

GOVERNMENT OF PUERTO RICO

**STATE CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY
DEVELOPMENT PROGRAMS 2020-2024 & 2020 ANNUAL
ACTION PLAN**

AUGUST 25, 2020



DRAFT FOR PUBLIC COMMENTS

Contents

Executive Summary.....	5
ES-05 Executive Summary - 91.300(c), 91.320(b)	5
The Process	18
PR-05 Lead & Responsible Agencies 24 CFR 91.300(b).....	18
PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.200(l) and 91.315(l)	20
<i>General perceptions on homeless situation</i>	23
<i>Main barriers on homeless population identified by participants</i>	23
PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)	30
Needs Assessment	41
NA-05 Overview	41
NA-10 Housing Needs Assessment - 24 CFR 91.305 (a,b,c)	43
NA-15 Disproportionately Greater Need: Housing Problems - 91.305 (b)(2).....	52
NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.305(b)(2)	55
NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.305 (b)(2)	58
NA-30 Disproportionately Greater Need: Discussion – 91.305 (b)(2)	59
NA-40 Homeless Needs Assessment – 91.305(c).....	60
NA-45 Non-Homeless Special Needs Assessment – 91.305 (b,d)	63
NA-50 Non-Housing Community Development Needs - 91.315 (f)	76
Housing Market Analysis.....	78
MA-05 Overview.....	78
MA-10 Number of Housing Units – 91.310(a).....	80
MA-15 Cost of Housing – 91.310(a)	83
MA-20 Condition of Housing – 91.310(a)	87

MA-30 Homeless Facilities – 91.310(b).....	91
MA-35 Special Needs Facilities and Services – 91.310(c)	94
MA-45 Non-Housing Community Development Assets -91.315(f)	98
MA-50 Needs and Market Analysis Discussion	105
MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)	107
MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)	109
Strategic Plan	113
SP-05 Overview	113
SP-10 Geographic Priorities – 91.315(a)(1)	115
SP-25 Priority Needs – 91.315(a)(2)	119
SP-30 Influence of Market Conditions – 91.315(b)	124
SP-55 Barriers to affordable housing – 91.315(h)	144
SP-60 Homelessness Strategy – 91.315(d)	145
SP-65 Lead based paint Hazards – 91.315(i)	149
SP-70 Anti-Poverty Strategy – 91.315(j)	151
SP-80 Monitoring – 91.330	153
Expected Resources	165
AP-15 Expected Resources – 91.320(c)(1,2)	165
Annual Goals and Objectives	176
AP-25 Allocation Priorities – 91.320(d)	181
AP-30 Methods of Distribution – 91.320(d)&(k)	184
AP-35 Projects – (Optional)	252
AP-38 Project Summary	253

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)	254
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii).....	257
AP-50 Geographic Distribution – 91.320(f)	258
Affordable Housing	261
AP-55 Affordable Housing – 24 CFR 91.320(g).....	261
AP-60 Public Housing - 24 CFR 91.320(j)	264
AP-65 Homeless and Other Special Needs Activities – 91.320(h)	268
AP-70 HOPWA Goals – 91.320(k)(4).....	273
AP-75 Barriers to affordable housing – 91.320(i)	274
AP-85 Other Actions – 91.320(j).....	277
Program Specific Requirements.....	282

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

The lead agency of the 2020-2024 Consolidated Plan is the Puerto Rico Department of Housing (PRDOH). This agency coordinates all efforts toward the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executes annually on its action plan. In addition, the PRDOH is responsible for the administration of the PR-State CDBG Program allocation, as established by Local Law (Act 162, 2018). Other agencies currently responsible for the administration of Programs are:

1. The Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG);
2. 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
3. The Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME) and the Housing Trust Fund program (HTF).

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 2020-2024 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
- Promote the development of special needs projects, which are those that provide supportive service.
- Address the need of substandard housing by supporting construction of rental housing

Create a Suitable Living Environment

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

Expand Economic Opportunity

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

The goal of the Housing Trust Fund is to provide decent affordable housing to low-income and very low-income households and individuals.

Goals

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

1. The economy of Puerto Rico grew 1.5% in Fiscal Year 2019. This is the first time the local economy reported growth since 2012, when the Island benefited from a close to \$7.0 billion allocation from the American Recovery and Reinvestment Act (ARRA), a post U.S. 2009 Financial Crisis economic stabilization program. Nevertheless, COVID-19 is expected to dampen growth in Fiscal Year 2020 and 2021. Unemployment claims reached 164,049 by the week of August 8th. Although the Government of Puerto Rico does not have official economic projections that account for the impact of the pandemic, there is a consensus among local economist that the economy will show a considerable decline during the third and fourth quarters of Fiscal Year 2020 and the first semester of Fiscal Year 2021. The Bureau of Labor Statistics reported that 117,000 salary jobs were lost by the end of March 2020 (year to year). With the opening of the economy, private employment improved in May and June of 2020, but by the end of the month 76,000 had not been recovered, which amounts to a 11% reduction in contrast to June 2019.
2. The economy has undergone structural challenges that will continue to limit long term growth prospects. Covid-19 is adding to this challenge, even considering the more than \$5.0 billion that have been allocated to the Government of Puerto Rico from the CARES Act.
3. It is reasonable to assume that COVID-19 will have a disproportionate impact on low and moderate income households, as the industries that are directly impacted by the pandemic are the hospitality, entertainment and retail industries, which have a disproportionate amount of workers earning low wages.
4. Moreover, a wave of inward migration for Puerto Ricans that have lost their jobs in the U.S. is occurring, as alerted the moving industry. This trend will have social consequences and will increase the demand for the safety net. The need for affordable housing, transitional and permanent housing for homeless persons or in risk of, supporting services, job creation and retention initiatives and economic development programs.
5. Mortgage delinquency rates and foreclosures continue to be high in Puerto Rico, which reflects the weak financial situation of consumers and of the effect of the economic situation on the risk of homelessness.

6. The greatest need is among low and moderate income households that live in households with one or more severe housing problems: lacks kitchen or complete plumbing, severe overcrowding, severe cost burden, which accounted for 44% of households. More than 56,855 households with incomes up to 100% AMI reported living in a substandard housing, of which 86% (49,080) were low- and moderate-income households.
7. Puerto Rico has experienced a demographic transformation. The elderly population, those 65+, has experience a consistent increase, while persons with ages below 54 years old are declining. The number of children is declining at the fastest rate.
8. Elderly households living alone are those who are more vulnerable given that more than 175,000 have an independent living difficulties, of which 33%, or approximately 58,000, are estimated to be low and moderate income households.
9. During the most recent Point in Time Survey conducted in the Island (2019), a total of 2,535 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 2,321 households, out of which 7.1% were households with at least one adult and one child. In those households without children most persons are over 24 years old (98%), while in the case of households with at least one child, the majority of the household members are under age 18 (56.7%). The 27% are chronically homeless, while 49.5% suffer from chronic substance abuse. Of persons counted, 38.8% were severely mentally ill, 5.2% have been victims of domestic violence, and 6.8% are affected by HIV/AIDS. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population.
10. In addition to the homeless population, other groups also require support services. These groups include: persons with HIV/AIDS, persons living in poverty, the elderly population, victims of domestic violence, and people with drug addiction problems.
11. Domestic violence constitutes one of the gravest and most complex problems affecting Puerto Rican society. As the Prologue to Law 54 for the Prevention and Intervention with Domestic Violence of August 15, 1989 indicates, domestic violence threatens the integrity of the family and its members and constitutes a serious threat to the stability and preservation of civilized coexistence in our society. Puerto Rico police statistics show that the problem of domestic violence has become increasingly complex. The most recent data (2019) shows a total of 6,725 cases of domestic violence.
12. As of July 31, 2020, a total of 50,223 HIV/AIDS cases have been reported in the Island. Out of these cases, 29,811 persons died, representing a fatality rate of 59% Individuals

living with HIV/AIDS and their families present a series of needs related to housing and complimentary services.

13. Other needs of special populations include: Shelter and outreach services for homeless population, Chronic homelessness, Substance abuse, Mentally ill, and Victims Domestic Violence, Woman with Children; and prevention and rapid rehousing for persons at risk of becoming homeless.
14. Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provides a baseline for determining the needs for public services. Traditionally under the CDBG program local communities can select from the whole array of eligible activities described in CDBG regulations and guidelines. Such services usually target low income population with special needs, such as the elderly in rural communities and disadvantaged youth.
15. Non-entitlement municipalities have many infrastructure needs. Traditionally, most CDBG allocations have addressed infrastructure needs of low income communities.

3. Evaluation of past performance

This Consolidated Annual Performance Report (CAPER), provides an overview of the progress made during PY 2018-2019, the fourth year of the Puerto Rico State 2015-2019 Housing and Community Consolidated Plan. The Plan set the goals and strategies to address community and economic development needs as well as affordable housing needs over the five-year planning period. During Program Year 2018, the state undertook activities consistent with the approved strategic and annual action Plan, for the following programs: Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), Housing Trust Fund (HTF), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA).

Each of these programs of the Consolidated Plan invested available resources in eligible activities to address the needs of the low- and moderate-income persons with the final goals of:

- increasing the availability, accessibility, and affordability of decent housing,
- create suitable living environments, and
- provide economic opportunities for low- and moderate-income individuals.

Even with the challenges faced by Puerto Rico in the social and economic context, the State has made progress in meeting its 2018 goals and objectives and is moving forward the 5 year goals. The following is a summary of each program performance during program year 2018:

HOPWA Program

As per the service activities undertaken in PY 2018, the HOPWA Program sub-recipients provided short-term rent, mortgage and/or utility assistance payments, supportive services, Tenant-Based Rental Assistance, and other eligible activities to persons living with HIV/AIDS and their families. The sub-recipients spent \$1,512,242 that represent the seventy-five percentage (75%) of the allocated funds to undertake the contracted activities. HOPWA funds were used to support the following eligible activities:

- **Tenant-Based Rental Assistance (TBRA) Program:** The TBRA program provides tenant-based rental assistance to eligible individuals until they are able to secure other affordable and stable housing. This activity was undertaken by ten (10) Municipalities. A total of \$709,905.00 was allocated to TBRA, from this total, \$27,149.00 were allocated to activities delivery costs and the provision of housing assistance to eligible participants.
- **Short-Term Rent, Mortgage, and Utilities (STRMU) Assistance Program:** The STRMU program provides short-term rent, mortgage, and utility payments to eligible individuals for a maximum of 21 weeks of assistance in a 52-week period. During the reported program year these services were spread through 3 geographical regions within the Puerto Rico jurisdiction. The amount allocated to this activity was \$162,500.00 and the total amount draw was \$114,365.74.
- **Supportive Services Program:** Under this program supportive services and housing are offered by nonprofit organizations via contracts with the MSJ. Supportive services including health care, mental health assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, and assistance in gaining access to local, state, and federal government benefits and services, were also provided to HOPWA recipients. Most services are provided in a residential setting. The total amount allocated for Supportive Services was \$637,204.50. A total of \$464,594.96 were disbursed for this activity.
- **Transitional Housing:** This category includes temporary housing, hospice care, detox services, permanent housing for chronically ill mental patients, and other types of housing with supportive services to maintain clients' quality of life. A total amount of \$512,950.50 was allocated to provide services within this activity and the total amount draw was \$327,486.89.

ESG Program

During Program year 2018, ESG funds were used to conduct street outreach, provide emergency shelter and rapid rehousing opportunities for homeless persons and homeless prevention

activities. The largest proportion of funds were focused on providing outreach services and shelter to persons literally homeless. This is due to the characteristics observed in homelessness in the 2017, which reflected that out of the 3,501 persons identified the day of the count, 72.8% were unsheltered. In terms of the number of persons projected to be served in the Action Plan, the Program estimated 7,139. According to HMIS Data by the closing of the Program Year, subrecipients served 5,160 persons. This represents 72% of its goal, when combining all activity components.

HOME Program

The HOME program allocated the funds according to the priorities identified in the Strategic Plan to address the housing needs of low- and moderate-income persons. The program addresses both homeownership and rental needs through homebuyer assistance programs, subsidies to developers of multifamily rental projects, rental assistance programs and homeownership rehabilitation for substandard housing. These approaches address housing affordability issues in Puerto Rico, where the median cost of safe and decent housing is considerably higher than the median income of residents and where a substantial amount of substandard housing is present and located in areas affected by environmental risks.

Housing Trust Fund (HTF)

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

CDBG

Non-entitlement municipalities requested 2018 funds following the priorities identified in the Plan. The government's fiscal situation, the lack of access to capital, and constrained municipal finances, have all contributed to placing most CDBG efforts in housing, public service and infrastructure projects. CDBG activities have almost been exclusively destined to low and moderate-income population. The following is a summary of the CDBG activities performance (IDIS PR23) during program year 2018:

Activity Group	Activity Category	Open Count	Open Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Economic Development	CI Building Acquisition, Construction, Rehabilitation (17C)	1	\$1,046.44	0	\$0.00	1	\$1,046.44
	Micro-Enterprise Assistance (18C)	2	\$3,333.33	1	\$5,000.00	3	\$8,333.33
	Total Economic Development	3	\$4,379.77	1	\$5,000.00	4	\$9,379.77
Housing	Rehab; Single-Unit Residential (14A)	23	\$373,981.23	21	\$101,499.92	44	\$475,481.15
	Rehab; Multi-Unit Residential (14B)	0	\$0.00	1	\$729.89	1	\$729.89
	Total Housing	23	\$373,981.23	22	\$102,229.81	45	\$476,211.04
Public Facilities and Improvements	Parks, Recreational Facilities (03F)	13	\$169,158.30	9	\$379,517.32	22	\$548,675.62
	Parking Facilities (03G)	1	\$129,679.50	3	\$16,553.08	4	\$146,232.58
	Flood Drainage Improvements (03I)	1	\$54,956.50	0	\$0.00	1	\$54,956.50
	Water/Sewer Improvements (03J)	0	\$0.00	1	\$37,800.00	1	\$37,800.00
	Street Improvements (03K)	18	\$1,106,942.28	37	\$3,307,812.76	55	\$4,414,755.04
	Other Public Improvements Not Listed in 03A-03S (03Z)	8	\$730,005.54	2	\$299,730.17	10	\$1,029,735.71
	Total Public Facilities and Improvements	41	\$2,190,742.12	53	\$4,041,413.33	94	\$6,232,155.45
Public Services	Senior Services (05A)	37	\$406,154.93	32	\$365,549.06	69	\$771,703.99
	Services for Persons with Disabilities (05B)	1	\$37,640.24	0	\$0.00	1	\$37,640.24
	Youth Services (05D)	5	\$63,623.01	4	\$53,062.60	9	\$116,685.61
	Employment Training (05H)	1	\$0.00	0	\$0.00	1	\$0.00
	Crime Awareness (05I)	0	\$0.00	1	\$515.28	1	\$515.28
	Child Care Services (05L)	0	\$0.00	1	\$688.53	1	\$688.53
	Health Services (05M)	3	\$0.00	2	\$3,937.01	5	\$3,937.01
	Total Public Services	47	\$507,418.18	40	\$423,752.48	87	\$931,170.66
General Administration and Planning	General Program Administration (21A)	176	\$1,294,311.76	22	\$140,453.94	198	\$1,434,765.70
	State Administration (21J)	7	\$2,827.95	1	\$0.00	8	\$2,827.95

	Total General Administration and Planning	183	\$1,297,139.71	23	\$140,453.94	206	\$1,437,593.65
Repayment of Section 108 Loans	Planned Repayment of Section 108 Loan Principal (19F)	0	\$0.00	4	\$1,008,827.71	4	\$1,008,827.71
	Total Repayment of Section 108 Loans	0	\$0.00	4	\$1,008,827.71	4	\$1,008,827.71
Grand Total		297	\$4,373,661.01	143	\$5,721,677.27	440	\$10,095,338.28

CDBG Sum of Actual Accomplishments by Activity Group and Accomplishment Type

Activity Group	Matrix Code	Accomplishment Type	Open Count	Completed Count	Program Year Totals
Economic Development	CI Building Acquisition, Construction, Rehabilitation (17C)	Jobs	0	0	0
	Micro-Enterprise Assistance (18C)	Jobs	2	6	8
	Total Economic Development		2	6	8
Housing	Rehab; Single-Unit Residential (14A)	Households	95	0	95
		Housing Units	126	688	814
	Rehab; Multi-Unit Residential (14B)	Housing Units	0	19	19
	Total Housing		221	707	928
Public Facilities and Improvements	Neighborhood Facilities (03E)	Persons	0	201	201
	Parks, Recreational Facilities (03F)	Persons	70,715	128,113	198,828
	Parking Facilities (03G)	Persons	2,585	9,300	11,885
	Flood Drainage Improvements (03I)	Persons	4,741	0	4,741
	Water/Sewer Improvements (03J)	Persons	0	3,410	3,410
	Street Improvements (03K)	Persons	57,745	426,962	484,707

	Other Public Improvements Not Listed in 03A-03S (03Z)	Persons	44,682	11,860	56,542
	Total Public Facilities and Improvements		180,468	579,846	760,314
Public Services	Senior Services (05A)	Persons	509	821	1,330
	Services for Persons with Disabilities (05B)	Persons	10	0	10
	Youth Services (05D)	Persons	110	358	468
	Employment Training (05H)	Persons	0	0	0
	Crime Awareness (05I)	Persons	0	28	28
	Child Care Services (05L)	Persons	0	360	360
	Health Services (05M)	Persons	50	8,842	8,892
	Total Public Services		679	10,409	11,088
Grand Total			181,370	590,968	772,338

4. Summary of citizen participation process and consultation process

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

The following citizen participation actions:

Public Hearing Notice: posted a public notice on the *El Vocero* newspaper on the edition for Wednesday 19th, February 2020. It invited the general population to participate of the Public Hearings for the CDBG, HOME, ESG, HOPWA and HTF Programs 2020-2024 Consolidated Plan and PY 2020 Annual Action Plan. Complying with the Consolidated Plan regulations, the hearings were held at least two (2) weeks after the notice was published.

Also, the public notice was posted in the Official PRDOH's Web Page. This action expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities. As well, notification was sent via email to stakeholders, including non-entitlement municipalities and non-for-profit organizations (NPOs).

Public Hearing: Friday, March 6, 2020, 8:00 a.m. at the Automobile Accident Compensation Administration (ACAA, for its Spanish acronym) Central Office, located at 249 Arterial Hostos, Esquina Chardón, San Juan, P.R.

The public hearing was attended by 106 individuals. State Agencies officials (CDBG, HOME, ESG, HOPWA, HTF) made a presentation of the Plan process and each program. The presentation included a description of: objectives; content of the Plan, the consolidated planning process;

identification of needs; proposed strategies and method of distribution and the opportunities for citizens and other stakeholders to comment. Attendees could present proposals and comments about the needs of their communities and how can they be addressed in the plan, as well as recommendations on the strategies and methods of distribution of funds that were presented. All information collected at the public hearings, was analyzed and a summary of the comments and the state's response is included in a next section.

A second hearing was conducted on May 21, 2020 in the context of the CDBG-CV CARES Act allocations¹, which provided another opportunity to receive comments on the needs and the impediments to fair housing choice. A total of 71 persons participated of this second hearing, representing nonprofit organizations, municipalities, and public agencies. In accordance with the flexibilities provided by the CARES Act, five additional days were provided for public comments. No additional comments regarding the needs or barriers were received.

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

5. Summary of public comments

The rest of the comments received after the publication of the draft will be included in the final document. A table of the summary of public comments received during the public hearing is available in section PR-15.

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

To be included in the final document.

7. Summary

The 2020-2024 Consolidated Plan and the PY 2020 Annual Action Plan are the Puerto Rico State Government comprehensive housing affordability strategy and community development plan and an application for funding under the HUD's Community Planning and Development formula grant programs. The Plan includes strategic activities to address the State housing, economic and community development needs for the aforementioned period. The State is an Entitlement Community for the Community Development Block Grant (CDBG Program), for the Emergency Solutions Grant Program (ESG Program), for the Housing Opportunities for Persons with AIDS

¹ Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136.

Program (HOPWA Program) and a participating jurisdiction for the HOME Investment Partnership Program (HOME Program) and the Housing Trust Fund Program (HTF Program).

The plan is prepared in accordance with the 24 CFR Part 91, Consolidated Submissions for Community Planning and Development Programs. The Consolidated plan and Annual action plan includes strategies to be undertaken under the previously mentioned formula grant programs.

The Plan has three (3) statutory objectives established by HUD to address the needs of the low to moderate income individuals. The specific statutory objectives are:

- Providing Decent and Affordable Housing;
- Creating a Suitable Living Environment; and
- Expanding Economic Opportunities

The overall goal of the State plan is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

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 administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	PUERTO RICO	Puerto Rico Department of Housing (PRDOH)
HOPWA Administrator	PUERTO RICO	Puerto Rico Department of Health / Municipality of San Juan (MSJ)
HOME Administrator	PUERTO RICO	Puerto Rico Housing Finance Authority (PRHFA)
ESG Administrator	PUERTO RICO	Puerto Rico Department of Family (PRDF)
HTF Administrator		Puerto Rico Housing Finance Authority (PRHFA)

Table 1 – Responsible Agencies

Narrative

The lead agency of the 2020-2024 Consolidated Plan is the Puerto Rico Department of Housing. This agency coordinates all efforts toward the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executed annually on its action plan. In addition, PRDOH is responsible for the administration of the PR-State CDBG Program allocation, as established by Local Law (Act 162, 2018).

In this effort, the PRDOH works in conjunction with three (3) State agencies, that are responsible to act as HUD grantees and administrators for the Community Planning and Development Programs. These agencies are the Puerto Rico Housing Finance Authority (PRHFA) for the HOME and HTF Programs, the Department of Family for the ESG Program and the Department of Health for the HOPWA Program. In the case of the HOPWA Program, although the Health Department is the State HOPWA grantee, the Municipality of San Juan acts as the program administrator in accordance to a collaborative agreement signed between the parties back in year 2010.

Consolidated Plan Public Contact Information

In compliance with the provisions of Section 91.115 of Title 24 of the Code of Federal Regulations, Part I of the Law of Housing and Community Development of 1974, as amended, and the flexibilities provided by the CARES Act, copies of the Consolidated Plan 2020-2024 will be available from the date of its publication, for review and submitting comments in the Internet at <https://www.vivienda.pr.gov/cdbg-estado>. Due to the safety measures required in the context of COVID-19, persons with difficulties to access Internet, may call the CDBG Program to make the arrangements for a physical copy. The CDBG Program may be reach at 787- 274-2527 extensions 5109 & 5110.

Comments to the plan should be addressed to:

Name: Ms. Aida Gracia

Position: Special Aide to the Secretary, PRDOH

cdbg-municipal@vivienda.pr.gov

Questions regarding consolidated planning may be addressed to:

Ms. Aida Gracia

Special Aide to the Secretary

cdbg-municipal@vivienda.pr.gov

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.200(I) and 91.315(I)

Introduction

The Puerto Rico Consolidated Plan 2020-2024 and the Annual Action Plan 2020 integrate the allocation of a variety of Federal funds for projects and activities benefitting low- and moderate-income persons. Applicable funds include those of the State Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Trust Fund (HTF), Housing Opportunities of Persons with Aids (HOPWA) and Emergency Solutions Grant (ESG).

The Consolidated Plan represents a collective effort from the State to obtain the views of the Municipalities, Private, nonprofit, and public organizations, the private sector and other stakeholders. To obtain their views the state contacted and integrated them through meetings, email communications, a survey, focus groups, and interagency committee and among other available means. Discussions included housing and community development needs, and barriers and constraints regarding housing and community development programs in Puerto Rico, among other topics

The establishment of effective partnerships among the consolidated plan stakeholders and interested parties, offers a wide range of benefits to the plan institutional structure. All consolidated plan stakeholders have key data, financing, and other resources with which, the lead agency can align the goals and programs. In addition, the State can leverage other public and private resources such economic development, transportation, and public health funding. Further, establishing strong relationships provides greater opportunity across all parties, including the low- and moderate-income population groups and the communities.

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

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

Although the PRDOH complies with the regulation's citizen participation and consulting minimum requirements, it promotes and undertakes ongoing consultation, collaboration and interaction efforts throughout the program year. The objective behind these efforts is to develop strategic and accountable partnerships among the stakeholders that will lead to achieve greater results. Continued communication among the parties will allow to assess effectiveness of programs throughout the year, and what may be improved in future planning cycles. Based on this

communication and feedback, the PRDOH may prioritize further consultation based on partnerships that will help to implement specific projects and activities. Building partnerships with stakeholders around shared priorities provides a strong foundation that supports continued collaboration.

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

This document represents a collective effort from a comprehensive array of State and private organizations. Coordination with all stakeholders was achieved during the two public hearings conducted, a series of focus groups that were conducted and the establishment of an interagency committee that met on a regular basis as part of the planning process.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Department of the Family actively participates in the CoCs and is the Collaborative Agency of the CoC 502. Currently, the State ESG Program is represented in both CoCs which facilitates the integration of ESG into the CoC planning processes. Meetings with both CoCs are held regularly. They continue collaborating to maintain veterans functional at zero to prevent and eradicate the situation of veterans, youth and chronic homeless. Similarly, the Department is actively participating of the coordinated entry system committee where different strategies are developed to prevent and eradicate the situation of homeless youth and families with children, as well as families and youth at risk of homelessness. To assure integration and participation of ESG's subrecipients, organizations and municipalities will continue requiring participating in CoC's subcommittees of their area and participating of the coordinated entry system.

As part of the consolidated planning process strategies are defined with the objective of addressing the main and core housing and supportive service needs of homeless individuals and families. In addressing the needs of the homeless population, the above described parties collaborate and interact through a multi-layered service model that involves the non-profit organizations, faith-based initiatives, and other available statewide services entities. The homeless strategy encourages active participation of community-wide agencies and providers to meet the full spectrum of needs of the homeless as well as to identify gaps and priorities in the provision of services to homeless persons. The critical components of the Continuum of Care Strategy include:

- Outreach, intake and assessment
- Emergency Shelter
- Transitional Housing
- Supportive Services
- Rapid Re-Housing
- Permanent Housing
- Homeless Prevention

As part of the FY 2019 competition, Puerto Rico received a total of \$20,554,364 in Continuum of Care allocated funds for both CoCs. With this funding the homeless strategy will be able to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effective utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

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 regulation applicable to the consolidated planning process, the PR Department of the Family, as a recipient of the ESG Funds and the Puerto Rico Department of Housing, as the Consolidated Planning Lead Agency, carried out a consultation with the two continuum of care systems, PR-502 and PR-503. The consultation was conducted through online virtual focus group sessions due to the COVID-19 pandemic. These were conducted on May 28 and June 4, 2020 through Zoom app. The participants had the opportunity to comment or ask questions verbally, by writing on the chat or via email after the sessions ended. The first focus group session was held with the members of PR502 and with the participation of around 30 persons from 21 different entities, including 12 non-profit organizations, 6 municipalities and 3 state government agencies. The second session was held with members of PR 503 had the participation of around 50 persons from 37 entities, including 19 non-profit organizations, 17 municipalities and 1 state government agency.

The focus groups were carried out using a semi-structured guide of questions and poll exercises through which they delved into:

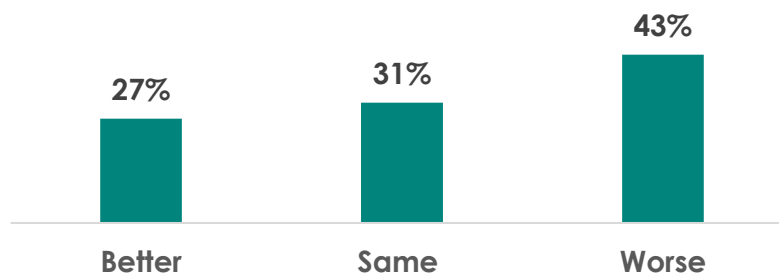
- Changes in the needs and characteristics of the homeless;
- Distribution of funds by type of activity and geographical area.

- Development of performance standards and how to evaluate the results of programs and activities.
- Development of policies and procedures for the administration and management of the Homeless Management Information System (HMIS) in which they are required to participate.

General perceptions on homeless situation

The focus groups participants were asked about the current situation of homelessness in Puerto Rico in comparison with the last three years. To four out of ten participants of the groups the current situation of homelessness in Puerto Rico in terms of magnitude, when compared to three years ago, is worse. According to most of those participants, the hard-economic situation of the Island for the past years in addition to the natural disasters, including hurricanes and earthquakes, have worsen the homeless situation. For some participants, this situation is worse, especially in the case of chronic homelessness. Other factors for the worsened of homelessness in the Island mentioned by the participants where: the unemployment situation in many areas, and the loss of hope in people as part of their reaction to the natural disasters or barriers in the process of coping with their needs. However, for three out of ten participants, the situation has stayed the same in the past three years, and for other three out of ten situation have improved, even with the natural disasters and economic situation. Some of these participants mentions that the overall homeless situation can be better or the same, but not in the case of chronic homelessness, and the conditions for those people are worse.

Figure 5: Participant's perception on the homelessness situation in Puerto Rico in the past three years



Note: The base of these illustrations is the 49 persons that answered the polls.

Main barriers on homeless population identified by participants

The barriers identified to address the needs of homeless populations include aspects related to home inventories, regulation process, lack of adequacy of programs to accommodate this population with their particularities, including stigma, and lack of information for the clients. Some participants sustained the have problems to identify home availability for permanent and

rental housing. For population that require special characteristics in their homes, for example the geriatric population, persons with disabilities or families with pets, the house inventory is even more limited. As part of this barrier, other participants indicated that Section 8 and public housing have their own criteria and their lists are already filled out. As an example of regulation problems, some participants mention the credit barriers in banks for house loans. Others indicated that some housing projects have problems to deal with the existential situation that some participants have, for example emotional instability, mental health, drug issues or detox, and sexual orientation. Some of the participants indicated that the process is highly bureaucratic and the potential beneficiaries don't have enough information of the different steps they need to accomplish to fulfill their needs and resources available, discouraging them to end the process. As an action measure, some of the participants recommend that the Department of the Family can establish collaboration agreements with other agencies to facilitate the efforts that organizations make for their participants.

Distribution of ESG Funds

Entities were asked to express whether they agreed or not with the method for the distribution of funds. Regarding the distribution of funds by type of activity and geographical area, six out of ten participants (59%) consider it adequate, in general terms. For one quarter (24%) of the participants, the distribution is neither adequate nor inadequate, and 17% consider it inadequate or very inadequate.

Among the observations or recommendations, they mentioned the following:

- Increase the allocation in rapid rehousing to address the lack of permanent housing and fulfill the need identified in outreach.
- Include allocation for the administration of organizations to address cash flow problems for emergency services.

As for the specific criteria for the granting of funds, the participants provided some recommendations related to the performance evaluation of programs and activities. The recommendations were:

- Unify HUD criteria with CoC criteria.
- Create minimum performance standards that include the number of staff per participant to meet the objectives.

HMIS

The focus groups' participants also commented on the Homeless Management Information System (HMIS) to collect information. Regarding the system, some participants commented on

the data entry in a particular time frame while they take steps to meet the needs of their service users. In this area different recommendations were proposed. The recommendations made were:

- Expand the time frame to enter the information.
- Eliminate the figure of data entry, and that the outreach managers, social workers o case managers can enter the data by themselves in real time.

Regarding the first point, some comments were made about information compliance and quality of the information provided. To deal with both comments, the Family Department recommended that the Directors of the organizations should be required in HMIS general meetings to supervise the information gathering process. Other participants suggested that this requirement will entail a very load calendar to the Directors, it will present conflicts with their functions and will impose a layer of additional costs to the organizations. These participants propose that this requirement should be imposed only to those organizations that are presenting problems in these areas. On the second comment regarding the data entry figure, some participants mentioned that this will secure a more accurate information, but the variables for outreach activities should be revised.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	PR Department of Housing		
	Agency/Group/Organization Type	Housing PHA Services - Housing Other government - State		
	What section of the Plan was addressed by Consultation?	Housing Public Market Lead-based Paint Strategy	Need Housing Assessment Needs Analysis	

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was consulted through written communication. As a result the Agency provided input for the development of the plan. Also the Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
3	Agency/Group/Organization	PR Department of Family
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Service-Fair Housing Services - Victims Child Welfare Agency Other government - State
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.

5	Agency/Group/Organization	Puerto Rico Department of Health
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
6	Agency/Group/Organization	MUNICIPIO DE SAN JUAN
	Agency/Group/Organization Type	Housing Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Municipality of San Juan was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
	Agency/Group/Organization	Puerto Rico Housing Finance Authority (PRHFA)
	Agency/Group/Organization Type	Housing; Other government - State

What section of the Plan was addressed by Consultation?	Housing Need Assessment; Market Analysis
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.

Table 3 – Agencies, groups, organizations who participated

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

Does not apply.

