

2017-2018 Annual Action Plan (Draft)

GOVERNMENT OF PUERTO RICO

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GOBIERNO DE PUERTO RICO
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GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The PY 2017-18 Annual Action Plan represents year three of the 2015-2020 Consolidated Plan approved by the U. S. Department of Housing and Urban Development (HUD). This Plan is the Puerto Rico State Government housing and community development official application for HUD entitlement grants and proposes programs and services to be funded during the State 2017-18 fiscal year. There are five (5) sources of federal program funds in this application:

- 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 leading role in the PR-State consolidated effort is undertaken by the Office of the Commissioner of Municipal Affairs (OCMA). The main consolidated stakeholders in this initiative are the Puerto Rico Housing Finance Authority (PRHFA), the PR-State Department of Health and the PR-State Department of Family. The 5-Year Consolidated Plan primary objectives are the following:

- 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.

Although the OCMA acts as leading agency for the planning and preparation phases of the PY 2017 Annual Action Plan, during the program year OCMA will step down as the PR-State Government Consolidated Lead Agency and the newly created Office for the Socioeconomic and Community Development will be assuming the Consolidated State leading role. This newly created Department will drive the new State Government Public Policy vision of identifying, defining and implementing the communities socioeconomic development actions through the establishment of service strategies that address the immediate and basic needs of the communities and their residents and align available resources for this common and targeted goals.

The annual action plan for the planned program year represents the beginning of a new public policy in the PR-State government. The *Plan para Puerto Rico* represents the new state governmental vision for conducting the state governmental business within the Puerto Rico jurisdiction. The Plan is a master proposal for the Island socioeconomic transformation and is base in a commitment with an on-going progress culture, produced from actions of innovation and global best practices.

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The plan includes a series of general objectives and guiding principles that will lead the vision of the State public policy. These objectives are:

- Development and protection of the human resources;
- Fostering Economic Development;
- Promotion of opportunities for the development of local businesses able to compete in the global markets;
- Promote the creation of local wealth;
- Positioning Puerto Rico as a global investment destiny;
- Create high quality and well paid jobs opportunities;
- Develop a secure, educated, healthier and sustainable society;

As the PR-State housing and community development official strategy, the PY 2017-18 Annual Action Plan will be aligned to the new state vision and the guiding principles of the state public policy will be applied to the use of the CDBG, HOME, ESG, HOPWA and HTF funds. The proposed use of the resources must address the direct need of the low-income citizens and communities and interest groups is the base that will allow the State Government to progress in the implementation process of the described new public policy visions.

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 Plan identifies programs and activities that will be used toward meeting the housing and consolidated overarching goals. As required by HUD, each activity is linked to one of three federal program objectives:

- decent housing;
- suitable living environment; or,
- economic development.

Each objective is matched with one of three outcomes:

- availability/accessibility;
- affordability; or,
- sustainability.

The annual activities that will enable the State to achieve these outcomes and objectives in PY 2017-18 as listed below.

Provide Decent Housing

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

Create a Suitable Living Environment

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

Expand Economic Opportunity

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

The following table includes a description of the specific goals and summary information regarding the outcome and objectives identified on the plan:

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Goal	Category	Geographic Area	Needs Addressed	Funding
Provide Decent Housing	Homeless		Homelessness Prevention	ESG : \$2,193,472
	Start Year: 2015	End Year: 2019	Outcome: Availability/accessibility	Objective: Provide decent affordable housing
	Narrative: Street outreach, supportive services and emergency shelter			
	Goal Outcome Indicator		Quantity	UoM
	Homelessness Prevention		4,600	Persons Assisted
Provide Decent Housing (B)	Homeless		Homelessness Prevention	ESG : \$1,133,294
	Start Year: 2015	End Year: 2019	Outcome: Availability/accessibility	Objective: Provide decent affordable housing
	Narrative: Provide homeless prevention and rapid rehousing assistance			
	Goal Outcome Indicator		Quantity	UoM
	Tenant-based rental assistance / Rapid Rehousing		1,880	Households Assisted
Provide Decent Housing (C)	Affordable Housing		Housing	HOPWA : \$688,483
	Non-Homeless Special Needs			HOME : \$1,727,140
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Provide housing assistance and supportive services to HIV population, other low income persons including abused and battered women.			
	Goal Outcome Indicator		Quantity	UoM
Tenant-based rental assistance / Rapid Rehousing		115	Households Assisted	
HIV/AIDS Housing Operations		135	Household Housing Unit	
Create Suitable Living Environments	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG : \$2,468,107
	Start Year: 2015	End Year: 2019	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative: Social needs (public service)			
	Goal Outcome Indicator		Quantity	UoM
	Public service activities other than Low/Moderate Income Housing Benefit		500	Persons Assisted

