

GOVERNMENT OF PUERTO RICO

STATE CONSOLIDATED ACTION PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

2021 ACTION PLAN

DRAFT FOR PUBLIC COMMENTS

April 9, 2021



Annual Action Plan
2021

1

Contents

Executive Summary.....	3
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)	3
PR-05 Lead & Responsible Agencies - 91.300(b)	8
AP-10 Consultation - 91.110, 91.300(b); 91.315(l)	10
AP-12 Participation - 91.115, 91.300(c)	20
Expected Resources	22
AP-15 Expected Resources – 91.320(c)(1,2)	22
Annual Goals and Objectives	30
AP-25 Allocation Priorities – 91.320(d).....	35
AP-30 Methods of Distribution – 91.320(d)&(k).....	37
AP-35 Projects – (Optional).....	68
AP-38 Project Summary	69
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)	70
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)	71
AP-50 Geographic Distribution – 91.320(f).....	72
Affordable Housing	74
AP-55 Affordable Housing – 24 CFR 91.320(g)	74
AP-60 Public Housing - 24 CFR 91.320(j).....	76
AP-65 Homeless and Other Special Needs Activities – 91.320(h)	81
AP-70 HOPWA Goals – 91.320(k)(4)	85
AP-75 Barriers to affordable housing – 91.320(i)	85
AP-85 Other Actions – 91.320(j)	87
Program Specific Requirements.....	92

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(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. In 2020, the Government of Puerto Rico submitted the plan for the period of 2020-2024. This Annual Action Plan is the official application for the PY 2021 state grants, for the following programs:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grant (ESG)
- Housing Trust Fund (HTF)

The activities to be undertaken as part of the Action Plan are focused on achieving the following objectives:

- to increase the availability, accessibility, and affordability of decent housing,
- the creation of suitable living environments, and
- the promotion of economic opportunity for low- and moderate-income individuals.

The lead agency of the PY 2021 Annual Action 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 as established in its action plan. In addition, the PRDOH is responsible for the administration of the PR-State CDBG Program allocation. In this effort, the Department of Housing works in conjunction with three (3) State agencies, that are responsible to act as HUD grantees and administrators for the other Community Planning and Development Programs (ESG, HOME, HOPWA and HTF). 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 PR Health Department is the 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.

The plan includes a series of guiding principles that will lead the vision of the State public policy and that are based in the needs identified as part of the consolidated planning processes and the Government of Puerto Rico public policies on housing and community development.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

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

Provide Decent Housing

- Provide street outreach, supportive services and emergency shelter
- Provide homeless prevention and rapid rehousing assistance
- Provide housing assistance and supportive services to persons living with HIV.
- 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 specific goals and other summary information is presented in the Appendix.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This Consolidated Annual Performance Report (CAPER), provides an overview of the progress made during PY 2019, the fifth and last year of the Puerto Rico State 2015-2019 Housing and Community Consolidated Plan. During Program Year 2019, 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 2019 goals and objectives and is moving forward the 5-year goals.

The summary of each program performance during program year 2019 is included as an Appendix.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State Citizen Participation Plan provides a framework and process by which the PR-State consolidated planning efforts comply with the citizen participation requirements in the 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 is the identification of needs, allocation of funding, and program recommendations related to the consolidated planning process.

Citizen Participation Actions

The following citizen participation actions were taken as part of the 2021 Annual Action planning process:

Annual Action Plan
2021

5

Telematic Public Hearing Notice: As required by the regulations the State held a public hearing as part of the Citizen Participation process of the PY 2021 Annual Action Plan. The public hearing notification was published in *El Vocero* newspaper on the edition of Wednesday February 17, 2021. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2021 Annual Action Plan. In compliance with the Consolidated Plan regulations, the hearing was held at least two (2) weeks after the notice was published.

Also, the public notice was posted in the Official PRDOH's Web Page and was disseminated through email blasts to the subrecipients and other interest parties. This expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

The meeting was held on Friday, March 5, 2021, 9:00 a.m. through the Microsoft Teams platform.

State Agencies officials (CDBG, HOME, ESG, HOPWA, HTF) made a presentation of the Planning 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 gathered at the public hearing, was analyzed and a summary of the comments and the state's response is included in a next section.