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

Name of Plan	Lead Organization
Puerto Rico State Housing Plan	PR Department of Housing
Puerto Rico CDBG-DR Action Plan 2017	PR Department of Housing
Puerto Rico CARES Act Strategic Plan	PR Department of the Treasury
CoC 502 Strategic Plan	CoC 502, PR Department of Family

Table 4 – Other local / regional / federal planning efforts

Table 5 – Agencies, groups, organizations who participated

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

Does not apply.

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

Narrative (optional):

The 24 CFR Part 91.110 provides the framework for the State to undertake a wide consultation process as an integral part of the statewide planning and preparation phases of the 2020-2024 Consolidated Plan and related Annual Action Plan. Through the consultation process, the PRDOH was able to obtain key programmatic and service data from agencies and service providers that provide assisted housing, health services, social and fair housing, and those that serve the chronically homeless and address lead-based paint hazards. Also, consultation with local governments in non-entitlement areas of the state is required.

The consultation strategy of the State, provided data in the following planning elements:

- Incorporate local data into planning process and validate the accuracy of this data;
- Gather input on priority needs and target areas;
- Increase coordination among consultation partners;
- Leverage Consolidated Plan activities with other public and private funding sources and Programs;
- Expand upon the outreach efforts of existing planning processes; and
- Increase citizen feedback, buy-in, and support of Consolidated Plan activities.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 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 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.

For the preparation of the 2020-2024 Consolidated Plan and PY 2020 annual action plan the PRDOH followed the approved citizen participation process and went beyond the regulatory minimums and promoted a wide range engagement of all interested stakeholders, offering opportunities for involvement to all segments of the population in the planning process. The planning process efforts was guided by transparency and promoted freedom of access to the contents of the draft plan. All municipal governments and community planning and development agencies and organizations were invited to participate at the public hearings conducted and to provide comments on the proposed actions. Information was posted in the PRDOH web page.

The following actions were taken as part of the Citizen Participation process:

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

Public Hearing Notice: posted a public notice on the *El Vocero* newspaper on the edition for Wednesday 19th, February 2020. It invited the general population to participate of the Public Hearings for the CDBG, HOME, ESG, HOPWA and HTF Programs 2020-2024 Consolidated Plan and PY 2020 Annual Action Plan. Complying with the Consolidated Plan regulations, the hearings were held at least two (2) weeks after the notice was published.

Also, the public notice was posted in the Official PRDOH's Web Page. This action expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

As required by the regulations the State held a public hearing during the Citizen Participation process of the 2020-2024 Consolidated Plan and PY 2020 Annual Action Plan. The meeting was held in the following date and venue:

Public Hearing: Friday, March 6, 2020, 8:00 a.m. at the Automobile Accident Compensation Administration (ACAA, for its Spanish acronym) Central Office, located at 249 Arterial Hostos, Esquina Chardón, San Juan, P.R.

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

Comments were received during the hearing. As well, the state provided a 30-day period after the hearing to receive additional comments. No additional comments were received after the hearing. A summary of the comments received during the hearing are included in the following table.

Person or entity who provided the comments	Program	Summary of comment	Response
Iris Carrasquillo Martínez, consultant	CDBG	<p>Ms. Carrasquillo highlighted the importance of CDBG funds for municipalities to carry out infrastructure works, promote economic development and provide services to the low- and moderate-income population. Ms. Carrasquillo noted that although the funds have been reduced, adversely affecting the municipalities, the greatest impact has been on the administration of the program. This is a product of the elimination of the Office of the Commissioner of Municipal Affairs and the program's transfers to other agencies.</p> <p>Among the recommendations to correct the areas of weakness in the administration of the program, she mentioned: the recruitment of personnel, not using timeliness criteria to</p>	The PRDoH appreciates the comments provided, and would like to notify that is currently in the process of identifying additional staff to support the tasks related to the CDBG Program. Other actions recommended by Ms. Carrasquillo will be also taken into consideration in the development of the 2020 proposals.

Person or entity who provided the comments	Program	Summary of comment	Response
		<p>evaluate proposals, equitable distribution of recaptured funds, requesting FEMA maps when requesting project proposals.</p>	

Person or entity who provided the comments	Program	Summary of comment	Response
Johalys Rivera Rodríguez, Municipio de Corozal	CDBG	Ms. Rivera highlighted the situations the Program has faced in the past three years, with the transitions that have taken place. Among the difficulties she mentioned the late signing of contracts, the lack of personnel to attend to the administrative aspects of the Program and the collapse of the PROFE system.	The PRDoH appreciates the comments provided, and would like to notify that is currently in the process of identifying additional staff to support the tasks related to the CDBG Program. As well, the Department is piloting other alternatives of platforms to substitute PROFE.
Gil Mercado, Municipio de Naranjito	CDBG	He expressed his concern about administrative aspects that affect both, the execution of the municipality and the program's performance itself, including: the lack of personnel and the time it takes to release proposals, precisely because of this lack of personnel. To this end, he urged the state to recruit personnel to prevent projects in the municipalities from being affected.	The PRDoH appreciates the comments provided and would like to notify that is currently in the process of identifying additional staff to support the tasks related to the CDBG Program.

Person or entity who provided the comments	Program	Summary of comment	Response
Glenda Serrano, Municipio de Florida	CDBG	She agreed with the comments of the other participants on the situation of lack of staff in the Program, and how this affects other critical functions for the projects' implementation.	The PRDoH appreciates the comments provided and would like to notify that is currently in the process of identifying additional staff to support the tasks related to the CDBG Program.
Sr. Pedro Díaz, Camp Hope	Comentario general	Mr. Díaz presented the concept of a project to provide housing for older adults.	As part of the fund distribution processes, Mr. Diaz is encouraged to keep in touch - through press announcements and the websites of the agencies that make up the consolidated planning process - to learn about the proposal processes and its requirements.

Other opportunities for comments: A second hearing was conducted on May 21, 2020 in the context of the CDBG-CV CARES Act allocations², which provided another opportunity to receive comments on the needs and the impediments to fair housing choice. A total of 71 persons participated of this second hearing, representing nonprofit organizations, municipalities, and public agencies. In accordance with the flexibilities provided by the CARES Act, five additional

² Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136.

days were provided for public comments. No additional comments regarding the needs or barriers were received.

Public Comment Period: The draft plan was made public on August 25, 2020. In accordance with the flexibilities provided by the CARES Act, adopted by the state in its Public Participation Plan, citizens and interested parties will have 5 calendar days from the day of the publication to submit written comments. The 2020-2024 Consolidated Plan draft and 2020 Annual Action Plan draft was made available at PRDOH web page for the review by the general population and all interested parties. In addition, persons with difficulties accessing the Internet could coordinate with the CDBG Program for a hard copy. This, because of the safety measures that have to be taken in the context of the COVID-19 pandemic.

Final table will be included in the plan to be presented to HUD including the comments received after the publication of this draft. See Appendix for comments on public hearings.

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	Public Hearing	Units of local government, Public Agencies, NPOs, general population	107	During the public hearing a total of 107 participants commented. After the meeting, citizens and municipalities could provide additional written comments for a period of 30 days (until April 10, 2015).		www.vivienda.pr.gov

2	Virtual Public Hearing	Units of local government , Public Agencies, NPOs, general population	71	<p>A second hearing was conducted on May 21, 2020 in the context of the CDBG-CV CARES Act allocations³ , which provided another opportunity to receive comments on the needs and the impediments to fair housing choice.</p> <p>No additional comments regarding the needs or barriers were received.</p>		www.vivienda.pr.gov
3	Internet Outreach	NPOs, Public Agencies,	N/A	N/A	N/A	www.vivienda.pr.gov

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)
		Municipalities, General Public				
4	Mailing	NPOs, Public Agencies, Units of local Government, General Public	N/A	No comments were received from the mailing.	N/A	

³ Coronavirus Aid, Relief, and Economic Security (CARES) Act, Public Law 116-136.

5	Virtual focus groups	NPOs, Units of local Government, and public agencies	80	<p>A total of 80 people participated in the sessions, which were conducted on May 28 and June 4, 2020.</p> <p>Participants represented non-profit organizations, municipalities, government agencies, including two PHAs. The focus group discussion was combined with online polls, to promote more interaction with participants.</p>	N/A	
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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)
6	Press	NPOs, Public Agencies, Units of local Government, General Public	N/A	A summary of the consolidated plan was published in a general circulation newspaper.		

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Puerto Rico is a jurisdiction affected by relative high poverty rates relative to national standards. This is reflected in all social indicators, including income, unemployment, foreclosures, and housing needs. As a result of several factors, main barriers to economic development, and a long-lasting fiscal crisis, the local economy has lost during the past twelve years close to 20% of its output and jobs, and 15% of its population during the 2010-2019 period. The local economic system was unable to recover from the 2009 U.S. Financial Crisis and is now confronting the economic and fiscal challenges brought upon by COVID-19. The following issues are those considered the most pressing needs:

1. The elderly population is growing at a fast rate, while the overall population is declining. This trend will change the housing market dynamics and needs. Comprehensive social approaches will be required to address the increasing needs of these populations, emphasizing those with disabilities and lack of access to health and other basic needs.
2. Both Hurricane Maria and the 2020 earthquakes exposed the vulnerability of low-income households and communities. There are now many households with more than one infrastructure problem resulting from the above-mentioned natural events.
3. Elderly homeowners with incomes below 50% HAMFI are disproportionately exposed to average and severe cost burden issues. The CHAS identified close to 32,000 cost-burdened elderly households, of which 62% were severely burdened. Affordable rental options are needed to address the issue among these populations, as the prevalence rate among rental tenure is below average.
4. The greatest need is among low- and moderate-income households that live in households with one or more severe housing problems: lacks kitchen or complete plumbing, severe overcrowding, severe cost burden, which accounted for 44% of households. More than 56,855 households with incomes up to 100% AMI reported living in a substandard housing, of which 86% (49,080) were low- and moderate-income households.
5. Foreclosure rates in Puerto Rico are relatively high, as well as the repossessed housing inventory, which provides opportunities to promote housing rehabilitation programs for reposed properties un areas of economic opportunity. This is a market condition that will continue to be present during the next three to five years, given current delinquency rates and the expected rise in them because of COVID-19.

6. The vast majority of Puerto Rico's population is considered Hispanic. According to CHAS statistics, a total of 289 households had one or more housing problems, of which 36% of the households are Asian, and 64% are African American. Also, a total of 1,860 minority households group are classified as economically burdened, of which 41% of the households are Asian, and 59% are African American. As mentioned above, most of the Puerto Rican population is considered Hispanic, although this is one of the minority categories, given the context of Puerto Rico, this is not relevant.
7. During the most recent Point in Time Survey conducted in the Island (2019), a total of 2,535 homeless persons were identified, experiencing homelessness on a given night. Persons identified in the count sum a total of 2,321 households, out of which 7.1% were households with at least one adult and one child. In those households without children most persons are over 24 years old (98%), while in the case of households with at least one child, the majority of the household members are under age 18 (56.7%). The 27% are chronically homeless, while 49.5% suffer from chronic substance abuse. Of persons counted, 38.8% were severely mentally ill, 5.2% have been victims of domestic violence, and 6.8% are affected by HIV/AIDS. Data also shows how chronic unsheltered homeless, represent the most significant proportion of the homeless population.
8. 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. 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 (2019) shows a total of 6,725 cases of domestic violence.
9. As of July 31, 2020, a total of 50,223 HIV/AIDS cases have been reported in the Island. Out of these cases, 29,811 persons died, representing a fatality rate of 59% Individuals living with HIV/AIDS and their families present a series of needs related to housing and complementary services.

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

Summary of Housing Needs

This section of the Consolidated Plan will examine the current status of Puerto Rico's housing market to determine what types of common housing problems may exist among all segments of the population to establish strategies that can be implemented across the Island with HUD-funded programs.

The contraction in the population of Puerto Rico and its changing demographic base affect the household formation and household growth. The population of Puerto Rico declined by 14% between 2010 and 2018. The strong contraction in population cohort below 40 years of age, is driving down the number of households. The number of households declined 4% during the 2010-2018 period. This trend has lowered housing demand and has increased the number of vacant housing on the Island. However, as shown by CHAS data, there is a substantial need for housing in Puerto Rico. As much as 300,040 households with incomes below 100 AMI are considered to have one or more housing problems.

In Puerto Rico, 14% of households with at least one-person age 62 and older and 19% of small family households, renter and owned units combined, have extremely low income (less than 30% HAMFI). According to the data provided in this section, 37% of households with one or more children six years old or younger, have very low income (less than 50% HAMFI).

According to the CHAS, a total of 374,410 households had one or more problems, 47% were renters, and 53% were homeowners. Of this total, 189,285 households were classified as severely low-income households, of which 54% were renters, and 46% were owners. The most represented housing problem is a cost burden, which accounted for 72% of housing problems. Severely cost burden problems among low- and moderate-income households amounted to 124,445 cases, of which 46% were renters and 54% homeowners.

The greatest need among severely cost burden households was among small related families, which accounted for half of the cases (49%) or 67,765 households.

When view by age, 37,820 severely cost burden cases were among the elderly. Those having the greatest need are 0-30% AMI elderly homeowners, which accounted for over 13,145 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 (49,080); close to 27,000 renters also reported living in substandard housing. Very low-income households (0-30% AMI) accounted for the largest groups living in this condition, with 12,165 are renters and 10,990 homeowners.

Demographics	Base Year: 2010	Most Recent Year: 2018	% Change
Population	3,725,789 (Census)	3,193,354	-14%
Households	1,227,039	1,179,637	-4%
Median Income	\$18,791	\$20,166	7%

Table 6 - Housing Needs Assessment Demographics

Data Source: 2006-2010 ACS (Base Year), 2014-2018 ACS (Most Recent Year), Annual Estimates of the Resident Population (Vintage 2019)
– Population in 2010 and 2018.

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	240,645	135,290	199,315	106,510	555,425
Small Family Households	109,670	48,840	76,140	45,740	306,230
Large Family Households	13,680	7,650	12,105	6,345	42,175
Household contains at least one person 62-74 years of age	45,480	41,715	60,665	34,030	146,930
Household contains at least one person age 75 or older	25,920	30,400	40,945	18,445	63,850
Households with one or more children 6 years old or younger	46,065	17,590	24,165	12,240	69,840

Table 7 - Total Households Table

Data 2012-2016 CHAS
Source:

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	12,165	4,390	5,745	2,610	31,310	10,990	6,335	9,455	5,165	48,395
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	1,585	755	765	370	4,355	795	420	920	300	5,195
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	5,240	2,360	3,055	1,275	15,785	3,160	2,115	3,765	1,870	20,360
Housing cost burden greater than 50% of income (and none of the above problems)	33,405	14,750	8,520	1,325	59,295	31,930	14,800	21,040	7,845	87,890
Housing cost burden greater than 30% of income (and none of the above problems)	38,655	21,065	23,220	7,670	100,480	43,010	24,860	34,850	19,830	189,410

	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
Zero/negative Income (and none of the above problems)	44,955	0	0	0	44,955	29,415	0	0	0	29,415

Table 8 – Housing Problems Table

Data 2012-2016 CHAS
Source:

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	56,945	28,915	34,040	12,510	153,085	57,965	33,210	48,860	27,595	260,620
Having none of four housing problems	34,500	25,595	33,515	18,210	190,405	16,865	47,570	82,890	48,190	558,700
Household has negative income, but none of the other housing problems	44,955	0	0	0	44,955	29,415	0	0	0	29,415

Table 9 – Housing Problems 2

Data 2012-2016 CHAS
Source:

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	26,700	12,915	14,315	64,935	19,670	10,490	16,665	95,545
Large Related	2,475	1,625	1,475	6,735	3,000	1,660	2,815	13,010
Elderly	6,320	5,140	5,555	20,005	19,505	12,305	14,020	67,080
Other	8,075	5,030	6,775	25,045	7,780	2,550	5,145	29,985
Total need by income	43,570	24,710	28,120	116,720	49,955	27,005	38,645	205,620

Table 10 – Cost Burden > 30%

Data 2012-2016 CHAS
Source:

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	23,140	9,005	4,430	37,890	14,765	6,950	9,475	41,225
Large Related	2,120	1,100	405	3,775	2,195	980	1,305	5,445
Elderly	4,945	2,885	1,925	10,180	13,145	6,655	8,265	34,430
Other	7,315	3,615	2,340	14,115	6,195	1,640	3,615	15,120
Total need by income	37,520	16,605	9,100	65,960	36,300	16,225	22,660	96,220

Table 11 – Cost Burden > 50%

Data 2012-2016 CHAS
Source:

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	6,330	2,995	3,670	1,170	14,165	3,135	2,000	3,245	1,500	9,880
Multiple, unrelated family households	1,275	470	570	335	2,650	1,630	1,155	1,855	900	5,540
Other, non- family households	190	35	45	30	300	25	10	10	0	45
Total need by income	7,795	3,500	4,285	1,535	17,115	4,790	3,165	5,110	2,400	15,465

Table 12 – Crowding Information – 1/2

Data 2012-2016 CHAS
Source:

	Renter				Owner			
	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	Total	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	Total
Households with Children Present	36,505	11,970	13,610	85,735	9,560	5,620	10,555	84,225

Table 13 – Crowding Information – 2/2

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

According to the 2018 Puerto Rico Community Survey (five years), there are 330,870 single-person households, consisting of people living alone. Out of this total, 139,372 are male householders, 51,087 were male householders 65 years and over, and 191,498 are female householders, of which 103,863 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 more vulnerable, given that more than 175,000 have an independent living difficulty.

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 2018, Puerto Rico Community Survey 672,799 persons have disabled status, which represents 24% of the total civilian non-institutionalized population. The elderly account for 26% of the disabled population. Over 175,000 have an independent living difficulty, which is equivalent 26% of the elderly civilian non-institutionalized population. The ambulatory difficulty is the most common disability among the elderly (50%).

Adults 65+ with an Independent Living Difficulty

Label	Puerto Rico / Estimate
Total (1):	2,578,460
Male:	1,199,426
18 to 64 years:	914,342
65 years and over:	285,084
With an independent living difficulty	60,935
No independent living difficulty	224,149
Female:	1,379,034
18 to 64 years:	1,010,791
65 years and over:	368,243
With an independent living difficulty	114,294
No independent living difficulty	253,949
Subtotal (M+F, 65+) with Independent Living Difficulty	175,229

(1) Total Civilian noninstitutionalized population 18 years and over
Source: American Community Survey 2018, five year set, Table C18107

What are the most common housing problems?

The greatest need is among low and moderate income households that live in households with one or more severe housing problems: lacks kitchen or complete plumbing, severe overcrowding, severe cost burden, which accounted for 44% of households. More than 56,855 households with incomes up to 100% AMI reported living in a substandard housing, of which 86% (49,080) were low and moderate income households.

Severely cost burdened households 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 124,445 cases. 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 94,885 households with incomes between 0 to 50% of the AMI severely cost burdened but without any other housing problems, of which 48,155 were renters, and 46,730 were homeowners.

The needs associated to severely overcrowded and overcrowded conditions are less of a problem relative to other housing issues. Households living in overcrowded conditions (1.01-1.5 people per room) amounted to 24,935 low and moderate income households, of which 13,760 were renters and 11,175 homeowners. The CHAS report also reflected that 5,240 low and moderate income households were living in severely crowded conditions (1.51 people per room), among which renters accounted for a larger share (3,105) than homeowners (2,135). Very low-income households (0-30% AMI renters) accounted for the largest share of severe cases, with 1,585 renters and 795 owners. The another of the largest group was 50-80% AMI homeowners with 920 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 (49%) or 67,765 households, among which very low income 0-30%AMI small related rental households (23,140) and very low income homeowners (14,765) represented the largest share. The needs among 50-80% AMI homeowners (9,475) were also relatively large.

When view by age, 37,820 severely cost burden cases were among the elderly. Those having the greatest need are 0-30% AMI elderly homeowners, which accounted for over 13,145 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 (49,080); close to 27,000 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 12,165 are renters and 10,990 homeowners.

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:

In the case of persons becoming homeless each year and persons exiting homelessness, two parameters were used for the estimates: the proportion of persons in each group who have been homeless for less than one year, and the proportion of persons who have been homeless for more than two years.

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

The main cause of homelessness can largely be explained by economics: people who become homeless have insufficient financial resources to obtain or maintain housing. Multiple risk factors are linked with instability and increased risk of homelessness. Individual risk factors include poverty, lack of education, substance abuse, mental illness and domestic violence. They also include discrimination, lack of support for minors, absence of life skills, among other reasons.

The most specific housing characteristic that may cause instability and an increased risk of homelessness is cost burden. According to the data provided, more than 28.3% of Puerto Rico's households are cost burdened. If a household is spending more than 30 percent, and sometimes more than 50 percent, of their monthly income on housing costs, that means that less income remains to pay for other costs that must be sustained in order to live in a safe and acceptable environment. One of the main implications of the cost burden is vulnerability to unexpected life events. In an emergency or illness situation, any additional unexpected expenses could result in an inability to meet housing expenses and potentially result in 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-15 Disproportionately Greater Need: 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.

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. 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. Also, this situation provides limited data on racial groups. Notwithstanding, 2008-2012 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	114,910	51,365	74,370
White	575	155	515
Black / African American	80	0	95
Asian	0	10	45
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	114,090	51,145	73,580

Table 14 - Disproportionally Greater Need 0 - 30% AMI

Data 2012-2016 CHAS
Source:

*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	62,125	73,165	0
White	395	315	0
Black / African American	125	55	0
Asian	35	25	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	61,450	72,690	0

Table 15 - Disproportionally Greater Need 30 - 50% AMI

Data 2012-2016 CHAS
Source:

*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	82,900	116,405	0
White	545	550	0
Black / African American	130	50	0
Asian	70	45	0
American Indian, Alaska Native	20	10	0
Pacific Islander	0	0	0
Hispanic	82,040	115,690	0

Table 16 - Disproportionally Greater Need 50 - 80% AMI

Data 2012-2016 CHAS
Source:

*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	40,105	66,400	0
White	490	325	0
Black / African American	40	40	0
Asian	0	65	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	39,500	65,965	0

Table 17 - Disproportionally Greater Need 80 - 100% AMI

Data 2012-2016 CHAS
Source:

*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

In Puerto Rico, the racial groups are not significantly diverse, most of the population is considered Hispanic. However, low- and moderate-income Blacks and Asians have disproportionate greater needs. A total of 55% of households have one or more of four housing problems (Lacks complete kitchen facilities, Lacks complete plumbing facilities, More than one person per room, Cost Burden greater than 30%). A total of 480 households with low and moderate income of Blacks, and Asians have one or more of four housing problems. However, as previously stated the sizes of the Black and Asians populations with problems be 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.

Introduction

In this section of the Needs Assessment, the available data will be examined to determine the types of common housing problems faced by particular racial or ethnic segments of the population and the severity of each housing problem. In Puerto Rico most of the population is considered Hispanic, however, 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	97,870	68,405	74,370
White	520	210	515
Black / African American	80	0	95
Asian	0	10	45
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	97,125	68,110	73,580

Table 18 – Severe Housing Problems 0 - 30% AMI

Data 2012-2016 CHAS

Source:

*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	45,320	89,965	0
White	345	365	0
Black / African American	85	95	0
Asian	35	25	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	44,760	89,380	0

Table 19 – Severe Housing Problems 30 - 50% AMI

Data 2012-2016 CHAS

Source:

*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	52,340	146,970	0
White	415	685	0
Black / African American	14	160	0
Asian	50	60	0
American Indian, Alaska Native	20	10	0
Pacific Islander	0	0	0
Hispanic	51,785	145,945	0

Table 20 – Severe Housing Problems 50 - 80% AMI

Data 2012-2016 CHAS

Source:

*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	20,405	86,105	0
White	210	605	0
Black / African American	25	55	0
Asian	0	65	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	20,115	85,345	0

Table 21 – Severe Housing Problems 80 - 100% AMI

Data 2012-2016 CHAS

Source:

*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% and 50%-80% AMI, a total of 290 households have severe housing problems. Among Blacks disproportionate greater needs were found among groups in the 0-30% AMI and 30%-50% AMI, a total 609 households have severe housing problems. However, as previously stated these are very small populations.

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

A household may be cost burdened when it spends more than 30 percent of its income for housing. A household may be severely cost burdened when housing costs are more than 50 percent of its income. 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	828,795	159,555	162,180	86,655
White	6,230	1,205	1,430	615
Black / African American	655	215	225	105
Asian	525	130	110	45
American Indian, Alaska Native	30	15	30	0
Pacific Islander	0	0	0	0
Hispanic	820,265	157,805	160,105	85,725

Table 22 – Greater Need: Housing Cost Burdens AMI

Data Source: 2012-2016 CHAS

Discussion

There are is 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.

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% AMI. 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?

Specific surveys on housing needs are not available.

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

Municipalities with ethnic and racial groups with disproportional greater needs include the following: Arroyo, Carolina, Ceiba, Dorado, Guaynabo, Hormigueros, Las Piedras, Naguabo, Ponce, Rincón, San Juan, San Lorenzo and Yauco.

It must be noted that the CHAS identified a small number of minorities having housing problems. This data is unreliable because most residents classified themselves as Hispanics regardless of race, which for local purposes are not a minority.

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 2017 to 2019.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	256	858
Black or African American	99	370
Asian	3	1
American Indian or Alaska Native	14	5
Hawaiian native or Pacific Islander	0	4
Multi	263	760
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	618	1,859
Not Hispanic	17	41

Data Source
Comments: PIT 2019

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

A total of 59 families with children were identified in the 2019 PIT. These families are composed of a total of 194 persons. The majority of the families identified are sheltered (69.5%), while 57% of the persons in those families are children 18 years old or younger. It is also important to mention that the majority of the persons who form these families are women (42.9%).

In the case of veterans, a total of 90 persons were identified. A total 18, or 20% are sheltered. In terms of their demographic profile, the majority (96%) are men, while 92% identified themselves as Hispanic. Of those accompanied, one family was identified as having a problem of chronic homelessness.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

The 2019 PIT shows that the majority of the population is composed of Hispanic persons (98%), white (42%). As shown in the table, this tendency is similar for sheltered and unsheltered populations.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Data from PIT, 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.

A total of 2,535 homeless persons were counted in the 2019 PIT, who constitute a total of 2,321 households. In 2017, the persons counted totaled 3,501. When compared to the 2017 data, results show a similar trend in terms of the demographic profile of the homeless population and the reasons for becoming homeless, among other aspects. The population of homeless persons is mainly composed of men 24 or older. However, some changes for 2019 include an increase in homeless families headed by women, persons with mental illness and veterans. These findings were considered when designing the goals and priorities of the consolidated Plan.

Data from the HMIS for both continuums of care shows that the sheltered population experiences homelessness in average for 2 years. This is considering persons in emergency shelters and transitional housing. The estimates included in the tables, however, are based in information gathered during the 2019 PIT, which includes the sheltered and unsheltered population. Estimates are based on the median obtained for each group. In the case of persons becoming homeless each year and persons exiting homelessness, two parameters were used for the estimates: the proportion of persons in each group who have been homeless for less than one year, and the proportion of persons who have been homeless for more than two years.

Discussion:

According to the 2019 PIT data, 686 are chronically homeless, while 1,255 suffer from chronic substance abuse. Of persons counted, (30.4%) were severely mentally ill, 4.6% have been victims of domestic violence, and 5.3% are affected by HIV/AIDS. Although there is a lower number of persons counted than that observed in 2017, it cannot be categorically concluded that there has been a reduction. Rather, the number should be viewed in conjunction with other data on people who have been reached and placed in permanent housing as part of CoC efforts. It is also expected that with the pandemic, the number of homeless persons and their profiles, will change.

Regarding the reasons for being homeless, it was observed that one in ten cases are homeless as a consequence of Hurricanes Irma and María, this proportion being higher in the case of the municipalities of the CoC 503. In the case of CoC 502, the main reason for being homeless is related to substance abuse, while in the case of CoC 503 is due to family problems.

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 alcohol and 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 23 – 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 24 – HIV Housing Need

Data Source: HOPWA CAPER and HOPWA Beneficiary Verification Worksheet

Describe the characteristics of special needs populations in your community:

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

The elderly population is growing at a fast rate, while the overall population is declining. This trend will change the housing market dynamics and needs. Comprehensive social approaches will be required to address the increasing needs of these populations, with emphasis on those with disabilities and lack of access to health and other basic needs. This was a segment of the population suffering disproportional effects from Hurricane María.

Over the past years, Puerto Rico has experienced a demographic transformation. The elderly population, those 65+, has experienced a consistent increase 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 higher proportion of 17.6%. This trend will change the housing market dynamics and needs. Comprehensive social approaches will be required to address the increasing needs of these populations, emphasizing those with disabilities and lack of access to health and other basic needs. This was a segment of the population suffering disproportional effects from Hurricane María.

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.

Between 2014 to 2018, the proportion of persons 50 years and older increased 1.3 percentage points, from 33.3% in 2014 to 34.5% in 2018. Conversely, the 24 years or less age-cohort proportion dropped one percentage point, from 34.2% in 2014 to 33.2% in 2018. This is being mostly driven by the emigration of a proportionally high number of the younger population and a long-term decline in births.

	2014		2018	
Age Group	Non-entitlement municipalities	Puerto Rico	Non-entitlement municipalities	Puerto Rico
Total Population	1,326,850	3,638,965	1,251,732	3,386,941
Male Population	48.6%	47.9%	48.3%	47.6%

Female Population	51.4%	52.1%	51.7%	52.4%
Under 5 years	5.9%	5.6%	4.8%	4.7%
5 to 14 years	13.6%	13%	12.2%	11.6%
15 to 24 years	14.7%	14.6%	13.9%	13.9%
25 to 34 years	12.9%	12.9%	12.5%	12.5%
35 to 49 years	19.6%	19.4%	19.3%	19%
50 to 59 years	12.6%	12.5%	13.2%	13.1%
60 to 64 years	6%	6%	6.5%	6.3%
65+	14.7%	16.0%	17.7%	18.9%

Table 3: Population by age group, 2014 vs 2018

Sources: American Community Survey 2014 & 2018 5-year estimates.

The population in Puerto Rico and non-entitlement municipalities is expected to continue declining at a somewhat slower rate as emigration trends are expected to wane. The population is expected to drop to 3,021,647 million in 2022 in Puerto Rico and to 1,137,993. Projections for 2022 indicate that the population of 65+ would reach a total of 623,653 individuals. Based on the projection, Puerto Rico's largest population group will be the aging population, revealing the aging trend on the island.

	Average Annual Growth (2014-2018)		Projected 2022	
Age Group	Non-entitlement municipalities	Puerto Rico	Non-entitlement municipalities	Puerto Rico
Total Population	-1.07%	-1.37%	1,137,993	3,021,647
Male Population	-1.15%	-1.45%	547,509	1,434,412
Female Population	-1.00%	-1.30%	590,484	1,587,235

Under 5 years	-3.59%	-3.96%	48,983	126,440
5 to 14 years	-2.45%	-2.92%	131,507	329,694
15 to 24 years	-1.92%	-2.09%	152,337	408,291
25 to 34 years	-1.60%	-1.90%	138,807	368,586
35 to 49 years	-1.35%	-1.79%	217,571	563,926
50 to 59 years	-0.60%	-0.83%	152,823	405,992
60 to 64 years	-0.21%	-0.80%	76,325	195,064
65+	1.08%	0.80%	219,641	623,653

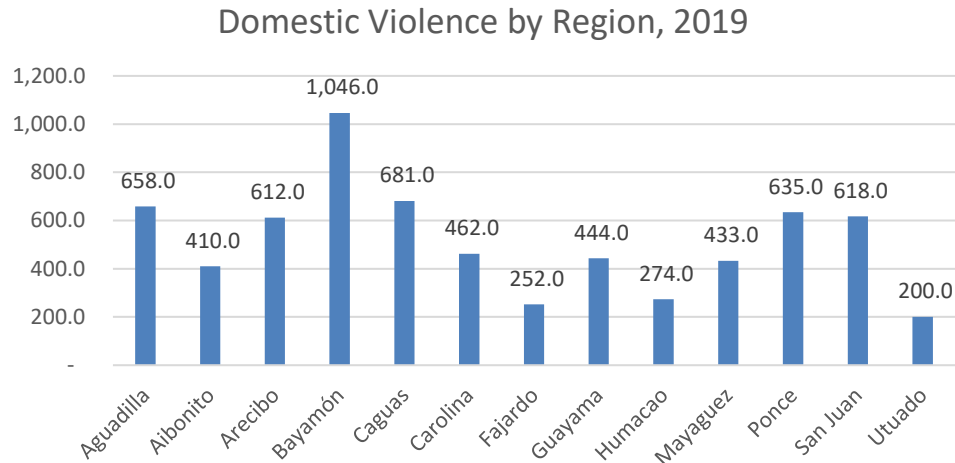
Table 4: Population Trends by Age Group 2014 and 2018, and Projections to 2022 for Non-entitlement municipalities and Puerto Rico

Sources: American Community Survey 2014 & 2018 5-year estimates.