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Create Suitable Living Environments (B)	Non-Housing Community Development		Non-housing Community Development- Public Facilities Non-housing Community Development- Public Improvem	CDBG : \$16,486,734
	Start Year: 2015	End Year: 2019	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative: Community Development (Infrastructure and public facilities)			
	Goal Outcome Indicator		Quantity	UoM
	Other		200,000	Other
Provide Decent Housing (D)	Affordable Housing		Housing	CDBG : \$2,018,812 HOME : \$431,785
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Rehabilitation of units			
	Goal Outcome Indicator		Quantity	UoM
	Homeowner Housing Rehabilitated		730	Household Housing Unit
Expand Economic Opportunity	Other		Non-housing Community Development- Economic Develo	CDBG : \$119,302
	Start Year: 2015	End Year: 2019	Outcome: Sustainability	Objective: Create economic opportunities
	Narrative: Economic Development			
	Goal Outcome Indicator		Quantity	UoM
	Jobs created/retained		12	Jobs
Businesses assisted		12	Businesses Assisted	
Provide Decent Housing (E)	Affordable Housing		Housing	Housing Trust Fund : \$88,316
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Homeownership assistance			
	Goal Outcome Indicator		Quantity	UoM
	Homeowner Housing Added		50	Household Housing Unit
Create Suitable Living Environments (C)	Non-Housing Community Development		Non-housing Community Development- Public improvem	CDBG : \$300,000
	Start Year: 2015	End Year: 2019	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative: Emergency relief			
	Goal Outcome Indicator		Quantity	UoM
	Other		300	Other

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Provide Decent Housing (F)	Affordable Housing		Housing	HOME : \$961,929
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Down payment and closing costs assistance			
	Goal Outcome Indicator	Quantity	UoM	
	Homeowner Housing Added	25	Household Housing Unit	
Provide Decent Housing (G)	Affordable Housing		Housing	HOME : \$4,093,607 Housing Trust Fund : \$706,528
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Rehabilitation and production of rental housing			
	Goal Outcome Indicator	Quantity	UoM	
	Rental units constructed	500	Household Housing Unit	
Provide Decent Housing (H)	Affordable Housing		Housing	HOME : \$1,442,892
	Start Year: 2015	End Year: 2019	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Rehabilitation and production of rental housing (CHDOs)			
	Goal Outcome Indicator	Quantity	UoM	
	Rental units constructed	120	Household Housing Unit	

Goals and Outcomes 3

3. Evaluation of past performance

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

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PAST PERFORMANCE

Program Year 2015 was the first (1st) year of the implementation of the (2015-2019) PR-State Consolidated Plan. This document includes the Housing and Community Development strategy required by the National Affordable Housing Act (NAHA). The Act has the objective of reaffirming the national commitment to decent, safe and sanitary housing for every American. As a requirement of the Act and in order to receive federal funds, recipients must prepare and implement a Consolidated Plan that must be approved by HUD. The PR-State is a Grantee for the four (4) HUD Community and Planning Division (CPD) Programs. These are the Community Development Block Grants Program (CDBG Program); the HOME Investment Partnerships Program (HOME Program); the Emergency Solutions Grant Program (ESG Program) and the Housing for Persons with AIDS Program (HOPWA Program).

The PR-State Consolidated Plan is carried out through four (4) major State Agencies that acts as grantees for the Consolidated Plan strategies. The agencies are: the Office of the Commissioner of Municipal Affairs (OCMA), which acts as the Consolidated Plan Leading Agency and is the State CDBG Program Grantee; the Puerto Rico Housing Finance Authority (PRHFA), Grantee Agency for the HOME Program; the Puerto Rico Department of Family (PRDF), Grantee Agency for the ESG Program and the Puerto Rico Health Department, Grantee Agency for the HOPWA Program.

