

**GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING**

**PUBLIC NOTICE OF AVAILABILITY OF THE DRAFT FOR THE STATE CONSOLIDATED
HOUSING AND COMMUNITY DEVELOPMENT ACTION PLAN 2023**

The Puerto Rico Department of Housing (PRDOH), following the provisions of the U.S. Department of Housing and Urban Development (HUD) Federal Law and applicable regulations, wishes to notify the mayors of the 78 municipalities; non-profit organizations; faith-based organizations; cultural, environmental and archaeological organizations; government agencies; private businesses; and the general public that the Government of Puerto Rico will be filing with HUD's San Juan Office the Consolidated Action Plan for Puerto Rico; faith-based organizations; cultural, environmental and archaeological organizations; government agencies; private businesses; and the general public, that the Government of Puerto Rico will be filing with the HUD San Juan Office the State Consolidated Action Plan for Housing and Community Development corresponding to Program Year 2023.

In accordance with the notification issued by the federal government, the Government of Puerto Rico will receive the amount of \$44,190,054.00 for the following programs:

Program	Agency	Allocation of Funds for Program Year 2023
Community Development Block Grant, (CDBG)	Department of Housing	\$22,385,506.00
Emergency Solutions Grant, (ESG)	Department of the Family	\$3,465,176.00
Housing Trust Fund (HTF)	Housing Finance Authority	\$00.00
Home Investment Partnership Program, (HOME)	Housing Finance Authority	\$15,712,268.00
Housing Opportunities for Persons With AIDS, (HOPWA)	Department of Health and the Municipality of San Juan	\$2,627,104.00
Total		\$44,190,054.00

As part of the process of analysis, consultation and citizen participation in the consolidated planning processes, the following needs and priorities were identified and will be addressed with the allocated funds:

- Improvements to infrastructure and public facilities to improve the living conditions of the neediest communities, including accessibility to them.
- Activities that promote economic development and employment opportunities for low and moderate income people.
- Revitalization of deteriorating community areas and those with immediate needs.
- Provision of public, essential and supportive services for the benefit of low- and moderate

income persons in those segments of the population with special needs, including the homeless, the elderly and persons affected by HIV.

- Activities for the development of affordable housing for sale or for rent, either new construction or rehabilitation of existing units, with priority given to rental and rehabilitation housing.
- Rehabilitation or conversion of facilities for the shelter of homeless and HIV-affected persons.
- Housing services for homeless and at-risk of homelessness.
- Transitional and permanent housing services for homeless and HIV-affected persons.

The funds allocated to the Government of Puerto Rico will be distributed in the categories described below:

I. Communal Development Block Grant (CDBG)

Administering agency: Puerto Rico Department of Housing

Allocated Budget for Program Year 2023: \$22,385,506.00

Distribution by categories:

Allocation to Municipalities	\$21,313,940.82
State Administration	\$771,565.18
Emergency Fund	\$300,000.00

Clientele to serve: The 51 "non-entitlement" municipalities (Adjuntas, Aguada, Aguas Buenas, Aibonito, Añasco, Arroyo, Barceloneta, Barranquitas, Camuy, Cataño, Ceiba, Ciales, Coamo, Comerío, Corozal, Culebra, Dorado, Florida, Guánica, Guayanilla, Gurabo, Hatillo, Hormigueros, Jayuya, Juncos, Lajas, Lares, Las Marías, Las Piedras, Loíza, Luquillo, Maricao, Maunabo, Moca, Morovis, Naguabo, Naranjito, Orocovis, Patillas, Peñuelas, Quebradillas, Rincón, Sabana Grande, Salinas, San Lorenzo, Santa Isabel, Utuado, Vega Alta, Vieques, Villalba and Yabucoa).

In accordance with the national objectives of the Program, the funds will be used to carry out activities and address housing, economic development, community development and public service needs that primarily benefit low and moderate income persons. Specific objectives include assisting local government units in the development and implementation of strategies to address the aforementioned needs. Likewise, to promote the participation of the different sectors of the community to solve the identified needs.