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

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

A total of two comments were received during the public hearings A table of the summary of public comments received during the public hearing is available in section PR-15. Comments received after the publication of this draft will be included in the Plan to be submitted to HUD and posted in the PRDoH Web Page.

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

No comments from the public hearing were rejected.

7. Summary

The PY 2021 Annual Action Plan is 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 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 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.

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

1. Agency/entity responsible for preparing/administering the Consolidated Plan

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

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

Table 1 – Responsible Agencies

Narrative

The lead agency of the 2021 Annual Action Plan is the Puerto Rico Department of Housing. This agency coordinates all efforts towards the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executes annually as established in its Action Plan. In addition, PRDOH is responsible for the administration of the PR-State CDBG Program.

In this effort, the PRDOH works in conjunction with three (3) State agencies, responsible of acting 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 originally 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, the PRDoH announced the availability of the plan in a general circulation newspaper (see appendix for the announcement). Copies of the Annual Action Plan 2021 were available from the date of its publication on April 9, 2021, 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, a telephone number was provided to persons with difficulties to access Internet, to make the arrangements for a physical copy (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

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

The Puerto Rico Annual Action Plan 2021 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 Annual Action 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, and formal letters sent to stakeholders. Discussions included housing and community development needs, and recommendations on the method of distribution.

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

Besides complying with the citizen participation and consultation minimum requirements, the PRDoH 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 Multisectorial 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, consultations 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 Director of ESG Program is represented in both CoCs and is part of the Board of Directors, 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 2020 competition, Puerto Rico received a total of \$20,751,657 in Continuum of **Care** allocated funds for both CoCs. With this funding the homeless strategy will be able to promote community wide 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. As well, in the context of the COVID-19 pandemic and the funding that will be available through ESG, the PRDF sustained meetings with the Directors of both CoCs in order to identify needs and develop the CARES Act amendments.

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

As required by the regulation applicable to the consolidated planning process, the PRDF and the Director of the ESG Program conducted a consultation through written communications. The final input from these consultation will be available on or before submitting the Plan.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	PR Department of Housing		
	Agency/Group/Organization Type	Housing PHA 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 Health Agency Child Welfare Agency Other government - State Other government - Local Business Leaders Civic Leaders Business and Civic Leaders		
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis Lead-based Paint 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 is part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
2	Agency/Group/Organization	PR Department of the Family
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly 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 Other government - Local Business and Civic Leaders

	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.
3	Agency/Group/Organization	PR 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 Services-Education Services-Employment Services - Victims Health Agency Other government - State Other government - Local Civic Leaders

	What section of the Plan was addressed by Consultation?	Housing HOPWA Market Analysis	Need	Assessment 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.		
4	Agency/Group/Organization	MUNICIPALITY OF SAN JUAN		
	Agency/Group/Organization Type	Services Services-Children Services-Elderly Services-Persons Services-Persons Services-Victims Services-homeless Services-Health Services-Education Services-Employment Services Other Other Civic Leaders	- with with of Domestic - government government	Housing Persons Disabilities HIV/AIDS Violence Victims State Local
	What section of the Plan was addressed by Consultation?	Housing Homelessness Market Analysis	Need	Assessment Strategy
	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.		

5	Agency/Group/Organization	Puerto Rico Housing Finance Authority (PRHFA)
	Agency/Group/Organization Type	Housing Services - Housing Other government - State Other government - Local Business and Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Market Analysis Need Assessment
	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	FEMA
	Agency/Group/Organization Type	Agency - Emergency Management Other government - Federal
	What section of the Plan was addressed by Consultation?	Emergency management
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication, final input will be included in the Plan to be presented to HUD.
7	Agency/Group/Organization	Environmental Protection Agency
	Agency/Group/Organization Type	Other government - Federal
	What section of the Plan was addressed by Consultation?	Environmental protection
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation was made via written communication, final input will be included in the Plan to be presented to HUD.

