case management). These supportive services will be provided to clients who do not have health insurance plans to cover such expenses.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

See table above.

SP-55 Barriers to affordable housing – 91.315(h)

Barriers to Affordable Housing

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The main strategy to address the barriers to affordable housing is through the Housing Plan Implementation Committee (HPIC) chaired by the Secretary of the Puerto Rico Department of Housing of Puerto Rico. The HPIC has the responsibility to both adopt the State Housing Plan as well as to formulate overall housing policy and implement the State Housing Plan. This Committee is made up of the following:

- Secretary of Housing – Chairman
- Executive Director of the PRHFA
- HUD Puerto Rico Office Director
- The Governor’s Advisor on Housing
- Director of the OGPE (Office of Permits Management)
- Chairperson of the Puerto Rico Planning Board
- Chair of the Mayors’ Association
- Chair of the Mayors’ Federation
- A representative of the Municipality of San Juan
- The Commissioner of Municipal Affairs
- A representative of the Community Based Organizations

The HPIC’s most important objective is to prioritize action items, coordinate/oversee implementation of the State Housing Plan and support the development of a capital plan to advance affordable housing development. Also the HPIC promotes policies, laws , regulations and actions that address the barriers associated to the high cost of housing in Puerto Rico, land use and permitting limitations, construction codes and taxes and other fees imposed to housing construction and financing activities, among other.

SP-60 Homelessness Strategy – 91.315(d)

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

The state will address the needs identified in the homelessness assessment by giving priority to Emergency Shelters without restrictions that may be used as a Stabilization Unit (24 hour, 7 days a week entrance); Expanding the range of Street Outreach services; Emergency Shelters without restrictions on population, age, and time; and Emergency Shelter Services. In the case of Prevention and Rapid Re-Housing, particular attention will be given to people with mental health conditions; Projects for women; and Shelter proposals along with Rapid Re-Housing. Services that promote economic and personal self-sufficiency, will also be promoted due to the reasons

observed for being homeless and the current social and economic context.

Addressing the emergency and transitional housing needs of homeless persons

The strategies promoted by the Puerto Rico Department of the Family are centered in the public policy established by Law Number 130. As is established in Article 4 of the Law, “the Government of the Commonwealth of Puerto Rico recognizes the need to foster, plan, and carry out services and facilities to attend the needs of these persons, to enable their participation in the Puerto Rican community and allow them to lead a productive and social life. Services must be offered in a multi-sectorial manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors”.

Guided by this concept of shared responsibility, it was established that Public Policy regarding homelessness would be based in the following principles:

1. Homeless persons are entitled to a dignified way of life and to full enjoyment of their human and civil rights, including the right to the responsible and free use and enjoyment of public space; and the right to housing.
2. Homeless persons must be acknowledged, supported, protected, and empowered in order to be able to assume individual, familial, and social duties and responsibilities; including the duty to care for themselves, the commitment to self-respect and personal development, and the commitment to contribute their talents to social solidarity and development.
3. Homeless persons should receive services that include, but are not limited to: emergency shelter; transitory and permanent housing; daytime shelter; detoxification and treatment for alcohol and other drug abuse; nourishment, nutrition, hygiene, clothes, and access to sanitary services and showers; primary and specialized physical and mental health services; legal support and representation; law enforcement and judicial protection; information and guidance regarding their civil rights; social assistance; education and training; job placement; opportunities for developing entrepreneurial abilities focused on producing the necessary income; family reunification; and other services.

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

Funding for emergency shelters comes mainly from the State’s ESG program. Funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, legal, mental health, substance abuse treatment, transportation, and services for special populations)

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

and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

The Current Homelessness Strategy of the PRMC to end chronic homelessness in Puerto Rico includes strategies directed towards persons who are currently homeless, as well as that in risk of becoming homeless. These include:

- Continued expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons, in full compliance with PR Law 130-2007.
- Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in 10-year planning processes to end chronic homeless
- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.
- Implementation of specific action steps to improve access to services, reduce stigma and combat the criminalization of homelessness, based on the awareness that has been developed in policy and decision-makers, resulting in policy changes to reduce the time for elimination of criminal records, give priority to homeless populations applying for mainstream services, and others.
- Continued education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.
- Increased capacity building of municipal government representatives to partner with community based organizations in the development, financing and delivery of services to chronic homeless.
- Continued emphasis on continuing education to professionals working with homeless individuals to improve sensitivity and humane treatment as well as the level of intensity and quality of services needed by the chronic homeless to achieve their recovery and promote self-sufficiency over time, including the inclusion of curricular content related to homelessness in pre-service training of Police Cadets and in courses of public and private high schools.
- Continue with the implementation of the dedicated HMIS - currently under San Juan's Coalition and the Coalition of Coalitions - for uniform data collection to track populations served through the various systems to permit continuous monitoring of the number and quality of services provided, and outcomes in the homeless served.