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 (2019) shows a total of 6,725 cases of domestic violence. Of these cases, the most frequent type of assault is physical followed by psychological or emotional abuse. 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 are among the three most significant subpopulations of homeless persons.



Source: Police Department of Puerto Rico, data from January to December 2019.

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.

On the other hand, the most recent data of the “Population served in the Alcoholism Unit” in the Mental Health and Anti-Addiction Services Administration (“Administración de Servicios de Salud Mental y contra la Adicción”) for the Fiscal year of 2018-2019 received a total of 813 admissions for a total of 489 participants served, 86% being male.

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 2019 PIT which points to substance abuse as the main cause of homelessness. Furthermore, almost half of homeless persons suffer from chronic substance abuse.

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

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

Discussion:

As of July 31, 2020, a total of 50,223 HIV/AIDS cases have been reported in the Island. Out of these cases, 29,811 persons died, representing a fatality rate of 59%. With respect to persons affected by HIV, not AIDS, 11,345 persons were registered with the Department of Health as of July 31, 2020. 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 2020, shows how the municipality of San Juan reflects the highest proportion of persons affected by HIV/AIDS.

HIV/AIDS accumulated cases as of July 30, 2020			
Municipality	Number of cases diagnosed	Percentage of cases diagnosed	Deaths
Adjuntas	92	0.20%	
Aguada	182	0.39%	
Aguadilla	732	1.56%	
Aguas Buenas	200	0.43%	
Aibonito	192	0.41%	
Añasco	238	0.51%	
Arecibo	972	2.07%	
Arroyo	152	0.32%	
Barceloneta	201	0.43%	
Barranquitas	203	0.43%	
Bayamón	3925	8.37%	
Cabo Rojo	272	0.58%	
Caguas	1947	4.15%	
Camuy	129	0.27%	
Canóvanas	604	1.29%	
Carolina	2599	5.54%	
Cataño	766	1.63%	

Cayey	590	1.26%	
Ceiba	143	0.30%	
Ciales	156	0.33%	
Cidra	238	0.51%	
Coamo	288	0.61%	
Comerio	125	0.27%	
Corozal	284	0.61%	
Culebra	17	0.04%	
Dorado	339	0.72%	
Fajardo	549	1.17%	
Florida	80	0.17%	
Guánica	203	0.43%	
Guayama	602	1.28%	
Guayanilla	133	0.28%	
Guaynabo	1188	2.53%	
Gurabo	345	0.74%	
Hatillo	219	0.47%	
Hormigueros	70	0.15%	
Humacao	636	1.36%	
Isabela	218	0.46%	
Jayuya	81	0.17%	
Juana Díaz	578	1.23%	
Juncos	418	0.89%	
Lajas	111	0.24%	
Lares	113	0.24%	
Las Marías	29	0.06%	
Las Piedras	210	0.45%	
Loíza	409	0.87%	
Luquillo	263	0.56%	
Manatí	466	0.99%	
Maricao	18	0.04%	
Maunabo	121	0.26%	
Mayagüez	1200	2.56%	
Moca	144	0.31%	
Morovis	185	0.39%	
Naguabo	269	0.57%	
Naranjito	229	0.49%	

Orocovis	105	0.22%	
Patillas	87	0.19%	
Peñuelas	131	0.28%	
Ponce	3513	7.49%	
Quebradillas	124	0.26%	
Rincón	85	0.18%	
Río Grande	489	1.04%	
Sabana Grande	127	0.27%	
Salinas	314	0.67%	
San Germán	200	0.43%	
San Juan	11643	24.82%	
San Lorenzo	278	0.59%	
San Sebastián	221	0.47%	
Santa Isabel	318	0.68%	
Toa Alta	456	0.97%	
Toa Baja	1119	2.39%	
Trujillo Alto	831	1.77%	
Utua	104	0.22%	
Vega Alta	537	1.14%	
Vega Baja	787	1.68%	
Vieques	128	0.27%	
Villalba	117	0.25%	
Yabucoa	234	0.50%	
Yauco	290	0.62%	
Total	46,911		

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



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%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Aguada	185	108	58%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Aguadilla	746	420	56%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Añasco	234	130	56%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Arroyo	161	88	55%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Cabo Rojo	284	154	54%	Male	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Ceiba	156	81	52%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Coamo	307	197	64%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Fajardo	542	306	56%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guánica	214	128	60%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guayama	564	306	54%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Guayanilla	135	67	50%	Male	25 a 34	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Hormigueros	74	33	45%	Male	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)

Municipio	Number of cases	Deaths	%	Gender	Median Age	Modes of transmission		
						1	2	3
Isabela	213	114	54%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Jayuya	77	39	51%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Juana Díaz	608	333	55%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Lajas	112	51	46%	Male	35 a 44	male-to-male sexual contact	Heterosexual sex contact	injection drug use (IDU)
Lares	105	61	58%	Male	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Las Marías	34	14	41%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Luquillo	266	134	50%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Maricao	19	9	47%	Male	25 a 34	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Mayagüez	1198	690	58%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Moca	147	79	54%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Patillas	97	48	49%	Male	25 a 34	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Ponce	3480	2165	62%	Male	25 a 34	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Rincón	94	51	54%	Male	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)
Sabana Grande	137	82	60%	Male	35 a 44	Heterosexual sex contact	male-to-male sexual contact	injection drug use (IDU)

Municipio	Number of cases	Deaths	%	Gender	Median Age	Modes of transmission		
						1	2	3
Salinas	343	212	62%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
San Germán	219	117	53%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
San Sebastián	238	129	54%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Santa Isabel	339	205	60%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Utua	94	48	51%	Male	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Vieques	129	72	56%	Male	35 a 44	injection drug use (IDU)	Heterosexual sex contact	male-to-male sexual contact
Villalba	123	58	47%	Male	35 a 44	Heterosexual sex contact	injection drug use (IDU)	male-to-male sexual contact
Yauco	304	147	48%	Male	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. Municipalities have invested in this infrastructure throughout the years providing its communities with sport facilities mainly (baseball parks and basketball courts), passive parks, community/meeting centers, and more recently water and other active recreational parks. As local demographics change there is a greater need for new or adapted community facilities that serve the needs of the elderly population. Also, after Hurricane María it has been a priority of the State and municipalities strengthening the disaster preparedness and recovery capacity of vulnerable communities. Many communities need developing facilities that mitigate the adverse effects of environmental disasters.

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:

Non-entitlement municipalities have substantial challenges with public infrastructure under their jurisdictions. The main needs include: the construction or repair of pavement, sidewalks, curbs and gutters, sanitary and storm sewers and municipal bridges. Also municipalities are in need of improving landscaping in their communities.

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.

Moreover, a 2019 report prepared by the American Society of Civil Engineers Puerto Rico developed a report card which analyzed of eight categories of infrastructure: bridges, dams,

drinking water, energy, ports, roads, solid waste, and wastewater. The report provides a detail analysis of Puerto Rico's infrastructure needs.

<https://www.infrastructurereportcard.org/wp-content/uploads/2019/11/2019-Puerto-Rico-Report-Card-Final.pdf>

Describe the jurisdiction's need for Public Services:

Puerto Rico's socioeconomic condition, particularly its demographic, labor and poverty indicators provide 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 aging 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 permeate along all communities in the Island.

How were these needs determined?

To document such needs, PRDOH 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 62 years old) particularly, homecare assistance. This is consonant with the tendencies outlined in the needs assessment. For the past years PRDOH'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 (2014-2018 ACS) and the Comprehensive Housing Affordability Strategy (CHAS) five-year (2012-2016) data set. Also, information is obtained from estimates presented in Puerto Rico's State Housing Plan.

Population growth and household formation have diminished considerably in Puerto Rico. According to the Bureau of the Census, the population of Puerto Rico declined by 14% between 2010 and 2019. This reduction has been driving mostly by outward migration. After Hurricane Maria in 2017, Puerto Rico's population reduction reached 123,399 persons for the year 2018. As a result of the decrease, the number of vacant housing units in Puerto Rico has increased. According to the 2018 PR Community Survey, Puerto Rico has 35,367 units vacant for rent and 30,696 units vacant for sale. As a result, the median housing prices have dropped by more than 5% since 2014, according to the Puerto Rico Community Survey (2014-2018 ACS).

	Puerto Rico	
	Estimate	%
Total:	358,084	100%
For rent	35,367	10%
Rented, not occupied	5,099	1%
For sale only	30,696	9%
Sold, not occupied	5,485	2%
For seasonal, recreational, or occasional use	75,076	21%
For migrant workers	154	0%
Other vacant	206,207	58%

Table 25 – Vacancy Status

Data Source: 2014-2018 ACS

Notwithstanding, many residents cannot afford affordable, safe, and decent housing. According to BLS data, from 2009 to 2019, more than 111,855 jobs have been lost, representing a 10.1% reduction in Puerto Rico's workforce. Foreclosures began to increase in Puerto Rico since 2008, as the local economic growth began to deteriorate in 2007 and issue that is also related to the level at which householders in Puerto Rico are cost-burdened by residential costs. Foreclosures peaked in 2016 with 5,554 cases after ten years of a prolonged contraction in the economy and

a substantial reduction in jobs. Foreclosures increased in 2019, after two years of declines that were attributed to the protections provided to borrowers after Hurricane María. Delinquency rates on commercial banks' loan portfolios continued to decrease in 2019, averaging 5.58%, from 8.54% in 2018, and peaking at 13.68% in 2011. Economic perspectives are harmful because of COVID-19's impact on the economy. Thus, mortgage delinquency rates and foreclosures are expected to rebound.

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

Introduction

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

The homeownership rate of Puerto Rico is 68.1%. Its housing stock of 1,563,159 units is mainly composed of single-family detached units, which account for 68% of the stock. 311,151 units are multifamily units (2 or more units), accounting for only 20% of the units. The above is associated with suburban development patterns, mostly driven by the lower construction cost related to single-family units, the considerably high cost of developing urban areas and consumer preferences of families with children who prefer single-family homes. Planning Board's proposed land-use policies are targeting this issue to promote housing development in urban areas.

Also, most of the occupied housing (75%) has three (3) or more bedrooms, where the norm is three bedrooms. Renters demand smaller units. Only 58% of renter-occupied housing has three or more rooms, in contrast to 83% among owner-occupied housing. Also, 29% of the renter-occupied housing has two (2) bedrooms and 10% one (1) bedroom, in contrast to 15% and 2% among owner-occupied. The number of 1-bedroom renters occupied units are more than twice as much as owner-occupied units, and those with no bedrooms- mainly studios- is three times as much.

Property Type	Number	%
1-unit detached structure	1,063,159	68%
1-unit, attached structure	183,041	12%
2-4 units	104,660	7%
5-19 units	116,425	7%
20 or more units	90,066	6%
Mobile Home, boat, RV, van, etc	5,437	0%
Total	1,563,159	100%

Table 26 – Residential Properties by Unit Number

Data Source: 2014-2018 ACS

	Owners		Renters	
	Number	%	Number	%
No bedroom	5,103	1%	10,975	3%

	Owners		Renters	
	Number	%	Number	%
1 bedroom	17,023	2%	39,728	10%
2 bedrooms	119,150	15%	112,272	29%
3 or more bedrooms	679,129	83%	221,695	58%
Total	820,405	101%	384,670	100%

Table 27 – Unit Size by Tenure

Data Source: 2014-2018 ACS

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

As of 2019, Puerto Rico had a total of 73,431 units Island wide supported by HUD programs. From this total, 73% of the units were public housing, while 25% were Section 8 or Housing Choice Voucher Program. Most of the units supported by these programs are located in important population centers of the Island, considering the services and amenities accessible to the population in such locations.

	202 (Elderly)	811 (Disable)	Project Based Section 8	Public Housing	Total
Total Units	989	149	18,713	53,580	73,431
Percent Occupied	95%	57%	92%	93%	92%
Total People	988	121	38,376	111,167	150,652
Rent per Month	\$ 129	\$ 68	\$ 125	\$ 88	\$ 102
Household Income	\$ 6,354	\$ 3,333	\$ 5,956	\$ 4,061	\$ 4,806

Figure 1A profile of HUD Subsidized Housing in Puerto Rico

Source: HUD, *A Picture of Subsidized Households, 2019*

<https://www.huduser.gov/portal/datasets/assthsg.html>

This summary does not include other subsidy programs such as HOME, LITCH or CDBG

The State administers public housing in Puerto Rico. Currently, there are more than 53,000 units in operation. Vacancies typically occur due to remodeling works, demolition, or disposition of some of the facilities, among other reasons not associated with demand.

There is a total of 18,173 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.

Regarding the HOME Program (State and PJs), this program committed \$60.1 million for a total of 670 units during the period from July 2015 to June 2020. Of this total close to \$40 billion were granted to projects producing 251 affordable units. Close to \$11 million were granted to assist homebuyers with the acquisition of 302 units. See the table below for further details. Moreover, a total of \$145 million in Low-Income-Tax Credits were also committed to projects receiving HOME funds from the State Program.

**HOME FUNDS COMMITTED AND
TAX CREDITS ALLOCATED TO HOME PROJECTS
Summary**

Total committed from 7/2015 to 6/2020	\$60,135,572.45	
Total units from 7/2015 to 6/2020	670	
Total Tax Credits to our HOME Projects	\$145,095,315.00	
	Commitment Detail	Units Detail
Homebuyer Assistance	\$ 10,972,871.92	302
Homeowner (Including Municipalities)	\$ 4,695,739.40	65
Projects	\$ 39,978,625.93	251
TBRA	\$ 1,000,000.00	52
Administration	\$ 3,488,335.20	

Source: Puerto Rico Housing Finance Authority (2020).

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 1,765 units may be lost from the affordable housing inventory as a result of expiration of Section 8 project-base contracts. There is an opportunity to provide additional funding to these projects. The housing market is weak and does not provide developers sufficient economic incentives to reinvest and placed these units in the non-subsidized market.

**Number of Units Affected by Expiring Section 8 Project-Based
Contracts by Expiration Date**

	Years				
	2021	2022	2023	2024	2025
Sec 8 NC	561	148	73	691	292

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

Vacant housing data suggests that Puerto Rico has sufficient housing inventory to meet the needs of residents. However, there is a lack of affordable safe and decent housing for families with low and moderate earnings, particularly in urban settings served by public transportation. CHAS data shows that there are only 144,078 affordable units for households with incomes between 0-50%AMI. There are only 60,461 housing units affordable to very low-income individuals 0-30% AMI, representing only 5% of the Island's housing stock. For low-income individuals, 30-50% AMI, there is a total of 83,617 housing units accessible to the income group. Also, a substantial number of units occupied by low and moderate-income households in Puerto Rico require rehabilitation, mainly due to the structure's age or substandard housing conditions.

Describe the need for specific types of housing:

According to the above information, there is a need for more affordable housing for low-income individuals in Puerto Rico. Certain groups are in greater need, which determines the specific type of housing unit required. Based on the data discussed in the Plan the main types of housing that is needed includes the following:

1. Multifamily rental housing for the elderly in adequate locations and supportive services.
2. Affordable rental and for ownership housing in areas of economic opportunity served with adequate public transportation.
3. Housing for the homeless as homelessness is expected to increase because of the economic distress caused by the Covid-19 pandemic in Puerto Rico and the Puerto Rican community in the U.S. Unofficial data suggest that a wave of Puerto Ricans is returning to the Island as they have lost their jobs in their community of residence in the U.S. Many of these returning households will be technically homeless and without a job.

MA-15 Cost of Housing – 91.310(a)

Introduction

The cost of housing in Puerto Rico is very high in contrast to the median income. The median home value has not increased significantly between 2010 and 2018, for a change of 0.7%. However, the median contract rent has increased by 13.2% for the same period. The median household income on the island is \$20,166 in 2018, making it inaccessible for individuals to acquire housing in optimal conditions. There is a considerable gap in affordable housing in Puerto Rico.

Cost of Housing

	Base Year: 2010	Most Recent Year: 2018	% Change
Median Home Value	112,600	113,500	0.7%
Median Contract Rent	325	368	13.2%

Table 28 – Cost of Housing

Data Source: 2006-2010 ACS (Base Year), 2014-2018 ACS (Most Recent Year)

Contract Rent	Housing Units With Cash Rent	%
Less than \$500	166,269	70.7%
\$500-999	60,901	25.9%
\$1,000-1,499	5,857	2.5%
\$1,500-1,999	1,327	0.6%
\$2,000 or more	945	0.4%
Total	235,299	100.1%

Table 29 - Rent Paid

Data Source: 2014-2018 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
<= 30% HAMFI	29.5%	19.4%
> 30% to <= 50% HAMFI	54.7%	66.6%
> 50% to <= 80% HAMFI	58.4%	70.7%
> 80% to <= 100% HAMFI	69.6%	70.9%
Total	56.6%	71.8%

Table 30 – Housing Affordability

Data Source: 2012-2016 CHAS

Monthly Rent Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Aguadilla-Isabela, PR HUD Metro FMR Area					
Fair Market Rent	364	373	427	568	686
High HOME Rent	235	251	302	348	388
Low HOME Rent	300	323	389	441	473
Utua do Municipio, PR HUD Metro FMR Area					
Fair Market Rent	364	373	427	535	577
High HOME Rent	284	305	368	416	445
Low HOME Rent	227	243	292	338	377
Arecibo, PR HUD Metro FMR Area					
Fair Market Rent	359	361	441	586	699
High HOME Rent	303	326	393	445	476
Low HOME Rent	242	259	311	359	401
Quebradillas, PR HUD Metro FMR Area					
Fair Market Rent	355	359	417	581	665
High HOME Rent	303	326	393	445	476
Low HOME Rent	242	259	311	359	401
Guayama, PR MSA					
Fair Market Rent	360	369	423	570	572
High HOME Rent	353	369	423	519	559
Low HOME Rent	273	293	351	405	452
Mayagüez, PR MSA					
Fair Market Rent	393	404	462	579	811
High HOME Rent	336	361	436	494	531
Low HOME Rent	266	285	341	394	440
Ponce, PR HUD Metro FMR Area					
Fair Market Rent	398	408	467	675	818
High HOME Rent	353	379	457	519	559
Low HOME Rent	285	305	366	422	471
Yauco, PR HUD Metro FMR Area					
Fair Market Rent	354	363	416	575	731
High HOME Rent	286	308	372	420	449
Low HOME Rent	227	243	292	338	377
San Germán, PR MSA					

Fair Market Rent	345	366	419	593	736
High HOME Rent	286	308	372	420	449
Low HOME Rent	231	247	296	342	382
Fajardo, PR HUD Metro FMR Area					
Fair Market Rent	391	394	515	679	790
High HOME Rent	348	374	451	511	551
Low HOME Rent	280	300	360	416	465
Caguas, PR HUD Metro FMR Area					
Fair Market Rent	379	427	489	699	799
High HOME Rent	356	383	462	525	566
Low HOME Rent	281	301	361	417	466
San Juan – Guaynabo, PR HUD Metro FMR Area					
Fair Market Rent	431	459	549	728	913
High HOME Rent	395	424	511	581	629
Low HOME Rent	306	328	393	455	507
Barranquitas – Aibonito, PR HUD Metro FMR Area					
Fair Market Rent	334	363	416	540	572
High HOME Rent	303	326	393	445	476
Low HOME Rent	242	259	311	359	401
Puerto Rico HUD Nonmetro Area					
Fair Market Rent	335	343	416	558	653
High HOME Rent	284	305	368	416	445
Low HOME Rent	227	243	292	338	377

Table 31 – Monthly Rent

Data Source: HUD FMR and HOME Rents (2019).

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 the availability of 53,802 units affordable to owner-occupied households earning 30%- 50% AMI. In contrast, there are 80,785 owner-occupied households in this income segment, for a theoretical needs gap of 26,982 units. Meanwhile, close to 93,150 units are affordable for 50-80% AMI households, in contrast to 131,755 owner-occupied households in this income segment, for a theoretical needs gap of 38,605 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. Chas

data indicates that the number of affordable rental housing for households with income of 30%-80% AMI is of close to 258,465 rental units, which is much larger than while the number of renters with that income (122,065). However, the CHAS identified 40,238 affordable rental housing for very low-income households, in contrast to 136,400 very-low-income renter occupied households, for a theoretical needs gap of 96,162 units.

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

The large gap between income and housing values, particularly among owner-occupied housing, is directly related to the fact that housing values in Puerto Rico increased at a much faster rate than income. However, from 2014 to 2018, the median income in Puerto Rico has increased by 2.4%, and median housing value has decreased by 5.3%. Notwithstanding, although median housing prices increased, the fact is that property values (for the same properties) have dropped more than 30 percent since 2007, according to industry sources. Thus, housing in Puerto Rico has become and should continue to be more affordable. 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?

Median contract rents in Puerto Rico increased 13.2% between 2010-2018. While Puerto Rico's economy has been in a contraction since 2007, families have experienced increases in rental housing costs.

Housing affordability on the island is considerably lower for very low-income families. The cost of rental housing in Puerto Rico is higher near the metropolitan area, for example, in San Juan or Guaynabo, renting a three-bedroom home is \$728, on average \$150 more than other parts of the island. It should be noted that the highest concentration of jobs in Puerto Rico is in the metropolitan area, which means that low-income people face the problem of labor mobility since the options are limited when choosing which housing is accessible to the individual. Moreover, as reflected by travel to work statistics, over 46.8% of Puerto Rico workers travel 30 minutes or more to work and use a private automobile to commute to work. There is also a need to promote affordable housing development near key employment centers served by public transportation.

MA-20 Condition of Housing – 91.310(a)

Introduction:

A total of 672,875 housing units in the Island were built before 1979. As much as 51% of owner-occupied units and 61% of renter-occupied units were built before this date. As a result, housing

conditions in the Island have deteriorated. According to the ACS, a total of 349,917 occupied housing units have one or more conditions. Proportionally rental housing shows more challenges, with 34.5% of renter-occupied units having at least one of the selected conditions in contrast to 26.2% of owner-occupied units. Notwithstanding, there are almost twice as many owner-occupied housing units with one or more conditions than renter-occupied units (215,179 owner-occupied vs. 132,738 renter-occupied).

Definitions

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

The standard condition may be defined as housing which meets all local building, fire, health and safety codes and HUD's minimum Housing Quality Standards. The 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	205,060	25.0%	123,862	32.2%
With two selected Conditions	9,434	1.1%	8,351	2.2%
With three selected Conditions	676	0.1%	471	0.1%
With four selected Conditions	9	0.0%	54	0.0%
No selected Conditions	605,226	73.8%	251,932	65.5%
Total	820,405	100.0%	384,670	100.0%

Table 32 - Condition of Units

Data Source: 2014-2018 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	119,465	14%	41,795	11%
1980-1999	293,730	35%	109,325	28%
1960-1979	331,755	39%	160,410	41%
Before 1960	103,790	12%	76,920	20%
Total	848,740	100%	388,450	100%

Table 33 – Year Unit Built

Data Source: 2012-2016 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	435,545	64.7%	237,330	35.3%
Housing Units build before 1980 with children present	30,590	38.8%	48,215	61.2%

Table 34 – Risk of Lead-Based Paint

Data Source: 2012-2016 ACS (Total Units) 2012-2016 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	N/A	N/A	66,063
Abandoned Vacant Units	N/A	N/A	N/A
REO Properties	N/A	N/A	3,091
Abandoned REO Properties	N/A	N/A	N/A

Table 35 - Vacant Units

Data Source: 2020-Q1 OCIF; 2014-2018 ACS (vacant housing units: for rent or for sale only)

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, particularly among those occupied by cost-burdened low and moderate-income households. According to key stockholders, this is already impacting many communities that 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.

Also, housing retrofitting is required to help elderly populations “age in place”. Many elders live in housing in urban, suburban and rural areas that is inadequate for persons with physical limitations. They live in homes and communities designed for young families or in communities with inadequate public infrastructure to support their daily living needs. It is very likely that this is a substantial issue in the first ring of suburbs in Puerto Rico given the median age of the population and the home.

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. 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 80,000 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. Many municipalities avoid rehabilitating old housing, given the substantial cost associated with lead decontamination and management.

MA-30 Homeless Facilities – 91.310(b)

Introduction

According to the 2020 Housing Inventory Count[1], a total of # year round beds are available. Of those beds available, the majority, are emergency, or transitional housing targeted to adults.

Service providers and community organizations have been consistent in expressing the need for permanent housing for persons with mental health problems and chronic homeless persons, women with children, and emergency shelters for families, and for those subjected to domestic violence. In addition, due to the increasing economic limitations and the rise in foreclosures, moreover in the context of the impact of COVID-19, the need may have broadened. There is also a gap in terms of complementary services for homeless and other special needs populations.

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	57	0	112	416	
Households with Only Adults	259	0	276	1381	
Chronically Homeless Households	4	0	0	1151	
Veterans	7	0	25	223	
Unaccompanied Youth	10	0	8	7	

Table 36 - Facilities Targeted to Homeless Persons

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

Nonprofit organizations as well as municipalities provide complementary services to the homeless population.

The table below includes a summary of the inventory of the facilities identified in the HIC, as well as a table that provides examples of the organizations and the type of services they provide aimed to address the need of the homeless population. These particularly include services related to health, mental health, drug abuse rehabilitation services, and housing and employment services, among others.

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.

The table below 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. Table MA-35 summarizes the services that are offered by these entities. Services are related to some of the most urgent needs of the homeless population, which were also the cause for becoming homeless. These include services such as Alcohol & Drug Abuse rehabilitation, employment services and mental health counseling. Other services provided, which complement these mainstream services, include childcare, transportation and life skills. It is also worth mentioning that a high proportion of the organizations identified, offer case management services, along with services of referral to government and to other entities.

General Allocation Priorities

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, by establishing a criterion based on the geographic impact of the organization. These regions were defined based on data from the PIT Count and in consultation with CoCs.



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	#
PH in facilities	#
STRMU	#
ST or TH facilities	#
PH placement	#

Table 37 – 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 of this population. Also, community-based organizations (including faith-based organizations) provide 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 that includes counseling and treatment for drug abuse and housing services. An inventory developed for the HIV Jurisdictional Plan, developed by the PRDOH, identified a total of 102 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 that 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 to obtain services, employment training, employment opportunities, and rehabilitation and occupational therapy programs.

The Department of Housing provides housing adapted to the disabled's needs, 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 provides 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.

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

intervention areas 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.

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

Health Component

The Puerto Rico Department of Health has enacted and implemented a protocol for persons to be discharged from hospitals and clinics under the Social Work Division. That 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, disabled patients, those who are mentally ill 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 or the Mental Health and Anti-Addiction Services Administration, 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 the 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 have enacted and implemented a protocol for case management of homeless persons with mental health 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 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, among others) that they may have. The case managers assigned these cases to 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 homeless inmates' reinsertion upon discharge from the corrections system. The commitment is to define each agency and entity's responsibilities, collaborate in the provision of case management and services to serve these homeless individuals, and acquire funds to finance such services. The need to protect confidentiality (HIPAA) in the management of the 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)

The state will be providing several activities to address the needs of persons who are not homeless but have other special needs. These activities include support to HOPWA as well as support to the programs mentioned above. Through HOPWA the State will provide housing assistance and supportive services to the HIV population 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 (Daycare, 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. CDBG public service activities will also complement such efforts. Following the State Housing Plan's proposed actions, the state will provide secure permanent housing for special needs populations. Incentives in the form of modifications to the method of distribution criteria to several federal programs (Unified NOFA) will increase the number of projects directed towards these populations. The one-year goals for the homeless provide supportive services and homeless prevention to the special need's population. See Section AP-25 for one-year goals.

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

Introduction

This section describes the local economy's structure by analyzing the contribution to jobs and income of economic sectors. The 2014-2018 American Community Survey reported 1,195,584 total population in the civilian labor force, of which 988,399 consisted of civilian employed population 16 years and over. It also reported an unemployment rate of 17%, primarily for ages 16 to 24.

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	13,830		1.3%		
Arts, Entertainment, Accommodations	99,529		9.7%		
Construction	54,464		5.3%		
Education and Health Care Services	242,192		23.5%		
Finance, Insurance, and Real Estate	56,070		5.5%		
Information	18,417		1.8%		
Manufacturing	91,761		8.9%		
Other Services	56,200		5.5%		
Professional, Scientific, Management Services	102,012		9.9%		
Public Administration	90,322		8.8%		
Retail Trade	137,171		13.3%		
Transportation and Warehousing	26,616		2.6%		
Utilities	11,690		1.1%		
Wholesale Trade	28,226		2.7%		
Total	1,028,500		100.0%		

Table 38 - Business Activity

Data 2014-2018 ACS (Workers). Jobs data from the Longitudinal Household-Employer Dynamics (LODES) was discontinued for Puerto Rico.
Source:

Labor Force

Total Population in the Civilian Labor Force	1,195,584
Civilian Employed Population 16 years and over	988,399
Unemployment Rate	17.0%
Unemployment Rate for Ages 16-24	38.3%
Unemployment Rate for Ages 25-65	14.0%

Table 39 - Labor Force

Data Source: 2014-2018 ACS

Occupations by Major Group	Number of People
Management, business and financial	121,909
Computer, engineering, and science	34,210
Education, legal, community service, arts, and media	111,972
Healthcare practitioners and technical occupations	65,008
Service	213,927
Sales and office	271,820
Farming, fishing, and forestry occupations	8,791
Construction, extraction, maintenance and repair	86,320
Production, transportation and material moving	114,543

Table 40 – Occupations by Sector

Data Source: 2014-2018 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	509,500	53.2%
30-59 Minutes	316,741	33.0%
60 or More Minutes	132,165	13.8%
Total	958,406	100.0%

Table 41 - Travel Time

Data Source: 2014-2018 ACS

Education:

Educational Attainment by Employment Status (Population 25 to 64 Years Old)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	67,592	27,918	186,248
High school graduate (includes equivalency)	211,513	51,114	227,626
Some college or Associate's degree	256,062	43,007	151,933
Bachelor's degree or higher	360,721	27,809	110,800

Table 42 - Educational Attainment by Employment Status

Data Source: 2014-2018 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	8,183	17,989	29,433	106,400	220,957
9th to 12th grade, no diploma	23,696	25,374	28,968	73,594	75,514
High school graduate, GED, or alternative	93,378	113,471	116,593	260,302	169,304
Some college, no degree	154,302	80,145	58,674	108,930	44,371
Associate's degree	27,334	54,986	58,308	90,606	31,151
Bachelor's degree	26,726	99,883	82,639	168,005	67,783
Graduate or professional degree	979	30,204	40,042	69,229	31,543

Table 43 - Educational Attainment by Age

Data Source: 2014-2018 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	\$10,884
High school graduate (includes equivalency)	\$15,065
Some college or Associate's degree	\$17,362

Educational Attainment	Median Earnings in the Past 12 Months
Bachelor's degree	\$25,610
Graduate or professional degree	\$36,814

Table 44 – Median Earnings in the Past 12 Months

Data Source: 2014-2018 ACS

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

The major employment sectors within the state include Educational and Health Care Services (242,192), Retail Trade (137,171), Professional, Scientific and Management Services (102,012) Arts, Entertainment, Accommodations (99,529), Manufacturing (91,761), Public Administration (90,322), among which account for 74% of the jobs in the Island.

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

The labor force in Puerto Rico has been contracting since the start of the Puerto Rican recession in FY 2017. From 2007 through 2019, the labor force fell 24%. For this reason, the labor force participation rate plunged from 48.6% in 2007 to 40.6% in 2019. In other words, 6 of every 10 people who are of working age are not in the labor market. Since 2010, unemployment on the Island has decreased in number and rate. However, Puerto Rico continue being the jurisdiction with the highest unemployment rate among all states. Even more significant, Puerto Rico's low labor force participation rate remains not just as the lowest among all jurisdictions but also one of the lowest in the World.

The Puerto Rico Department of Economic Development and Commerce established its WIOA Unified State Plan 20-23 the economic sectors with the most significant opportunity to promote economic development and job creation on the island. The sectors are: Life sciences: pharmaceutical manufacturing and manufacturing of medical devices, Agricultural biotechnology, Outsourcing, Maintenance, repair, and operations (MRO) cluster, Tourism and Aerospace

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 principal industrial sectors with the highest share of GDP output in FY 2018 were Manufacturing (47.3%), Real Estate and Rental (15.88%), Government (6.37%), Retail Trade

(5.2%), and Finance and Insurance (4.47%). These top five sectors comprised almost 80% of Puerto Rico's 2018 GDP output.

When focusing on the GDP output changes among major industrial sectors between 2014 and 2018, additional movers emerged with Management of companies and enterprises increasing by 36.3%, Professional, Scientific and Technical services by 23.9%, and Transportation and Warehousing by 19.9%. On the other hand, Construction, Government, and Educational services have diminished the most by -23.6%, -17.7%, and -17.6%, respectively.

In 2018, the occupations with the largest net gain in employment between 2014 and 2018 were Assemblers and Fabricators, Combined Food Preparation and Serving Workers, Business and Financial Operations, Middle School Teachers, Cooks, and Teacher Assistants, among others.