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

Other organizations and companies were consulted through written communication, final list and input will be included in the Plan to be presented to HUD.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	CoC 502, Balance of State	The goals of the CoC 502 Strategic Plan are focused on addressing homelessness, especially the need of placing in permanent housing unsheltered chronic homeless persons. The population of persons with a chronic homeless problem is one of the priorities for the effects of ESG.
Puerto Rico State Housing Plan	PR Department of Housing	The Consolidated Plan was prepared and developed in accordance with the principles included in the Puerto Rico State Public Policy established by the Office of the Governor.
Puerto Rico Disaster Recovery Action Plan 2017	PR Department of Housing	This Plan was designed for the use of CDBG-DR funds in response to 2017 hurricanes Irma & Maria, (July 29, 2018), as amended. CPD Programs Action Plans include disaster policies and procedures, as well as actions to complement recovery efforts.
Puerto Rico CARES Act Strategic Plan	PR Department of the Treasury	CPD Programs and the flexibilities for their implementation incorporated in the framework of the CARES Act, provide a complementary source of funding to help address the needs and impacts of COVID-19.

Table 3 - Other local / regional / federal planning efforts

Narrative

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 Annual Action Plan. Through the consultation process, the PRDOH was able to obtain key programmatic and service data from agencies and service providers (public and private) who 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.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Annual Action 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 PY 2021 Annual Action Plan the PRDOH followed its citizen participation plan.. The planning process efforts were 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 and the consolidated planning agencies.

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 public hearings and planning process, including agencies, units of local government and NPOs.

Telematic Public Hearing Notice: As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2021 Annual Action Plan. on the notification of the hearing was posted in *El Vocero* newspaper on the edition for Wednesday February 17, 2021. It invited the general population to participate of the Public Hearing for the CDBG, HOME, ESG, HOPWA and HTF Programs PY 2021 Annual Action Plan. In compliance with the Consolidated Plan regulations, the hearing was 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 expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

The meeting was held on Friday, March 5, 2021, 9:00 a.m. through the Microsoft Teams platform.

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

A total of two comments were received during the 30-day comment period. A summary of the comments received are included in table "Summary of Citizen Participation Public Hearing" at the Appendix.

See Appendix for other opportunities for comments and public comment period.

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	Telematic Public Hearing	Units of local government, Public Agencies, NPOs, general population	99			www.vivienda.pr.gov
2	Internet Outreach	NPOs, Public Agencies, Municipalities, General Public	N/A	N/A		www.vivienda.pr.gov

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

For the PY 2021, HUD allocated to the PR-State a total of \$45,846,551 among all CPD Programs. Specifically, the allocation by programs is: \$23,435,538 for the CDBG Program activities; \$13,372,676 for the HOME Program activities, \$2,284,366 for the HOPWA Program activities, \$3,551,419 for the ESG Program activities and \$3,202,552 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 need 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 2021 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$30,570,639.87
- HOME Previous Years EN and CR Resources (Available to commit)- \$34,601,177 (Net of 10% Adm.)
- HOPWA Previous Years – \$2,097,969
- ESG Previous years (Available to commit) - \$0.00
- HTF Previous Years- \$1,362,513 (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	23,435,538	475,000	30,570,640	54,481,178	70,306,614	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	13,372,676	0	34,601,177	47,973,853	40,001,832	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	2,284,366	0	2,097,969	4,382,335	6,853,098	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	3,551,419	0	0	3,551,419	10,654,257	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	3,202,552	0	1,362,513	4,565,065	9,607,656	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.
Other	public - federal	Other	10,005,815,230	0	0	10,005,815,230	10,005,815,230	\$10,005,815,230 is the combined allocation, FOR UNMET NEEDS (PUB. L. 115-56 AND PUB. L. 115-123) expected to be available as part of the 4th amendment to the DR-2017 Action Plan.

Table 5 - Expected Resources – Priority Table

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

matching requirements will be satisfied

CDBG:

Matching Requirements

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

ESG

Of the \$3,551,419 that will be received in ESG funds for the PY 2021, \$3,451,419 will be matched with cash and noncash contributions, in accordance to regulations in the 24 CFR 576.201. To meet this requirement, the Puerto Rico Department of Family requests subrecipients to include evidence of matching contributions as part of the application process. The subrecipients are required to match 100% of their ESG award.

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.

For details of HOME, HTF and HOPWA programs got to Appendix.