The distribution of the funds shall be made pursuant to Act No. 107-2020, as amended, (Puerto Rico Municipal Code), which establishes that the funds shall be distributed in equal parts among all municipalities classified as "non-entitlements", except for the municipalities of Vieques and Culebra, which shall be allocated an additional fifteen percent (15%) over and above the amount granted to the other municipalities. In addition to the allocation from HUD, the PRDOH estimates that it will have available \$258,802.74 in funds from program income, to be used by the municipalities that generated such income in eligible CDBG activities, in accordance with the PRDOH's policy to that effect.

Breakdown for 49 municipalities	
Administration (17%)	\$70,630.99
Public Service (up to 15%)	\$62,321.46
Free Criteria Project (Housing, Community Development or Economic Development to support microenterprises) (68%)	\$282,523.97
TOTAL	\$415,476.43

Breakdown for Vieques y Culebra	
Administration (17%)	\$81,225.64
Public Service (up to 15%)	\$71,669.68
Free Criteria Project (Housing, Community Development or Economic Development to support microenterprises) (68%)	\$324,902.57
TOTAL	\$477,797.89

Note: The municipality may submit a single project in the amount of **\$415,476.43** (49 municipalities), or **\$477,797.89** (Vieques and Culebra), thus eliminating the Public Service category; or allocate a lower amount in the Public Service category, increasing the allocation for the Free Criteria Project.

Eligible Activities for Equitable Allocation:

The Municipalities may submit proposals to develop the activities described below:

Communal Development – Under this activity, funds will be used to subsidize infrastructure development projects and public facilities. This includes the construction of water, electricity, telephone, sanitary and storm sewage facilities, and the construction and improvement of public facilities such as recreational, sports, cultural and educational projects, among others. It also includes projects for the construction and reconstruction of roads, highways, roadsides, roadways, pavements and bridges, among others.

Housing – Includes housing rehabilitation and reconstruction activities, as well as energy efficiency projects. In the case of rehabilitation, it seeks to eliminate specific conditions that represent risks to the health and safety of the beneficiary. Provides costs of materials (55%) and labor (45%).

Public Service - This category has been established to subsidize projects such as: public safety in high crime communities, to help prevent crime; to address the needs of the homeless and special needs population, including health care and counseling, activities that promote the Fair Housing Act and the prevention of problematic drug use, activities related to education

and training, as well as other activities described in Section 105(a) of Title I of the Housing and Urban Development Act of 1974, as amended. All activities will be directed to special groups, so as to ensure maximum development of the communities. For each project in this category, the operational guide of the activity must be submitted.

Economic development activities - Includes assistance to microenterprises, aimed at encouraging existing or new businesses owned by low or moderate-income individuals.

Funds for Administration - Municipalities may request up to a maximum of 17% of their allocation for administrative expenses, as allowed by federal regulations.

Emergency Fund - Municipalities may apply for funds under this category, as available. The limit of funds to be requested in this category is \$100,000.00.

Section 108 Loan Guarantee Program

Quantity Available for Guarantee: \$111,927,530.00

The Loan Guarantee Program is a resource to finance impact projects, which in turn promote the economic development of eligible municipalities. The availability of funds varies by municipality and will be subject to HUD's evaluation and approval process. The PRDOH will ensure that any CDBG funds committed as loan guarantees for a given municipality will not affect future allocations to other units of local government. For such purposes, the municipalities will be required to make available to PRDOH the books and other fiscal documents for inspection and evaluation.

II. Housing Development Investment Program: "Home Investment Partnerships" (HOME)

Administering Agency: Puerto Rico Housing Financing Authority (PRHFA)

Budget allocated to the HOME program: \$15,712,268.00

Clientele to be served: low and very low income residents of the 78 municipalities of Puerto Rico.

Distribution by Category:

State Administration	\$1,571,227.27
Rehabilitation or new construction by owner	\$0.00
rehabilitation or new construction for multifamily rentals	<u>\$14,141,040.73</u>
Total	\$15,712,268.00

The HOME Program helps expand the supply of affordable housing for low- and very low-income families by providing grants to local governments, nonprofit organizations, developers, and other eligible entities, as described below. Funds may be requested through proposals by municipalities; private developers; Community Housing Development Organizations (CHDO); individuals requesting direct purchase assistance; and other non-profit organizations.