Moreover, the top hiring occupations in 2018 were Business and Financial Operations (42,300), Security Guards (28,290), Registered Nurses (19,230), Stock Clerks and Order Fillers (17,790), and Combined Food Preparation and Serving Workers (13,720).

Construction is one of the largest industry sectors in Puerto Rico. Although it has been decreasing due to the housing crisis of 2006, it is expected to grow in the following years. This is due to the reconstruction funds allocated by the federal government following the 2017 hurricanes.

As stated before, the construction sector in Puerto Rico will grow in the following years, requiring trained personnel to satisfy the increase in demand. In 2018, the construction sector exhibited its first growth in employment since 2012. During those years, the disbursement of federal funds for different reconstruction and recovery projects had a positive effect on the amount of employment in this sector. In 2012, when the American Recovery and Reinvestment Act had been in effect, the employment in the construction sector increased by 11.3%. Following a similar pattern as in 2012, employment increased in the years 2018 and 2019, the same period in which FEMA funds were assigned to the island. Since these disbursements are only 30% of the total allocated funds for recovery, it can be argued that employment in the construction sector will be steadily increasing until all funds have been disbursed.

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

According to estimates from the U.S. Census Bureau, there are around 2.39 million individuals over the age of 25 in Puerto Rico, of which 46.1% are males, and 53.8% are females. From these, 52.9% have a high school degree or less while the remaining 47.1% have some college/associate degree, bachelor's degree or higher. Approximately a third of the male population has achieved

12th grade (no diploma) or less. However, almost 30% of women have completed a bachelor's degree or more than around 20% of men.

By educational level, unemployment is concentrated among those with a post-secondary/technical/vocational preparation, while those with a bachelor's degree and higher have lower unemployment. On the other hand, among those employed to have a higher level of education. In other words, the higher the level of education, the lower the probability of being unemployed.

It is undeniable that the Puerto Rico labor market faces many difficulties caused by internal and external factors. Low participation rate and high unemployment prove that labor supply and demand do not match adequately. The government of Puerto Rico has important strategic initiatives, including an aerospace cluster, science, technology clusters, international insurance center, international financial center, Ponce's Port of the Americas, and Act 20 for service exports. Such initiatives will demand jobs in specific industries and occupations in the next years. These new jobs will require different education requirements and skills.

According to the PR Department of Labor projections by the year 2026, the occupations expected to grow will demand 28,411 new jobs. Almost 36% of these new jobs will require a high school diploma or equivalent, 34% will require no formal education, and 15% will require a bachelor's degree.

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

The Workforce Program under the Puerto Rico Department of Economic Development and Commerce administers the funds of the Workforce Innovation and Opportunity Act (WIOA). The core partners of this program are the Department of Labor and Human Resources, Vocational Rehabilitation Administration, and the Department of Education. These agencies together have developed the following initiatives for the period of 2020-23, which are:

1. Increase the utilization of Registered Apprenticeship programs as viable talent development opportunities.
2. Increase connections with employers and Vocational Rehabilitation agencies to provide support and employment for youth and adults with disabilities.
3. Partner with K-12 education, higher education, career, and technical education, and adult education to provide consistent rules and eliminate barriers to implementing training programs around the State.

4. Develop an image-building outreach campaign that educates citizens about the services and the career development opportunities available in the State.
5. Develop an integrated data system that will enable sharing information between partner agencies to more efficiently serve both employers and job seekers.
6. Promote training that leads to industry-recognized credentials and certification.
7. Improve the reach of the English language literacy activities throughout the population of job seekers in need of English language skills.
8. Improve coordination with programs that combine education, job training and preparation, counseling, and supportive services to benefit out-school youth.
9. Increase access to education for those that have barriers.
10. Integration of agricultural workforce development programs.
11. The AEP will initiate a pilot project with the (I-BEST) strategy, a model that boosts students' literacy and work and college readiness skills, so students earn credentials, get living-wage jobs, and put their talents to work.
12. Design of contextualized Instruction, including the STREAM approach.
13. The DEPR-AEP will foster the development and implementation of technology applications, translation technology, and distance education, including professional development, to support instructional technology use.

Describe any other state efforts to support economic growth.

The Department of Economic Development and Commerce (DEDC) is the umbrella entity for critical economic development agencies in Puerto Rico. Created in 1994, the DEDC is at the leading edge of Governor's policy of taking the most out of Puerto Rico's fiscal autonomy as a tool for promoting local and foreign investment. This vision allows for the creation of thousands of jobs in manufacturing, aerospace, telecommunications and information technology, engineering services, scientific research, and others.

To achieve these strategic goals, the DEDC is working on initiatives that:

- Create a new tax and economic incentives for high technology industries and start-ups and locally owned businesses;
- Improve Puerto Rico's regulatory and structural framework to enhance its competitiveness as a destination for investment and the production of high-value goods and services;
- Establish regional centers, or "poles," of economic activity throughout the island; and
- Grow critical sectors, including manufacturing, tourism, commerce and exportation, film and visual arts, banking, and insurance.

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 following municipalities: Mayagüez (93.8%), Comerío (82.6%), Adjuntas (79.2%), Guánica (67.8%), Quebradillas (66.7%), Maricao (66.2%), San Sebastián (63.8%), Las Marías (63.6%), Santa Isabel (62.6%), Aguadilla (62.2%), Barranquitas (61.9%), Utuado (61.4%), Guayama (61.0%); Las Piedras (60.7%); and San Juan (60.6%).

These were identified based on the following criteria: municipalities having a percentage of housing with one or more housing problems 15% above the Commonwealth's average (44.5%), as per the CHAS data for Puerto Rico.

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

The CHAS identified a small number of non-hispanic minorities. In Puerto Rico, most of the population is considered Hispanic, so the representation of other ethnic groups is considerably lower in comparison. In the case of the municipalities of Culebra, Aguada, and Aguadilla, other ethnic groups that are not considered Hispanic are concentrated, 4.7%, 1.1%, and 1%, respectively.

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

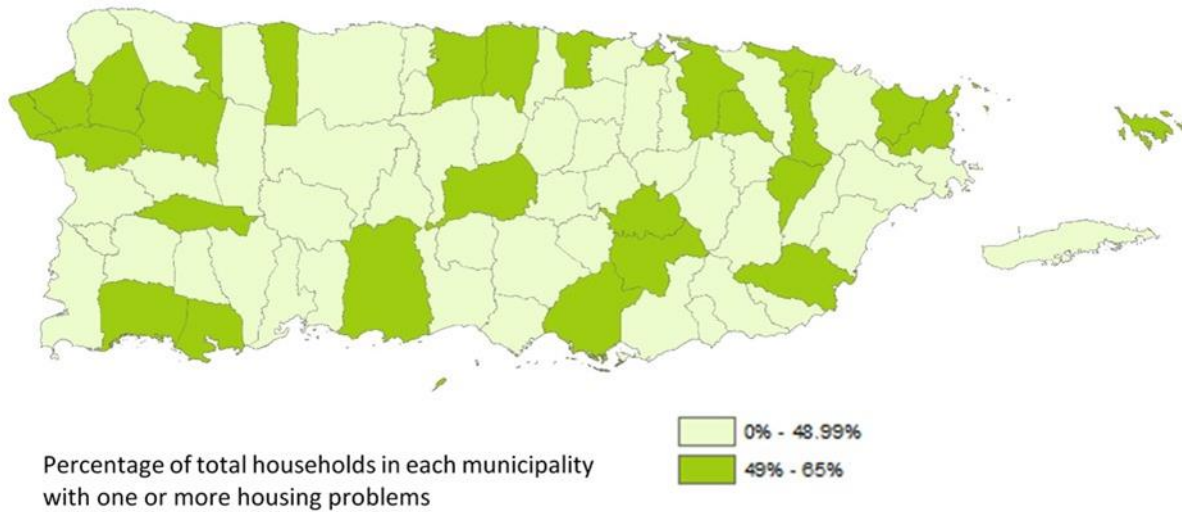
The characteristics of these municipalities are diverse. Typically, minorities concentrate in communities having below-average housing values and above-average substandard housing conditions.

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 for 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

Municipalities with higher proportion of household with problems



MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

According to ACS data, households in Puerto Rico reach 1,205,075. Of this total, 57% of households on the Island have some Internet subscriptions, while 43% do not have access to Internet service. It is worth noting that in households with a family income of less than \$10,000, 64% of them do not have Internet service. As family income increases, access to the internet in the home increases significantly. At the income threshold of more than \$75,000, only 10% do not have access to the internet. At a time when the world's population is facing the COVID-19 pandemic and distance education has become critical, Puerto Rico faces a severe problem for children in poor households to have access to education, which is a constitutionally guaranteed right and is affected by this factor.

Internet Subscription:

Household Income Level	Internet Service	Total	%
		1,205,075	100%
Less than \$10,000:		333,145	28%
	With internet subscription	121,340	36%
	Without an Internet subscription	211,805	64%
\$10,000 to \$19,999:		266,065	22%
	With internet subscription	121,443	46%
	Without an Internet subscription	144,622	54%
\$20,000 to \$34,999:		243,599	20%
	With internet subscription	150,202	62%
	Without an Internet subscription	93,397	38%
\$35,000 to \$49,999:		141,322	12%
	With internet subscription	105,570	75%
	Without an Internet subscription	35,752	25%
\$50,000 to \$74,999:		120,479	10%
	With internet subscription	99,119	82%
	Without an Internet subscription	21,360	18%
\$75,000 or more:		100,465	8%
	With internet subscription	90,137	90%
	Without an Internet subscription	10,328	10%

Table 45: Internet Subscription in Household

Data Source: 2018 ACS (5 Year Estimates)

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

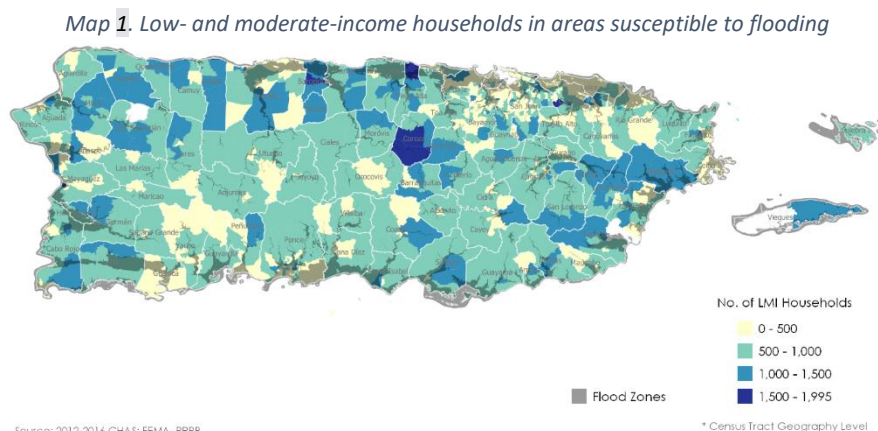
Promoting access to broadband internet is one of the critical challenges of modern Puerto Rico and is indispensable in the face of the reality that the Island is experiencing with the COVID-19 pandemic. In Puerto Rico, the number of broadband service providers has increased in recent years, although the dominance of the leading companies in the market is latent, some of which are Claro, Liberty, T-Mobile, AT&T, among others. The inclusion of new service providers has a positive impact on the consumer, both in the supply and service provision. There are areas in Puerto Rico that are not yet covered, so the consumer is limited in the options they may have in broadband internet service. In Puerto Rico, Law 22 of 2017 has influenced new companies to enter the Island by granting tax incentives. Without a doubt, it is a crucial step to improve the broadband infrastructure on the Island.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Puerto Rico is exposed to multiple natural hazards. Climatic hazards include tropical cyclones and storms that often causes floods, coastal erosion and rainfall induced landslides. Extreme heat events and droughts are also climatic hazards that affect Puerto Rico. Geologic hazards include landslides, coastal erosion, earthquakes (including earthquake's induced landslides, liquefaction, amplification of seismic waves), and tsunamis.

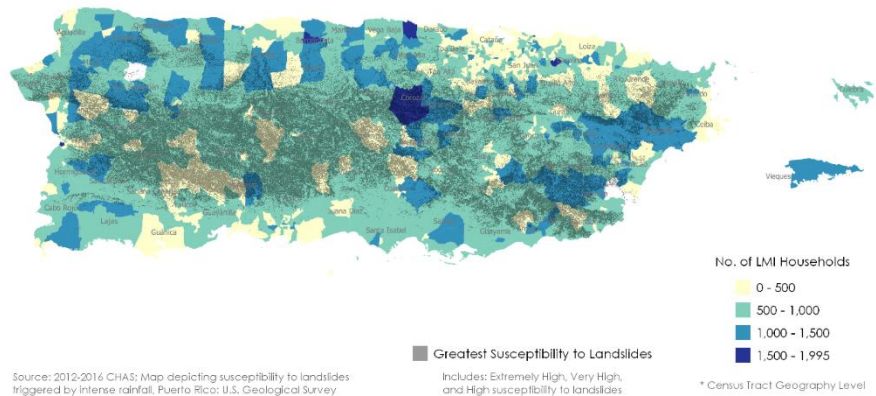
The Puerto Rico Hazard Mitigation Plan identifies that the more frequent events that have required presidential disaster and emergency declarations are associated with flooding, tropical storms, and hurricanes, as well as landslides.

According to the most recent flood data, it is estimated that 1,186 km² (13%) of the island is susceptible to coastal and riverine flooding (A, AE, AO and VE).² The following map presents the amount of low- and median-income households per census tracks and the areas that are susceptible to riverine, coastal and storm surge flooding.



Puerto Rico is also susceptible to landslides which range from nuisances to deadly events. A recent study identified that 1% of the island has an extremely high susceptibility to landslides that are likely to initiate during or soon after intense rainfall. Nine percent of the island is considered with Very High susceptibility, 20% with High, 30% Moderate and 40% Low.³ The following map presents the amount of low- and median-income households per census tracks with respect to the areas that are susceptible to landslides.

Map 2. Low- and moderate-income households in areas Susceptible to landslides



Describe the jurisdiction's increased natural hazard risks associated with climate change.

Climate change increases Puerto Rico's exposure to natural hazards, specially floods due to sea level rise, and stronger and more frequent extreme events such as storms. Other effects include an increase in the frequency and intensity of extreme heat events, in droughts, changing in rainfall patterns, and increase in ocean acidification and sea surface temperature.⁴

Sea level rise

Sea level rise due to climate change is increasing coastal inundation and exacerbating existing flooding conditions. Since the mid-20th century Puerto Rico has documented increases in the sea level by 0.08 inches (2 mm), and a notable acceleration has been observed between 2010 and 2011 (by a factor of about 3).⁵ Various scenarios indicate that the increase in sea level in the Caribbean region would be greater than the global average, which will continue during this century.^{6,7} By 2050, relative sea levels are projected to rise by about 0.8 feet (under the Intermediate-Low scenario), 1.2 feet (Intermediate scenario) and 2.8 feet (Extreme scenarios), compared to levels in 2000.^{8,9}

Higher sea levels will result in more frequent nuisance flooding, especially in low lying communities. Nuisance flooding occurs with high tides due to climate-related sea level rise, land subsidence, and the loss of natural barriers. Oftentimes these are not immediately destructive but can cause substantial negative socioeconomic impacts, compromising infrastructure and posing public health risks.¹⁰ In Puerto Rico, these are of concern and peaks during the high-water stance during the months of August-September-October¹¹. Communities in the southwest coast of Puerto Rico are facing a complex situation given that earthquakes and aftershocks that have occurred since January 2020 caused permanent changes to the ground surface that appeared to shift downward and slightly to the west, according to recent studies.¹² Some coastal communities, such as El Faro in Guayanilla, are experiencing flooding and are more vulnerable to future events.

Stronger and more frequent extreme events

In the Caribbean, some extreme events include droughts, extreme rainfall events and extreme storms. These are projected to increase in frequency and intensity. Recent droughts and resulting reductions in freshwater availability as well as extreme rainfall events, have caused economic losses and social disruption.

Stronger hurricanes and more active hurricane seasons are also projected. Increasing hurricane intensity and associated rainfall will cause further damages to homes, specially those located in hazard areas or that were not developed according to building codes. Intense rainfall associated with these extreme events also increases the susceptibility to landslides.

Temperature

In PR temperatures have increased 1.5°F since 1950. It is projected that the average and extreme temperatures will increase in minimum and maximum emission scenarios. It is expected that there will be more days with temperatures over 95°F and more nights with over 85°F. By 2050 an increase in average temperatures from 1.5°F to 4°F is projected.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Low- and moderate-income households that are located in hazardous areas may be disproportionately affected by the effects of climate change. For instance, many of the residents in flood prone areas cannot afford flood insurance to repair or replace their property when the next flooding event occurs.¹³ As previously indicated, climate change could exacerbate current flooding conditions and areas that were not susceptible to flooding or were flooded in certain events could be permanently inundated by sea level rise.

It is estimated that in Puerto Rico there are 408,279 housing units occupied by low- and moderate-income households¹⁴ that are in areas that could be permanently inundated by an increase of 3ft in sea level rise. These constitutes 45.79% of these units.¹⁵

Map 3. Low- and moderate-income households in areas Susceptible to 3ft slr



On the other hand, higher temperatures increase the consumption of electricity due to the use of equipment to cool down the environment (air conditioning) in homes that can afford or are required to have these systems. These spending in electricity leaves low and moderate-income homeowners with less money, which can negatively affect the well-being of these populations. Health and wellbeing are also affected in houses whose design does not allow adequate ventilation and cannot afford electricity costs. This situation is exacerbated by the heat island effect, due to the concentration of buildings and other paved surfaces.

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, HTF, HOPWA and ESG programs for the 2020-2024 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, HTF, HOPWA and ESG programs and achieve their goals of the 2020-2024 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)

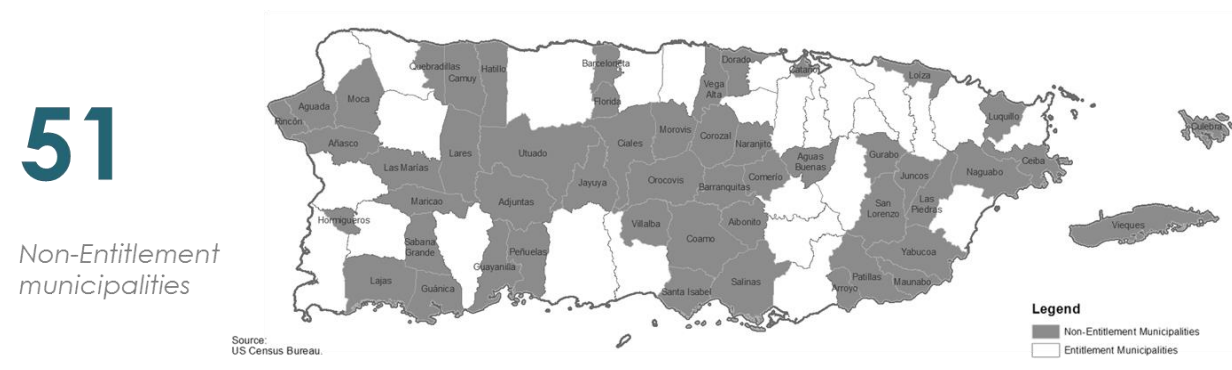
General Allocation Priorities

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.

Map of non-entitlement municipalities:



HOME & HTF

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HOME and HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, the HOME and HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b) (1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HOME allocation for PY 2020 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.

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b) (1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HTF allocation for PY 2020 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition). Section IV of the NOFA Ranking Self-Evaluation establishes a specific priority funding factor for developers or the applicant’s capacity to undertake tax credits/HOME projects. The term “full compliance and successful record” provides sufficient basis to determine the applicant’s capacity to obligate HTF funds and undertake activities in a timely matter.

A map of Cuba showing its administrative divisions. The map is divided into 15 provinces, each labeled with its name in Spanish. The provinces are: Aguadulce, Artemisa, Bayamo, Cardenas, Ciego de Avila, Ciego de Guayama, Cienfuegos, Colon, Cumanayagua, Sancti Spiritus, Granma, Guantánamo, Havana, Matanzas, Pinar del Rio, Sagua La Grande, Sancti Spiritus, and Villa Clara. The two municipalities of the Capital of Havana are also shown, labeled as Centro and Vedado. The map is oriented with North at the top. The surrounding waters are labeled as Golfo de las Americas and Golfo de Guayana. The map is a black and white line drawing.

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

PUERTO RICO

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 46 – Priority Needs Summary

1	Priority Need Name	Housing
	Priority Level	High
	Population	Extremely Low Moderate Elderly Other Low
	Geographic Areas Affected	
	Associated Goals	Provide Decent Housing (C) Provide Decent Housing (D) Provide Decent Housing (E) Provide Decent Housing (F) Provide Decent Housing (G) Provide Decent Housing (H)
	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. Provide assistance to individual households to help them afford the housing costs of market rate units.

	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 Faciliti		
	Priority Level	High		
	Population	Extremely Low Moderate Middle	Low	
	Geographic Areas Affected			
	Associated Goals	Create Suitable Living Environments (B)		
	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 improvem		
	Priority Level	High		
	Population	Extremely Low Moderate Middle	Low	
	Geographic Areas Affected			
	Associated Goals	Create Suitable Living Environments (B) Create Suitable Living Environments (C)		

	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	Extremely Low Moderate Middle Low
	Geographic Areas Affected	
	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 Develo
	Priority Level	High
	Population	Extremely Low Moderate Middle Low

	Geographic Areas Affected	
	Associated Goals	Expand Economic Opportunity
	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 Mentally Ill Chronic Substance Abuse Victims of Domestic Violence
	Geographic Areas Affected	
	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
	Geographic Areas Affected	
	Associated Goals	Provide Decent Housing (B)
	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.
8	Priority Need Name	Create and preserve affordable rental housing
	Priority Level	High
	Population	Extremely Low Individuals Elderly
	Geographic Areas Affected	
	Associated Goals	Provide Decent Housing (G)
	Description	Address de need of substandard housing by the construction and rehabilitation of rental housing
	Basis for Relative Priority	Puerto Rico State Housing Plan, Community Participation, Consultations, 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)	<p>There is lack of small housing units to support single family. TBRA provide assistance to individual households to help them afford the housing costs of market-rate units. TBRA differ from other types of HOME rental housing activities in three key ways:</p> <ul style="list-style-type: none"> • TBRA programs help individual households, rather than subsidizing particular rental projects. • TBRA assistance moves with the tenant- if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property. • The level of TBRA subsidy varies- the level of subsidy is based upon the income of the household, the particular unit the household selects, and the PJ's rent standard (rather than being tied to the PJ's high and low HOME rents).
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, 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	The state will not acquire properties nor allocate funding for the preservation of affordable housing. Market conditions and budgetary constraints do not support assuming the risk associated to this activity. Moreover, regarding expiring contracts under Section 8, it is unlikely that developers will reposition their projects for the non-subsidized market.

Table 47 – Influence of Market Conditions

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

Introduction

For the PY 2020, HUD allocated to the PR-State a total of \$44,540,047 among all CPD Programs. Specifically, the allocation by programs is: \$23,869,547 for the CDBG Program activities; \$13,333,944 for the HOME Program activities, \$2,203,742 for the HOPWA Program activities, \$3,618,910 for the ESG Program activities and \$1,513,904 for the Housing Trust Fund activities.

All funds were allocated to address the affordable housing needs of the low and moderate income persons and special needs population, the public services needs of the special needs population, the homeless housing and supportive service's needs, the non-housing community development needs, the prevention of homelessness actions of families and/or individuals, the low income economic development needs among other eligible service activities within the Puerto Rico State jurisdiction.

In addition to the 2020 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$31,626,311.41
- HOME Previous Years EN and CR Resources (Available to commit)- \$18,004,007 (Net of 10% Adm.)
- HOPWA Previous Years – \$1,756,081
- ESG Previous years (available to commit) - \$58,650.93
- HTF Previous Years- \$930,870 (Net of 10% Adm.)

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	23,869,547	0	31,626,311	55,495,858	95,478,188	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	13,333,944	0	23,029,184	36,363,128	53,335,776	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO's - set aside only). Also, funds will be used for acquisition of housing by homebuyers.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,203,742	0	1,756,801		8,814,968	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,618,910	0	58,650	3,677,560	14,475,640	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	1,513,904	0	930,870	2,444,774	6,055,616	The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Table 48 - Anticipated Resources

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

CDBG:

Matching Requirements

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

Leverage of Federal Funds

The non-entitlement municipalities will provide leverage to their projects in the form of in-kind services and equity from municipal, state, and other federal funds.

HOME:

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

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

Section 42 of the Internal Revenue Code:

Provides financing by selling tax credits to United Commonwealth's investors.

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

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

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

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

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

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

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

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

Interim Loans for Construction

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

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

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

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

Direct Loans

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

Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

New Market Tax Credits

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

Subsidy Contracts Administration

The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for all Section 8 projects in Puerto Rico. This program monitors project management to ensure the quality of life of residents and the adequate use of federal funds. In addition, the Authority is responsible of making subsidy payments to the project owner, renovating subsidy contracts for projects, approving and processing rent increases, monitoring that any deficiencies found in the projects during physical inspections are corrected, and carrying out administrative audits of the projects each year.

Loans for Multifamily Rental Housing

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

Private Sources

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

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

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

ESG

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

OTHER FEDERAL AND STATE RESOURCES (FY-2017-2018)

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$1,923,537,000	\$46,479,000	\$1,970,016,000	Provides supplemental income to families in need in order to address their nutritional needs.
Temporary Assistance to Needy Families (TANF)	85,937,000	32,651,000	118,588,000	Provides economic assistance to none and low income persons and families to help them fulfill basics needs.
Social and Economic Rehabilitation of the Family (PRES, Spanish Eponymous)	0	5,324,000	5,324,000	Helps poor families become self-sufficient.
Services to the Families and Children	\$31,804,000	\$191,867,000	\$223,671,000	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	18,271,000	9,482,000	27,753,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	0	473,000	473,000	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	\$55,542,523	\$5,339,000	\$60,881,523	<p>To assist low- income families with child care in order to:</p> <ol style="list-style-type: none"> 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.
Head Start	\$43,572,562	\$1,434,000	\$45,006,562	<p>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.</p>
Disability Determination	14,075,676	0	14,075,676	<p>Determines the eligibility of handicapped persons who request Social Security benefits.</p>
TOTAL	\$2,172,739,761	\$293,049,000	\$2,465,788,761	

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.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
PR Department of Housing	Government	Economic Development Non-homeless special needs Ownership neighborhood improvements public facilities public services	Other
PR Department of Family	Government	Homelessness Non-homeless special needs neighborhood improvements public facilities public services	State
Puerto Rico Department of Health	Government	Homelessness public services	State
MUNICIPIO DE SAN JUAN	Government	Homelessness Non-homeless special needs public services	State
PUERTO RICO HOUSING FINANCE AUTHORITY	Government	Ownership Public Housing Rental	State

Table 49 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The PRDOH is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico. Its responsibilities associated with the Consolidated Plan are coordinated by the agency. The main component of the institutional structure consists of the PRDOH, 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: COR3, Puerto Rico Public Housing Authority, 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.

Mayors' Association

Mayors' Federation

the Community Based Organizations

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

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	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	X

Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X	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, except for 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 childcare 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.

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
1	Provide Decent Housing	2020	2024	Homeless		Chronic Homelessness	ESG: \$14,382,560	Homeless Person Overnight Shelter: 70000 Persons Assisted
2	Provide Decent Housing (B)	2020	2024	Homeless		Homelessness Prevention	ESG: \$3,711,990	Tenant-based rental assistance / Rapid Rehousing: 8000 Households Assisted
3	Provide Decent Housing (C)	2020	2024	Affordable Housing Non-Homeless Special Needs		Housing	HOPWA: \$11,018,745	HIV/AIDS Housing Operations: 2000 Household Housing Unit HIV/AIDS Supportive Services: 2100
4	Create Suitable Living Environments	2020	2024	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG: \$13,788,390	Public service activities other than Low/Moderate Income Housing Benefit: 2750 Persons Assisted
5	Create Suitable Living Environments (B)	2020	2024	Non-Housing Community Development		Non-housing Community Development- Public Facilities Non-housing Community Development- Public improvement	CDBG: \$92,105,210	Other: 975,000 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Provide Decent Housing (D)	2020	2024	Affordable Housing		Housing	CDBG: \$11,278,345	Homeowner Housing Rehabilitated: 60 Household Housing Unit
7	Expand Economic Opportunity	2020	2024	Economic development		Non-housing Community Development- Economic Development	CDBG: \$666,495	Jobs created/retained: 30 Jobs Businesses assisted: 15 Businesses Assisted
9	Create Suitable Living Environments (C)	2020	2024	Non-Housing Community Development		Non-housing Community Development- Public improvement	CDBG: \$1,509,295	Other: 1500 Other
2	Provide Decent Housing (B)	2020	2024	Affordable Housing		Housing/Homeless Prevention	HOME: \$5,002,750	Tenant-Based Rental/Rapid Rehousing: 640 Household Housing Unit
6	Provide Decent Housing (D)	2020	2024	Affordable Housing		Housing	HOME: \$10,000,000	Homeowner Housing Added: 100 Household Housing Unit
10	Provide Decent Housing (F)	2020	2024	Affordable Housing		Housing	HOME: \$20,000,000	Homeowner Housing Added: 440 Household Housing Unit
11	Provide Decent Housing (G)	2020	2024	Affordable Housing		Housing Create and preserve affordable rental housing	HOME: \$25,000,000 HTF: \$6,812,565	165 Rental units constructed or rehab 9 Rental units constructed or rehab

Table 51 – Goals Summary

Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	Street outreach, supportive services and emergency shelter.
2	Goal Name	Provide Decent Housing (B)
	Goal Description	Provide homeless prevention and rapid rehousing assistance.
3	Goal Name	Provide Decent Housing (C)
	Goal Description	Provides housing assistance and supportive services to HIV population.
4	Goal Name	Create Suitable Living Environments
	Goal Description	Social needs (public service)
5	Goal Name	Create Suitable Living Environments (B)
	Goal Description	Community Development (Infrastructure and public facilities) Infrastructure for disaster recovery.

6	Goal Name	Provide Decent Housing (D)
	Goal Description	Rehabilitation of units Rehabilitation of housing units CDBGR-08.
7	Goal Name	Expand Economic Opportunity
	Goal Description	Economic Development
8	Goal Name	Provide Decent Housing (E)
	Goal Description	Homeownership assistance
9	Goal Name	Create Suitable Living Environments (C)
	Goal Description	Emergency relief
10	Goal Name	Provide Decent Housing (F)
	Goal Description	Down payment and closing costs assistance
11	Goal Name	Provide Decent Housing (G)
	Goal Description	Rehabilitation and production of rental housing The Goal Outcome indicator includes the 5 years rental units for the HOME program but the HTF goal only reflects the numbers for 4 years (2016-2019) because the first allocation for HTF is received in PY 2016. For the first year HTF the 90% of the allocation will be used for rental housing and 10% for administrations costs, no homebuyer activities will be performed in PY 2016. A total of 8 units will be constructed with the HTF allocation through the period of 2016-2019 for the rental activity.

12	Goal Name	Provide Decent Housing (H)
	Goal Description	Rehabilitation and production of rental housing (CHDOs)

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)

HOME Program:

Provide Decent Housing (B) - (641) Household Housing Unit (Low Income)

Provide Decent Housing (D) - (100) Household Housing Unit (Low Income)

Provide Decent Housing (F) - (444) Household Housing Unit (Low Income)

Provide Decent Housing (G) - (166) Household Housing Unit (Low Income)

HTF Program:

Provide Decent Housing (G) - (45) Household Housing Unit (Low Income)

See appendix

For CDBG housing goals:

Provide Decent Housing (D)- [extremely Low]- 548 Household Housing Units; [low] - 2,739 Household Housing Units; [moderate]- 363 Household Housing Units
Provide Decent Housing (E)- [extremely Low]- 38 Household Housing Units; [low] - 188 Household Housing Units; [moderate] - 24 Household Housing Units)

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

Barriers to Affordable Housing

The barriers to affordable housing development are a recurring issue in the Island. The following issues are those considered the most relevant barriers to affordable housing:

- a. Affordable housing programs require large subsidies given the gap between housing construction cost and poverty levels in the Island.
- b. Low Fair Market rents relative to residential construction cost.
- c. The permitting process is not timely, which increases predevelopment cost.
- d. The Nimby syndrome, “Not in My Backyard”, is affecting the development of affordable housing for the homeless persons.
- e. There’s a reduced number of Certified CHDO’s with a proven experience and capacity to develop affordable housing in Puerto Rico. During past years, PJ’s across the nation (including Puerto Rico) has received findings from HUD resulting in funds returned due to ineligible activities or projects not developed.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The strategies that are being adopted include:

1. LITHC 4% funds are being layered CDBG-DR funds to make financially viable the construction of rental housing for the elderly and the general population
2. The policy of the State is to prioritize the permitting of affordable housing being supported by CDBG-DR funds and other federal funds.
3. Request HUD to waive 15% CHDO Set-Aside. CHDO’s with proven capacity and experience developing affordable housing will have preference in the evaluation process to receive funds.
4. PRHFA team is helping developers to follow-up governmental agencies to expedite construction permits.