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

The 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

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	2024	Homeless	Statewide	Housing Chronic Homeless Homelessness Prevention	ESG: \$2,716,835	Homeless Person Overnight Shelter: 2560 Persons Assisted
2	Provide Decent Housing (B)	2020	2024	Homeless	Statewide	Homelessness Prevention Create and preserve affordable rental housing	HOME: \$0 ESG: \$568,227	Tenant-based rental assistance / Rapid Rehousing: 2060 Households Assisted
3	Provide Decent Housing (C)	2020	2024	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA: \$2,284,366	HIV/AIDS Housing Operations: 400 Household Unit Other: 420 Other
4	Create Suitable Living Enviroments	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Housing	CDBG: \$2,624,846	Public service activities other than Low/Moderate Income Housing Benefit: 540 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Enviroments (B)	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem Non-housing Community Development- Public Services	CDBG: \$17,533,731	Other: 191400 Other
6	Provide Decent Housing (D)	2020	2024	Affordable Housing	CDBG- Non-entitlement communities Statewide	Housing Create and preserve affordable rental housing	CDBG: \$2,147,017 HOME: \$9,035,408	Homeowner Housing Added: 20 Household Housing Unit Homeowner Housing Rehabilitated: 15 Household Housing Unit
7	Expand Economic Opportunity	2020	2024	Economic Development	CDBG- Non-entitlement communities	Non-housing Community Development- Economic Dev	CDBG: \$126,878	Jobs created/retained: 6 Jobs Businesses assisted: 3 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Emergency Relief	2020	2024	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem Non-housing Community Development- Public Services	CDBG: \$300,000	Other: 300 Other
9	Provide Decent Housing (E)	2020	2024	Affordable Housing	Statewide	Housing	HOME: \$0	Homeowner Housing Added: 120 Household Housing Unit
10	Provide Decent Housing (F)	2020	2024	Affordable Housing	Statewide	Create and preserve affordable rental housing	HOME: \$3,000,000 HTF: \$2,882,297	Other: 44 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	

2	Goal Name	Provide Decent Housing (B)
	Goal Description	60 Household Assisted are with TBRA.
3	Goal Name	Provide Decent Housing (C)
	Goal Description	
4	Goal Name	Create Suitable Living Enviroments
	Goal Description	
5	Goal Name	Create Suitable Living Enviroments (B)
	Goal Description	
6	Goal Name	Provide Decent Housing (D)
	Goal Description	15 Homeowner Housing Rehabilitated.
7	Goal Name	Expand Economic Opportunity
	Goal Description	
8	Goal Name	Emergency Relief
	Goal Description	
9	Goal Name	Provide Decent Housing (E)
	Goal Description	120 household Assisted with HOME Funds from previous years.

10	Goal Name	Provide Decent Housing (F)
	Goal Description	22 rental units constructed or rehabilitated with HOME Funds and 22 rental units constructed or rehabilitated with HTF Funds.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

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

The PY 2021 Annual Action Plan allocation priorities are driven by the information obtained during the Citizen Participation process and consultations. 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, which 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 2021, this equates to \$703,066.29. For the ESG program the Department of the Family will allocate \$248,599 for state administrative purposes, \$17,757 for subgrantees administration, and \$88,785 for HMIS.

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

Funding Allocation Priorities

	Provide Decent Housing (%)	Provide Decent Housing (B) (%)	Provide Decent Housing (C) (%)	Create Suitable Living Enviroments (%)	Create Suitable Living Enviroments (B) (%)	Provide Decent Housing (D) (%)	Expand Economic Opportunity (%)	Emergency Relief (%)	Provide Decent Housing (E) (%)	Provide Decent Housing (F) (%)	Total (%)
CDBG	0	0	0	12	77	9	1	1	0	0	100
HOME	0	28	0	0	0	7	0	0	55	10	100

HOPWA	0	0	100	0	0	0	0	0	0	0	100
ESG	83	17	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	100	100
Other CDBG- DR	0	0	0	0	0	0	0	0	0	0	0

Table 7 – 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 characteristics, 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

The distribution of funds will be based on the assessment of homelessness, conducted for the purpose of consolidated planning, and the results of the meetings held with CoCs and their organizations. The specific allocation of funds will prioritize the provision of services to address chronic homelessness and the needs identified in the homelessness assessment, particularly. Priority will be given to Emergency Shelters without restrictions and eligible to use their facilities as stabilization units (24 hour, 7 days a week entrance); Emergency Shelters without restrictions on population, age, and time; Emergency Shelter services; and the expansion of Street Outreach services. In the case of the Prevention and Rapid Re-Housing components, priority will be given to people with mental health conditions; projects addressing women’s safety; and Shelter proposals that include the Rapid Re-Housing component. Other services that promote economic and personal self-sufficiency will also be prioritized based on the reasons for homelessness, and the current socioeconomic context.