The aforementioned activities are described in the Plan, as well as the distribution method to be followed. Under the eligible activities of the HOME program, the housing needs of citizens

throughout Puerto Rico will be addressed. Municipalities, organizations and developers interested in applying for funds will have the opportunity to submit proposals. The invitation to apply for funds will be published in a newspaper of general circulation. Proposals will be evaluated according to the criteria and requirements of the program.

III. Housing Opportunities Program "Housing Trust Fund"

Administering Agency: Puerto Rico Housing Finance Authority

Budget allocated to the HTF program: \$3,202,552.00*

Clientele to be served: 100% of the funds will benefit extremely low and very low-income individuals.

In compliance with Section 1131 of the Housing and Economic Recovery Act - 2008, the Housing Trust Fund Plan is made available for program year 2022. This program aims to increase and preserve affordable, safe, sanitary housing for extremely low-income (31%-50% of median income) and very low-income (31%-50% of median income) families.

PRHFA expects to distribute the funds as follows:

Administration and planning = \$320,255.00 (10%)

Multifamily rental housing (new construction/rehabilitation) =\$2,882,297.00 (90%)

Total= \$3,202,552.00

** For planning purposes, last fiscal year's allocation is being used, since to date the allocation has not been published by the Department of Housing and Urban Development.*

IV Emergency Solutions Program (formerly Emergency Shelter Program) ESG

Administering Agency: Puerto Rico Department of the Family (PRDF)

Budget for ESG: \$3,465,176.00

Clientele to be served: Homeless or at risk of homelessness in the 78 municipalities of Puerto Rico.

Distribution by category:

Components	Total	Percent	Regulatory Limits
Street Outreach			
Emergency Shelter	\$2,079,105.60	60.00%	60.00%
Prevention	\$485,124.64	14.00%	
Rapid Re-housing	\$554,428.16	16.00%	
Data Collection (HMIS)	\$86,629.40	2.50%	NA
Administrative Expenses Entities	\$259,888.20	0.50%	7.50%

Components	Total	Percent	Regulatory Limits
Administrative Expenses PRDF		7.00%	
Total	\$3,465,176.00	100%	

The Emergency Solutions Program (ESG) has the following objectives:

- Reach homeless individuals and families living on the street.
- Rapidly place homeless individuals and families in some form of housing.
- Help operate and provide essential services at emergency shelters for homeless individuals and families.
- Prevent individuals and families from becoming homeless.

Eligible activities for 2023 include, as detailed in the table above: Street Outreach; Emergency Shelter; Prevention; Rapid Re-Housing; Data Collection HMIS; and Administrative Expenses to Entities (municipalities and faith-based and non-profit organizations).

Priorities for the program year include:

- Outreach and Rapid Re-Housing Services Projects
- No Barriers Emergency Shelter (population, age, hours)
- Outreach to homeless individuals and families living on the street.
- Rapidly place homeless individuals and families in some form of housing
- Assist in operating and providing essential services at emergency shelters for homeless individuals and families
- Preventing individuals and families from becoming homeless

The PRDF uses a funding distribution method that includes submitting a competitive request for proposal in the first year, and in the second year funds are distributed based on the level of project performance and availability of funds from HUD.

The availability of funds is reported annually through a public announcement in a newspaper of general circulation. Also, the COC-502 and COC-503 Continuum of Care systems are informed to notify entities that provide services to homeless or at-risk-of-homeless persons and on the official PRDF web pages.

V. Housing Opportunities for Persons with HIV/AIDS (HOPWA)

Administering agency: Puerto Rico Department of Health (PRDH), in conjunction with the Municipality of San Juan, Central Office of AIDS and Communicable Disease Issues (OCASET, as its Spanish acronym).

Budget for HOPWA program: \$2,627,104.00

Clientele to be served:

Persons affected by HIV or AIDS and their family members, who can prove that their income or that of their family does not exceed the low-income category, as established by the Federal Housing Department (HUD).