As per the HOPWA Program, the Municipality of San Juan undertakes the administrative and operational tasks through a Collaborative Agreement signed between the Municipality and the Puerto Rico Health Department in 2010.

SUMMARY OF RESOURCES AVAILABLE

Funding available in PY 2015 included the Annual Grants allocations made by HUD to the PR-State Agencies that acted as Grantees for their respective programs. The following table includes a description of the PR-State Consolidated Agencies and the PY 2015 allocation by program:

PY 2015 PR-State CPD HUD Resources		
PR-STATE AGENCY	PROGRAM	PY 2015 ALLOCATION
Office of the Commissioner of Municipal Affairs	CDBG	\$24,311,690
Puerto Rico Housing Finance Authority (PRHFA)	HOME	\$8,201,168
Puerto Rico Department of Family (PRDF)	ESG	\$4,095,385
Puerto Rico Health Department-MSJ	HOPWA	\$1,799,317
CPD TOTAL FUNDING		\$38,407,560

Local Funds are the main source of funding to leverage the HUD-CPD funding sources allocated to develop Housing and Community Development Statewide projects. In an annual basis, the State Government commits a significant portion of its local budget to undertake public service and non-housing community

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development activities and projects that benefit the low and moderate income families. During PY 2015, the PR-State Government local funds were used for community development, public services and housing.

The OCMA certifies that most of the Community Development Block Grant (CDBG) funds received last year were used to address the State objective of providing a suitable living environment primarily for low and very low-income persons of Puerto Rico. Since the need and demand for funds are much greater than the resources, the State annually reviews the proposed projects and only addresses the most serious needs.

ALLOCATION TO CPD PROGRAMS

CDBG Program

The CDBG Program had a total of \$24,311,690 allocated for PY-2015 and were distributed in the following activities with the respective proposed goals outcomes:

PY 2015 CDBG ANNUAL ACTION PLAN ACTIVITIES AND CONSOLIDATED NEEDS PRIORITIES				
PRIORITY NEED	ACTIVITY	ALLOCATION	GOALS OUTCOMES	
			PROPOSED	ACHIEVED
AFFORDABLE HOUSING	ELIGIBLE HOUSING ACTIVITIES, INCLUDING REHABILITATION OF EXISTING UNITS	\$2,301,695	780	188
SPECIAL NEEDS	PUBLIC SERVICES PY 2015	\$2,600,000	500	24,983
PUBLIC FACILITIES AND IMPROVEMENTS	IMPROVEMENTS TO PUBLIC FACILITIES AND INFRASTRUCTURE	\$14,500,000	200,300	698,593
ECONOMIC DEVELOPMENT	SMALL BUSINESS FINANCIAL ASSISTANCE	\$1,179,117	12	179
PLANNING AND ADMINISTRATION	PY 2015 PLANNING AND ADMINISTRATION ACTIVITIES	\$4,862,338	N/A	N/A

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HOME Program

The HOME Program had a total of \$8,201,168 allocated for PY-2015 and were distributed in the following activities with the respective proposed goals outcomes:

PY 2015 HOME ANNUAL ACTION PLAN ACTIVITIES AND CONSOLIDATED NEEDS PRIORITIES				
PRIORITY NEED	ACTIVITY	ALLOCATION	GOALS OUTCOMES	
			PROPOSED	ACHIEVED
AFFORDABLE HOUSING	CONSTRUCTION OF RENTAL UNITS	\$5,330,759	30	78
	HOMEOWNERSHIP ASSISTANCE PROGRAM	\$820,117	25	132
	CHDO SET-ASIDE	\$1,230,175	7	3
PLANNING AND ADMINISTRATION	PY 2015 PLANNING AND ADMINISTRATION ACTIVITIES	\$820,117	N/A	N/A

ESG Program

The ESG Program had a total of \$4,095,385 allocated for PY-2015 and were distributed in the following activities with the respective proposed goals outcomes:

PY 2015 ESG ANNUAL ACTION PLAN ACTIVITIES AND CONSOLIDATED NEEDS PRIORITIES				
PRIORITY NEED	ACTIVITY	ALLOCATION	GOALS OUTCOMES	
			PROPOSED	ACHIEVED
AFFORDABLE HOUSING	HOMELESSNESS PREVENTION ACTIVITIES	\$2,457,231	5,000	3,061
	RAPID RE-HOUSING ACTIVITIES	\$1,249,092	2,000	295
PLANNING AND ADMINISTRATION	PY 2015 PLANNING AND ADMINISTRATION ACTIVITIES	\$307,154	N/A	N/A