- Collaborate with the San Juan’s Coalition, the Coalition of Coalitions, and the entities that comprise the CoC in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.
- Continued identification and work with public and private housing developers to target homeless in the development of permanent supportive housing. The current strategies include primarily work with state and non-profit sectors so that more efforts will be directed to local governments and the for-profit stakeholders to improve housing accessibility and service infrastructures for the chronic homeless.
- 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.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and

private agencies that address housing, health, social services, employment, education or youth needs

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

SP-65 Lead based paint Hazards – 91.315(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

How are the actions listed above integrated into housing policies and procedures?

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

SP-70 Anti-Poverty Strategy – 91.315(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Close to 46% of the population in Puerto Rico falls under the federal poverty line, thus, the Government of Puerto Rico has developed several strategies to alleviate poverty. There are certain state agencies with programs targeted to reduce poverty. Such programs combine a safety net through direct public assistance, public education, community based efforts and economic development. Some of the policies target inequality, educational gaps, sustainable community initiatives, community empowerment, and economic development.

For instance, the state manages the Community Services Block Grant ³ which program provides funds through a formula grant to alleviate the causes and conditions of poverty in communities. The grant is authorized by The Community Services Block Grant Act⁴ to provide assistance to States⁵ and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

ADFAN currently manages the CSBG program in Puerto Rico. In Puerto Rico, CSBG program priorities for program year 2014-2015 are services related to Jobs, Education and Prevention of Juvenile Delinquency.

In addition, Puerto Rico also provides several opportunities to facilitate social mobility such as the educational system, the University of Puerto Rico, training programs and a set of economic incentives to boost entrepreneurial capital within the Island.

³ CFDA Number 93.569

⁴ Pub. L 105–285—OCT. 27, 1998; 42 USC 9901 et seq.

⁵ This includes each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. (42 USC 9901 et seq., § 672 (1)).

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

Families in poverty are the main recipients of CPD funds in Puerto Rico. Even though a portion of Community Development funds could be used to benefit population with higher incomes, the tradition within the Island has been to use CDBG funds essentially for low and moderate income populations. Moreover, activities and programs are designed so that communities can match the federal resources with their in own resources in order to create a greater involvement with their surroundings and livelihood.

The CDBG and HOME programs provide direct relief to low income families by providing affordable housing projects, such as housing rehabilitation, and rental assistance projects.

SP-80 Monitoring – 91.330

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Since the programs included in the Consolidated Plan are managed by different state agencies, each program has a different monitoring procedure and/or monitoring guide. During the past years several of these procedures have been updated to ensure a greater level of compliance of program participants. Past experiences and specialized technical assistance have provided a more robust set of monitoring standards.

Describe the standards and procedures that the state will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

CDBG

In May 2014 OCAM, revised its monitoring plan. The work plan identifies the actions that will be taken to assess program participant performance, including which participants will be monitored, the type of monitoring (e.g., in-depth, limited, on-site, remote), the programs/functions to be monitored, the expected monitoring dates, and needed resources (staff, travel funds, etc.).

The new plan covers several stages of the monitoring process.

- Preparing for monitoring
- Conducting the monitoring
- Monitoring conclusions
- Sanctions
- The monitoring letter

- Required concurrences
- Closing findings
- Building an administrative record
- Documentation

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 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 schedule for desk review,

Desk Review

This is the standard use for Low Risk and those Medium Risk municipalities that their actions could be monitor 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 Letter

The Monitoring Report is prepared 60 days after the completion of monitoring. In this communication an explanation of the issues worked and findings made is presented to the Municipality. 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

All follow-up actions are documented and communicated to the Municipalities. Target dates are assigned when corrective actions are required and relayed to the participant in the monitoring letter

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.

HOME

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.

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.

ESG

It is the PRDF 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 PRDF will undertake a monitoring process to ensure compliance which 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 \$20,00	1	
	Over \$20,000	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

The Department of the Family will conduct at least 25% on-site monitoring reviews. The monitoring schedule will be developed during the 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.

HOPWA

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. The Municipality of San Juan will use a risk analysis tool to determine which organizations or municipalities will be monitored during PY 2015. During this program year the Municipality will follow up on compliance with Single Audit requirements and previous year findings. 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
 - Accuracy of monthly payments
 - Reconciliation and bank account management

- Facility based
 - Single audit
 - Previous Year Findings
 - Accuracy of monthly payments
 - Invoice documentation
 - Habitability standards
 - HIV/AIDS Eligibility
 - Client Eligibility(income)
 - Individual 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. The quality control unit of the Municipality

of San Juan will follow up on the corrective action plan presented by the sub recipients.

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

- 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 and financial Management. In addition, the State will review the distribution of funds to determine if they are distributed in an unbiased, equitable, and consistent manner.
- 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.
- 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 is 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 2015 the Municipality of San Juan will use a limited review process in which the existing monitoring guidelines have been 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.

EXPECTED RESOURCES

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

Introduction

Allocation for the Puerto Rico State Program for PY 2015 sums \$38,407,560. As illustrated in the following table, this represents a reduction of 7% when compared with the 2014 PY allocation. The most significant reduction was observed in HOME program of 12%, followed by CDBG with 7%.