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: Outreach and Rapid Re-Housing Service Projects; Emergency Shelter without Barriers (population, age, hours); Prevention or Rapid Rehousing Project for the mental health population; Emergency Shelters in conjunction with Rapid Rehousing with services that promote personal and economic self-sufficiency; Rapid Rehousing Projects for women, families and youth; Outreach projects and shelters for chronic individuals and families, and shelters for women and the elderly.

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 amended. 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.

In the context of COVID-19, the Government of Puerto Rico enacted the Executive Order 2020-25, which mandates the coordination and collaboration between the Secretary of Family, the Secretary of Housing, and the Secretary of Health for providing emergency assistance to the homeless population. As well, it urges these agencies to establish services centers to provide minimum, basic medical care and diagnostics, facilities for personal hygiene, laundry, food and other services aimed at preventing the spread of COVID-19, and addressing their most urgent needs.

During the program year, funding for emergency shelters will come 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 to end chronic homelessness in Puerto Rico includes the following strategies:

- Continued expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons.
- Continued efforts to implement existing, and obtain new, commitments from Mayors to participate in planning processes to end chronic homelessness.
- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority,

outreach, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.

- Implementation of specific action steps to improve access to services, reduce stigma and the criminalization of homelessness.
- Continued education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.
- Increased capacity building of municipal government representatives to partner with community-based organizations in the development, financing and delivery of services to chronic homeless.
- Continue with the implementation of the dedicated HMIS - currently under San Juan's Coalition and the Coalition of Coalitions - for uniform data collection to track populations served through the various systems to permit continuous monitoring of the number and quality of services provided, and outcomes in the homeless served.
- Collaborate with the San Juan's Coalition, the Coalition of Coalitions, and the entities that comprise the CoCs in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.
- Continued identification and work with public and private housing developers to target homeless in the development of permanent supportive housing. The current strategies include primarily work with state and non-profit sectors so that more efforts will be directed to local governments and the for-profit stakeholders to improve housing accessibility and service infrastructures for the chronic homeless.
- Monitoring of the development of formal protocols and the implementation of discharge policies from all child welfare, correctional, health and SA/MH agencies and institutions, as a means of preventing chronic homelessness.
- Promote the expansion of the amount of permanent housing units for homeless persons.

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. See the table below for The new HUD requirements table: *Lead-based Paint Compliance for Housing Acquisition*. In 2015, the lead agency and administrator for CDBG State Funds, published a memorandum with the policies and procedures that should be followed for purposes of addressing LBP hazards and increasing access to housing without LBP hazards. As well, the Environmental Specialist at the Department of Housing is in charge of overseeing compliance with this policies and procedures and also provide guidance to municipalities in its implementation. The PRDOH will continue to 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.

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.
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.
	<ul style="list-style-type: none"> • 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.

	<ul style="list-style-type: none">• Notice to occupants of lead hazard reduction including clearance.
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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 [1] 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 Act[2] to provide assistance to States[3] 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.

In order to reduce the number of poverty-level families the PR-State Government will continue to coordinate the following efforts during the Program Year:

- Continue to create training and workforce development opportunities through the investment of funds of the Workforce Innovation and Opportunities Act (WIOA) Program. These funds are committed to assist low income individuals in acquiring the technical knowledge and developing the work skills needed to effectively transitioning to the job market;
- Continue to support the Universities and Technical College community in providing educational opportunities to low- and moderate-income students with the objective of improving their academic skills and achieved to be hire in the local and/or regional job market;
- Provide financial housing subsidies to low- and moderate-income households in order to alleviate the cost burden effect that housing has in the economic status of the families;
- Continue to support private investment in the development of affordable housing projects;
- Continue to provide Tenant Based Rent Assistance to HIV/AIDS individuals and family members;
- Continue to invest Section 8 funds in assisting eligible households in their rental needs;
- Promote the creation of Public-Private Alliances, as a business model to promote economic development activities, to create and maintain jobs opportunities and expand the

business activities base around the Island;

- Support the active participation of the Cooperatives Sector within strategic regional projects as a tool to create job opportunities, promote local investment and promote an increase in the regional business activities throughout the Island.

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.

CDBG

The Program's monitoring guidelines were revised on 2014 based on HUD's CDP Monitoring Handbook. The guidelines and 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 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

The PRDOH 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 PRDOH 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 Program Director 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 Program Director.

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

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

Due to the safety measures that have to be taken in the context of the COVID-19 pandemic, the PRDF will conduct monitoring through desk reviews instead of visits.

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 Over \$20,000	1 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 (Ö) 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 points 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.

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.

HOME & HTF

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 Federal Fund Compliance Office (FFCO) at PRHFA. The FFCO 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.

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 four main activities:

1. Homeowner Occupancy
2. HOME Project Development
3. HOME Rental Projects
4. TBRA

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 active homebuyer activities 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 to each of the assisted homebuyers included in the sample. 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 repay the total HOME funds assigned.

The FFCO 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.

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 tenant's incomes, rents and other HOME requirements and regulations during the projects period of affordability, HOME requires on-site inspections of Home assisted units in a project.

Property reviews are conducted on-site every three years. These inspections will consider a sample of 20% of the 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, a review of project files will be completed. This review will consider a sample of 20% of the 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, the FFCO 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.

TBRA

The FFCO will ascertain whether the beneficiaries under the TBRA Activity were properly certified under the HOME Program rules in 24 CFR Part 92. This task is accomplished through the evaluation of a sample of the TBRA's transactions completed by the HOME Program Department (Department) during a specific period of time.

The FFCO review objective is to ascertain that the sample cases selected are in compliance with 24 CFR Part 92 requirements related to the following aspects Participant eligibility, Unit compliance, Lease provisions, Property eligibility, Processing applications, Rental Assistance Calculations, Occupancy standards, Security deposits, Subsidy Administration and Termination of tenancy and non-renewal standards.

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 ensure 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 ensure 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 2020 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

For the PY 2020, HUD allocated to the PR-State a total of \$44,540,047 among all CPD Programs. Specifically, the allocation by programs is: \$23,869,547 for the CDBG Program activities; \$13,333,944 for the HOME Program activities, \$2,203,742 for the HOPWA Program activities, \$3,618,910 for the ESG Program activities and \$1,513,904 for the Housing Trust Fund activities.

All funds were allocated to address the affordable housing needs of the low and moderate income persons and special needs population, the public services needs of the special needs population, the homeless housing and supportive service's needs, the non-housing community development needs, the prevention of homelessness actions of families and/or individuals, the low income economic development needs among other eligible service activities within the Puerto Rico State jurisdiction.

In addition to the 2020 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$31,626,311.41
- HOME Previous Years EN and CR Resources (Available to commit)- \$23,029,184 (Net of 10% Adm.)
- HOPWA Previous Years – \$1,756,801.68
- ESG Previous years (available to commit) - \$58,650.93
- HTF Previous Years- \$930,870 (Net of 10% Adm.)

The following table includes a description of the Resources for PY 2020:

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	23,869,547	0	31,626,311	55,495,858	95,478,188	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	13,333,944	0	23,029,184	36,363,128	53,335,776	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO's - set aside only). Also, funds will be used for acquisition of housing by homebuyers.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,203,742	0	1,756,801	3,960,543	8,814,968	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,618,910	0	58,651	3,677,560	14,475,640	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	1,513,904	0	930,870	2,444,774	6,055,616	The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Table 52 - Anticipated Resources

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

During 2017 program year Puerto Rico was hard hit by Hurricanes Irma and Maria. Due to the catastrophic damage caused by the hurricanes Puerto Rico was provided with two CDBG-DR allocations totaling near to \$20 billion. These funds are crucial to put forth the vision for the new, more resilient Puerto Rico that the state want to construct for our future generations.

The Puerto Rico Department of Housing (PRDOH) was been appointed by the Governor of Puerto Rico as the responsible agency to administer the CDBG-DR grant program in close collaboration with the Central Office of Recovery, Reconstruction and Resilience (COR3). More information on the plan can be obtained at <http://www.cdbg-dr.pr.gov/>.

To undertake the affordable housing and non-housing community development actions, the PR-State government combines a series of diverse public funding streams available to address the needs of the general population, including those of low and moderate-income levels. The continue reduction in the level of allocation of the HUD CPD funds has increased the amount of local resources that the State government invests in undertaking service activities toward addressing the needs of the economically disadvantaged population within the jurisdiction.

The CDBG regulations requires the Government of Puerto Rico to match administration costs beyond \$100,000. The CDBG match will be covered by PRDOH general budget. The non-entitlement municipalities that receive CDBG funds, 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.

The HOME Program Puerto Rico State is exempt from the matching requirements due to the economic distress that have been suffering. However, those federal funds have been leveraged with tax credits and private loans for multifamily projects and residential mortgage loans for homebuyer assistance. In the case of new construction or rehab for homeowners we have been working with municipalities to waive construction patents and other related fees to make projects more affordable.

As per the ESG Program match requirements, the State must comply with the 24 CFR 576.201 of the ESG Program regulations. The program dispositions states that, except the first \$100,000 of the fiscal year grant, the PR-State government must make matching contributions to supplement the ESG Program in an amount that equals the amount of ESG funds provided by HUD.

The Department of Family will be requesting ESG Program sub-recipients to make matching contributions to assist the Department to meet the program match requirements. The sub-recipients match contributions may be obtained from any source, including any Federal source other than the ESG Program, as well as State, Local, and Private Sources.

The match requirements will be a condition to be met by the nonprofit organizations and municipalities during the Request for Proposal process undertaken to allocate the ESG Program funds to the local level service structure.

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

CDBG:

Matching Requirements

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

Leverage of Federal Funds

The non-entitlement municipalities will provide leverage to their projects in the form of: in-kind services and equity from municipal, state, and other federal funds.

HOME:

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

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

Section 42 of the Internal Revenue Code:

Provides financing by selling tax credits to United Commonwealth's investors.

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

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

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

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

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

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

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

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

Interim Loans for Construction

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

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

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

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

Direct Loans

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

Act No. 87

Mortgage insurance disbursed by Mortgage Banks.

New Market Tax Credits

The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). In 2011, the PRHFA in collaboration with

Citigroup launched “El Fondo de Desarrollo Comunitario”, a \$45 million revolving loan program to grant loans to affordable housing developers in the Island.

Subsidy Contracts Administration

The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for all Section 8 projects in Puerto Rico. This program monitors project management to ensure the quality of life of residents and the adequate use of federal funds. In addition, the Authority is responsible of making subsidy payments to the project owner, renovating subsidy contracts for projects, approving and processing rent increases, monitoring that any deficiencies found in the projects during physical inspections are corrected, and carrying out administrative audits of the projects each year.

Loans for Multifamily Rental Housing

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

Private Sources

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

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

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

Additional leverage and matching information is included in an Appendix of the Plan.

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

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

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

Discussion

To undertake the PR-State housing and community development strategies, the State Consolidated Plan Agencies receives annual allocations from the HUD CPD-Programs. For the PY 2020 the Agencies expects to receive a combine total of \$44,540,047. This amount of funding is invested in actions to develop, execute, sustain, and support effective service strategies designed to improve the living conditions of the low- and moderate-income population and their communities.

As an important component of the Consolidated Plan strategy, the PR-State maximize the availability of public resources with complementary local funding streams that, in addition to leverage the federal resources, assists in the compliance with any federal match requirements applicable to the programs.

This Consolidated Plan serves as the PR-State tool to engage and support community development strategies and to foster actions toward providing affordable housing opportunities to the low-income population, quality public services activities to the special needs population, improving the communities living conditions by creating suitable living environments and to address the housing and supportive services needs of the homeless population.

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2020	2021	Homeless		Chronic Homelessness	ESG: \$2,876,512	Homeless Person Overnight Shelter: 14000 Persons Assisted
2	Provide Decent Housing (B)	2020	2021	Homeless		Homelessness Prevention	ESG: \$742,398	Tenant-based rental assistance / Rapid Rehousing: 1600 Households Assisted
3	Provide Decent Housing (C)	2020	2021	Affordable Housing Non-Homeless Special Needs		Housing	HOPWA: \$2,203,749	HIV/AIDS Housing Operations: 400 Household Housing Unit HIV/AIDS Supportive Services: 420
4	Create Suitable Living Environments	2020	2021	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG: \$2,757,678	Public service activities other than Low/Moderate Income Housing Benefit: 550 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Environments (B)	2020	2021	Non-Housing Community Development		Non-housing Community Development- Public Facilities Non-housing Community Development- Public improvement	CDBG: \$18,421,042	Other: 195,000 Other
6	Provide Decent Housing (D)	2020	2021	Affordable Housing		Housing	CDBG: \$2,255,669	Homeowner Housing Rehabilitated: 12 Household Housing Unit
7	Expand Economic Opportunity	2020	2021	Economic development		Non-housing Community Development- Economic Development	CDBG: \$133,299	Jobs created/retained: 6 Jobs Businesses assisted: 3 Businesses Assisted
9	Create Suitable Living Environments (C)	2020	2021	Non-Housing Community Development		Non-housing Community Development- Public improvement	CDBG: \$301,859	Other: 300 Other
2	Provide Decent Housing (B)	2020	2021	Affordable Housing		Housing/Homeless Prevention	HOME: \$1,000,550	Tenant-Based Rental/Rapid Rehousing: 128 Household Housing Unit
6	Provide Decent Housing (D)	2020	2021	Affordable Housing		Housing	HOME: \$2,000,000	Homeowner Housing Added: 20 Household Housing Unit
10	Provide Decent Housing (F)	2020	2021	Affordable Housing		Housing	HOME: \$4,000,000	Homeowner Housing Added: 88 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Provide Decent Housing (G)	2020	2021	Affordable Housing		Housing Create and preserve affordable rental housing	HOME: \$5,000,000 HTF: \$1,362,513	33 Rental units constructed or rehab 9 Rental units constructed or rehab

Table 53 – Goals Summary

Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	Street outreach, supportive services and emergency shelter
2	Goal Name	Provide Decent Housing (B)
	Goal Description	Provide homeless prevention and rapid rehousing assistance
3	Goal Name	Provide Decent Housing (C)
	Goal Description	Provide housing assistance and supportive services to HIV population, other low income persons including abused and battered women.
4	Goal Name	Create Suitable Living Environments
	Goal Description	Social needs (public service).

5	Goal Name	Create Suitable Living Environments (B)
	Goal Description	Community Development (Infrastructure and public facilities)
6	Goal Name	Provide Decent Housing (D)
	Goal Description	Rehabilitation of units.
7	Goal Name	Expand Economic Opportunity
	Goal Description	Economic Development.
8	Goal Name	Create Suitable Living Environments (C)
	Goal Description	Emergency relief
9	Goal Name	Provide Decent Housing (F)
	Goal Description	Down payment and closing costs assistance.
10	Goal Name	Provide Decent Housing (G)
	Goal Description	Rehabilitation and production of rental housing.

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)

HOME Program:

Provide Decent Housing (B) - (128) Household Housing Unit (Low Income)

Provide Decent Housing (D) - (20) Household Housing Unit (Low Income)

Provide Decent Housing (F) - (88) Household Housing Unit (Low Income)

Provide Decent Housing (G) - (33) Household Housing Unit (Low Income)

HTF Program:

Provide Decent Housing (G) - (9) Household Housing Unit (Extremely Low Income)

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.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

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

The PY 2020 Annual Action Plan allocation priorities are driven by the information obtained during the Citizen Participation process. Also, the information gathered through the consultation process was considered and included in the decision-making process of allocating the available CPD resources. The combination of both processes provided the citizens, the communities, the agencies and interested parties with a meaningful opportunity to actively determine where the housing and community development resources were allocated.

To validate the information gathered from the citizen participation and consultation process, the PRDOH also took into consideration the results of the five-year Consolidated Plan Needs Assessment report. This section of the plan, in conjunction with the information gathered through consultations and the citizen participation process, provides a clear picture of the State needs related to affordable housing, special needs housing, community development, and homelessness. This evaluation process allows PRDOH and Consolidated State Agencies to identify the highest priorities among the identified housing and community development needs.

HUD regulations provide that 3% of the CDBG allocation plus \$100,000 can be used for administration and technical assistance for the State administered program. In 2020, this equates to \$716,086. For the ESG program the Department of the Family will allocate \$271,418.25 for state administrative purposes, \$361.89 for subgrantees administration, and \$73,101.98 for HMIS.

The following table includes a description of the funding allocation priorities resulted from the evaluation of the information gathered:

Funding Allocation Priorities'

Program	Goals		
	Provide Decent Housing	Create Suitable Living Environments	Expand Economic Opportunity
CDBG	#####	####	#####
HOME	#####	####	#####
HTF	#####	####	#####
HOPWA	#####	####	#####
ESG	#####	####	#####

Table 54 – Funding Allocation Priorities

Reason for Allocation Priorities

The proposed distribution of funds included in this Annual Action Plan is based on the information data regarding demographic environments, market conditions and geographic areas needs resulted from the combination of the citizen participation actions, the consultation process, and the Consolidated Plan Needs Analysis section.

The described processes provide opportunities to share data and expand available information useful to determine the housing and community development needs and priorities which are a key component of effective planning for HUD's CPD low and moderate-income programs.

The evaluation and analysis of the information resulted from the aforementioned processes, provided the Consolidated State Agencies officials with the needed perspective to better understand the priority needs and allocate the available CPD resources to service activities directed to address the identified needs. Also, provided the officials with the information needed to align complementary resources streams and maximize the use of the available funds within the community to address the needs of the low-income persons and their communities.

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

The proposed distribution of funds was prepared in accordance with the needs presented during the hearings and are consistent with the Consolidated Plan

HOME

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

ESG

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.

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

Introduction:

The Consolidated Plan regulations, specifically in 24 CFR 91.320, establishes the dispositions regarding the content of an Annual Action Plan. Among the components of the Plan, the PR-State must provide a description of the method for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the State, using the funds that are expected to be received under the formula allocations and other HUD assistance during the PY 2020.

At a minimum, the Methods of Distributions must include the reasons for the allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives included in the Consolidated Plan and must describes any obstacles to addressing underserved needs.

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

Distribution Methods

Table 55 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG HOPWA HOME ESG Housing Trust Fund

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2020 amounts to \$23,869,547. This program provides funding for housing, community, and economic development, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico.</p> <p>The allocation for non-entitlement municipalities will be equally distributed among the municipalities, except for the islands of Vieques and Culebra, which both will receive an additional 15% above the Equal Allocation Grant. This method follows the distribution established via the enactment of local Law 137-2014, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities</p> <p>Administration \$75,732.72</p> <p>Public Service \$66,822.98</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$302,930.86</p> <p>TOTAL \$445,486.56</p> <p>Vieques and Culebra</p> <p>Administration \$87,092.62</p> <p>Public Service \$76,846.43</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$348,370.49</p> <p>TOTAL \$512,309.55</p> <p>PRDOH</p> <p>Planning and Administration \$716,086</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p><u>Proposal Requirements</u></p> <p>Submission of a budget breakdown is mandatory as required PRDOH for construction projects. For other projects under economic development, municipalities must still submit an estimated budget breakdown, which could include expected beneficiaries and detailed costs of the project.</p> <p>In determining an appropriate amount, PRDOH reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ol style="list-style-type: none"> 1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation). 2. Compliance with the College of Engineers and Land Surveyors of Puerto Rico Guidelines, including the project breakdown detailing: cost of material, labor, equipment, insurance, administrative overhead, and other costs related to the project in order to determine reasonable project cost. 3. Inadequate or incomplete description of activities to be developed. 4. Past performance of the non-entitled municipality (open findings). 5. Timely expenditure of funds (i.e. more than three (3) times the grant for its current program year, open activities for program year 2010 and earlier). <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available 30 days from HUD's approval of the Plan. The proposals and all its components and supporting documentation will be submitted physically on or before 45 days from the publication of the guidelines, no later than 4:30p.m. as registered by the system.</p> <p>Applications for the Emergency Fund may be submitted at any time during Program Year 2020 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>
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<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2020 amounts to \$23,869,547 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by PRDOH and 17% by the Municipalities); up to 15% of the CDBG funds can be allocated for Public Service purposes and the remaining of the funds can be allocated for housing, community development and economic development related activities.</p> <p>All CDBG eligible activities. Eligible activities under the State CDBG Program are listed on Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended. Each activity must meet one of the national objectives as to benefit low and moderate-income persons (24 CFR 570.483 (b)), pursue the elimination of slums and blighted areas (24 CFR 570.483 (c)), or activities designed to address a particular urgency that poses an imminent threat to the health and safety of the community (24 CFR 570.483 (d)). Each activity should correlate with a matrix code, national objective and CDBG citation.</p> <p>All applications for Program Year 2020 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes measures are included on the appendix section.
6	State Program Name:	Emergency Solutions Grant Program
	Funding Sources:	ESG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Emergency Solutions Grant Program is administered by the Puerto Rico Department of the Family (PRDF). The Department of the Family uses a method of distribution of funds that includes, presenting a request for a competitive proposal the first year, and the second year the funds are distributed according to the level of performance of the projects and availability of the funds by part of HUD. This year constitutes the first year of a cycle. The PRDF will be receiving proposals from active entities, as well as new or inactive entities.</p> <p>If there are funds available during the Program Year, product of recapture processes or surplus funds, they will be distributed according to the needs identified by the PRDF. The criteria for distribution will be notified by invitation.</p> <p>In case of a declared disaster the PRDF reserves the right to implement the disaster recovery policy included as an appendix.</p> <p>The ESG allocation for Program Year 2020 is \$3,618,910.00. Funding is intended to serve the seventy-eight (78) Municipalities across the island within the 12 regions established by the Department of Family. PRDF's Regions are located in Aguadilla, Arecibo, Bayamón, San Juan-Carolina, Caguas, Loíza, Humacao, Guayama, Morovis, Ponce, Yauco y Mayagüez. Non-profit Organizations and Municipalities that comply with the requirements and evaluation criteria established on this plan will be eligible to receive funds under the following activities:</p> <p>The following are the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$2,171,346.00 (60.0%) • Prevention \$ 560,569.16 (15.49%) • Rapid Re-Housing \$542,474.62 (14.99%) • Data Collection (HMIS) \$73,101.98 (2.03%) • Administration \$271,418.25 (7.49%) • Total \$3,618,910.00 <p>The Department of the Family may be allocating indirect costs to eligible activities.</p>
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		As described in the following sections, proposals will be evaluated according to two set of criteria: (1) strict compliance in order for proposals to be considered; and (2) competitive criteria. Proposals are due on July 17, 2020, via email. Due to the effects of the pandemic, an extension was provided.
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>For purposes of carrying out the process of awarding contracts, a committee is appointed in charge of evaluating proposals. The Committee will evaluate proposals based on two sets of criteria: (1)strict compliance in order for proposals to be considered; and (2)competitive criteria which help determine the amount to be received by the applicants.</p> <p>Strict Compliance Criteria for Proposal Consideration</p> <ul style="list-style-type: none"> • Complete the proposal in all its parts and submit the required documentation, as applicable. • Be a municipality or nonprofit entity properly incorporated and in Good Standing, as applicable. • To have financial management systems that meet the minimum standards of accounting. • Have the Environmental Assessment. • Attend the Proposal Application orientation held on July 3, 2020 and which was publicly announced (see attachments). • No open findings of questioned costs, if applicable. • In the case of shelters, have the municipal endorsement. • Sources of matching available. • No open allocations of funds (original allocations) from Program Year 2016 or before. <p>In case of active subrecipients, the following criteria will be considered:</p> <ul style="list-style-type: none"> • In the case of shelters, bed utilization rate of 70% or more • Have spent at least 75% of the most recent allocation on the component requested. • Participation in the Coordinated Entry System (CES). • Compliance with Data Entry in the Homeless Management Information System (HMIS). • Compliance with previous allocations case closing in HMIS. <p>Competitive Criteria for the Final Granting of Funds:</p> <p><u>Active Organizations:</u></p> <p><i>Need</i></p>
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		<ul style="list-style-type: none"> • Number of homeless persons identified in the geographic region of service <p><i>Experience and capacity of impact</i></p> <ul style="list-style-type: none"> • Project Execution Evaluation, by project type • Provide services in more than one component • Provide services to three (3) or more of the following priority populations <ul style="list-style-type: none"> • Chronic homeless • Domestic violence • Families with children • Youth • Veterans • Mental Health and Problem Substance Use • Older age • Women • Years providing services to homeless population • The entity has case managers and specialized personnel in every area (description of tasks to be carried out for the program) <p><i>Management and Financial Capacity</i></p> <ul style="list-style-type: none"> • No monitoring findings or if any, there is a corrective action plan • Experience managing federal funds • Availability of credit lines or financing mechanisms • Make refund requests as established in the contract
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the ESG Program- (see CDBG section)</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Since program year 2011, the Puerto Rico Department of the Family uses a distribution method in which an award that is granted for two (2) year period, subject to an evaluation of the first year and the availability of funds. During PY 2020, eligible organizations and units of local governments will be initiating their second program year of the two-program year cycle. While, unused funds available during the Program Year will be distributed according to the needs identified by the Department of the Family, by invitation.</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The following are the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$2,171,346.00 (60.0%) • Prevention \$ 560,569.16 (15.49%) • Rapid Re-Housing \$542,474.62 (14.99%) • Data Collection (HMIS) \$73,101.98 (2.03%) • Administration \$271,418.25 (7.49%) • Total \$3,618,910.00 <p>The Department of the Family may be allocating indirect costs to eligible activities.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The grant size limits established for the ESG Program funds distribution are:</p> <ul style="list-style-type: none"> • Outreach and Shelter No more than 60.0% • Prevention No limits • Rapid Re-Housing No limits • Data Collection (HMIS) Does not apply

<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Non-profit organizations and units of local government that are awarded ESG funds, are expected to comply with the following outcome measures, depending in the different types of projects:</p> <p>Outcome Measures</p> <p>OUTREACH</p> <ul style="list-style-type: none"> • Number of people receiving services • Number of people who left the program • Percentage of people who committed (engaged) to receive services • Percentage of people who fulfilled their service plan • Percentage of people who increased their income from any source • Percentage of people located in emergency shelter • Percentage of people located in temporary shelter • Percentage of people placed in permanent housing <p>EMERGENCY SHELTER</p> <ul style="list-style-type: none"> • Number of people who entered emergency shelter • Number of people who left the program • Percentage of people who fulfilled their service plan • Percentage of people who increased their income from any source • Percentage of people who entered transitional housing • Percentage of people who stayed in the shelter for less than three months • Percentage of people who stayed in the shelter for more than three months • Percentage of people placed in permanent housing <p>PREVENTION</p> <ul style="list-style-type: none"> • Number of people receiving prevention services.
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		<ul style="list-style-type: none"> • Number of people who left the program • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period • Percentage of people who met their service plan • Percentage of people who increased their income from any source • Percentage of people placed in permanent housing <p>RAPID RE- HOUSING</p> <ul style="list-style-type: none"> • Number of people receiving RRH services. • Number of people who left the program • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period • Percentage of people who fulfilled their service plan • Percentage of people who increased their income • Percentage of people placed in permanent housing
7	State Program Name:	HOME Investment Partnership Program
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRDOH will receive \$13,333,944 in HOME funds for PY 2020. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 161 affordable rental and 108 homeownership housing units. This will be achieved through the Homebuyer Assistance, Rehab or New Construction by Owner (Techo Dorado), Rehabilitation or New Construction for Multifamily Rental Development and Tenant-Based Rental Assistance (TBRA). These eligible costs include site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2020 is shown below:</p> <ul style="list-style-type: none"> • Administra- tion \$1,333,394 • Homebuyer Assis- tance \$4,000,000 • Rehab or New Construction by Owner (Techo Do- rado) \$2,000,000 • Rehab or New Construction for Multifamily Rental Dev. \$5,000,000 • Tenant-Based Rental Assistance (TBRA) \$1,000,550 <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>As part of the joint efforts and on-going initiatives that relate to the 2020-2024 Puerto Rico State Housing Plan, the Puerto Rico Department of Housing (PRDOH) will make the activity of New Construction or Rehabilitation for Rental Housing Development under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the forthcoming Notification of Funds Availability the Authority will issue. The NOFA intends to leverage funds from multiple sources under joint selection and underwriting criteria compatible with the AP and the Low-Income Housing Tax Credit's (LIHTC) Qualified Allocation Plan (QAP) in order to maximize the use of public and private funds channeled to affordable rental projects meeting the housing needs and goals established in the State Housing Plan. Nonetheless, any representation and/or guideline contained in the NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the NOFA the HOME Program might implement a consolidated application for the HOME, LIHTC, which will combine the requirements of the programs to promote the development of multifamily rental projects.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p> <p>Other activities will be delivered by the PRDOH in accordance with the applicable regulations.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOME Program- (see CDBG section)</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HOME Program- see ESG section Above.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to the HOME Program - See HOPWA Section.</p>

	Describe how resources will be allocated among funding categories.	<p>The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
	Describe threshold factors and grant size limits.	<p>No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities, the cap are a minimum of \$1,000 and a maximum of \$45,000 will be available for eligible homebuyers. The Director of the Home Program will evaluate on case by case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.</p>
	What are the outcome measures expected as a result of the method of distribution?	<p>The following are the HOME Program Outcome Measures:</p> <ul style="list-style-type: none"> • Homebuyer \$4,000,000 – A total of 88 homebuyers • Techo Dorado \$2,000,000 – A total of 20 housing units • Multifamily Rental Dev. \$5,000,000 – A total of 33 housing units. • Tenant-Based Rental Assistance (TBRA) - \$1,000,550 – A total of 128 families.
8	State Program Name:	Housing Opportunities Persons With AIDS
	Funding Sources:	HOPWA

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Housing Opportunities for Persons with AIDS (HOPWA) Program provides housing assistance and supportive services for low-income persons living with HIV/AIDS and their families. HOPWA funds are received by the Puerto Rico Department of Health to be distributed to Eligible Project Sponsors that include Municipal Governments and Non-Profit Organizations.</p> <p>Funds for PY 2020 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to sub recipients. Due to the Corona Virus the distribution of the funds to sub recipients will be conducted using the 2019-2020 competition. Due to the law restrictions, administrative funds will not be distributed to sub recipients.</p> <p>HOPWA funds may be used for a wide range of services such as housing, social services, program planning, and development costs. These included, but not limited to acquisition, rehabilitation or new construction of housing units; costs for facility operations; rental assistance; and short term payments to prevent homelessness. HOPWA funds may be used for health care and mental health services, drug dependence treatment, nutritional services, case management, assistance with daily living, and other supportive services. If remainder funds are available after distribution, distribution of funds will not require a new competitive process but will be distributed among organizations and municipalities that previously submitted their proposals.</p> <p>For the purpose of this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PR-EMSA Municipalities for the HOPWA grant.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The following evaluations factors will be used to evaluate the proposals presented by potential sub recipients. An evaluation committee selected by the Municipality of San Juan will evaluate the applications with a standard instrument that will take into consideration: HIV/AIDS population within the proposed service area, level of experience of the proponent party, use of funds history by the proponent party and performance history of the proponent party. All criteria have the same weight in the evaluation process. The maximum value for a proposal is one hundred (100) points. The following are the areas of evaluation and its relative weight:</p> <p>The following evaluations factors will be used to evaluate the proposals presented by potential sub recipients. An evaluation committee selected by the Municipality of San Juan will evaluate the applications with a standard instrument that will take into consideration: HIV/AIDS population within the proposed service area, level of experience of the proponent party, use of funds history by the proponent party and performance history of the proponent party. All criteria have the same weight in the evaluation process. The maximum value for a proposal is one hundred (100) points. The following are the areas of evaluation and its relative weight:</p> <p>NON Profit subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter - 3 Points • Description organization- 8 Points • Financial and Programmatic Background -4 Points • Action Plan- 35 Points • Budget - 36 Points • Required Documents - 4 Points • Performance – 10 Points • Total 100 <p>Municipal subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter - 2 Points • General Information Municipality -3 Points
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		<ul style="list-style-type: none"> • Financial and Programmatic Background - 15 Points • Proposed Project Description - 25 Points • Budget -35 Points • Performance – 20 Points <p>Total 100</p>
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOPWA Program- (see CDBG section)</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HOPWA Program- see ESG section</p>
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<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>For PY 2020 the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (SJ-EMSA). Priority will be given to potential sub recipients that are not included in the SJ-EMSA. Applicants located in the San Juan EMSA that are currently receiving HOPWA funds from the Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.</p> <p>All the applications will be evaluated by the same standards and criteria.</p> <p>Support services eligible costs include:</p> <ul style="list-style-type: none"> • Nutritional Services • Day care • Case Management • Mental Health • Medical services • Permanent housing costs • Any supportive service combined with housing <p>All sub-recipients are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. In addition, they need to be registered on the System for Award Management (SAM).</p>
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	Describe how resources will be allocated among funding categories.	<p>The HOPWA Program funds will be distributed in the following categories:</p> <ul style="list-style-type: none"> • Administrative Activities: 9.8% • TBRA Activities and related: 34.4% • Housing related Activities: 35.6% • Supportive Services Activities: 20.2% <p>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> • Administration Salud \$66,112 • Administration San Juan \$149,634 • TBRA \$729,577 • Delivery Cost TBRA \$29,246 • Operation Costs Transitional Housing and STRMU \$783,654 • Supportive Services \$445,519
	Describe threshold factors and grant size limits.	No grant size limits are established for the HOPWA Program funds distribution.
	What are the outcome measures expected as a result of the method of distribution?	<p>The following are the HOPWA Program Outcome Measures:</p> <ul style="list-style-type: none"> • Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family - 70 Households • Tenant-based rental assistance - 120 Households • Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 80 housing units • Transitional short-term housing facilities developed, leased, or operated with HOPWA funds – 130 Households <p>Supportive Services – 420 Households</p>
9	State Program Name:	Housing Trust Fund

	Funding Sources:	HTF Housing Trust Fund
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<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$1,513,904 in HTF funds for PY 2020. The resources will be allocated for Multifamily Rental New Construction/Rehabilitation. The funds will be distributed as follow:</p> <p>GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2020</p> <ul style="list-style-type: none"> • Assigned Budget: \$1,513,904 • Distribution by Category: • State Administration \$151,390 • Multifamily Rental New Construction/Rehabilitation \$1,362,514 <p>Description of the Method to Distribute HOME and HTF Funds for Construction and Rehabilitation of Rental Housing</p> <p>As part of the joint efforts and on-going initiatives that relate to the 2020-2024 Puerto Rico State Housing Plan, the Puerto Rico Department of Housing (PRDOH) will make available the Housing Trust Fund Activities of Rental Housing along the HOME Investment Partnership Program (HOME) Action Plan (AP). Funds will be awarded to eligible applicants following a competitive process. The competitive process will follow the criteria established in the HTF Allocation Plan.</p> <p>The PRHFA will receive \$1,513,904 in HTF funds for PY 2020. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.</p> <p>Eligible Applicants</p> <p>The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the basic threshold criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program</p>
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		<p>and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200).</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications requesting HOME and HTF funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State HOME and HTF Program's criteria, such as: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects.</p> <p>See the appendix for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
	<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HTF Program- (see CDBG section)</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HTF Program- see ESG section.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not applicable to the HTF Program- see HOPWA section.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The HTF Program funds will be distributed in the following categories:</p> <p>Distribution of HTF Funds</p> <ul style="list-style-type: none"> • Multifamily Rental New Construction or Rehabilitation \$ 1,362,514 - 90% • Administration \$151,390 - 10% • Total \$1,513,904 -100% <p>The HTF resources will be allocated for particular projects that serve HTF tenant population; these could include special needs population.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>PRHFA will use the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216. For the PY 2020 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFAs efforts.</p> <p>The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System.</p> <p>The project location and the targeted population will be key factors in determining the grant size limit.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The following are the HTF Program Outcome Measures:</p> <ul style="list-style-type: none"> • Multifamily Rental Dev. \$1,362,514– A total of 9 housing units.