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 2021.

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 8 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2021 amounts to \$23,435,538. 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> <table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">Allocation</td> <td style="width: 20%; text-align: center;">for</td> <td style="width: 20%; text-align: center;">49</td> <td style="width: 20%; text-align: right;">Municipalities</td> </tr> <tr> <td>Administration</td> <td></td> <td style="text-align: right;">\$74,337.63</td> <td></td> </tr> <tr> <td>Public</td> <td style="text-align: center;">Service</td> <td></td> <td style="text-align: right;">\$65,592.02</td> </tr> <tr> <td colspan="4">Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$297,350.50</td> </tr> <tr> <td colspan="3">TOTAL</td> <td style="text-align: right;">\$437,280.16</td> </tr> <tr> <td colspan="4"> </td> </tr> <tr> <td>Vieques</td> <td style="text-align: center;">and</td> <td></td> <td style="text-align: right;">Culebra</td> </tr> <tr> <td>Administration</td> <td></td> <td></td> <td style="text-align: right;">\$85,448.27</td> </tr> <tr> <td>Public</td> <td style="text-align: center;">Service</td> <td></td> <td style="text-align: right;">\$75,430.83</td> </tr> <tr> <td colspan="4">Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$341,953.08</td> </tr> <tr> <td colspan="3">TOTAL \$502,872.18</td> <td></td> </tr> <tr> <td colspan="4">PRDOH</td> </tr> <tr> <td colspan="3">Planning and Administration</td> <td style="text-align: right;">\$703,066.29</td> </tr> </table> <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>	Allocation	for	49	Municipalities	Administration		\$74,337.63		Public	Service		\$65,592.02	Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$297,350.50				TOTAL			\$437,280.16					Vieques	and		Culebra	Administration			\$85,448.27	Public	Service		\$75,430.83	Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$341,953.08				TOTAL \$502,872.18				PRDOH				Planning and Administration			\$703,066.29
Allocation	for	49	Municipalities																																																		
Administration		\$74,337.63																																																			
Public	Service		\$65,592.02																																																		
Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$297,350.50																																																					
TOTAL			\$437,280.16																																																		
Vieques	and		Culebra																																																		
Administration			\$85,448.27																																																		
Public	Service		\$75,430.83																																																		
Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$341,953.08																																																					
TOTAL \$502,872.18																																																					
PRDOH																																																					
Planning and Administration			\$703,066.29																																																		

<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 and the Municipal Code of 2020) 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>Application Submission</p> <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 2021 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><u>Proposal Requirements</u></p> <p>Submission of a budget breakdown is mandatory as part of the proposals.</p> <p>In determining an appropriate amount, the 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. Reasonability of the budget. 4. Inadequate or incomplete description of activities to be developed. 5. Past performance of the non-entitled municipality (open findings). 6. Timely expenditure of funds <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p>
---	--

	<p>When preparing the proposal’s budget municipalities must comply with the PRDoH policies and procedures on reasonability of administrative costs published on December, 2020.</p> <p>The PRDoH will not approve an administrative budget in those instances where municipalities will be using the funds of their regular allocation for the repayment of a Section 108 Loan Guarantee Program loan only.</p> <p>In those cases where the only activity to be implemented by the municipality is a public service in conjunction with the repayment of a loan under the Section 108 Loan Guarantee Program, The PRDoH will approve up to 25% of the administration maximum allocation allowed in the corresponding Action Plan.</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>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2021 amounts to \$23,435,538 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 CBDG 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>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 2021 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>