Program	PY 2014 Allocation	PY 2015 Allocation	Difference	Percentage
CDBG	\$26,111,449	\$24,311,690	(\$1,799,759.00)	-7%
HOME	\$9,301,975	\$8,201,168	(\$1,100,807.00)	-12%
ESG	\$3,867,010	\$4,095,385	\$228,375.00	6%
HOPWA	\$1,808,174	\$1,799,317	(\$8,857.00)	-0.50%
Total	\$41,088,608	\$38,407,560	(\$2,681,048)	-7%

In order to maximize available resources, these funds will be leveraged with other local and federal sources of funding, as explained in the next section.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Formula grant	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$24,311,690			\$24,311,690	\$97,246,760	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico

HOME	Formula grant		\$8,201,168			\$8,201,168	\$32,804,672	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO's – set aside only).
ESG	Formula grant	Street Outreach Shelter Rapid Re-housing and Prevention HMIS Administrative Cost*	\$4,095,385			\$4,095,385	\$16,381,540	Funds will be used primarily for, Outreach, Emergency Shelter activities, and secondly to Homelessness Prevention, Rapid Re-Housing

HOPWA	Formula grant	Permanent housing in facilities Permanent housing placement STRMU Short Term or transitional housing facilities Supportive services TBRA	\$1,799,317			\$1,799,317	\$7,197,268	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDBG:

Matching Requirements

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

Leverage of Federal Funds

The non-entitlement municipalities will provide leverage to their projects in the form of: in-kind services and equity from municipal, state, and other federal funds. In some instances, private donations are available to the non-entitlement municipalities for the development of municipal facilities or services.

HOME:

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 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.

HOPWA:

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

During PY 2015, 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:

[1] Source of Leveraging	[2] Amount of Leveraged Funds	[3] Type of Contribution
Public Funding		
Ryan White-Housing Assistance		
Ryan White-Other	\$987,407	Case management
Ryan White-Other		
Housing Choice Voucher Program	\$17,820	Housing Assistance
Low Income Housing Tax Credit		
HOME		
Shelter Plus Care		
Emergency Solutions Grant	\$16,600	Operational expenses
Other Public: Supporting Housing Program	\$88,635	Housing assistance
Other Public: HUD Safe Heaven		
Other Public: Fondos Legislativos		
Other Public: Puerto Rico Law 52		
Other Public: State Department of the Family		
Other Public: HUD-Housing		
Other Public: Fondos Legislativos		
Private Funding		
Grants	\$135,933	Operational expenses
In-kind Resources	\$275,848	Operational expenses

In-kind Resources		
Other Funding		
Grantee/Project Sponsor/Subrecipient (Agency) Cash		
Resident Rent Payments by Client to Private Landlord		
TOTAL (Sum of all Rows)		\$1,522,243

ESG

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

OTHER FEDERAL AND STATE RESOURCES (FY-2015)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$ 1,905,322,000	\$ 32,083,000	\$1,937,405,000	Provides supplemental income to families in need in order to address their nutritional needs.
Temporary Assistance to Needy Families (TANF)	\$ 92,812,000	41,203,000	\$ 134,015,000	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)	\$	\$ 4,650,000	\$ 4,650,000	Helps poor families become self-sufficient.
Services to the Families and Children	\$ 51,849,000	\$ 176,774,000	\$ 228,623,000	Provides care and protection to children for their constructive development. Also, provide support to individuals and families who offer social work services and intervention in child adoption, abuse, domestic violence and care and protect the elderly and the

				disabled. Furthermore, to work in community development, emphasizing prevention.
Child Support	\$ 31,305,000	\$ 12,659,000	\$ 43,964,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	0	1,053,000	1,053,000	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	\$ 37,415,000	\$ 14,153,000	\$ 51,568,000	To assist low- income families with child care in order to: 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.

Head Start	\$110,642,000	\$ 1,731,000	\$ 112,373,000	Head Start and Early Head Start are comprehensive child development programs that serve children from birth to age 5, as well as pregnant women and their families. They are child-focused programs that aim to improve school readiness of young children in low-income families.
Disability Determination	\$ 14,500,000	\$ 0	\$ 14,500,000	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$ 2,243,845,000	\$ 283,253,000	\$ 2,527,098,000	

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

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

Not applicable.

ANNUAL GOALS AND OBJECTIVES

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

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
	Provide Decent Housing	2015	2019	Homelessness	Statewide	Street outreach, supportive services and emergency shelter	\$2,457,231	Persons assisted: 5,000
	Provide Decent Housing	2015	2019	Homelessness	Statewide	Provide homeless prevention and rapid rehousing assistance	\$1,249,092.43	Households assisted: 2,000
	Provide Decent Housing	2015	2019	Affordable housing Special Needs	Statewide	Provide housing assistance and supportive services to HIV population	\$1,623,163.86	Persons assisted: 750
	Create Suitable Living Environments	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Social needs (public service)	CDBG: \$2,600,000	Persons assisted 500
	Create Suitable Living Environments	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Community Development (Infrastructure and public facilities)	CDBG: \$14,200,000	Persons assisted 200,000