Discussion:

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

ESG Disaster Funding Policy

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

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

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

Puerto Rico Housing Finance Authority – HOME Recapture Provisions

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

In the case of an investment from the homebuyer, in the form of additional funds for down payment and the amount of capital improvements, such amount could be recovered by the homebuyer if net proceeds are enough to cover the HOME- assistance. Thus, net proceeds will first cover the HOME assistance, secondly, any initial investments from the homebuyer and finally any amount in excess of net proceeds (surplus) will be shared on equal basis between the **PRHFA** and the program beneficiary (50% retained by the **PRHFA** and 50% to beneficiary). Such surplus will be treated as Recaptured funds.

The **PRHFA** will share any net proceeds if the net proceeds are not sufficient to recapture the full Home assistance plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the grantee may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than Home funds) and closing costs. Capital Improvement investment will be valued by appraisal. A capital improvement is the addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its [useful life](#) or adapt it to new uses. This type of improvement, according to the [Internal Revenue Service](#) (IRS), must have a life expectancy when installed of more than one year.

Examples:

- Must fix some defect or design flaw.
- Must substantially improve the value of a property.
- Must become a permanent part of the property so that removal would cause some impactful damage to the property.
- Must be added with the intention of becoming a permanent part of the property or asset.

The IRS makes a distinction between capital improvements and repairs, which cannot be included in a property's cost basis. Repairs done as part of a larger project, such as replacing all of a home's

windows, do qualify as capital improvements. Repairs that are necessary to keep a home in good condition, however, are not included if they do not add value. Examples of such non-qualifying repairs, according to the IRS, include painting, fixing leaks or replacing broken hardware.

The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

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

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

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

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

Puerto Rico Housing Finance Authority – HOME Resale Provisions

Description of the Resale Guidelines for the Homebuyer Activity:

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

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HOME assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and primary financing for the acquisition would be affected due to the lender’s policies regarding the treatment of the Recapture provisions. It has been the **PRHFA**’s experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property’s Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary lender’s policies, the developer or CHDO may request the sale of the HOME assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFAs** prior written approval before selling the unit using Resale provisions.

Recapture provisions will not be used when a project receives only a development subsidy. Instead, resale provisions will be used. Resale provisions may require selling properties below fair market value in order to make the property affordable to the subsequent low-income homebuyer. Recapture provisions allow for sale at fair market value.

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

The resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original **HOME**-assisted owner a fair return on investment (including, the value of the original down payment, and capital improvements) and ensure that the housing will remain affordable to a reasonable range of low-income Homebuyers.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The **PRHFA** would announce in the restrictive covenants that may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

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

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

- (1) The housing must be the principal residence of the family throughout the affordability period established in the recorded deed. The Homebuyer would not rent the dwelling or use it in any other manner than the principal residence of the family.
- (2) The Homebuyer must meet the affordability requirements for not less than the

applicable period specified in the previous table, beginning after project completion.

- (3) Refinancing of the first mortgage would be allowed if two of the following conditions are met:
 - (a) That the dwelling unit has been continuously occupied by the Homebuyer;
 - (b) That the funding raised by the mortgage refinancing would be used for **HOME** improvements, approved by the **HOME** Program and that no cash will be used for other means;
 - (c) That the refinancing would improve the current mortgage payment, either lowering the monthly installments, interest rate or maturity term.
- (4) The **PRHFA** would conduct periodic inspections on the **HOME** assisted housing during the affordability period to verify program compliance.
- (5) Resale of the property should be authorized in advanced by the **PRHFA**, and such offering should be made only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale price should provide the original **HOME**- assisted owner a fair return on investment. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by an appraisal. Any improvements on the property will require written consent from the **PRHFA**.
- (6) Additionally, any approval of improvements on the property will require the submission of quotes from a valid contractor. The housing will remain affordable to a reasonable range of low-income Homebuyers.
- (7) The **HOME** equity, other than homeowner's investment and any capital improvement, and any increase in the appraised value of the property should be kept in the property, to help meet the affordability criteria for the new Homebuyer.
- (8) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family below 80 percent of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 30 percent of annual (gross) income or depending on compensatory factors.
- (9) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

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

Puerto Rico Department of Housing – HTF Recapture Provisions

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

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

The **PRHFA** will share any net proceeds if the net proceeds are not sufficient to recapture the full HTF assistance plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the grantee may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HTF funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

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

If net proceeds are not enough to cover HTF assistance, then the homebuyer will not recuperate their investment. Capital improvements will be defined as any structural improvement made to the property that increased the unit's value and be explicit in the appraisal. A capital

improvement is the addition of a permanent structural change or the restoration of some aspect of a property that will either enhance the property's overall value, increase its [useful life](#) or adapt it to new uses. This type of improvement, according to the [Internal Revenue Service](#) (IRS), must have a life expectancy when installed of more than one year.

Examples:

- Must fix some defect or design flaw.
- Must substantially improve the value of a property.
- Must become a permanent part of the property so that removal would cause some impactful damage to the property.
- Must be added with the intention of becoming a permanent part of the property or asset.

The IRS makes a distinction between capital improvements and repairs, which cannot be included in a property's cost basis. Repairs done as part of a larger project, such as replacing all of a home's windows, do qualify as capital improvements. Repairs that are necessary to keep a home in good condition, however, are not included if they do not add value. Examples of such non-qualifying repairs, according to the IRS, include painting, fixing leaks or replacing broken hardware.

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

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

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

during the period of affordability, the **PRHFA** will recover all the HTF assistance from the net proceeds.

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

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

Puerto Rico Department of Housing – HTF Resale Provisions

Description of the Resale Guidelines for the Homebuyer Activity:

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

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HTF assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and primary financing for the acquisition would be affected due to the lender’s policies regarding the treatment of the

Recapture provisions. It has been the **PRHFA's** experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property's Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary lender's policies, the developer or CHDO may request the sale of the HTF assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFA's** prior written approval before selling the unit using Resale provisions.

Recapture provisions will not be used when a project receives only a development subsidy. Instead, resale provisions will be used. Resale provisions may require selling properties below fair market value in order to make the property affordable to the subsequent extremely-low or very-low income homebuyer. Recapture provisions allow for sale at fair market value.

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

The resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a **[extremely-low or very]** low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original **HTF**-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to **[extremely-low or very low-income]** Homebuyers.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure. The **PRHFA** would announce in the restrictive covenants that may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original

affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

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

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

- (11) The housing must be the principal residence of the family throughout the affordability period established in the recorded deed. The Homebuyer would not rent the dwelling or use it in any other manner than the principal residence of the family.
- (12) The Homebuyer must meet the affordability requirements for not less than the applicable period specified in the previous table, beginning after project completion.
- (13) Refinancing of the first mortgage would be allowed if two of the following conditions are met:
 - (a) That the dwelling unit has been continuously occupied by the Homebuyer;
 - (b) That the funding raised by the mortgage refinancing would be used for **HTF** improvements, approved by the **HTF** Program and that no cash will be used for other means;
 - (c) That the refinancing would improve the current mortgage payment, either lowering the monthly installments, interest rate or maturity term.
- (14) The **PRHFA** would conduct periodic inspections on the **HTF** assisted housing during the affordability period to verify program compliance.
- (15) Resale of the property should be authorized in advanced by the **PRHFA**, and such offering should be made only to a buyer whose family qualifies as an extremely low-income family and will use the property as its principal residence. The resale price at resale should provide the original **HTF**- assisted owner a fair return on investment. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by an appraisal. The housing will remain affordable to a reasonable range of extremely low-

income Homebuyers. Any improvements on the property will require written consent from the **PRHFA**. Additionally, any approval of improvements on the property will require the submission of quotes from a valid contractor.

- (16) The **HTF** equity, other than homeowner's investment and any capital improvement, and any increase in the appraised value of the property should be kept in the property, to help meet the affordability criteria for the new Homebuyer.
- (17) The property must be sold to a homebuyer complying with the following criteria applicable to HTF regulations at 24 CFR § 93.305(b), 24 CFR § 93.2, and 24 CFR § 93.250: At a price that is affordable to a family at below 30 percent (extremely low income) or below 50 percent (very low income) of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 30 percent of annual (gross) income or pending on compensatory factors.
- (18) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.
- (19) **PRHFA** may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

HOME PROGRAM

1. DESCRIBE THE STATE PROGRAM (HOME) ADDRESSED BY THE METHOD OF DISTRIBUTION.

The **PRHFA** will receive \$13,333,944.00 in HOME funds for PY 2020. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 157 affordable rental and homeownership housing units. This will be achieved through the Homebuyer Assistance, Rehab or New Construction by Owner (Techo Dorado) and Rehabilitation or New Construction for Multifamily Rental Development. These eligible costs include site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2020 is shown below:

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2020	
Assigned Budget:	\$13,333,944.00
State Administration:	\$1,333,394
Homebuyers Assistance:	\$4,000,000
Rehab or New Construction for Multifamily Rental Development:	\$5,000,000
Rehab or New Construction by Owner (Techo Dorado)	\$2,000,000
Tenant-Based Rental Assistance (TBRA)	\$1,000,550

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

As part of the joint efforts and on-going initiatives that relate to the 2020-2024 Puerto Rico State Housing Plan, the Puerto Rico Department of Housing (**PRHFA**) will make the activity of Construction and Rehabilitation of Rental Housing under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the forthcoming Notification of Funds Availability the Authority will issue. The NOFA intends to leverage funds from multiple sources under joint selection and underwriting criteria compatible with the AP and the Low-Income Housing Tax Credit's (LIHTC) Qualified Allocation Plan (QAP) in order to maximize the use of public and private funds channeled to affordable rental projects meeting the housing needs and goals established in the State Housing Plan. Nonetheless, any representation and/or guideline contained in the NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the NOFA the HOME Program might implement a consolidated application for the HOME, LIHTC, which will combine the requirements of the programs to promote the development of multifamily rental projects.

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

Announcement and application: HOME will announce and publish in a general circulation newspaper the quantity of funds to be released and the proposal submission deadline. The announcement could be jointly with other funding programs (if available) according to PRFHA Annual Plan and government Plan.

Interested applicants could obtain HOME information and application form at PRDOH's office or its site, www.afv.pr.gov. The proponents must submit applications according to the corresponding procedures and deadlines.

Please note that it should be at **PRHFA's** sole discretion to award Home funds to any Participant (which has requested or not HOME funds), based on the merits of the project, available funds, specific needs of the cycle, economic conditions, in order to promote the new construction/rehabilitation of low-income housing projects. This will also apply to projects requesting 4% tax-exempt bonds, where, depending of the merits and conditions of the project, HOME funds might be awarded. Although projects under the 4% tax-exempt bonds are not presently subject to a competitive cycle, HOME funds might be awarded. As of today, \$1,000,000,000 in private activity bond volume-related 4% tax-exempt credits are available.

The public hearing is announced with the publication of the NOFA, inviting all interested parties to attend the conference in order to learn in advance about the requirements established to access all programs funds. Once the application dates are established, the proponents submit their applications in a competitive method, ensuring the fair and unbiased contracting procedure that allows a foremost opportunity of open competition and the absence of conflicts of interests. Because the method of distribution of the State HOME Program runs as a competitive process, the PJ cannot predict the geographic distribution of the assistance.

As presented earlier, the State HOME Program will allocate the amount of \$13,333,944.00 for the eligible activities established in the 5YHS, amended accordingly to reflect funding changes and the needs and policy priorities announced in the State Housing Plan 2014-2018. Additional details are provided in the 2020-2024 Consolidated Plan and State Housing Plan. The method for distributing HOME funds to local governments, developers, CHDOs, minority groups, and small businesses will be through the submittal of an application.

The applications for housing construction and rehabilitation must benefit low and very low-income families. The subsidy requested should be enough, without exceeding the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216; and for Homeownership housing, the proposal should allow prospective

homeowners to be eligible in compliance of 24 CFR 92.217, among other Federal requirements and the State HOME Program criteria.

The HOME Program designated employee will receive the applications and will refer them for the corresponding analysis. Upon completion of the analysis, the HOME Program Director will determine which applicants comply with the minimum threshold requirements and therefore can proceed with the point ranking evaluation.

Applications requesting HOME funds will be evaluated based on joint rating factors. Those factors include but are not limited to local considerations and State HOME Program's criteria, such as:

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

Project Evaluation and Selection

To be considered for an allocation of HOME Funds, the applicant must submit a complete application with the following information and documents. Incomplete applications will not be accepted for evaluation or scoring.

Complete applications will be reviewed for compliance with the basic threshold requirements set forth below:

BASIC THRESHOLD REQUIREMENTS
Authority's HOME Program application and inspection fees: <ul style="list-style-type: none">• CHDOs: \$0.00• ½ of 1% of requested amount; with a minimum payment of \$2,500 and a maximum of \$10,000. This is a non-refundable and non-transferable payment.• \$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.
2. Application's Agreement and Certification was: <ul style="list-style-type: none">• Signed by the Owner, the President or Secretary of the General Partner.• Person who signed is a duly authorized officer of the applicant (as evidenced by an applicable resolution).• Document shows corporate seal (Please, make sure the seal is legible in digital documents).

BASIC THRESHOLD REQUIREMENTS	
3.	Submitted certified copies of the organizational documents of all entities (for example: owner, general partners, sponsors, developer, officers, members, etc.) involved in the project, including:
a)	Certificate of Incorporation (in USA and PR, as might apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
b)	Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
c)	Partnership (or Operating) Agreement of the entity to claim ownership of the Project (LP, LLC, etc.), as may apply, indicating cash contributions by the General Partner(s) and/or Limited Partner(s).
d)	IRS form SS-4, Application for Employer Identification Number, or other evidence indicating taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
e)	Names, addresses and telephone numbers of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor.
f)	The owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, must demonstrate (through a certification letter from the Director of the Authority's Audit and Compliance Department) that they comply with Section 42/HOME requirements and that, as of the most recent audit/compliance review, there is no outstanding finding of noncompliance (including any fees due to the Authority) in another project that received Tax Credits/HOME funds and in which they have an interest or participation.
g)	Financial statements (updated within six months of the application) of the owner, developer, general partners, sponsors and principal officers of each entity. Financial statements will be audited if they belong to juridical persons; compiled or revised if they belong to natural persons. In case of for-profit, must evidence a combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or Tax Credit equity providers) equal to or greater than \$500,000.00
h)	Certificate of Authorization of US Foreign Limited Liability Company from PR Department of State (as it may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
i)	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
j)	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
k)	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.

BASIC THRESHOLD REQUIREMENTS
<p>l) Certification attesting that Owner, Developer, General Partner/Manager and Sponsor or any grantee or contractor at any tier to any of the stated parties is not currently debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424 and are not included on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.</p>
<p>The owner, developer, general contractor and their respective shareholders, directors, officers and partners, as applicable, must demonstrate via <u>sworn statement</u> (<i>affidavit</i>) that:</p> <p>they have not been involved in any way (either personally or as shareholders, directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured. All previous must also evince via sworn statement that they have not been involved or are in any conflict of interest (fact or appearance) in any way (either personally or in any other juridical capacity) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority/HOME programs.</p>
<p>Any identity of interest with any other party involved with the project has been identified and explained in the application package.</p>
<p>they have not been involved or are in any conflict of interests (fact or appearance) in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant with regard to any of the Authority's programs.</p>
<p>Projected income & expenses schedule and a pro-forma cash flow, for the applicable compliance period, showing a feasible operation and certified by the proposed management agent.</p>
<p>Designer's Preliminary Opinion Letter with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.</p>
<p>Applicant demonstrates readiness to proceed, through <u>submission</u> of:</p>
<p>Certification of the percentage of construction completion prepared by the resident inspector and lender's inspector for projects under construction. Both reports are required. (Be advised that existing construction might affect the environmental review and eventual assignment of HOME Funds).</p>
<p>Unexpired evidence of site control (99 years or more is required for lease contracts under HOME-AP).</p>
<p>Unexpired Construction Permit, Green Construction Permit or Notification of Construction Permit issued by the applicable permitting office and agencies endorsement letters, as applicable.</p>
<p>Written unqualified endorsement from the Mayor of the Municipality where the project will be located. The letter must indicate any other municipal assistance that the project will receive.</p>

BASIC THRESHOLD REQUIREMENTS
Technical Assistance or Final Determination Letter from the State Historic Preservation Office (36 CFR 800).
Wetland Inventory Map from the US Fish and Wildlife Service (Wetlands Protection-Executive Order 11990). The project location must be identified in the map. The project must be out of any wetland or a mitigation measure should have been <u>completed and approved</u> by the Corps of Engineers or the Department of Natural Resources.
FEMA Map (Floodplain Management Act (24 CFR 55, Executive Order 11988) The project location must be identified in the NFIP map. The project must be located out of the 100-year floodplain, coastal high hazard areas and Floodways. If the project is located in the 100-year floodplain, an approved letter of map amendment (LOMA) or letter of map revision (LOMR) by FEMA must be submitted.
USFWS Map (Coastal Barrier Resources Act (24.CFR 58.6(b)(2)). The project location must be identified in the map. Federal assistance may not use in the Coastal Barrier Resources System.
Certification of consistency filed with the State Coastal Management Program, if required.
Technical Assistance or Final Determination Letter from the U.S. Fish & Wild Life Service-Department of Interior -(Endangered Species Act (50 CFR 402). The technical assistance shall indicate that no endangered species are affected by the project. If mitigation required as per Final Determination, must specify expected timeframe and cost for required actions.
Noise Study for any proposed project of new construction, major rehabilitation, or conversion located: <ul style="list-style-type: none"> • 1,000 feet of a major noise source, road or highway • 3000 ft. of a railroad; or • 5 miles of a civil airport Noise Study must be in accordance to the requirements set forth in the American National Standard Method for the Physical Measurement of Sound. The result of the noise level must comply with the acceptable noise level of 65 decibels established in 24 CFR 51.100 Noise Abatement and Control. The Noise Study must comply with the HUD Noise Guidebook. Day/Night Noise Electronic Assessment Tool. (https://www.onecpd.info/resource/313/hud-noise-guidebook/).
Archaeological, if required by the SHPO pursuant to its review under Section 106, or if required by the Institute of Puerto Rican Culture (ICP), or copy of the recommendation issued by the ICP as part of the construction permit consultancy process evidencing that the study is not required.
Hydraulic/Hydrologic Study, if the project meets the conditions established under The Department of Natural and Environmental Resources' Administrative Order No. 2013-12, or a certification issued by a civil engineer attesting that the study is not required.
Resumes, applicable licenses and contracts with the Development team in place:

BASIC THRESHOLD REQUIREMENTS
<ul style="list-style-type: none"> • Architect/Designer • General Contractor • Resident Inspector • Management Agent • Consultant Agent
Final construction drawings and outline specifications certified by the licensed professional (project architect or engineer in charge of design) submitted to the competent permitting office.
Construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328 (form not required), certified by the proposed general contractor or project designer.
<p>Conditional or firm financing commitment, specifying terms of each financing source. Projects with permanent financing other than the Authority's will need a letter of intent from the financial institution. The letter should detail:</p> <ul style="list-style-type: none"> • amount and term of the loan; • fixed interest rate; • non-recourse nature of the loan; • amortization period; • prepayment penalties; and • agreements governing the various reserves which are capitalized at closing
Phase I environmental assessment report. (Must comply with ASTM E 1527-13 or any updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations).
Comprehensive market study report by an Authority approved provider that is also unaffiliated to the developer (prepared within six months of the application).
Appraisal report of site and project performed by an Authority approved appraiser unaffiliated to the developer (prepared within six months of the application).
For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment report prepared by a licensed architect or engineer unaffiliated to the developer that includes: an opinion of proposed construction budget and assesses the condition, among other, of site, structural systems (roof, bearing walls and columns, foundations), plumbing systems, electrical systems, fire protection systems, building envelope and insulation, interiors (including units and common areas); and mechanical systems; in projects with more than 26 units, it must specify the remaining useful life of major systems; and paint testing and/or risk assessment report, for substantial rehabilitation projects.
Site selection standards checklist evidencing compliance with 24 CFR 983.57(e).

BASIC THRESHOLD REQUIREMENTS
Project timeline for project activities including specific benchmarks for acquisition, assembly of the development team, completion of plans and specifications, completion of financial approvals, municipal approvals, building permits, project construction start date, completion date and the estimated date of lease-up.
Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, and 49 CFR 24.101(b).
Letter of intent to sign the Land Use Restrictive Covenant Agreement for the HOME program, including: designation of HOME-assisted units (24 CFR 92.252(j)); occupancy of assisted units (24 CFR 92.216(a) and 92.252(a) and (b)); initial and ongoing rent restrictions (24 CFR 92.252(a) through (c) and (f)); tenant eligibility (24 CFR 92.203 and 92.252(h) and (i)); and period of affordability (24 CFR 92.252(e)).
Certification from applicant as to Federal, State, or Local subsidies received or expected to be received for the development and operation of the project. If executed, copies of subsidy/grant contracts or commitment letters must be submitted with the application.
If the project has, or will have, Federal, State, or Local subsidies copies of the contracts or firm commitment letters must be attached to the owner's subsidy certification, as applicable.
Detail sources and uses of funds schedule and projected cash flow during construction period.
ADDITIONAL TRESHOLDS REQUIREMENTS
1. "Non Profit Organizations (NP) requesting funds from the Community Housing Development Organization (CHDO) Set-Aside must file an independent application to be certified as an organization within the meaning of 24 CFR 92.2, Subpart A, and comply with the following requirements:
The NP is organized under State or local laws, as evidenced by a Certificate of Organization issued by the State Department.
No part of its earnings, inure to the benefit of any member, founder, contributor, or individual as evidenced by its Articles of Incorporation.
Evidence that it is a qualified organization by including copy of the IRS document designating the NP as a 501(c)(3) or 501(c)(4) entity; is classified as a subordinate of a central organization non-profit under section 905; or is a wholly-owned entity that is regarded as an entity separate from its exempted owner for tax purposes.

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

The initial basic qualifications will be evaluated by **PRHFA**. If the project do not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System.

Point Ranking System

The HOME Program Director will determine which applicants comply with the minimum threshold requirements and therefore can proceed with the point ranking evaluation. **PRHFA** will consider qualified applications for HOME Funds after a project satisfies all basic threshold requirements, using the Point Ranking System established hereinafter to determine the allocation of HOME Funds. The project can accumulate up to 100 points on the Point Ranking System and a minimum of 30 points to be further considered for an allocation of HOME Funds.

The Authority reserves the right not to reserve or allocate HOME funds to any applicant, regardless of that applicant's point ranking, if the Authority determines, subject to program requirements, that a reservation is not in line with the purpose and goals of the State Housing Plan or this Action Plan; the applicant's proposed project is not financially viable; there is not a substantial likelihood that the project will be able to execute in a timely manner; or the project do not comply with any other applicable requirement. The information that might be weighed to make such determination includes, but is not limited to, comments of officials of local governmental jurisdictions, the market appropriateness of the project, market's information other than the submitted market study, and the prior experience of sponsor or its representatives with multifamily projects.

Every sponsor, developer, owner, or consultant attests to the correctness of the information provided as a condition to rank the project's application according to the Point Ranking Criteria. Failure to uphold the information submitted or the representation made to support the application's evaluation and ranking throughout the allocation process will result in a finding of noncompliance and limited participation in further rounds for every person, developer, owner or consultant which participates in the project's application. The Authority might pursue any other available or enforceable remedies under federal or state laws, regulations and or any applicable professional code of ethics.

Point Ranking Evaluation		Score
I	Project Location	Up to 12 pts
I.1	Location. Project located within one of the following areas:	Up to 5 pts
	5 points: Urban area defined as: Central Urban Area in the Planning Board's <i>Reglamento de la Infraestructura en el Espacio Público</i> ; or Urban Center designated by the Department of Transportation and Public Works or adopted under an Urban Center Area Plan; or a state designated Historical Zone or federally designated Historical District.	5

Point Ranking Evaluation		Score
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the designated urban area will be considered as located within.	
	The portion of a census tract outside an urban area that has a rate of:	
	20% or less below poverty line.	3
	More than 20% and less than 30% below poverty line.	2
	More than 30% and less than 40% below poverty line.	1
	Documentation required: certification of location by a licensed land surveyor; census tract number; census tracts "% Below Poverty Line" as per the Federal Financial Institutions Examination Council's (FFIEC) 2015 Census Report. Any project property straddling the limit of the designated census tract will be considered as located within.	
	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	1
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the zone of influence will be considered as located within.	
I.2	Desirable Activities	Up to 7 pts
I.2.1	General. Projects located within 500 meters of the following amenities will be awarded a point each, up to 5 points:	Up to 5 pts
	Town square of an urban center.	1
	Public park (must incorporate a passive non-sports area).	1
	Traditional town market (<i>plaza de mercado</i>).	1
	Public or licensed elementary, middle or high school.	1
	Shopping center (100,000 square feet or more of net commercial space; no other listed use is eligible if located within a shopping mall).	1
	Grocery store or supermarket with meat, produce and dairy.	1
	Hospital, diagnostic and treatment center (CDT) or federally qualified health center.	1
	Pharmacy.	1
	Federal post office.	1
	Public transit terminal (bus, <i>públicos</i>).	1
	Documentation required: map certified by a licensed land surveyor attesting to location of the facilities and the distance along a walkable public pathway or roadway between the project's main pedestrian entrance and the closest point of a town square or park facility or a public entrance to any target facility (in case of a shopping mall, to the commercial concourse or a big box-type facility entrance). If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	

Point Ranking Evaluation		Score
I.2.2	Targeted. Projects targeted to the following special needs populations located within 500 meters of the following amenities will be awarded a point for each one, up to 2 points:	Up to 2 pts
	Single headed household:	
	Grocery store with WIC contract.	1
	Licensed or chartered child-care facility.	1
	Documentation required: name and physical address of facilities; verification of inclusion in the WIC Vendor Registry published at wicpuertorico.com; child care facility charter issued by ACUDEN.	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	Documentation required: name and physical address of facilities.	
	Homeless (as defined under HEARTH Act):	
	Certified WIOA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	Documentation required: name and physical address of facilities; authorization for WIOA training center issued by Local Workforce Development Area; copy of license issued by ASSMCA.	
	Documentation required: map certified by a licensed land surveyor attesting to location of facilities and distance along a walkable public pathway or a roadway between the project's main pedestrian entrance and the public entrance to any target facility. If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	
I.3	Undesirable Activities. Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to 5 points, if located:	Down by as many as 5
	Within one-eight mile of a:	
	Junkyard.	-1
	Landfill or dumpsite.	-1
	Industrial site.	-1
	Airport.	-1
	Wastewater treatment plan.	-1
	Adjoining a property which is or contains a:	
	Gas station.	-1
	Auto repair, paint or tire repair shop.	-1
	Woodworking shop.	-1
	Unabated nuisance, as declared by a Municipality.	-1
	Documentation required: map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	

Point Ranking Evaluation		Score
II	Project Characteristics	Up to 52 pts
II.1	Infill or nuisance. Projects will be awarded one point if proposed to develop an infill site or a site expropriated as part of a nuisance abatement process; and one additional point, up to 5 points, for each non-contiguous infill site or expropriated as part of a nuisance abatement process that is incorporated into a scattered-site project, located within an area with a radius no larger than one-quarter mile. An infill site shall be defined as a site that is bound on all except one of its sides, or two of its sides in case of a corner-type property, by adjoining built-up properties, and that has immediate access to existing public infrastructure of roads, water, sewer, and power.	Up to 5 pts
	Documentation required: aerial photograph for each infill site showing adjoining properties; cadastral numbers of properties; nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	
II.2	Historic property. A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic place or a contributing resource to a federally designated Historic District.	3
	Documentation required: Act citation or Planning Board's Resolution number and date in case of state designated properties; listing in the National Register of Historic Places, in case of federally designated properties; State Historic Preservation Office's (SHPO) certification of contributing resource.	
II.3	Adaptive reuse. The residential use is an adaptive reuse of an existing non-residential property.	1
	Documentation required: appraisal certifying present land use of the property.	
II.4	Site Characteristics.	Up to 9 pts
II.4.1	Mobility. Projects (or the totality of the building sites, in the case of scattered-site projects), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 4 points, as follows:	Up to 4 pts
	The project provides an accessible and dedicated pedestrian network within the project site to connect the building(s) main pedestrian entrance(s) with egress points on all property sides adjoining a public street.	1
	Documentation required: site plan certified by the project's designer identifying the proposed improvements.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of all non-conforming sidewalks in the perimeter of the project site adjoining a public roadway, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	

Point Ranking Evaluation		Score
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of transit pull-offs or public transit stops and required signage in any point of the roadway perimeter of the project site; or the provision or improvement of the sidewalks, crosswalks, refuge islands, and required signage to connect an off-site existing public transit stop with the project site, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate architectural drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	The project provides an enclosed (covered, secured room within the building limits) bicycle storage facility for residents on the ground floor with at least one bicycle rack space for every two units; and an unenclosed bicycle storage facility accessible to visitors with at least one bicycle rack space for every 10 vehicle-parking spaces.	1
	Documentation required: ground floor plan certified by the project's designer showing location and capacity of facilities.	
II.4. 2	Urban Considerations. A proposed development that strengthens and improves the neighborhood's general urban character may be awarded one point for each one of the following criteria, up to 5 points, as follows:	Up to 5 pts
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.	1
	Documentation required: table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	
	The parking spaces and service areas are screened from any public sidewalk or roadway by green hedges, fences or walls with a void-to-solid area ratio of 1 or less.	1
	Documentation required: site plan and elevation details certified by the project's designer identifying visual barriers and certifying compliance.	
	The building(s) main entrance(s) open(s) to the sidewalk of an adjoining public roadway.	1
	Documentation required: site plan certified by the project's designer showing the location of the building's main entrance(s).	
	The commercial spaces offered to the project tenants serve the general public and can be directly accessed from a public space.	1
	Documentation required: entry-level floor plan certified by the project's designer identifying commercial spaces and access from a public space; deed identifying commercial use.	
	The project dedicates an open garden or plaza to public use connected to or adjoining a sidewalk or roadway.	1

Point Ranking Evaluation		Score
	Documentation required: site plan certified by the project's designer identifying public space, area and relation to a sidewalk or roadway; documentation supporting property dedication to public use.	
II.5	Building Characteristics.	Up to 10 pts
II.5.1	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2-bedroom units as follows:	Up to 2 pts
	75% or more non elderly 2-bedroom units	2
	50% or more non elderly 2-bedroom units	1
	Documentation required: floor plans certified by the project's designer; project pro-forma.	
II.5.2	Accessibility. Exceeding the allocation required under 24 CFR 8.22(b), projects could earn up to 3 points for the amount of fully accessible units for mobility disabilities (compliant with requirements applicable to Type A dwellings as defined under section 1003 of ICC ANSI A117.1 (2009)), as follows:	Up to 3 pts
	At least 20% of total units are fully accessible units for mobility disabilities.	3
	At least 15% of total units are fully accessible units for mobility disabilities.	2
	At least 10% of total units are fully accessible units for mobility disabilities.	1
	Documentation required: floor plans and elevations certified by the project's designer showing accessibility features; designer's certification of compliance; designer's opinion letter specifying compliance; affirmative marketing plan in provided Fair Housing format.	
II.5.3	Building Amenities. Projects will be awarded one point, up to 5 points, for each one of the following building or unit features benefiting all units and, if applicable, not required by code or a permit authority:	Up to 5 pts
	Centrally located courtyard or patio with an area of no less than 30 sq. ft. per unit directly accessible from the main entrance(s) of the building(s).	1
	Community or meeting center with and area of no less than 15 sq. ft. per unit, with kitchen and public bathrooms.	1
	Open balcony in each unit with an area of no less than 24 sq. ft.	1
	Equipped exercise room or rooms with an aggregate area of no less than 300 sq. ft.	1
	Common laundry or laundries equipped with at least a washer-dryer pair per 15 units or washer/dryer combo provided in each unit.	1
	Equipped playground outdoor area with visual control from the main entrance.	1
	Night shift security guard.	1
	Trash chutes (for mid or high rise facilities).	1
	Storm windows or shutters in all units.	1
	Ceiling fans for all bedrooms and living room areas.	1
	Documentation required: floor plans and elevations certified by the project's designer showing designated spaces and floor area; designer's certification of compliance.	