Service categories:

Administrative funds:

PRDH \$78,813.12.00 (3% de \$2,627,104.00)

Funds Municipality of San Juan: \$2,548,290.88

Administrative funds Municipality of San Juan: \$178,380.36.00
(7% de \$2,548,290.88)

Funds to be delegated: \$2,369,910.52
(\$2,627,104.00-\$257,193.48)

Grand Total:
\$2,627,104.00

The Program is aimed at developing strategies to meet the housing needs of low-income persons affected by HIV/AIDS and their families with supportive services. Its goal is to provide a stable housing environment for families who are experiencing an economic crisis as a result of complications and situations that arise in people affected by HIV or AIDS. Through the Continuum of Care model, preventive or palliative services are offered to promote quality of life.

HOPWA is ascribed to the Puerto Rico Department of Health, under the direct collaboration of the Central Office for AIDS and Communicable Disease Affairs (OCASET), but its administration is delegated to the Municipality of San Juan.

The funds to be delegated may be requested by municipalities and non-profit organizations for the following activities:

Housing Services:
Housing (payment of rent, mortgage and short term utilities (STRMU)
Transitional housing with supportive services (housing up to 24 months and supportive services)
Permanent housing: (Tenant-Based Rental Assistance, TBRA and housing for more than 24 months with support services)
Temporary housing; (Shelter)
Support Services:
Nutritional services (food)
Nutritional Evaluation
Day care
Case management
Mental health services*
Medical services*
All support services as a function of maintaining a home.

Note: Supportive services, except for nutritional services, are attached to transitional or permanent housing services. As payer of last resort, only services not covered by private or public health insurance will be covered.

The distribution of funds will be made as described in the Action Plan developed for Program Year 2023. The notice of request for proposals for the distribution of funds was announced at

the Public Hearing held on February 28, 2023. Private non-profit organizations and municipalities that are not included in the Metropolitan Statistical Area of Caguas, Guaynabo and San Juan (EMSA) will be eligible to submit proposals. Funds will be distributed on the basis of the proposals submitted. Funds may be allocated to EMSA San Juan-Bayamón organizations if there are remaining funds not awarded to EMSA Puerto Rico organizations..

Other notices:

Also, please be advised that the State's **Citizen Participation Plan** is being amended and proposed amendments to the plan are available for public comment at the offices and website listed above. The Citizen Participation Plan contains a description of the strategies and channels for citizen and stakeholder participation in the consolidated planning processes for the use of the State's CDBG, ESG, HOME, HTF and HOPWA allocations. Those persons and entities interested in submitting comments will have a period of fifteen (15) days from the publication of this notice, through the postal and e-mail addresses indicated above.

This announcement also provides notice that the 2020-2024 Consolidated Plan is being amended to include updated information on available resources, needs and goals for the 2017 CDBG-DR and CDBG-MIT allocations. The proposed amendments are included as an annex to the Draft of the 2023 Action Plan. Individuals and entities interested in submitting comments will have a period of thirty (30) days from the publication of this notice, through the postal and e-mail addresses indicated above.

How to submit comments

In compliance with the provisions of 24 CFR Section 91.115 and pursuant to Title 1 of the Housing and Community Development Act of 1974, as amended, the Action Plan will be available as of the date of publication of this notice at:

- Department of Housing, CDBG Program: Web Page Site <https://www.vivienda.pr.gov/cdbg-estado/>
- Department of the Family (Auxiliary Secretariat for Planning and Information Technology), ESG Program: Web page site www.familia.pr.gov
- Department of Health, HOPWA Program: Web Site www.salud.pr.gov
- Housing Finance Authority, HOME and HTF Programs: Web Site www.afv.pr.gov

Due to the emergency and the security measures to be taken by COVID-19, persons having difficulty accessing the Plan through the Internet should contact 787-274-2527, ext. 5112 to coordinate an alternate method of access.

Written comments will be accepted for thirty (30) days from the date of the publication of the Action Plan draft on April 11, 2023. Comments received after May 11, 2023 will not be considered. Such comments should be addressed to:

cdbg-municipal@vivienda.pr.gov



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