	Provide Decent Housing	2015	2019	Affordable Housing	CDBG non-entitlement	Rehabilitation of units	CDBG: \$2,126,695	Housing units 730
	Expand Economic Opportunity	2015	2019	Non-Housing Community Development	CDBG non-entitlement	Economic Development	CDBG: \$1,179,117	Jobs 12 Business 12
	Provide Decent Housing	2015	2019	Affordable Housing	CDBG non-entitlement	Homeownership assistance	CDBG: \$175,000	Housing units 50
	Create Suitable Living Environments	2015	2019	Community Development	CDBG non-entitlement	Emergency relief	CDBG: \$300,000	Persons assisted 300
	Provide decent housing	2015	2019	Affordable housing	Statewide	Down payment and closing costs assistance	HOME: \$820,117	Households assisted: 25
	Provide decent housing	2015	2019	Affordable housing	Statewide	Rehabilitation and production of rental housing	HOME: \$5,330,759	Housing units: 500
	Provide decent housing	2015	2019	Affordable housing	Statewide	Rehabilitation and production of rental housing (CHDOs)	HOME: \$1,230,175	Housing units:120

Table 52 – Goals Summary

CDBG

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.

HOME

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.

ESG

The PRDF is committed to pursue the statutory goal of providing decent housing to homeless persons and persons in risk of becoming homeless, by providing assistance for the following services: Street outreach, supportive services and emergency shelter, prevention and rapid rehousing assistance. Based on the needs assessment and the tendencies during the past years, these services will be oriented to: reduce the number of families and individuals living on the street and place them in emergency shelters, transitional or permanent housing; Improve the quality of emergency shelters for homeless families and individuals; Assisting to operate these shelters; Provide support services to shelter's residents; Quickly locate homeless individuals and families in permanent housing; and Prevent individuals and families to become homeless.

HOPWA

HOPWA funding will be used to provide housing assistance and supportive services to persons living with HIV/AIDS, by sponsoring the following activities: Housing Assistance Services (Temporary housing, transitional housing with supportive services, and Permanent housing, and emergency financial assistance); and Support Services (Day care, nutrition, health, and mental and case management).

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Funding Allocation Priorities

Program	Goals		
	Provide Decent Housing	Create Suitable Living Environments	Expand Economic Opportunity
CDBG	12%	82%	6%
HOME	100%		
HOPWA	100%		
ESG	100%		

Table 53 – Funding Allocation Priorities

Reason for Allocation Priorities

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

CDBG

Rationale for the Allocation Priorities

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

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

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

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

HOME

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

ESG

Allocation of funds is based in the assessment of homelessness conducted for the purpose of consolidated planning and the results of the consultation conducted to CoCs and their organizations. Specific results of the consultation are included in a previous section of the Strategic Plan. The specific allocation gives priority to the provision of services to chronic homelessness and particularly will address the needs identified in the homelessness assessment by giving priority to Emergency Shelters without restrictions that may be used as a Stabilization Unit (24 hour, 7 days a week entrance); Expand the range of Street Outreach services; Emergency Shelters without restrictions on population, age, and time; and Emergency Shelter Services. In the case of Prevention and Rapid Re-Housing particular attention will be given to people with mental health conditions; Projects for women; and Shelter proposals along with Rapid Re-Housing. Services that promote economic and personal self-sufficiency, will also be promoted due to the reasons observed for being homeless and the current social and economic context.

HOPWA

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

Funds for HOPWA projects are awarded to eligible 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.

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

Introduction:

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

Distribution Methods

CDBG

The State CDBG allocation for PY 2015 amounts to \$24,311,690. 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 95% of the 2015 budget, equally distributing 91% of the total grant among municipalities, with the exception of the islands of Vieques and Culebra, with both receiving an additional 15% above the Equal Allocation Grant. This method follows the distribution established via the enactment of local Law 137-2014. The Plan provides for a single equal allocation for municipalities and thus eliminates the competitive round from the method of distribution. Details of the Method of Distribution are presented in the table titled Use of Funds for PY 2015.

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.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2015	
Assigned Budget:	\$24,311,690
Distribution by Category:	
Allocation to Municipalities	\$23,282,339.30
State Administration	\$671,516.93

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).

Under Act 137 of 2014 the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same portion of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round. The following table shows the distribution of CDBG funds by category:

USE OF CDBG FUNDS FOR PY 2015

Use of Funds (category)	Allocation
Allocation to Municipalities	\$23,282,339.30
Emergency Fund	\$357,833.76
State Administration	\$671,516.93
Total	\$24,311,690.00

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

Funds should be submitted as well.

Allocations	
Maximum allocation per municipality	\$453,846.77
Maximum allocation for Vieques and Culebra	\$521,923.79

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

Municipalities will have two options: 1) the option of presenting one project for \$372,154.35 (49 municipalities) or \$427,977.50 (Vieques and Culebra), which will eliminate the Public Service category. 2) Allocate a smaller amount to the Public Service category and thus, augment the allocation for the open criteria project.