	Describe threshold factors and grant size limits.	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.
	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes measures are included on the appendix section.
2	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 PRDF uses a method of distribution of funds that consists of publishing a Request for Proposals the first year with a competitive evaluation for prospective subrecipients. For the second year, funds are distributed according to the level of performance of the subrecipients' projects and availability of HUD funds. On PY 2021, the PRDF will be receiving proposals from active, as well as new entities.</p> <p>If there are funds available during the Program Year as a result of the recapture process of 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 (see Appendix section).</p> <p>The ESG allocation for Program Year 2021 is \$ 3,551,419.00. Funding is intended to serve the seventy-eight (78) municipalities across the island within the 10 regions established by the PRDF. The regions established by the PRDF include Mayagüez, Aguadilla, Arecibo, Bayamón, San Juan, Carolina, Caguas, Humacao, Guayama, and Ponce. Non-profit organizations and municipalities that comply with the requirements and evaluation criteria established on this plan will be eligible to receive funds for the categories below.</p> <p>The following is the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$ 2,130,851.40 (60.0%) • Prevention \$ 497,198.65 (14.00%) • Rapid Re-Housing \$ 568,227.04 (16.00%) • Data Collection (HMIS) \$ 88,785.48 (2.5%) • Administration \$ 266,356.43 (7.5%) • Total \$ 3,551,419.00 (100%) <p>The Department of the Family may allocate indirect costs to eligible activities.</p>
---	---

		<p>As described in the following sections, proposals will be evaluated according to the following criteria: (1) entities' performance and expenditure rate in order for proposals to be considered; (2) competitive criteria; and (3) time offering services to the homeless population (applicable to new entities).</p> <p>Proposals will be received by email on or before May 31, 2021. Because of the pandemic, an extension was provided.</p>
--	--	---

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>An Evaluation Committee will be appointed with the purpose of carrying out the process of awarding contracts. 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 to determine the amount to be received by the applicants.</p> <p>Eligibility Criteria</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 non-profit entity properly incorporated and in Good Standing, as applicable. • Have financial management systems that meet the minimum accounting standards. • Attend the virtual Proposal Application Orientation to be announced publicly during the first week of May 2021. • In the case of shelters, the municipal endorsement is required. • Have the Environmental Assessment, as applicable. • Availability of fund matching (dollar-for-dollar) and its sources. • Active participation in the CoC meetings for the respective geographic area. • Have no pending obligations of previous funding (evidence required). • No open findings of questioned costs, if applicable. • No open allocations of funds (original allocations) from Program Year 2016 or prior. <p>In the case of active subrecipients, the following criteria will be considered:</p> <ul style="list-style-type: none"> • In the case of emergency shelters, bed utilization rate of 70% or more • In the case of emergency shelters, the average length of stay in the Shelter is no more than ninety (90) days for the location of temporary or permanent housing. • Have spent at least 75% of the most recent allocation for the requested component.
--	--

		<ul style="list-style-type: none"> • Continuous participation in the Coordinated Entry System (CES). • Compliance with the Data Entry in the Homeless Management Information System (HMIS). • Compliance with case closing in HMIS for previous allocations. • Competitive Criteria for the Final Granting of Funds: <p><u>Active Organizations:</u></p> <p><i>Need</i></p> <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 • 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 <p>Make refund requests as established in the contract</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 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 PRDF uses a distribution method in which an award is granted for a two-year period, subject to an evaluation of the first year’s performance and spending rate for allocated funds, and the availability of funds. During PY 2021, eligible organizations and local governments will be initiating their second program year of the two-year cycle. Meanwhile, unused funds available during the Program Year will be distributed according to the needs identified by the PRDF, 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 \$2,130,851.40 (60.0%) • Prevention \$ 497,198.65 (14.0%) • Rapid Re-Housing \$ 568,227.04 (16.0%) • Data Collection (HMIS) \$ 88,785.48 (2.5%) • Administration \$ 266,356.43 (7.5%) • Total \$3,551,419.00 <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 • Administration No more than 7.5%