Point Ranking Evaluation		Score
II.6	Innovative Design. The Authority favors projects that advance the State Housing Plan's policy that seeks to identify, adopt and implement design, construction and rehabilitation standards and technologies that are appropriate for the Island's climate, aimed at reducing construction costs and promoting energy efficiency.	Up to 14 pts
II.6.1	Cost Containment. The Authority's total development cost for new construction averages close to \$232,504 for non-elderly units and \$180,632 for elderly; substantial rehabilitation averages close to \$167,552 and \$130,771, respectively. Projects that demonstrate the capacity to effectively curb costs while complying with applicable standards, threshold requirements and minimum scoring, might earn up to 5 points, as follows:	Up to 5 pts
	Total development cost per unit more than 20% below the applicable benchmark.	5
	Total development cost per unit more than 15% below the applicable benchmark.	3
	Total development cost per unit more than 10% below the applicable benchmark.	1
	Documentation required: construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328, certified by the proposed general contractor or project designer; project development costs; construction cost estimate prepared and certified by a third-party (licensed architect or engineer, Professional Cost Estimator or a Certified Cost Professional); Sources and Uses of Funds; required fees to cover the Authority's third-party assessment of proposed cost estimates.	
II.6.2	Energy Efficiency. Projects might earn up to 9 points by advancing energy efficiency and green design best-practices and protocols, as follows:	Up to 9 pts
	A point each will be awarded for any project that specifies and factors-in the initial costs of any the following:	Up to 5 pts
	All appliances initially placed in common areas and apartments, and/or building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, and/or windows, doors, and skylights), as well as their replacement are specified to be Energy Star-qualified.	1
	Kitchen range directly vents to exterior and all hoods vent to the exterior tampered; Energy Star qualified bath fan where required with timer or humidistat.	1
	Energy Star qualified light fixtures throughout.	1
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's Water Sense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.	1
	Recycling space and equipment, including recycling bins for each apartment.	1
	Documentation required: architectural drawings specifying spaces, equipment and/or systems required; designer's certification of compliance; construction cost estimates identifying initial cost of equipment; proposed covenant provision for on-going replacements adopting most current program standard.	
	Construction permit is a Green Construction Permit (<i>Permiso de Construcción Verde</i>) from OGPe.	3
	Documentation required: Copy of Green Construction Permit from OGPe.	

Point Ranking Evaluation		Score
	An Enterprise Green Communities' pre-build or a LEED Neighborhood Development Plan certification completed at date of application.	1
	Documentation required: Copy of certification.	
II.7	Construction Readiness. Project has one of the following:	Up to 10 pts
	Unexpired construction permit or notification of approval of the construction permit.	10
	Documentation required: Document issued by the Permits Management Office (OGPe), an Autonomous Municipality or a <i>Profesional Autorizado</i> .	
III	Housing Needs Characteristics	Up to 9 pts
III.1	Income Targeting. A project might earn 3 points if at least 50% of the units in the project are targeted for households with incomes at 50% AMI.	3
	Documentation required: Restrictive covenant agreement provision; tenant selection procedures.	
III.2	Targeted Units. A project will be awarded up to 3 points if it sets-aside the applicable percentage of units for any of the following special populations categories identified in both the State Housing Plan and the Consolidated Plan: elderly households (62 years and older); homeless persons or families as defined under the HEARTH Act; single headed households; persons with HIV/AIDS:	Up to 3 pts
	At least 75% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	3
	At least 50% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	2
	At least 25% of total project unit's set-aside for the targeted group during the length of the HOME compliance period.	1
	Documentation required: restrictive covenant agreement provision recording the targeted set-aside for the length of the compliance period; for permissible target populations under the applicable provisions of the programs subsidizing the project, an affirmative marketing plan in the provided Fair Housing format and tenant selection procedures.	
III.3	Preservation. To strengthen the State Housing Plan policies that seek to maintain the stock of affordable rental housing, a substantial rehabilitation project that meets the threshold expenditure level established under IRC 42(c)(3)(A)(ii), might earn up to 3 points, if:	Up to 3 pts
	The project curbs the risk of loss due to physical condition by replacing more than one major building component, which includes roof, bearing wall, floor or foundation structures; plumbing system; electrical system; fire prevention and safety system; vertical transportation; or building envelope.	2
	Documentation required: Comprehensive capital needs assessment certified by a licensed architect or civil engineer including the identification of the condition of major building systems and the extent of required code compliance retrofitting.	
	The project curbs a significant risk for market conversion of a tax credit or otherwise rent-assisted property; or preserves a comparable level of existing project-based rental subsidies that will expire within two years of the application date.	1
	Documentation required: Housing market study must demonstrate the capacity of the project to compete for market rate tenants; copy of existing HAP, if applicable.	
IV	Project Developer Characteristics	Up to 9 pts

Point Ranking Evaluation		Score
IV.1	Experience. Developer, General Partner or Managing Partner can demonstrate successful record and full compliance participating in same capacity in the development of Tax Credit projects in Puerto Rico. Up to 6 points, a point will be awarded for each documented project, up to a maximum of 3 projects, for each one of the following comparable characteristics:	Up to 6 pts
	If proposing to use only HOME, project demonstrating utilization of HOME program or in combination with other programs; if proposing to use HOME in combination with any other federal or state program, project utilization of HOME combined with Tax Credits, project-based rental assistance or another federal or state program subsidizing development costs, long-term operations or providing long-term rental assistance.	Up to 3 pts
	Similar or deeper share of income targeted populations.	Up to 3 pts
	Documentation required: Copy of IRS form 8609 for LIHTC projects; relevant project documentation; letter certifying compliance issued by the Authority or the Department of Housing.	
IV.2	Financial Strength. Developer, general partner and manager partner have:	Up to 3 pts
	Combined current liquid assets equivalent to the greater of one million dollars (\$1,000,000) or 5% of the total development costs.	2
	Documentation required: Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	
	Combined net worth equivalent to the greater of three million dollars (\$3,000,000) or 15% of total development costs.	1
	Documentation required: Compiled or revised financial statements certified by a licensed accountant; sources and uses of funds.	
V	Financing Characteristics	Up to 13 pts
V.1	Funds Leveraging. The leveraging of capital funding from public grants or non-financing sources, other than those being managed by the Authority, the Department of Housing or the Municipalities is encouraged by awarding a project up to 5 points as follows:	Up to 5 pts
	At least 15% of the total development cost covered by other sources of public funding.	5
	At least 10% of the total development cost covered by other sources of public funding.	3
	Documentation required: Sources and uses of funds; binding commitment, agreement or award documentation.	
V.2	Local Government Funding. Up to 5 points are awarded for projects that leverage local government capital funding through cash contributions, land donated or discounted, site or off-site improvements, grants, or a municipal construction tax abatement which is granted to the project and is not available under a local or state statute of general application, with a total value of:	Up to 5 pts
	At least 5% of the total development cost.	5
	At least 3% of the total development cost.	3
	At least 1% of the total development cost.	1
	Documentation required: sources and uses of funds; binding commitment, agreement, contract, award or documentation supporting property transaction or construction tax abatement.	

Point Ranking Evaluation		Score
V.3	Operating Expenses. Project might be awarded 1 point if it meets the corresponding operating expense requirement on a per-unit per-annum (PUPA) basis in the first year:	1
	For developments with 79 units or less, a PUPA not less than \$3,000 but not more than \$3,600.	
	For developments with 80 to 120 units, a PUPA not less than \$2,900 but not more than \$3,400.	
	For developments with 121 units or more, a PUPA not less than \$2,800 but not more than \$3,400.	
	Documentation required: Certification provided by the management agent.	
V.4	State Funding. Projects which have been contributed federal or State-owned land for redevelopment will be awarded 2 points.	2 pts
	Documentation required: Copy of long-term lease agreement, deed, or letter of commitment.	
VI	Supportive Services	Up to 5 pts
VI.1	Supportive Services. To advance the public policy of the State Housing Plan to increase the provision supporting services by integrating agencies that provide these services and coordinate their actions to support permanent housing for populations with special needs, any project might earn up to 5 points for sustaining a funding allocation for the provision of supportive services of the type: 1) authorized under a federally subsidized program and that can be funded with resources obtained directly as a grantee in competitive or demonstrative grants, or as a recipient of any admissible operational assistance (<i>i.e.</i> , CoC, VASH, GPD, SSVF, Veteran Per Diem, CDBG, HOPWA, FSS Program, etc.), or indirectly as sub-grantee or provider, or by contracting the services of a sub-grantee or provider, of any state or municipally managed program (<i>i.e.</i> , ADFAN's CSGB, VRA's Independent Living, ASSMCA's Homeless and Chronic Mental Health, ADFAN's Adult and Person with Disabilities Services, Medicaid's Home and Community-Based Service Waivers, among other); or 2) contracted for a certified Assisted Living facility under Act 244-2003, as follows:	
	Up to 5% of the project's annual operational cost for the length of the compliance period of affordability.	5
	Up to 3% of the project's annual operational cost for the length of the compliance period of affordability.	3
	Up to 1% of the project's annual operational cost for the length of the compliance period of affordability.	1
	Documentation required: Pro-forma; agreement provisions specifying operational budget commitment; if available, binding commitment, agreement or award documentation. On-going compliance will have to be demonstrated through: financial reporting evidencing compliance with funding commitment; and supporting documentation of managed, contracted or purchased services funded or authorized by any federally subsidized program; relevant reporting under Act 224-2003.	
Maximum Score		100
VII	Tie-Breaking Criteria	
	Will favor the project that is the readiest to proceed.	
	Will favor the project that is located in an urban area as defined in I.1.	
	Will favor the project with highest average debt service coverage ratio (ADSCR).	

Point Ranking Evaluation		Score
	Will favor the project that is located in a QCT and contributes to a concerted Community Revitalization Plan consistent with the policies of the Commonwealth or of a Municipality. Endorsement from competent entity must be provided, if case arises.	
	Will favor the project that is located in a non-metropolitan Municipality with the least amount of HOME funds allocated from the Authority's HOME program for Construction and Rehabilitation of Rental Housing.	

An applicant may submit a written petition for reconsideration to the Executive Director of the Puerto Rico Housing Finance Authority (**PRHFA**) within ten (10) calendar days after the notification by mail of the letter denying the application. A copy of the petition for reconsideration must be filed with the **PRHFA** HOME Program.

The **PRHFA** shall consider the petition for reconsideration within ten (10) calendar days of filing. If the **PRHFA** makes a determination upon the merits of the petition for reconsideration, the term to petition for judicial review shall commence as of the date of the notification by mail of the final determination. If the **PRHFA** takes no action with respect to the petition for reconsideration within ten (10) calendar days of filing, the petition for reconsideration shall be deemed to have been denied outright and the term for judicial review shall commence to run as of that date.

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

The filing of a petition for reconsideration or a petition for judicial review shall not stop the PRDOH allocation of HOME Funds to successful applicant. The reconsideration and judicial review procedure provided herein shall be the exclusive proceeding to review the merits of a decision of the **PRHFA** regarding the allocation of HOME Funds pursuant to this Action Plan. Other regulations regarding formal or informal adjudicatory proceedings before the **PRHFA** are not applicable to HOME Funds allocation decisions.

Selection and notification (conditional): HOME will evaluate the projects according to their specifications, available funds, and their best use. A written notice will be sent to all proponents indicating whether they were selected or not, the results of the threshold evaluation and the score assigned to their proposals. The notice will not confirm the assistance amount and MUST be considered conditional in nature and pending the determinations of the subsidy layering and other reviews of the project.

3. IF ONLY SUMMARY CRITERIA WERE DESCRIBED, HOW CAN POTENTIAL APPLICANTS ACCESS APPLICATION MANUALS OR OTHER STATE PUBLICATIONS DESCRIBING THE APPLICATION CRITERIA? (CDBG ONLY)

Not applicable to the HOME Program- (see CDBG section Above)

4. DESCRIBE THE PROCESS FOR AWARDING FUNDS TO STATE RECIPIENTS AND HOW THE STATE WILL MAKE ITS ALLOCATION AVAILABLE TO UNITS OF GENERAL LOCAL GOVERNMENT, AND NON-PROFIT ORGANIZATIONS, INCLUDING COMMUNITY AND FAITH-BASED ORGANIZATIONS. (ESG ONLY)

Not applicable to the HOME Program- see ESG section Above.

5. IDENTIFY THE METHOD OF SELECTING PROJECT SPONSORS (INCLUDING PROVIDING FULL ACCESS TO GRASSROOTS FAITH-BASED AND OTHER COMMUNITY-BASED ORGANIZATIONS). (HOPWA ONLY)

Not applicable to the HOME Program - See HOPWA Section.

6. DESCRIBE HOW RESOURCES WILL BE ALLOCATED AMONG FUNDING CATEGORIES.

The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.

ACTIVITY NAME: HOMEBUYERS ASSISTANCE

HOME Allocation: \$4,000,000

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 meet income targeting requirements set forth in sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).

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

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

On this basis, the Government Program will be able to consider the approval of individual homebuyer activity with a sale price up to the Homeownership Sales Price Limits published by HUD for every Municipality yearly. This value varies in each publication and depending of the property's location.

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

- a. To qualify as a low income family in the municipality where he/she is interested in purchasing the housing unit. Eligible families are Section 8, public housing, private tenants and married or unmarried couples looking to relocate because of marriage or job replacement. We encourage single parents, handicapped and elderly looking for secure housing opportunities. Income eligibility will be determined using Annual Gross Income as defined in 24 CFR Part 5. We also encourage occupation in Projects financed by the Puerto Rico Department of Housing if of any interest by the solicitants of the Home Program.
- b. To look into the housing market and request a sale offering from the owner seller once the family has decided on a property.
- c. To request a pre-qualification from a mortgage bank, calculating the equity available for down payment, the amount of Home funds needed for down payment assistance and the monthly mortgage.
- d. To obtain the final eligibility and subsidy analysis form the Commonwealth Home Program, in order to obtain the final program commitment. Individualized analysis and criteria per family will take place in this step.
- e. To qualify in the Home Program solicitants must be living in Puerto Rico for at least one year and the head of household and co-head must be American Citizens.
- f. The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.

ACTIVITY NAME: REHAB OR NEW CONSTRUCTION BY OWNER (TECHO DORADO)
HOME Allocation: \$2,000,000

Description: The scope of this activity is to promote the rehabilitation of a substandard Homeowner unit, or the replacement of such unit if it is unsound or represents an environmental hazard, in compliance with the housing rehabilitation standards. This would maintain the existing housing stock for Homeownership tenure, increase the supply of safe, sound, and sanitary dwellings available to low and very-low income families, and help them improve their quality of life. In order to meet the activity objective, the Commonwealth **HOME** Program will receive applications that comply with the Housing Rehabilitation Standards and under the following criteria:

- a. Very Low and Low income families
- b. In the case of minor or specialty repair if they are required to bring units up to applicable codes and standards and comply with minimum investment thresholds per HOME-assisted unit in a project;
- c. Moderate and substantial rehabilitation, which include rehabilitating all items that do not meet code or may involve substantial repairs throughout the home in order to bring it up to code and to improve the overall livability and functionality of the unit, given that subsidy limits established by Home are not exceeded (221 (d) (3).
- d. Non compliance of Section 8- Housing Quality Standards;
- e. Structural deterioration of the dwelling, for instance: current rehabilitation will exceed 25% cost of the unit;
- f. Architectural barrier removal for persons with physical impediments that need reasonable accommodation;
- g. Construction of additional bedrooms to clear overcrowding.
- h. The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.
- i. To qualify in the HOME Program, solicitants must be living in Puerto Rico for at least one year and the head of household and co-head must be American Citizens.
- j. Any reconstruction may not be greater than the Homeownership Sales Price Limits under 1 unit new construction values per Municipality.
- k. All Properties to be eligible must be 1 unit.

Very Low and Low-income families will receive a grant from the Commonwealth **HOME** Program depending of the number of bedrooms for the rehabilitation of the dwelling.

The property may not have any lien on the title. The title must be under the name of the Home program participant(s).

Any additional cost beyond the subsidy limit needed to complete the rehabilitation of the **HOME** would be obtained by the participant.

ACTIVITY NAME: REHAB OR NEW CONSTRUCTION FOR MULTIFAMILY RENTAL DEVELOPMENT

HOME Allocation: \$5,000,000

Description: **HOME** funds will be distributed as a grant to provide incentives or a direct loan to developers in order to reduce financing expenses in the construction loan.

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

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

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

Enforcement of the affordability period, rent and occupancy requirements will be secured through covenants running with the property and deed restrictions. Covenants and deed restrictions may be suspended upon transfer by foreclosure or deed-in-lieu of foreclosure. Every **HOME**-assisted unit is subject to rent limits designed to help make rents affordable to low income households. These maximum rents are referred to as “**HOME** Rents.”

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

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

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

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

- Thirty (30) percent of the tenant’s monthly adjusted income, or thirty (30) percent of the annual income of a family, whose income equals 50 % of median income (Low **HOME** Rent), or if a project has a Federal or Commonwealth project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.
- Rental developers are advised that the payment standard applicable to the **HOME** Program is the High or Low **HOME** rent established by HUD for the market areas defined in Puerto Rico. The payment standard includes the utilities that should be paid by the landlord. In case the tenant pays any of these utilities, the contract rent executed by the tenant should discount the amount paid for such utilities. The **HOME** Program will use the utilities adopted by the PRDOH Section 8 Program.
- This activity significantly boosts the housing construction industry by developing new rental housing Island-wide.

ACTIVITY NAME: TENANT-BASED RENTAL ASSISTANCE (TBRA) (NUEVO COMIENZO)

HOME Allocation: \$1,000,550

Description: Assistance from 12 to 24 months in rental vouchers with preference to families displaced by Hurricane María and victims of domestic violence.

ACTIVITY NAME: HOME PROGRAM PLANNING AND ADMINISTRATION

HOME Allocation: \$1,333,394

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 2020 will be used to cover reasonable administrative and planning costs for general management and coordination of the program, and other eligible costs in accordance with 24 CFR Part 92.207

7. DESCRIBE THRESHOLD FACTORS AND GRANT SIZE LIMITS.

No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities the cap are a minimum of \$1,000 and a maximum of \$45,000 will be available for eligible homebuyers.

8. WHAT ARE THE OUTCOME MEASURES EXPECTED AS A RESULT OF THE METHOD OF DISTRIBUTION?

The following are the HOME Program Outcome Measures:

GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2020			
Activity	Allocation	Percentage	Expected Goal
STATE ADMINISTRATION:	\$1,333,394	10.00%	N/A
HOMEBUYERS ASSISTANCE:	\$4,000,000	30.00%	88
REHAB OR NEW CONSTRUCTION FOR MULTIFAMILY RENTAL DEVELOPMENT:	\$5,000,000	37.50%	33
REHAB OR NEW CONSTRUCTION BY OWNER (TECHO DORADO):	\$2,000,000	15.00%	20
TENANT-BASED RENTAL ASSISTANCE (TBRA)	\$1,000,550	7.50%	128

AP-35 Projects – (Optional)

Introduction:

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

#	Project Name

Table 56 – Project Information

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

As previously described in this Annual Action Plan, the reasons for allocation priorities during the PY 2020 Annual Action Plan is the results obtained from the combination of the citizen participation and consultation process and the Consolidated Plan Needs Assessment analysis. The assessment resulted in the need of affordable housing activities to address the needs of the low and moderate income persons and in the investment of available funding in activities toward the needs of non-housing community improvement projects.

Also, homeless housing and supportive services actions and public service activities to address the needs of the special needs population groups were among the community priority needs resulted from the evaluation and analysis process undertaken.

In terms of any obstacles to addressing the needs of the underserved population still the lack of sufficient available resources to address the needs of the described population continues to be the main obstacle that the State and local government units faces in a daily basis.

AP-38 Project Summary
Project Summary Information

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

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

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

Yes

Available Grant Amounts

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

Available Grant Amounts

Estimated Availability of Funds for PY 2020- \$119,347,735

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

assure PRDOH the feasibility of the project.

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

- Property acquisition
- Rehabilitation of publicly owned properties
- Housing rehabilitation eligible under the CDBG program
- Special economic development activities under the CDBG program,
- Payment of issuance costs associated financing loans 108
- Acquisition, construction, reconstruction, rehabilitation or installation of public facilities
- Reserves to pay debt service on the Section 108 loan
- Other related activities, including demolition and removal, relocation, interest payments, and insurance costs.

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

Acceptance process of applications

Application Requirements

- The first requirement prior to the submission of a LGA application is the transmittal of a letter of intention to submit a 108 LGA Application to PRDOH. The Federal Programs Division at PRDOH will receive the letter of intent and commence the administrative requirement review first. Once the administrative review is completed, the non-entitlement municipality will be authorized to submit an application for Section 108 Loan Guarantee. Applications for the Section 108 Loan Guarantee Program may be submitted throughout PY 2020.
- The non-entitlement municipalities should comply with several administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.
- Requirements include: Status of monitoring reports, up to date Single Audit Reports, closing of previous program years (only last 5 PY can be open), no open findings,

timeliness, among others.

- Municipalities can request up to a maximum of 5 times their CDBG allocation with a ceiling of \$2,000,000 per municipality.

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

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

As the PR-State Consolidated Plan leading agency, the PRDOH is responsible to address the non-housing community development needs of the Non-Entitlement municipalities within the State jurisdiction. Thus, PRDOH is responsible to oversee that all CDBG program investment related to non-housing community development are made in eligible economically low income geographic areas.

By eligible low income geographic areas, PRDOH defines those geographic areas where, at least fifty-one percent of the population (in accordance with HUD CPD's Updated LMISD or low income surveys), are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families. Exception could be made by HUD to establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

As per the concentration of minorities within the State geographic areas, the 5-Yr. ACS Demographic and Housing Estimates (2011-2015) shows that ninety-nine percent of the statewide population are from hispanic or latino origins and that from this percentage, ninety-five percentage are from Puerto Rican origins.

DISPROPORTIONATELY GREATER NEED

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

in the hundreds). See (Discussion section below) for areas where assistance shall be directed.

Compliance with 70% Requirement

The regulations require the State to use no less than 70 percent of the CDBG funds received during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low and moderate income persons. The PRDOH will require to all Non-Entitlement municipalities that receive CDBG funds allocation during the PY 2020 to invest the non-housing community development funds in economically eligible low income areas. Also, the PRDOH will require the municipalities to certify that not less than seventy percent of the individuals benefited with CDBG funded activities complies with the low-income eligibility.

CDBG

In 2014 the Government of Puerto Rico enacted Law 137-2014. Under this act the central government determined the allocation for non-entitlement municipalities under the State CDBG Program. With this legislation all non-entitlement municipalities will receive the same share of CDBG funds, except for Vieques and Culebra, which will receive an additional 15%. The municipalities will continue to define the specific allocation of such funds. The ultimate geographic distribution of the CDBG funds is made by the non-entitlement municipalities once they complete their own citizen and consultation process.

ESG, HOME, HOPWA and HTF

The ESG, HOME, HOPWA and HTF programs accepts proposal and provide funding for projects Island-wide.

Geographic Distribution

Target Area	Percentage of Funds
CDBG- Non-entitlement communities	51
Statewide	44

Table 57 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2020 are created to address the priority needs and specific objectives identified in the 5-Yr. Consolidated Plan. In addition, all projects are associated with one or more priority needs and one or more goals. Therefore, the priorities for the investment related with targeted geographic areas are

related with non-housing community development activities that address the goals and objectives of the Consolidated Plan. The Non-Entitlement municipalities proposing this type of projects must invest the CBDG monies in eligible low-income areas, as defined by HUD.

Discussion

The overarching goal of the Department of Housing and Urban Development's Community Planning and Development (CPD) programs covered by the Consolidated Plan is "to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities," principally for low- and moderate-income persons. In order to achieve the provision of suitable living environments within the low- and moderate-income communities, the PRDOH encourages non-entitlement municipalities to undertake non-housing community development activities.

These activities are designed to create, expand and/or improve the physical conditions of community's public facilities located within the benefited low- and moderate-income communities. As previously stated, an eligible low-income community is a geographic area where, at least fifty-one percent of the population, are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

The following Communities Municipalities has been identified by the states as priority areas with disproportionately greater need and minority concentration are included in the appendix.

Municipalities and subgrantees shall provide priority to the above areas when undertaking the eligible activities.

Affordable Housing

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

Introduction:

The 2020-2024 5-Yr. Consolidated Plan of the PR-State includes the provision of decent housing as one of the main objectives to be achieved through the activities included in the referred plan. This particular objective includes a series of goals that at large includes the following:

- Housing activities directed to address the needs of the homeless persons;
- Housing activities directed to address the needs of the special needs populations;
- Promote activities directed to preserve and increase the stock of affordable housing units;
- Promote activities toward the ownership of low income persons of their housing units

To achieve these goals, the PR-State government propose a series of housing activities directed to address the housing and supportive services needs of the low-income population, which will comply with the PR-State responsibility of providing safe, decent and sanitary housing units that enable this population group to live with dignity and independence.

The following table includes a description of the number of households that will be benefited from the housing assistance activities proposed in this PY 2020 Annual Action Plan:

One Year Goals for the Number of Households to be Supported	
Homeless	10,457
Non-Homeless	1,399
Special-Needs	400
Total	12,501

Table 58 - 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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	409
The Production of New Units	33
Rehab of Existing Units	13
Acquisition of Existing Units	111
Total	566

Table 59 - 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), transitional housing and short-term rent mortgage utility assistance (STRMU) for persons with special needs.

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

During the preparation of the 5-Yr. Consolidated Plan, the Needs Assessment and Market Analysis outline levels of relative need in the area of affordable housing for the low-income population in Puerto Rico. This level of need drive the State strategy created to address the immediate housing needs of the economically disadvantage persons in the Island. The main objective of this strategy is investing available resources in service activities that enhance access to affordable housing to the programs eligible low-income population groups. Via these efforts, low-income persons have the opportunities to stabilize their housing conditions and reduce the risk of homelessness.

To accomplish this objectives the PR-State Consolidated agencies determine to promote affordable housing service activities in the following way:

- CDBG funding will be invested in the creation of housing rehabilitation opportunities for owner occupied units or units to be occupied by low income persons;
- ESG funding will be invested in the creation of housing opportunities and supportive services for homeless population and individuals at risk of homelessness;
- HOME funding will be invested in the creation of homeownership opportunities as well as tenant based rental assistance opportunities for low-income persons;
- HOPWA funding will continue to be invested in the creation of rental assistance opportunities for HIV/AIDS individuals and their immediate families, as well as transitional housing and supportive services for low-income individuals with HIV/AIDS.
- HTF funding will be invested on Multifamily Rental New Construction/Rehabilitation and Single Family Homebuyer Assistance.

These consolidated housing activities fully engage and leverage additional mainstream housing assistance available within the PR-State public service structure. The State Housing Choice Voucher Program, commonly known as Section 8 Program, allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. The State Public Housing Program provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

As part of the State Government public policy and governmental vision, stable housing is an important tool in helping households achieve other life outcomes, and the PR-State Consolidated Plan Agencies are committed to work toward providing low-income families access to these opportunities.

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

Introduction:

The public housing activities within the PR-State jurisdiction are funded through two (2) main funding streams of HUD Office of Public and Indian Housing. These funding streams are the Housing Choice Voucher Program (HCVP) and the Public Housing Program.

The HCVP, also known as Section 8 Program, allows very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing. In the other hand, the Public Housing Program provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Within the PR-State Government, both programs are administered and managed by the PR Public Housing Administration (PR-PHA), a subsidiary agency of the State Department of Housing. For the public housing complexes, the PR-PHA has management agreements with Private Sector Administrators Firm that are responsible of the daily operation of the projects.

Under the State Government current public policy, the funds allocated to the PR-State public housing initiatives becomes a high priority among the consolidated plan housing and community development strategy. Puerto Rico is facing the most critical economic recession in modern history that has resulted in structural problems, economic shocks, most recently the COVID-19 pandemic, and weak public finances. This scenario has yielded a decade of stagnation, outmigration and debt, which improved after Hurricane María with billions of both private and public reconstruction funds that circulated in the economy. COVID-19 represents another socioeconomic setback. Under these circumstances, the public policy seeks to promote initiatives toward aligning available resources into unified and targeted impact strategies. As part of the development of the institutional structure of the Consolidated Plan strategy, the Puerto Rico Department of Housing fully engage and leverage these mainstream housing assistance programs to the Consolidated Plan housing initiatives. This management vision allows the Department to align the available resources to a unified and targeted housing strategy that results in maximize the impact of the public funds invested in housing initiatives.

This section describes the actions that the PR-State will take to address the needs of the public housing population groups during the planned PY 2020.

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

No CPD funded activity will exclusively serve any of the Public Housing projects located within the Municipality boundaries. Nevertheless, the local public policy service strategy includes the public housing population among the service delivery groups that benefits of the Municipality's

public services and community development activities. Various activities included in the 2020 action plan benefit the public housing residents, among them:

CDBG

Public Services

- Home Care Assistance
- Academic Tutoring
- Sports and Recreational activities

Public Facilities

- Park and recreational facilities
- Water Parks

Infrastructure

- Re-pavement of Municipal roads

HOME

Residents are offered the opportunities to acquire affordable housing units

HOPWA

Supportive services are provided to PH residents with HIV/AIDS

Other Services

- In addition, Municipal governments provide services to the Public Housing Residents. Among the services are:
 - Educational services at the Head Start Centers
 - Sport Clinics
 - Summer Camps
 - Cultural Activities
 - Fines Arts workshops
 - College Board workshops
 - Adult Education
 - Educational grants to high school students
 - School supplies

As part of the PHA Plan actions proposed to improve the living conditions of the public housing residents and projects, the following activities will be undertaken by the Puerto Rico Public Housing Authority during the PY 2020:

- Homeownership initiatives will be offered to public housing residents with the objective of assisting them to acquire an affordable housing unit and obtain the unit title;
- The PR-PHA will promote economic and social self-sufficiency initiatives with the objective of fostering the residents to develop their occupational skills, to improve their educational level, and to assist them in obtaining a job opportunity as a strategy to achieve economic independence;
- The PR-PHA will create the *Tenant Participation Fund Program*, a new initiative that seeks to improve the public services alternatives offered to the public housing residents. This initiative will promote full participation by the residents in the process of determining their community needs and identifying the service proposals that better fits the empowerment and self-sufficiency needs of the residents;
- Through the PR-State Agencies components and the local governments, the PR-PHA will coordinate public services actions to address the basic and essential needs of the population and communities. Among the initiatives toward this objective is the *Servi Movil* concept. This concept seeks to bring the basic and essential public services programs to the housing complex. This includes the development of health fairs, job fairs, universities fairs, recreational and sports fairs, among the other governmental services;
- The PR-PHA will continue undertaking extraordinary improvements actions in public housing projects to improve the physical conditions of the projects and the housing units. In particular, the new State Government will give emphasis to the rehabilitation and modernization of the Elderly Public Housing Projects.