Eligible Activities and National Objectives

All CDBG eligible activities. Eligible activities under the State CDBG Program are listed in Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended. Each activity must meet one of the national objectives: benefit low and moderate income persons (24 CFR 570.483 (b)), elimination of slums and blight areas (24 CFR 570.483 (c)), or activities designed to address a particular urgency that poses an imminent threat to the health and safety of the community (24 CFR 570.483 (d)). Each activity should correlate with a matrix code, 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.

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

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. All Community Development projects must comply with the following requirements:

- Complete the forms provided in OCAM's RFP.
- Provide a detailed cost estimate "breakdown", according to the Information on the Circulars of July 6 and 9 of 2001 and the Informative Circular 2007-23 of November 26,

2007, related to resurfacing projects.

- Certification of substantial control or ownership (deed or lease).
- Certification of eligibility of the census district.
- Detailed description of the origin and use of other funds.

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.

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.

Homeownership

This activity has been targeted to identify low-income families that have been discouraged from becoming homeowners because they do not have savings for down-payment and closing costs, but could pay an affordable monthly mortgage if given the opportunity to buy their own home. Therefore, funding for the homeownership activity is specifically intended to provide assistance to families pursuing homeownership in a non-entitlement municipality. This category provides direct assistance up to a maximum of \$2,500 of the down-payment and up to a maximum of \$5,000 for closing costs to any qualified individual under the CDBG rules. The use of funds under this category is limited to low and moderate income families which are first time homebuyers. The participants must be employed or be recipients of permanent and recurrent income (i.e. Social Security income). The Section 8 Income Limits will be used to determine the eligibility of

participants.

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

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

Each non-entitlement municipality will be responsible for qualifying and providing technical assistance, maintaining documentation in files, and keeping OCAM's Homeownership Coordinator informed until cases are closed.

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

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

Public Service

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

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

- 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

Specific requirements for this activity:

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

Economic Development Activities:

Public Facility for Business or Commercial Use

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

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

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

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

Program income resulting from the rental of commercial spaces in the Public Facility for

commercial use is subject to the applicable CDBG regulations in 24 CFR 570.489(e). OCAM will issue further compliance guidance on this subject.

Microenterprise Assistance Program

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

Eligible microenterprise activities include the provision of:

- 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.

Program Administration at the Municipality Level

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

Emergency Fund

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

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

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

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

The non-entitlement municipality Finance Director will certify that the Treasury of the Municipality does not have any funds available to pay for the emergency work, and no other

resources from the State or Federal Government are available to the municipality to attend such emergency.

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

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

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

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

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

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.

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 2007, 2008 and 2009. 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.

Other Requirements

Citizen Participation Requirements and Responsibilities for Non-Entitlement Municipalities

The non-entitlement municipalities eligible for assistance under the State CDBG Program for PY 2015, 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.

Proposal Requirements

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 (Fair Housing and Citizen Participation).
- 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.

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.

Application Submission

Application kits or Request for Proposals will be available on April 25th, 2015. The proposals will be submitted on or before May 30th, 2015 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 2015 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.

HOME

The PRHFA will receive \$8,201,168 in HOME funds for PY 2015. 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 2015 is shown below. The category distribution followed the distribution mention in the Executive Summary.

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2015	
Assigned Budget:	\$8,201,168
Distribution by Category:	
State Administration	\$820,117
Construction of Housing or Rehabilitation by Community	
Housing Development Organizations (CHDO)	\$1,230,175
Rehabilitation or Construction of Housing for Rent	\$5,330,759
Down payment Assistance to Homebuyers	\$820,117

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.

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 2015 funds.

As presented earlier, the **State HOME Program** will allocate the amount of **\$8,201,168** for the HOME eligible activities. Activities reflect the needs and policy priorities announced in the State Housing Plan 2011-2015 and the needs and strategies identified in the 2015-2019 Consolidated 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, Hidraulic/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.
- 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

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)
<p>i) Up to 50 points:</p> <p>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:</p> <ul style="list-style-type: none"> (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
<p>ii) 50 points:</p> <p>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</p>
<p>iii) Up to 50 points:</p>

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**
- (c) Projects located within a **500 meter** radius from the center of the facility - **15 points**

b)Project Characteristics (Up to 70 points)

i) Up to **40 points**: construction of the project will begin as soon as an allocation of HOME Funds is made.