<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> <table border="0"> <thead> <tr> <th data-bbox="625 305 739 329">Outcome</th> <th data-bbox="1780 305 1906 329">Measures</th> </tr> </thead> <tbody> <tr> <td data-bbox="625 345 772 370">OUTREACH</td> <td></td> </tr> <tr> <td></td> <td data-bbox="674 402 1520 821"> <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 </td> </tr> <tr> <td data-bbox="625 846 888 870">EMERGENCY SHELTER</td> <td></td> </tr> <tr> <td></td> <td data-bbox="674 902 1625 1321"> <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 </td> </tr> <tr> <td data-bbox="625 1346 783 1370">PREVENTION</td> <td></td> </tr> </tbody> </table>	Outcome	Measures	OUTREACH			<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 	EMERGENCY SHELTER			<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 	PREVENTION	
Outcome	Measures												
OUTREACH													
	<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 												
EMERGENCY SHELTER													
	<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 												
PREVENTION													

		<ul style="list-style-type: none"> • Number of people receiving prevention services. • Number of people who left the program • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period • Percentage of people who met their service plan • Percentage of people who increased their income from any source • Percentage of people placed in permanent housing <p>RAPID RE-HOUSING (RRH)</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
3	State Program Name:	HOME Investment Partnership Program
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$13,372,676 in HOME funds for PY 2021. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 82 affordable rental and 135 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 2021 is shown below:</p> <ul style="list-style-type: none"> • Administration \$1,337,268 • Homebuyer Assistance \$0.00 • Rehab or New Construction by Owner (Techo Dorado) \$9,035,408 • Rehab or New Construction for Multifamily Rental Dev. \$3,000,000 • Tenant-Based Rental Assistance (TBRA) \$0.00 <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>Following previous joint efforts and on-going initiatives, the Puerto Rico Housing Finance Authority (PRHFA) 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 PRHFA 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.</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>
<p>Describe how resources will be allocated among funding categories.</p>	<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.	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 approve on case by case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.
	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 \$0.00 – A total of 120 homebuyers (served with funds available from previous years) • Techo Dorado \$9,035,408 – A total of 15 housing units • Multifamily Rental Dev. \$3,000,000 – A total of 22 housing units. • Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 60 families (served with funds available from previous years).
4	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 2021 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 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>
---	--

<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>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 • Financial and Programmatic Background - 15 Points • Proposed Project Description - 25 Points • Budget -35 Points • Performance – 20 Points
--	--

	<ul style="list-style-type: none"> • Total 100
<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>

<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 2021 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>
---	--

<p>Describe how resources will be allocated among funding categories.</p>	<p>The HOPWA Program funds will be distributed in the following categories:</p> <ul style="list-style-type: none"> • Administrative Activities: 10% • TBRA Activities and related: 33% • Housing related Activities: 37% • Supportive Services Activities: 20% <p>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> • Administration Salud \$68,530 • Administration San Juan \$155,108 • TBRA \$729,577 • Delivery Cost TBRA \$29,246 • Operation Costs Transitional Housing and STRMU \$846,238 • Supportive Services \$455,667
<p>Describe threshold factors and grant size limits.</p>	<p>No grant size limits are established for the HOPWA Program funds distribution.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<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 • Supportive Services – 420 Households
5	<p>State Program Name:</p>	<p>Housing Trust Fund</p>
	<p>Funding Sources:</p>	<p>HTF</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$3,202,552 in HTF funds for PY 2021. 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 2021</p> <p>Assigned Budget: \$3,202,552</p> <p>Distribution by Category:</p> <ul style="list-style-type: none"> • State Administration \$320,255 • Multifamily Rental New Construction/Rehabilitation \$2,882,296.80 <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 Housing Finance Authority (PRHFA) 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 \$3,202,552 in HTF funds for PY 2021. 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 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 \$ 2,882,297 - 90% • Administration \$320,255 - 10% • Total \$3,202,552 -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 2021 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> <p>Multifamily Rental Dev. \$ 2,882,297– A total of 22 housing units (including funds from previous years)</p>

Discussion:

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

AP-35 Projects – (Optional)

Introduction:

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

For details on CDBG-DR goals: <https://cdbg-dr.pr.gov/en/action-plan/>

#	Project Name

Table 9 – Project Information

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

As previously described, the reasons for allocation priorities during the PY 2021 Annual Action Plan are based on the information obtained through 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?

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.

Estimated Availability of Funds for PY 2021- \$117,177,690

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 2021.
- 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 (2015-2019) shows that 98.7% of the statewide population are from hispanic or latino origins and that from this percentage, 95.7% 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 2021 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	49

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2021 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