According to the Annual Performance Assessment of Program Year 2016 the PR Department of Family showed great progress, particularly in the use of HMIS by subrecipients and monitoring compliance with this requirement. This program year was the first time that ESG reported ESG data using the Ecart report. The DF will continue to enforce the use and data quality of HMIS of subrecipients and negotiating new reporting requirements with HMIS providers. Emergency-shelters beds utilization's rate on ESG subrecipients is another area that DF will be focusing on along with reducing access barriers on temporary housing for the homeless population. Some of these issues will be addressed by monitoring subrecipients and assuring that ESG written standards are implemented by subrecipients.

Also, the DF increased the expenditure rate during this year. In order to comply with the reimbursement deadlines this program year DF will establish a schedule of actions for carrying out activities, including schedules, timetables, and milestone necessary to comply with the expenditure deadline for PY2017 funds and all the remaining funds from previous years. The DF main goal is to improve compliance with the 24 month deadline.

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HOPWA Program

The HOPWA Program had a total of \$1,799,317 allocated for PY-2015 and were distributed in the following activities with its proposed goals outcomes:

PY 2015 HOPWA ANNUAL ACTION PLAN ACTIVITIES AND CONSOLIDATED NEEDS PRIORITIES				
PRIORITY NEED	ACTIVITY	ALLOCATION	GOALS OUTCOMES	
			PROPOSED	ACHIEVED
AFFORDABLE HOUSING	TBRA ACTIVITY	\$602,352	750	115
	STRMU ACTIVITY	\$5,000		10
	SUPPORTIVE SERVICE ACTIVITIES	\$457,115.34		300
	TRANSITIONAL HOUSING ACTIVITIES	\$558,696.53		135
PLANNING AND ADMINISTRATION	PY 2015 PLANNING AND ADMINISTRATION ACTIVITIES	\$176,153	N/A	N/A

FUNDS DISBURSED DURING PY 2015

In preparing this report, the OCMA used the data produced by the HUD Annual Performance Assessment Letter (ACA Letter) sent to each Consolidated Plan Agency. The ACA Letter is the reporting document resulted from HUD’s annual assessment of the performance of each of its grantees. This review is the result of an ongoing process that assesses the quality of a grantee’s performance over a period of time involving continuous communication and evaluation. According to the aforementioned reporting documents, the disbursements made by the State Grantees during this program year were the following:

PY 2015 CPD PROGRAMS DISBURSEMENTS	
PROGRAM	PY 2015 DISBURSED FUNDS
CDBG	\$30,890,824.79
HOME	\$30,328,566.96
ESG	\$2,433,413.94
HOPWA	\$1,208,782.75
TOTAL	\$64,861,588.44

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SELF-EVALUATION

To evaluate the effectiveness of the PR-State in regards with the needs and objectives spelled out on the Consolidated Plan, it is necessary to consider the actions taken with Federal, State and Local Funds. The information presented in the previous pages demonstrate that the State Government agencies invested available resources on eligible activities to address the needs of the low and moderate income persons. Taking into consideration the goals of the HUD’s program included in the Consolidated Plan, the State Agencies actions were aligned with the Consolidated Plan goals. The table included below, shows how the Agencies have made progress in complying with the Consolidated Plan main objectives.

Most activities were completed or initiated during the current year. There were other areas in which performance exceeded projections and targets put forth by OCMA and the other agencies. The HUD level of funding for the community development programs has decreased constantly during recent years. However, the State has been able to wisely allocate local resources in order to cope with the ever-increasing demand of citizens for more and better services.