Readiness to begin construction will be evidenced with:

- 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.**

ii) State Historic Preservation Office
 SHPO No Adverse Effect Designation Letter (**5 points**)
 Other SHPO Determinations - Project will not be accepted. (**0 points**)

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>iv) FEMA MAP (Floodplain Management Act) Project outside of 100 year floodplain area (5 points) 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 USFWS No Adverse Effect Designation Letter(5 points) Other USFWS 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>
<p>c) Project Owner/Developers Characteristics (Up to 40 points)</p>
<p>i) Project Owner/Developer can demonstrate successful past experience in the development of affordable housing units with HOME Funds in Puerto Rico (25 points)</p>
<p>ii) Project Owner/Developer is a CHDO certified by PRHFA HOME Program. (15 points)</p>
<p>d) Financing Characteristics (Up to 50 points)</p>
<p>i) 5 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).</p>
<p>ii) 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).</p>
<p>e) Special Needs Projects (Up to 40 points)</p>
<p>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</p>

<p>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).</p>
<p>f) Housing Needs Characteristics (Up to 50 points)</p>
<p>i) 50 points: Project bedroom's distribution is at least 75% 2 or more bedrooms units.</p>
<p>ii) 25 points: Project bedroom's distribution is at least 50% 2 or more bedrooms units.</p>
<p>For purposes of the percentage computation, units targeted for the elderly will not be counted even if they are 2 or more bedrooms units.</p>
<p>g) Additional Criteria for Rental Housing Projects (Up to 40 points)</p>
<p>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.</p>
<p>ii) 15 points: Project with reservation or allocation of Low Income Housing Tax Credit.</p>
<p>iii) 10 points: Rental subsidy award:</p>
<p>(a) Agreement to enter into a Housing Assistance Payments Contract, between PHA and Owner.</p>
<p>(b) Contract with the Department of Housing under Act Number 173 of August 31, 1996.</p>
<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</p>

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).

(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.

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.

1. **Activity Name:** **Down Payment Assistance to Homebuyers**
HOME Allocation: \$820,117
Description: The scope of this activity is to promote the acquisition of existing affordable housing for homeownership tenure; increasing the supply of safe, sound and sanitary dwellings available to low income families and helping them to improve their quality of life.
HOME funds will be used to subsidized part of the down payment and closing costs to prospective homebuyers in order to reduce the monthly mortgage payments. The dwelling should met property standards set forth in CFR 92.251 and the homebuyer should met income targeting requirements set forth in sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).
Permanent financing would be secure through a private financial institution or the Puerto Rico 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:**
HOME Allocation:
Description:

Rehabilitation or Construction of Rental Housing
\$5,330,759

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:

\$1,230,175

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: \$820,117
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	\$820,117	10%
Rehabilitation or Construction of Housing for Rent	\$5,330,759	65%
CHDO Project Funds Set Aside (15% of PY 2014) **	\$1,230,175	15%
Program Planning and Administration (10% of PY 2014) *	\$820,117	10%
Total PY 2014 HOME Allocation	\$8,201,168	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.

ESG

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 September 30, 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. This activity will be completed by September 30, 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.

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:	\$ 696,215.45
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:

\$1,761,015.55

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:

\$1,249,092.43

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:

\$81,907.70

Description:

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:

- 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:

\$ 307,153.88

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.

HOPWA:

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 2015 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 in March, 2015. Proposals will be due on April, 2015. 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:

NPOs		New Municipalities		Municipalities	
Criteria	Maxim un Points	Criteria	Maxim un Points	Criteria	Maximun Points
Transmittal Letter	3	Transmittal Letter	2	Transmittal Letter	2
Description of the organization	6	General Information of the Municipality	3	General Information of the Municipality	3
Fiscal and programatic information	6	Description of the capacity of the municipality to conduct the activity	15	Fiscal and programatic information	10
Needs analysis	18	Fiscal and programatic information	10	Description of the project	20

Action Plan	30	Description of the project	20	Action Plan	30
Budget	30	Action Plan	25	Budget	30
Required documentation	2	Budget	25	Performance	5
Performance	5				
Total	100		100		100

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

No funds will be allocated to this activity during PY 2015.

Acceptance of proposals

For PY 2015 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 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 2015, 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 2015. 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.

Supportive services eligible costs include:

- Nutritional Services
- Day care
- Case Management
- Mental Health
- Medical services
- Any supportive service combined with housing

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 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). All HOPWA sub-recipients must migrate to the SAM system in order to be granted during PY 2015.

Activities

The PY 2015 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 2015, HOPWA funds will be allocated in three major categories, as follows:

Administration, Department of Health: \$53,979.51

Administration, Municipality of San Juan: \$122,173.62

Housing activities and supportive services: \$1,623,163.87

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.

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.”

Housing Activities

HOPWA funds will be allocated to undertake eligible housing related and supportive activities by the regulation. This category is available for Municipal and Non Profit sub recipients.

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. Eligible housing costs that can be provided under each eligible category include:

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

- Delivery costs (staff time for conducting initial eligibility assessments, creation of initial housing plans, annual eligibility re-certifications, negotiations with landlords, cutting and mailing payments to landlords)
- All ongoing case management meetings and services for health and housing stability are considered a supportive service and must be presented in a separate proposal
- Material costs related to checks and postage
- HQS inspections

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

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

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

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

However, despite this flexibility of services, HUD has limitations on what is considered to be eligible services. Sub recipients will need to adequately track supportive service activities, document related expenditures, and adhere to these limitations. Some HOPWA-funded supportive services can be provided to income-eligible persons with HIV and AIDS and their family members; others are restricted to HIV clients. As an example, HOPWA regulations establish that health services may only be provided to “individuals with acquired immunodeficiency syndrome or related diseases and not to family members”. Any supportive service, including health services, should be provided as a last resort. The sponsor should document reasonable efforts to qualify recipients for other programs that might pay for supportive services in the client’s Individual Housing Service Plans that demonstrate project sponsors are conducting required on-going assessments of the housing assistance and supportive services.