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

The State public housing strategy includes policies to promote social and economic self-sufficiency among the housing complexes residents. A key element within this strategy is achieve resident engagement and community leadership within the housing projects. Through the engagement of the residents, the PR-PHA and the Private Administrators Firm will be able to understand the residents views of their community, particularly the community needs and assets and how the residents view that socio-economic improvements can be achieved.

As previously stated, during the course of the PY 2020, the PR-PHA will undertake the *Tenant Participation Fund Program* and the *Servi Movil* initiative as part of the commitment that the State Government has with the public housing communities to improve their living conditions

and engage them in the development of the management activities of their complexes and communities.

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

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

As of June 30, 2016, the PR-PHA performance was standard under the HUD-Public Housing standards. Although no problems are in sight that can cause a decrease in the level of performance of the Agency, if needed the State Government Consolidated Plan Agencies will be available to provide technical assistance, management and financial consultant activities, programmatic and operational advice and capacity building actions, toward the Agency managerial and performance improvement.

Discussion:

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

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

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

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

Introduction

The PR-State strategy behind the homeless initiative is from a network perspective in which collaboration, integration and partnerships will continue to be fostered to implement activities to prevent, reduce and end homelessness. This collaborative effort will also have the intention of streamlining the funding sources within the partnered organizations in order to promote a more effective utilization of the community wide available resources to address the needs of the individuals and families experiencing homelessness.

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

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

According to the Point in Time Census (PIT) 2017 there are 3,501 homeless persons in Puerto Rico; seventy three (73%) are unsheltered and thirty one (31%) are considered chronic homeless. Seventy six (76%) of the homeless population are men while twenty four (24%) are women. Homeless individuals are mainly located at the Municipalities of San Juan, Ponce, Arecibo, Caguas, Mayaguez, Guayama, Bayamón, Vega Baja, Guaynabo, Humacao and Aguadilla. Based on the data the State Department of Family, PR Government ESG Grantee, will continue supporting outreach, engagement, intake and initial assessment services to unsheltered persons activities that local governments and nonprofit organizations undertake during the PY 2020. The financial support of these organizations will be provided through the allocation of the ESG Program funding.

Through this component, the Department will support the provision of essential services necessary to reach out to unsheltered homeless individuals; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Among the eligible activities that the Department will support are the following activities: engagement; case management; emergency and mental services; transportation services; housing search and placement, housing stability and case management and services for special needs populations. To enforce in our subrecipients the need to reduce the number of homeless individuals and families the ESG program established in its standards that street outreach activities must include the case management component to assure that services focus not only on satisfying the basic needs, but also stabilizing physically and emotionally the individuals and

placing in some type of housing modality. Also, Street Outreach Projects must provide outreach services at least three times a week and services will be provided based on the client's needs. The DF is very committed to increase the number of persons served under this category and to reduce the time that homeless individuals are on the streets.

The ESG program will continue supporting innovative special projects targeted to provide outreach services for chronic homeless and emergency shelters in Municipalities of high demand.

Finally, the Department of Family will continue supporting low barriers emergency shelters, particularly only projects with 65% or more of bed utilization rate, will be considered to receive funds. It is expected that subrecipients works towards to removing administrative, institutional and programmatic barriers that limit access to emergency shelters. As well, the Department continues encouraging its sub-recipients, the inclusion of permanent housing as a goal in the services plans since the first day a homeless person enters a shelter.

Addressing the emergency shelter and transitional housing needs of homeless persons

Local public policies on homeless, (Law Number 130) recognizes the need to foster, plan, and carry out services and facilities to attend the needs of homeless individuals, to enable their participation in the Puerto Rican community and allow them to lead a productive and social life. Services must be offered in an integrated manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors”.

As part of the responsibilities of the Department of the Family, the Agency supports the operation of Emergency Shelter facilities throughout the Island. These types of facilities provide a safe and decent alternative to the streets for a determined period of time for a family or individual who is homeless, in addition to providing access to case management, health care assessment and referral services. This emergency placement includes meals, sleeping arrangements, and access to phone and mail services. Before the conclusion of the period of time limitation, each family or individual will have completed an assessment to determine self-sufficiency goals and housing needs. A family can then be referred to transitional housing, move to permanent supportive housing, or move into other low-income housing. Each client agrees to the conditions of stay within the facility and agrees to work on a case plan designed to make self-sufficiency possible.

According to PIT 2019 only twenty-five (25%) of the homeless are sheltered. To increase the number of persons who are placed in emergency shelters, this PY2020 the Department of the Family will continue to support low barriers emergency shelters. It has been established in the ESG standards that emergency shelters admission's procedures have to reflect a housing first

approach. Also, the DF will support emergency shelters with sixty five (65%) average rate utilization bed occupancy. ESG's subrecipients will continue to be provided with plenty technical assistance to reduce the time of individuals in emergency shelters. Individual planning services are also set as requirements in the ESG standards and should focus placing individuals in some type of housing before ninety (90) days.

Funding for emergency shelters comes mainly from the State's ESG program. These funds also are made available through the RFP process previously described. Funds may be used for renovation of emergency shelter facilities and the operation of those facilities, as well as supportive services for the residents, which could include Case Management, Child Care, Education, Employment Assistance and Job Training Activities, Legal, Mental Health, Substance Abuse Treatment, Transportation, and Services for Special Populations.

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

The 24 CFR Section 576.104 of the ESG Program regulations includes the dispositions regarding the Rapid Re-housing Assistance Component of the program. According to the Puerto Rico's Point in Time Count(PIT) 2017 there are 3,501 homeless persons; (73%) are unsheltered and (31%) are considered chronic homeless. Some of the reasons for becoming homeless are substance abuse (31%), family problems (23%), economic hardships (15%), alcohol abuse (6%), mental health conditions (6%), unemployment (5%), domestic violence (3%), housing eviction (2%), exiting from jail (.6%), and housing fire (.5%). Projects targeted to work with special populations such as alcohol and substance abuse, mental health and domestic violence matters are set as priority projects for allocating funds. Also, based on the PIT 2017 data, sixty (60%) of the total ESG grant is distributed to provide outreach and emergency shelters activities. Individuals and families facing housing evictions and economic hardships are targeted through prevention and rapid re-housing activities. These 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. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements, the short- and medium-term rental assistance requirements and the written standards and procedures established under the program regulations.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Puerto Rico's Point in Time Census (PIT) 2017 shows that there are 3,501 homeless persons; 73% are unsheltered and 31% are considered chronic homeless. Some of the reasons for becoming homeless are substance abuse (31%), family problems (23%), economic hardships (15%), alcohol abuse (6%), mental health conditions (6%), unemployment (5%), domestic violence (3%), housing eviction (2%), exiting from jail (.6%), and housing fire (.5%). It is essential to support prevention activities to avoid individuals becoming homeless.

The State is committed to provide the necessary assistance to prevent individuals and families to become homeless. Under this component, ESG Program funds are 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 not meant for human habitation. This assistance may be provided to individuals and families who meet the criteria under the "at risk of homelessness" definition 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. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements, the short-term and medium-term rental assistance requirements and the written standards and procedures established by the program regulations.

This FY2020 the DF will continue supporting Rapid Re-Housing and Prevention activities, particularly providing case management, housing placement and stabilization services for individuals and families and for special projects targeted to the mental health populations and for any other unmet need identified by PRDF. Individuals and families facing housing evictions and economic hardships will also be attended through these activities.

Discussion

The provision of housing and supportive services to the homeless population is one of the main goals among the housing and community development strategies of the PR-State Government during this consolidated period. In leading this effort, the PR Department of Family administers the ESG Program allocation, which is used to make grants to Municipalities and Nonprofit

Organizations for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance. Through this initiative, the Department leads the role toward the goal of ending homelessness in the State jurisdiction.

The Current Homelessness Strategy is included in the Appendix.

AP-70 HOPWA Goals – 91.320(k)(4)

One-year goals for HOPWA include the following:

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	70
Tenant-based rental assistance	120
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	80
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	130
Supportive services	420
Total	820

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

Introduction:

The enactment of public statutes, ordinances, regulations, administrative procedures and/or processes could have a negative effect in the cost to produce and/or maintain an affordable housing stock in the local market. In its continuously public responsibility, the State must deal with taking actions to ameliorate the effects that existing policies could have in promoting affordable housing initiatives.

Among the common policies that have an effect as a barrier to affordable housing in the local housing market, we can describe land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. Under the current Government structure, some of these policies are enacted at the local government level. Therefore, the State Government must deal with some jurisdictional level establishment in order to take care of the possible limitations that such policies represent to the affordable housing markets.

As previously stated in this plan, the State Government is currently putting in place a new public policy vision with the objective of promoting the sustainable development of Puerto Rico and addressing the deep economic and financial recession that had stall the Island economic development for the last decade. The *Plan para Puerto Rico* includes a series of strategies and initiative that promotes a change of vision in the form of managing the public sector and in the way the State Government conducts its public business.

Through the described plan, the State Government proposes to take actions that leads to the economic development of the Island in all business sectors including the housing markets. In this section, the PRDOH will present which of the proposed public policies address the needs of ameliorating the effect that enacted public policies have in the affordable housing market in Puerto Rico.

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

Many of the common policies that have a direct effect in the production and development of affordable housing units are related with permits process and land use planning process. To address most of the practices that are considered barriers for the production and development of affordable housing units, the Government vision must be from a planning and land use management context.

It is well known that, in Puerto Rico, the permits process is one of the multiple reasons for the economic stagnation experienced by the Island. To address the policies that are considered barriers for affordable housing actions, PR State Government established the Single Business Portal that streamlined the permits process and create a friendly and effective mechanism that assist in improving the business environment in the Island.

Another factor that the State Government is addressing through the new government vision is the land use policies. Through the creation and implementation of a Strategic Planning Program, the State Government is creating medium and long period plans relating to the land space ordainment within the Island. The State Land Use Plan is under its final revision to align it to the Municipalities Local Land Use and Ordainment Plans. This initiative will have the effect of eliminating existing confronting policies for land use and will promote flexibility in the establishment of policies concerning the use of the land and the promotion of project development throughout the Island, including housing related activities.

In addition, the State Government policy has established affordable housing policies to benefit low income and special needs population groups. Among the proposed policies is the *Casa Mía* initiative that promote the establishment of an incentive program to facilitate the acquisition of an existing housing unit to low income worker's families, the *Nuevo Comienzo* initiative that proposed the provision of rent subsidies to women who are victims of domestic and gender violence actions and the *Egida del Siglo 21* initiative, an activity proposing the rehabilitation and modernization of elders housing projects.

The first two (2) of the described affordable housing initiative are promoting the acquisition and occupation of existing housing units that currently are vacant and available within the housing market in Puerto Rico. The vacancy of housing units has been arising in the last years due to the significantly migration wave that the Island has been experiencing. With initiative like the described, the State Government purpose of stabilizing communities that have suffered from significantly vacancy in their housing units and will limit the probability of abandonment of the communities housing stock.

Discussion:

To tackle and ameliorate the effect of the actions that commonly are considered barriers for the development and establishment of affordable housing actions, the PR State Government is proposing pro-active initiatives that will foster activities to provide housing units to low income and special needs population groups. These actions consider planning and permits policies that will facilitate the undertaking of activities directed to address the housing needs of the economically disadvantaged individuals, as well as the creation of new initiatives toward the

provision of incentives for acquisition, lease and/or rehabilitation purposes by low income worker families and/or special needs population groups.

AP-85 Other Actions – 91.320(j)

Introduction:

In this Section of the Annual Action Plan for PY 2020, the PRDOH will include a description of the actions that the PR-State government it will undertake to foster and maintain a stable affordable housing stock; to reduce the risk of exposure to lead based paint hazards; to reduce the number of poverty-level families; to develop the institutional structure and to enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

As part of the State Government vision, the Consolidated Plan Agencies will be providing economic assistance and incentives to address the housing and socioeconomic needs of the underserved population groups. Under Puerto Rico current economic scenario, the lack of resources among the low income and underserved population is the main reason to obstacle the socioeconomic stability of these groups within the general society.

The particular actions that will be taken by the Agencies are:

- The State Department of Housing will be responsible to provide rent financial assistance to eligible low income families and/or individuals and rent assistance and the creation of economic development actions within the public housing projects to improve the economic and living conditions of this segment;
- The PRDOH will provide homeownership assistance to low income persons interested to acquire an affordable housing units;
- Also the PRDOH will make available CDBG funds for housing rehabilitation actions of low income owner occupied units within the Non-Entitlement municipalities of the Island. This action will promote improve the physical conditions of the low-income housing stock in the Municipalities;
- The State Department of Health, through the Municipality of San Juan Housing and Community Development Department, will promote tenant based rental assistance activities for HIV/AIDS individuals and their families. In addition, transitional housing and supportive services will be made available for HIV/AIDS homeless individuals reach out by Nonprofit Organizations providing housing and supportive services to this population.
- The State Department of Family will make available ESG funds for the provision of housing activities services for homeless individuals and/or at risk homelessness individuals. These assistances will be provided through Nonprofit Organizations and municipalities around the Island. In addition, the Department will strongly support the efforts of the Homeless Continuum of Care Coalitions operating within the Island jurisdiction and that are

responsible to request and distribute Continuum of Care funding to address the basic and immediate needs of the homeless population in Puerto Rico.

Additional efforts, from administrative and planning management actions, will be taken in order to improve the permits process and land use policies that will allow the promotion of actions to facilitate affordable housing initiative around the Island.

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

Regarding CDBG, some of the most urgent needs of non-entitlement communities are infrastructure, housing rehabilitation and economic development. To expedite funding allocation and expenditure, the Commonwealth of Puerto Rico assigned by Law an equal amount of CDBG funds to non-entitlement municipalities, except for Vieques and Culebra that are granted 15% in additional funding. Based on their local knowledge, these units of local government decide the activities they want to support. PRDOH’s new policy is also a strategy to shift scarce municipal human and administrative resources from proposal writing activities to program implementation and compliance. Moreover, this action will allow PRDOH personnel to dedicate more time to technical assistance and oversight activities.

Actions planned to foster and maintain affordable housing

As previously stated the provision of economic assistance to rehabilitate, acquisition and rent affordable housing units is the main action that the PR State Consolidated Plan Agencies will be undertaken to foster and maintain a healthy and stable affordable housing stock within the local housing market.

In addition, pro-active actions leading to promote the re-use and re-occupation of existing vacant housing units within the low-income communities of Puerto Rico, will promote the expansion of the low-income housing stock, will promote re-population actions in communities that has suffered of a high level of migration and will avoid the deterioration and abandonment of communities creating a public safety and health problems within the Municipalities.

The State Government is also proposing actions toward supporting the creation of housing activities under a cooperative business model. As part of the support that the new public policy will provide to the Puerto Rico Cooperative Movement, housing projects will be supported as part of this government economic development vision.

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

The state will use HOME and HTF funds particularly through homebuyer assistance programs and single family rehab to foster and maintain affordable housing. Moreover, the state plans to use HOME funds to leverage other state projects which will increase the affordable housing inventory. The use of HOME resale and recapture provisions will support the affordability of such projects in the long-run.

Additionally, CDGB housing activities (Rehab, CDBG-DR Affordable rental housing, NSP) will serve to maintain the affordable housing stock in Puerto Rico.

Actions planned to reduce lead-based paint hazards

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

- Professional assessment for deteriorated paint in units built before 1978
- Initial and annual HQS inspections
- Disclose information among residents of lead-based paint hazards
- Stabilization, removal and disposal of dangerous material. The State HOME Program has contracted companies to provide technical assistance for the evaluations, visual assessment, HQS inspections and paint testing (when necessary) for the housing units that will be rehabilitated with HOME funds in order to comply with lead-based paint requirements and other applicable federal environmental laws and regulations.

Housing providers funded through HUD provide decent, safe, and sanitary housing to their residents. Part of this responsibility is to protect these residents, particularly children under age six, from the health risks of lead-based paint. Public Housing Authorities (PHAs) and landlords protect these families by complying with HUD's lead-based paint regulations.

With respect to the Housing Choice Voucher Program (HCVP), the Lead Safe Housing Rule (LSHR) applies only to units constructed prior to 1978 occupied (or intended to be occupied) by a child under age six, the common areas servicing those units and exterior painted surfaces associated with those units and common areas. The Lead Disclosure Rule (LDR) applies to disclosure of lead-based paint and lead-based paint hazards in most housing constructed prior to 1978 ("target housing") at sale or lease, whether or not they are or will be occupied by a child, and whether it is federally assisted or not.

Target Housing is generally, housing constructed before 1978. Housing for the elderly, and housing for persons with disabilities, are not target housing, unless a child under 6 years old resides or is expected to reside in that housing, in which case, the housing is target housing. All zero-bedroom dwellings are not target housing. In jurisdictions which banned the sale or use of lead-based paint before 1978, HUD may use an earlier date for determining target housing. Refer to Lead Compliance Toolkit, Housing Choice Voucher Program, HUD's Lead-Based Paint Regulations (24 CFR Part 35).

Actions planned to reduce the number of poverty-level families

In order to reduce the number of poverty-level families the PR-State Government will coordinate the following effort:

- Continue to create training and workforce development opportunities through the investment of funds of the Workforce Innovation and Opportunities Act (WIOA) Program. These funds are committed to assist low income individuals in acquiring the technical knowledge and developing the work skills needed to effectively transitioning to the job market;
- Continue to support the Universities and Technical College community in providing educational opportunities to low and moderate income students with the objective of improving their academic skills and achieved to be hire in the local and/or regional job market;
- Provide financial housing subsidies to low and moderate income households in order to alleviate the cost burden effect that housing has in the economic status of the families;
- Continue to support private investment in the development of affordable housing projects;
- Continue to provide Tenant Based Rent Assistance to HIV/AIDS individuals and family members;
- Continue to invest Section 8 funds in assisting eligible households in their rental needs;
- Promote the creation of Public-Private Alliances, as a business model to promote economic development activities, to create and maintain jobs opportunities and expand the business activities base around the Island;
- Support the active participation of the Cooperatives Sector within strategic regional projects as a tool to create job opportunities, promote local investment and promote an increase in the regional business activities throughout the Island.

Actions planned to develop institutional structure

During the preparation of the Consolidated Plan the PRDOH, as Lead Agency, envisioned to carry out the designed housing, community, economic development, homeless and special population strategy from an inclusive and collaborative point of view through the Consolidated Stakeholders network. Using the leading role of the PRDOH, the PR State Government will continue to encourage the active participation of these entities in order to meet the needs of the very low to moderate income persons and their communities.

Strategic meetings, working meetings, oversight activities, among other follow-up activities, will be undertaken in order to continue strengthen and developing strategic and accountable partnerships among the Institutional Structure of the housing and community development activities within the State Government structure.

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

During the preparation of the Consolidated Plan the PRDOH, as Lead Agency, envisioned to carry out the designed housing, community, economic development, homeless and special population strategy from an inclusive and collaborative point of view through the Consolidated Stakeholders network. Using the leading role of the PRDOH, the PR State Government will continue to encourage the active participation of these entities in order to meet the needs of the very low to moderate income persons and their communities.

Strategic meetings, working meetings, oversight activities, among other follow-up activities, will be undertake in order to continue strengthen and developing strategic and accountable partnerships among the Institutional Structure of the housing and community development activities within the State Government structure.

Discussion:

The PR-State Government will continue to use CPD funds to achieve the goals and objectives of the Consolidated Plan. In achieving these goals and objectives, the State will integrate to the CPD allocated funds, additional public funding streams and will leverage communitywide available funding to maximize the resources toward the provision of services to the most in need population groups.

The maximization in the use of available funding within the community, will require the development of strategic and accountable partnerships with all Consolidated Plan Community Stakeholders as part of the institutional structure created toward delivering the basic and essential public services to address the needs of the low-income population segments.

Program Specific Requirements

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

Introduction:

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

Instructions regarding the reporting and expenditure of program income are available at PRDOH. The municipalities are required to send their program income estimates and reports through e-mail or fax.

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

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

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

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 300,000 |
| | |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

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

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

N/A. The HOME program will use HUD-acceptable forms of investment described in 24 CFR Section 92.205(b)(1) for grants and loans. No alternative forms of investment will be used.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Resale and Recapture Provisions

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

The **PRHFA** will use both Resale and Recapture provisions. Resale provisions will only be used in cases in which HOME assistance has been awarded as development subsidy and will not be used to reduce the purchase price of the unit and in cases in which the permanent and

primary financing for the acquisition would be affected due to the lender's policies regarding the treatment of the Recapture provisions. It has been the **PRHFA** experience that certain institutions equate subsidies awarded in lieu of Recapture provisions as payable loans and therefore must be considered when calculating the property's Loans to Value Ratio. Under these circumstances and when the Loans to Value Ratio exceeds the ratio authorized under the primary lender's policies, the developer or CHDO may request the sale of the HOME assisted unit under the Resale provisions. In any such case the developer or CHDO must seek the **PRHFA** prior written approval before selling the unit using Resale provisions.

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

Adequate controls are in place, particularly as revised deed restrictions and periodic inspections, to enforce **HOME** resale or recapture provisions. The abovementioned provisions and restrictions will also apply to CHDO's in the same manner. The **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.

See Recapture Provisions Below:

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

The Resale or Recapture Guidelines that assures the affordability of units acquired with HOME funds are included below.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME Program funds will not be used to refinance existing debts.

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

1. Include written standards for providing ESG assistance (may include as attachment)

The ESG standards are included on the Appendix Section of this plan. The PRDF is in the Consolidated
Plan

PUERTO RICO

284

process of revising its Written Standards.

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

Both PRCoC-502 and PRCoC-503 have established a Coordinated Entry System.

The PRCoC-502 Coordinated Entry System named "Derecho a Techo" is fully implemented in its geographic region. The use a comprehensive coordination of the services available through the CoCPR502 community and other leaders within the geographic area including 24 Municipalities. Through their outreach program they identify the most vulnerable homeless individuals and offers services conducive to obtaining housing. The CE is a hybrid since it has an easy access office from 8:00 a.m. to 8:00 p.m. Mondays through Fridays, a toll-free number, a mobile case management office and three access point partners. Participants' needs are prioritized considering crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

The PRCoC-503 Coordinated Entry System (CES) named "Sistema Coordinado de Acceso" is also implemented. The CES uses a comprehensive coordination of the services available through the CoCPR-503 community, network of homeless and mainstream housing and supportive service providers and other leaders within the geographic area, including of 54 municipalities. By implementing a comprehensive "Housing First-Assertive Community Treatment Intervention", which includes outreach workers, community advocates, housing navigators, a community "Alternative Integrated Clinic" with primary, behavioral and substance abuse services, and case management. The CES identify the most vulnerable homeless individuals and offers services conducive to obtaining housing. The CES operates an emergency hotline available 24 hours a day 7 days a week, case management office and two access points located in Caguas and Ponce. Participants' needs are prioritized considering their level of prioritization based on chronicity and urgency, crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services and housing options. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

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

Please refer to Section AP-30, Method of Distribution, of this Plan for a complete description

of how ESG Program funds are distributed among eligible Entities.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State Department of Family complies with 24 CFR Section 576.405 requirements. The required homeless representation is met through the following actions:

Homeless population is represented in different entities:

- As required by the regulations the PR-502 has one chair on its board reserved for representatives of the homeless population, or persons who have experienced homelessness. In addition, the CoC has a separate committee formed by formerly homeless persons.

PR-503 CoC have two chairs at least two (2) representatives of the homeless population, who are or have experienced homelessness.

5. Describe performance standards for evaluating ESG.
See attachment for written standards.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The Puerto Rico Housing Finance Authority (Authority) will make available the Housing Trust Fund Activities of Rental Housing along the HOME Investment Partnership Program (HOME) Action Plan (AP). Funds will be awarded to eligible applicants following a competitive process. The competitive process will follow the criteria established in the HTF Allocation Plan. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.

Eligible Applicants: The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the basic threshold criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200).

b. Describe the grantee’s application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Applications requesting HOME and HTF funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State HOME and HTF Program’s criteria, such as: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects. See the appendix for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations. The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section (HTF Selection Criteria). Also, Section (e)

below provides additional requirements for eligible recipients.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

See Appendix. HTF Selection Criteria.

d. Describe the grantee’s required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, the HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b)(1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution.

The HTF allocation for PY 2020 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition).

See Appendix [HTF Selection Criteria] for additional geographic considerations in the scoring system.

e. Describe the grantee’s required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

The PRHFA will consider applications from potential recipients that “have demonstrated experience and capacity to conduct other Tax Credit/HOME projects as evidenced by its ability

to: (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development” (24 CFR 93.2 – Definition). The term “full compliance and successful record” provides sufficient basis to determine the applicants capacity to obligate HTF funds and undertake activities in a timely matter.

Due to the limited amount of HTF funds, is not viable for the initial HTF allocation to be distributed via a stand-alone funding round. Thus, the State will distribute HTF funds via its regular funding round, which includes other federal funding sources such as HOME, LIHCT, among others. Under the abovementioned funding round, applicants will have to demonstrate with evidence that they have fulfilled the initial basic requirements established in the “Basic Threshold”. The PRHFA has created an specific set of requirements that HTF potential applicants must satisfy. Not complying with such requirements causes applicants to be disqualified. If applicants demonstrate fulfillment of basic threshold requirements, then the specific point ranking evaluation criteria will be applied to the proposed projects.

The basic threshold for the HTF establishes that applicant must demonstrate experience. “If proposing to use o of HOME or NHTF Developer, General Partner or Managing Partner must demonstrate successful record and full compliance participating in same capacity in the development of HOME /NHTF projects in Puerto Rico.” To validate such assertion the applicant must submit “Relevant project documentation to support experience in particular project.” And “Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.”

See Appendix [HTF Selection Criteria] for the specifics of the scoring system. (Section IV of the NOFA Ranking Self-Evaluation.)

f. Describe the grantee’s required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Section IV of the scoring method provides additional points for applicants that combine LIHTC or HOME projects that are specifically destined for long-term rental assistance. “If proposing to use only LIHTC or HOME, project demonstrating utilization of the respective LIHTC or HOME program, or in combination with other programs; if proposing to use LIHTC and HOME combined, or in combination with any other federal or state program, project utilization of similar program mix subsidizing development costs, long-term operations or providing long-term rental assistance.”

(See above, Section IV Scoring Method)

It is important to note that HTF units will include the 30 year restrictive covenants. These combined multifamily projects will provide for the preservation of affordable rental housing, particularly for extremely low families since HTF units will be required to comply with such income levels. Thus, projects which seek to increase the affordable rental housing stock will be scored favorably. Due to the limited amount of funds under HTF, leveraged funds will be the biggest portion of funds under these multifamily projects.

See Appendix [HTF Selection Criteria] for additional details.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All projects funded with HTF will be required to comply with a minimum of 30 years affordability restrictions. Additional points are given to projects which provide an affordability period beyond the 30 years. Proponents will be required to sign a Land Use Restrictive Covenant Agreement. (See Section III.4 of the Scoring method) "If requesting NHTF, a project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years" (Section III.4 of the Scoring method) The specific priority funding factors established for the HTF program are described in Section IV of the NOFA Ranking Self-Evaluation. This section establishes a specific priority funding factor for developers or the applicant's capacity to undertake tax credit/HOME projects. The following documents will be required to demonstrate the applicant's capacity to undertake an HTF project:

- Copy of HAP, IRS form 8609 for each project, as applicable.
- Relevant project documentation to support experience in particular project.
- Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable. Moreover the NOFA Ranking Self-evaluation scoring system provides additional points for applicants who have financial capacity to undertake projects. Point ranking system requires a certain amount of liquid assets. The required documents include:
- Compiled or revised financial statements certified by a licensed accountant.
- Sources and Uses

Also, recipients must comply with PRHFA selection requirements as established in the HOME program/LIHTC QAP. Again, it is important to emphasize that entities must demonstrate organizational ability, financial capacity and knowledge of Federal, State and local housing program requirements. Recipient must demonstrate capacity to manage and operate an

affordable rental housing program.
See Appendix [HTF Selection Criteria].

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix. HTF Selection Criteria.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

PRHFA will use the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216. For the PY 2020 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFA efforts.

The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System. The project location and the targeted population will be key factors in determining the grant size limit.

The Government of Puerto Rico is adopting the maximum HOME subsidy limits established in CPD Notice 15-03 for the HTF Program. There limits were adopted from Section 234 of Condominium Housing basic mortgage limits. As shown in the following table, limits vary by the number of bedrooms in the unit, and type of structure. The most recent Federal Register on Section 234-Housing Condominium (FR 72107) establishes the following limits:

Bedrooms Non-Elevator Elevator HCP Maximum Per Unit Subsidy (see appendix for table).

It is important to note that San Juan is listed in the High Cost Percentage Exception List with 270%, however it is capped at 240%. The last column is the resulting maximum per unit subsidy. The PRHFA will apply these limits statewide since construction costs do not vary significantly between different geographical areas of the Island. Based on PRHFA these subsidy limits are reasonable taking into account the current construction costs and the experience of the agency with previous projects. Puerto Rico has several well-connected distribution centers which provide a constant pool of construction and building materials throughout the Island. Transportation infrastructure, along with port facilities in the north and south of the Island facilitate this process. Moreover, human resources costs are fairly similar between regions, particularly in construction related activities.

The abovementioned analysis recognizes that there exists fundamental differences between individual projects costs, but variations between municipalities or regions are not significant enough to grant a variation by region in the subsidy limits. The PRHFA understand that HOME limits are appropriate as the initial cap for the amount of HTF funds that will be potentially allocated to units.

See Appendix for additional details. HTF Selection Criteria.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

See Appendix.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

See Appendix.

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

The Housing Trust Fund (HTF) statute, section 1338(c)(7)(B)(ii), requires housing for homeownership to have an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (HOME statute). The HTF Interim Rule at 24 CFR § 93.305(a), requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HTF funds meet the definition of modest housing and that the purchase price of HTF assisted single family housing cannot exceed 95 percent of median purchase price for the area for newly constructed or standard housing.

Newly Constructed Housing: The HTF homeownership value limits for newly constructed HTF units is 95 percent of the median purchase price for the area based on Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the U.S. median purchase price for new construction for nonmetropolitan areas. This figure is determined by the U.S. Census Bureau. HUD has used the greater of these two figures as their HTF homeownership value limit for newly constructed housing in each area.

Existing Housing: The HTF homeownership value limit for existing HTF units is 95 percent of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available nation-wide for sale of existing housing in standard condition. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the state-wide nonmetropolitan area median purchase price using this data. HUD has used the greater of these two figures as their HTF homeownership value limits for existing housing in each area.

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

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

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

See Appendix.

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

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

The PRHFA will not refinance existing debt with the HTF funds.

Discussion:

The performance standards of the program, will evolve over the next few years as the ESG Rule is fully implemented and as ESG sub-grantees improve their program outcomes through the

evaluation of HMIS data and through integration of ESG services into their local Continuum of Care.

Appendix - Alternate/Local Data Sources

1	Data Source Name American Community Survey, Census Bureau
	List the name of the organization or individual who originated the data set. American Community Survey, Census Bureau
	Provide a brief summary of the data set. Residential Properties by Unit Number
	What was the purpose for developing this data set?
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	What is the status of the data set (complete, in progress, or planned)?
2	Data Source Name HOPWA CAPER and HOPWA Beneficiary Verification WS
	List the name of the organization or individual who originated the data set. HOPWA CAPER and HOPWA Beneficiary Verification Worksheet
	Provide a brief summary of the data set.
	What was the purpose for developing this data set?

	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p>
3	<p>Data Source Name</p> <p>2000 Census (Base year), 2009-2013 ACS (recent)</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>2000 Census (Base year), 2009-2013 ACS (Most recent year)</p>
	<p>Provide a brief summary of the data set.</p>
	<p>What was the purpose for developing this data set?</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p>
4	<p>Data Source Name</p> <p>2009-2013 ACS</p>

	<p>List the name of the organization or individual who originated the data set.</p> <p>American Community Survey, Census Bureau</p>
	<p>Provide a brief summary of the data set.</p>
	<p>What was the purpose for developing this data set?</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p>
5	<p>Data Source Name</p> <p>2009-2013 ACS(Total Units) 2007-2011 CHAS</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>Census Bureau</p>
	<p>Provide a brief summary of the data set.</p>
	<p>What was the purpose for developing this data set?</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p>

	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p>
6	<p>Data Source Name</p> <p>2009-2013 ACS (Workers)</p>
	<p>List the name of the organization or individual who originated the data set.</p>
	<p>Provide a brief summary of the data set.</p>
	<p>What was the purpose for developing this data set?</p>
	<p>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</p>
	<p>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</p>
	<p>What is the status of the data set (complete, in progress, or planned)?</p>