The following tables describe the consolidated plan strategies for the five-year period and its completion ratio:

Summary of Grantee Performance and Compliance by Program

Goal	Category	Outcome		
		Expected	Actual	Unit of Measure
Create Suitable Living Environments	Non-Housing Community Development	500	2,137	Persons Assisted
Create Suitable Living Environments (B)	Non-Housing Community Development	200,000	195,590	Other
Create Suitable Living Environments (C)	Non-Housing Community Development	300	0	Other
Expand Economic Opportunity	Other-Economic Development	12	16	Jobs
		12	16	Businesses Assisted
Provide Decent Housing	Homeless	5,000	0	Persons Assisted
Provide Decent Housing (B)	Homeless	2,000	0	Households Assisted
Provide Decent Housing (C)	Affordable Housing Non-	750	1,190	Other

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Goal	Category	Outcome		
		Expected	Actual	Unit of Measure
	Homeless Special Needs			
Provide Decent Housing (D)	Affordable Housing	730	331	Household Housing Units
Provide Decent Housing (E)	Affordable Housing	50	4	Household Housing Units
Provide Decent Housing (F)	Affordable Housing	25	132	Household Housing Units
Provide Decent Housing (G)	Affordable Housing	500	49	Household Housing Units
Provide Decent Housing (H)	Affordable Housing	120	23	Household Housing Units

The OCMA certifies that all activities undertaken during PY 2015 were consistent with the approved Consolidated Plan. As of June 30, 2016, all PY 2015 CDBG Program funded activities are underway.

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Past Performance 6

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The OCMA Citizen Participation Plan provides a framework and process by which the PR-State consolidated planning efforts comply with the citizen participation requirements published by the U.S. Department of Housing and Urban Development (HUD). This Citizen Participation Plan is prepared and implemented in accordance with the guidance provided in HUD Regulations 24 CFR Part 91.110. It is the policy of OCMA to effectively incorporate meaningful citizen participation and consultation processes into the Consolidated Plan needs analysis and strategic decision-making process. 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 OCMA 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 will be in the identification of needs, allocation of funding, and program recommendations related to the consolidated planning process.

During the preparation and planning phases of the included Annual Action Plan, the following citizen participation actions took place:

PUBLIC HEARINGS NOTICE AND INVITATIONS

The OCMA posted a public notice on the *Primera Hora* newspaper on the edition circulated on Wednesday, February 15, 2017. Such communication invited the general population to participate of the Citizen Participation Public Hearings for the PY 2017 CDBG, HOME, ESG, HOPWA and HTF Programs Annual Action Plan. Complying with the Consolidated Plan regulations, the hearings were held at least two (2) weeks after the notice was published.

Also, the public notice was posted on OCMA's website main page. This action expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support to the Consolidated Plan activities.

In addition to the publication of the public hearings notice, the OCMA mailed official communications to all Non-Entitlement municipalities to invite them to actively participate in the public hearings process. Other action taken by the OCMA to broaden the citizen participation process were to post in the Agency Official Web Page, the public notice inviting all interested parties to participate in the hearings.

PY 2017 ACTION PLAN PUBLIC HEARINGS

The OCMA held a public hearing during the Citizen Participation process of the PY 2017 Annual Action Plan. The meeting was held in the following date and venue:

- Public Hearing: Friday, March 3, 2017, 9:00 a.m. at the Conference Room of the Department of Family Headquarters located in Barbosa Avenue at Hato Rey, P.R.

The public hearing had a participation of 128 individuals. At the hearing, CPD Program officials at the state level made a presentation of the Consolidated Plan process, the Citizen Participation Process and of each federal funded program administered by the Agencies. Specifically, the presentation included a description of objectives; content of the Plan; the planning process and its integration; the community consultation process; identification of needs; design of strategies; the Citizen participation process; the applicable method of distribution of the funds along the due dates for the Action Plan. Also, the presentations made to the attendees included detailed information regarding the CPD Programs, the national objectives, eligible activities and other general information regarding other federal funded programs. The agencies officials provided an overview of other federal funds services programs available in the agencies to assist economic disadvantaged population to meet their socioeconomic needs.

As a main objective of the Citizen's Participation Process, attendees were allowed to present proposals and comments about the needs of their community and how can those be addressed in the plan.

All the information collected at the public hearings was analyzed and considered according to population needs category. After the information was analyzed, the needs were identified, strategies were developed and included and a methodology of services was defined accordingly.

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

PUBLIC COMMENT PERIOD

Along the publishing of the PY 2017 draft of the Annual Action Plan, OCMA promoted a 30 days' public comment period. A public notice was published in the *Primera Hora* newspaper, on the April 10th, 2017 edition. The draft was made available for the general population and all interested parties for comments and recommendations. *The public comment period ended on May 10th, 2017.*

Due to a change in allocation amount the State was required to conduct additional citizen participation consultation in the form of a public notice. A public notice was published in the Primera Hora newspaper, on the June 26th, 2017 edition. The draft was made available for the general population and all interested parties for comments and recommendations. The public comment period ended on July 10th, 2017.