The flexibility of this range of eligible HOPWA supportive services under this activity can be a challenge given the limited amount of funds available to support these services. This flexibility helps project sponsors adapt their projects to local needs and gaps in services, but the project sponsor needs to

understand the limits of this flexibility. HOPWA emphasizes the importance of housing assistance; but it also provides supportive services in combination with these activities. Some supporting services are restricted to the housing services (such as medical care to hospice activity). Others such as nutritional services may be provided independently. However, the sponsor needs to clarify the nature and scope of the supportive service that will be offered as part of the housing stabilization plan through their HOPWA project.

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

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

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

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

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

Available Grant Amounts

Estimated Availability of Funds for PY 2015- \$99,444,450

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

Section 108 funds should be requested for economic development activities, or activities in support of economic development (24 CFR 570.703), including:

- Property acquisition
- Rehabilitation of publicly owned properties
- Housing rehabilitation eligible under the CDBG program
- Special economic development activities under the CDBG program,
- Payment of issuance costs associated financing loans 108
- Acquisition, construction, reconstruction, rehabilitation or installation of public

facilities

- Reserves to pay debt service on the Section 108 loan
- Other related activities, including demolition and removal, relocation, interest payments, and insurance costs.

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

Acceptance process of applications

Application Requirements

- 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 2015.
- The non-entitlement municipalities should comply with several administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.
- Requirements include: Status of monitoring reports, up to date Single Audit Reports, closing of previous program years (only last 5 PY can be open), no open findings, timeliness, among others.
- Municipalities can request up to a maximum of 5 times their CDBG allocation with a ceiling of \$2,000,000 per municipality.

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

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

HOME

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

The **HOME** allocation for PY 2015 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



ESG

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

wide. The following table shows the distribution by geographic area of 2014 funds.

Program	Target Area	Percentage of Funds
Street Outreach	Aguadilla, Arecibo, Caguas, Carolina Cidra, Comerío, Mayagüez San Juan	9.6%
Emergency Shelter	Aguada, Aguadilla, Arecibo Bayamón, Caguas, Cataño Cayey, Cidra, Comerío, Dorado, Guaynabo, Humacao, Juncos, Las Piedras, Loíza, Mayagüez, Ponce, San Juan, Trujillo Alto, Vega Alta, Vega Baja, Yabucoa, Yauco	33.8%
Homelessness Prevention	Aibonito, Aguada, Aguadilla, Arecibo, Arroyo, Barceloneta, Barranquitas, Bayamón, Cabo Rojo, Caguas, Camuy, Canóvanas, Cataño, Cayey, Ceiba, Ciales, Cidra, Coamo, Comerío, Dorado, Fajardo, Florida, Guánica, Guayama, Guayanilla, Guaynabo, Gurabo, Hatillo, Hormigueros, Humacao, Isabela, Jayuya, Juana Díaz, Lares, Las Piedras, Loíza, Manatí, Maunabo, Mayagüez, Morovis, Orocovis, Ponce, Salinas, San Germán, San Juan, San Lorenzo, San Sebastián, Toa Baja, Vega Alta, Vega Baja, Villalba	34.1%
Rapid Rehousing	Aibonito, Aguadilla, Añasco, Arecibo, Barceloneta, Bayamón, Caguas, Ceiba, Ciales, Cidra, Coamo, Comerío, Fajardo, Guayanilla, Guaynabo, Hormigueros, Humacao, Jayuya, Juana Díaz, Loíza, Naguabo Ponce Sabana Grande, San Juan Vega Baja	12.5%

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

The PRDOH cannot predict the ultimate geographic distribution of HOPWA funds. Funds will be

distributed using an open competition method. It is expected that 100% of the funds are distributed.

AFFORDABLE HOUSING

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

Introduction:

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

One Year Goals for the Number of Households to be Supported	
Homeless	N/A
Non-Homeless	2,000
Special-Needs	750
Total	2,500

Table 54 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Homebuyer Assistance (Down payment and closing costs)	25 + 50 = 75
The Production of New Units and Rehabilitation of Existing Units	500 + 730 = 1,230
Rehabilitation and production of rental housing (CHDOs)	120
Total	1,425

Table 55 - One Year Goals for Affordable Housing by Support Type

Discussion:

ESG will provide will allocate funds for homeless prevention and rapid rehousing activities. NPOs and municipalities may use ESG funds to provide housing relocation and stabilization services and short-and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place allowed by the regulation. ESG funds may also be used to provide housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. Meanwhile HOPWA will provide tenant based rental assistance (TBRA), and short term rent mortgage utility assistance (STRMU) for persons with special needs.