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.

Comments by the Puerto Rico CoC PR-503:

As part of the consultation and public participation process, the CoC PR-503 submitted information or comments. The attachment section of the plan summarizes the comments received and the response by the State.

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

No comments were rejected.

7. Summary

The PY 2017 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 of time. 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 PY 2017 Plan is the third plan prepared and submitted under the HUD's e-Conn Planning Suite System. Specifically, the 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

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

The distribution by program is the following:

Distribution of CPD funds by Program

CDBG

A total amount of \$23,078,405 will be received by the State in CDBG Funds. OCMA/ODSEC will distribute the CDBG Funds as follows:

CDBG GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2017	
Assigned Budget:	\$23,078,405
Distribution by Category:	
Allocation to Municipalities	\$22,086,053
State Administration	\$692,352
Emergency Fund	\$300,000

HOME & Housing Trust Fund

The Puerto Rico Housing Finance Authority (PRHFA) estimates an allocation of \$9,619,282 of HOME Program Funds for the PY 2017. This amount will be used to support the provision of affordable housing for low and moderate-income families. The following is the distribution by category:

HOME GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2017	
Assigned Budget: \$9,619,282	
Distribution by Category:	
State Administration: \$961,928.20	
Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO): \$1,442,892.30	
Rehabilitation or Construction of Housing for Rent: \$4,093,606.87	
Down payment Assistance to Homebuyers: \$961,928.74	
Tenant Based Rental Assistance: \$1,727,140.49	
Homeownership Rehabilitation or Reconstruction: \$431,785.39	

Also, the PRHFA will receive a \$883,160 allocation in the Housing Trust Fund Program. The proposed allocation for these funds is the following:

- Admin and Planning = \$88,316 (10%)
- Multifamily Rental New Construction/Rehabilitation = \$706,528 (80%)
- Single Family Homebuyer Assistance = \$88,316 (10%)

Distribution by CPD Program 1

Emergency Solutions Grant Program

The Department of Family estimates an allocation of \$3,655,787 of ESG Funds. These funds were allocated to address the needs of the homeless persons through the provision of shelter, essential and rapid re-housing services to homeless persons and/or families and prevention services to persons and/or families at high risk of becoming homeless. The allocation of the funds was distributed in the following manner: \$2,193,472.20 for shelter and essential services, \$566,646.99 for rapid re-housing purposes, \$566,646.99 for prevention services, \$54,836.79 for the cost of HMIS and \$274,184.03 for eligible administration activities.

HOPWA

As per the HOPWA Program, all funds were allocated in activities designed to provide resources, incentives, and strategies to meet the various housing needs of persons living with HIV/AIDS who are homeless or at risk of becoming homeless. The goal of the HOPWA Program is to assist clients in maintaining housing stability and to improve their access to health care and supportive services. The allocated HOPWA 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. A total of \$1,979,243 was allocated to this program. Also, HOPWA funds were allocated toward eligible administrative activities. The following is the distribution of the program:

HOPWA GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2017	
Assigned Budget:	\$1,979,243
Distribution by Category:	
Allocation to Municipalities and Non-Profits	\$1,785,475.12
Administration	\$193,767.88

Distribution by CPD Program 2

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	Office of the Commissioner of Municipal Affairs
HOPWA Administrator	PUERTO RICO	Municipality of San Juan (MSJ)
HOME Administrator	PUERTO RICO	Puerto Rico Housing Finance Authority (PRHFA)
ESG Administrator	PUERTO RICO	Puerto Rico Department of Family (PRDF)

Table 1 – Responsible Agencies

Narrative

The PR-State Consolidated Plan lead agency is the Office of the Commissioner of Municipal Affairs (OCMA). This agency is responsible to coordinate all efforts toward the housing and community development strategies that the PR-State government includes on its five-year Consolidated Plan and executes annually on its action plan. In addition, is responsible for the administration of the PR-State CDBG Program allocation.

In this effort, the OCMA is supported by three (3) state agencies, that are responsible to act as HUD grantees and administrators for the CPD 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 due a collaborative agreement signed between the parties back in year 2010.

As previously stated in the Executive Summary Section of this Plan, although the OCMA acts as leading agency for the planning and preparation phases of the PY 2017 Annual Action Plan, during the program year, the Agency will step down as the PR-State Government Consolidated Lead Agency and the newly created Office for the Socioeconomic and Community Development (ODSEC) will be assuming the State leading role. This newly created agency will assume the leading role within the new State Government Public Policy vision of identifying, defining and implementing the communities socioeconomic development actions through the establishment of service strategies that address the immediate and basic needs of the communities and their residents and align available resources to these targeted goals.

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The above described components are the PR- State main stakeholders in the Consolidated Plan effort. These agencies are committed in developing a strategic and accountable partnerships that lead to lasting socio-economic changes within the State jurisdiction. In addition, the commitment to this consolidated network approach allows the State to align additional available resources to targeted community and housing strategies with the objective of improving the basic living conditions of the low and moderate population and communities throughout the State.

Consolidated Plan Public Contact Information

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

1. Introduction

In addition to the citizen participation requirements, the HUD Consolidated Plan regulations identify categories of organizations the State must consult with during the Plan's development. State grantees must consult with agencies that provide assisted housing, health services, social and fair housing, and those that serve the chronically homeless and address lead-based paint hazards and consult with local governments in non-entitlement areas of the state.

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.

As part of the planning and preparation of the PY 2017 Annual Action Plan, the OCMA undertook a consultation process with the pertinent State Government agencies requesting information regarding the integration process of the new State Government public policy to the day-to-day actions under the consolidated plan housing and community development strategies. As described before, the PR-State government structure is under the implementation of a new statewide public policy and therefore the consolidated plan strategies must be aligned to the governmental new vision in order to focus the housing and community development initiatives to those arising new goals.

In addition, the alignment of the consolidated plan strategies to the new public policy will allow OCMA to identify and connect with other planning efforts resulting in a range of community focused plans.

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

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

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 will continue participating actively within the CoCs. Currently, the State ESG Director is an active Board member of both CoCs which facilitates the integration of ESG into the CoC planning process. Meetings with both CoCs are held regularly. Currently, they are working together to maintain veterans functional at zero to prevent and eradicate the situation of homeless veterans. 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 be requiring to participate in CoC's subcommittees of their area and participate of the coordinated assistance entry system. Bonus points on this area will be added to the Annual Evaluation Report of ESG subrecipients. CoCs written standards are considered within the ESG written standards and the annual evaluation of its subrecipients.

As part of the Department consolidated responsibilities it defines and designs the homeless population service strategy with the objective of addressing the main and core housing and supportive service needs of this population. In the other hand, the homeless coalitions are responsible to develop a long-term strategic plan and manage a year-round planning effort that addresses the identified needs of homeless individuals and households; the availability and accessibility of existing housing and services; and the opportunities for linkages with mainstream housing and services resources.

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
- Permanent Housing
- Permanent Housing for people with disabilities

- Homeless Prevention

As per the PY 2017, Puerto Rico will have a total of \$18,715,977 in Continuum of Care allocated funds. These resources are distributed among the two (2) described homeless coalitions. With this funding the homeless strategy will be able to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards 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 ESG Regulation, on March 2, 2017, the Puerto Rico Department of the Family sent a written consultation letter to **to both CoC – PR 502 and CoC – PR 503 requesting information on:**

1. Allocation of resources in terms of services, populations and needs
2. Performance standards for and evaluating outcomes of projects and activities assisted by ESG funds
3. Funding, policies, and procedures for operating and administering any Homeless Management Information System (HMIS)

In addition the State invited both CoC to participate in the Annual Action Plan Public Hearing.

No comments have been received.

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
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Strategic and public policy changes that will affect the low income population.