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

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

Introduction:

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

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

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

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

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

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

The state will address the needs identified in the homelessness assessment by giving priority to Emergency Shelters without restrictions that may be used as a Stabilization Unit (24 hour, 7 days a week entrance); Expanding the range of Street Outreach services; Emergency Shelters without

restrictions on population, age, and time; and Emergency Shelter Services. In the case of Prevention and Rapid Re-Housing, particular attention will be given to people with mental health conditions; and Shelter proposals along with Rapid Re-Housing. Services that promote economic and personal self-sufficiency, will also be promoted due to the reasons observed for being homeless and the current social and economic context.

Addressing the emergency and transitional housing needs of homeless persons

The strategies promoted by the Puerto Rico Department of the Family are centered in the public policy established by Law Number 130. As is established in Article 4 of the Law, “the Government of the Commonwealth of Puerto Rico recognizes the need to foster, plan, and carry out services and facilities to attend the needs of these persons, to enable their participation in the Puerto Rican community and allow them to lead a productive and social life. Services must be offered in a multisectoral manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors”.

Guided by this concept of shared responsibility, it was established that Public Policy regarding homelessness would be based in the following principles:

1. Homeless persons are entitled to a dignified way of life and to full enjoyment of their human and civil rights, including the right to the responsible and free use and enjoyment of public space; and the right to housing.
2. Homeless persons must be acknowledged, supported, protected, and empowered in order to be able to assume individual, familial, and social duties and responsibilities; including the duty to care for themselves, the commitment to self-respect and personal development, and the commitment to contribute their talents to social solidarity and development.
3. Homeless persons should receive services that include, but are not limited to: emergency shelter; transitory and permanent housing; daytime shelter; detoxification and treatment for alcohol and other drug abuse; nourishment, nutrition, hygiene, clothes, and access to sanitary services and showers; primary and specialized physical and mental health services; legal support and representation; law enforcement and judicial protection; information and guidance regarding their civil rights; social assistance; education and training; job placement; opportunities for developing entrepreneurial abilities focused on producing the necessary income; family reunification; and other services.

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

Funding for emergency shelters comes mainly from the State’s ESG program. Funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as services for the residents (including case management, child care, education, employment assistance and job training, legal, mental health, substance abuse treatment, transportation, and services for special populations)

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

The Current Homelessness Strategy of the PRMC to end chronic homelessness in Puerto Rico includes strategies directed towards persons who are currently homeless, as well as that in risk of becoming homeless. These include:

- Continued expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons, in full compliance with PR Law 130-2007.
- Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in 10-year planning processes to end chronic homeless
- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.
- Implementation of specific action steps to improve access to services, reduce stigma and combat the criminalization of homelessness, based on the awareness that has been developed in policy and decision-makers, resulting in policy changes to reduce the time for elimination of criminal records, give priority to homeless populations applying for mainstream services, and others.
- Continued education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.
- Increased capacity building of municipal government representatives to partner with community based organizations in the development, financing and delivery of services to chronic homeless.
- Continued emphasis on continuing education to professionals working with homeless individuals to improve sensitivity and humane treatment as well as the level of intensity and quality of services needed by the chronic homeless to achieve their recovery and promote self-sufficiency over time, including the inclusion of curricular content related to homelessness in pre-service training of Police Cadets and in courses of public and private high schools.
- Continue with the implementation of the dedicated HMIS - currently under San Juan's Coalition and the Coalition of Coalitions - for uniform data collection to track populations

served through the various systems to permit continuous monitoring of the number and quality of services provided, and outcomes in the homeless served.

- Collaborate with the San Juan's Coalition, the Coalition of Coalitions, and the entities that comprise the CoC in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.
- Continued identification and work with public and private housing developers to target homeless in the development of permanent supportive housing. The current strategies include primarily work with state and non-profit sectors so that more efforts will be directed to local governments and the for-profit stakeholders to improve housing accessibility and service infrastructures for the chronic homeless.
- 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.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

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

AP-70 HOPWA Goals – 91.320(k)(4)

One-year goals for HOPWA include the following:

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

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

Introduction:

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

Discussion:

HOME

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.

AP-85 Other Actions – 91.320(j)

Introduction:

Actions planned to address obstacles to meeting underserved needs

HOME

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.

Actions planned to foster and maintain affordable housing

See above.

Actions planned to reduce lead-based paint hazards

HOME

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:

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

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

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

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

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

As part of the actions for PY 2015, The PRHFA will conduct a review off its processes and procedures previously described.

Actions planned to reduce the number of poverty-level families

See above.

Actions planned to develop institutional structure

See above.

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

See above.

PROGRAM SPECIFIC REQUIREMENTS

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

Introduction:

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

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

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

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

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

Other CDBG Requirements	
1. The amount of urgent need activities	\$357,833.76

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

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

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

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.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used

for homebuyer activities as required in 92.254, is as follows:

Resale and Recapture Provisions

The 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.

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

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.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows: Does not apply.

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

1. Include written standards for providing ESG assistance (See attachment)
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.
3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).
4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

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

Homeless population is represented in different entities:

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

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