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was consulted through written communication. As a result the Agency provided input for the development of the plan.
2	Agency/Group/Organization	Puerto Rico Public Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Public Housing Needs Strategic and public policy changes that will affect the low income population.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency was consulted through written communication. As a result the Agency provided input for the development of the plan.
3	Agency/Group/Organization	PR Department of Family
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Child Welfare Agency
	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 Anti-poverty Strategy Lead-based Paint Strategy Strategic and public policy changes that will affect the low income population.
	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	PUERTO RICO HOUSING FINANCE AUTHORITY
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Strategic and public policy changes that will affect the low income population.
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
5	Agency/Group/Organization	Puerto Rico Health Department
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Services-Health
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs HOPWA Strategy Strategic and public policy changes that will affect the low income population.
	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	EMSA-Municipalities of San Juan Eligible Metropolitan Statistical Area
	Agency/Group/Organization Type	Services-Persons with HIV/AIDS Other government - Local
	What section of the Plan was addressed by Consultation?	HOPWA Strategy Strategic and public policy changes that will affect the low income population.
	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.

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

All required agencies were consulted during the planning and preparation phases of this Annual Action Plan.

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	Coalicion de Coaliciones	As part of the consultation process the State consulted with the coalition regarding the: 1) Allocation of resources in terms of services, populations and needs; 2)Performance standards for and evaluating outcomes of projects and activities assisted by ESG funds; 3)Funding, policies, and procedures for operating and administering any Homeless Management Information System (HMIS)The state plan is consistent with strategies of CoC.
Puerto Rico State Public Policy	Office of the Governor	The Annual Action plan was prepared and developed in consistency with the Puerto Rico State Public Policy established by the Office of the Governor.

Table 3 - Other local / regional / federal planning efforts

Narrative

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

The consultation strategy of the OCMA, assist 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

As a condition of receiving the CPD grant funds, the State must engage stakeholders and the general public regarding the community's needs in Puerto Rico. The Citizen Participation Plan, that is a key component, effectively incorporate meaningful citizen participation actions into the Consolidated Plan needs analysis and strategic decision-making process.

For PY 2017, the citizen participation process go beyond the regulatory minimums and promoted a wide range engagement of all interested parties, offering opportunities for involvement to all segments of the population in the planning process. The planning process efforts was guided by transparency and promoted freedom of access to the contents of the draft plan.

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 for the parties to actively participate in the Annual Plan public hearing.

Public Hearing Notice: posted a public notice on the *Primera Hora* newspaper on the edition for Wednesday, February 15, 2017. It invited the general population to participate of the Public Hearings for the PY 2017 CDBG, HOME, ESG, HOPWA and HTF Programs Annual Action Plan. Complying with the Consolidated Plan regulations, the hearings were held at least two (2) weeks after the notice was published.

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

The OCMA held a public hearing during the Citizen Participation process of the PY 2017 Annual Action Plan. The meeting was held in the following date and venue:

- Public Hearing: Friday, March 3, 2017, 9:00 a.m. at the Conference Room of the Department of Family Headquarters located in Barbosa Avenue at Hato Rey, P.R.

The public hearing was attended by 128 individuals. State Agencies CPD Program officials (CDBG,HOME,ESG, HOPWA, HTF) made a presentation of the Consolidated Plan process, and the Citizen Participation and an explanation of each program and requirements. The presentation included a

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description of: objectives; content of the Plan, the planning process and its integration; consultation process; identification of needs; design of strategies; the Citizen participation process, the applicable distribution process and due dates for the Action Plan. The agencies officials provide an overview presentation of other federal funds services programs available in the agencies to assist economic disadvantaged population to meet their socioeconomic needs. Attendees were allowed to present proposals and comments about the needs of their community and how can they be addressed in the plan. All information collected at the public hearings, was analyzed and considered in the plan.

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

Public Comment Period: the State promoted a 30 days' public comment period on the draft plan. A notice was published on the *Primera Hora* newspaper, on April 10, 2017 edition. A 30 days comment period was provided. The public comment period ended on May 10, 2017.

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	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Invitation to Public Hearing. A notice was published on the February 15, 2017 edition of Primera Hora inviting citizen to the Consolidated Plan Public Hearing.	None	N/A	

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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p> <p>NPOs, Public Agencies, Municipalities, general public</p>	<p>The public hearing was attended by 128 individuals. In the hearing, State Agencies CPD Program officials made a presentation of the Consolidated Plan process, the Citizen Participation Process and of each federal funded program administered by the Agencies.</p>	<p>See attached narrative</p>	<p>Belinda Hill, in representation of the COC PR-502As representative of the CoC- Mrs. Hill requested how the state will adopt a Centralized or Coordinated Assessment System for the Homeless Persons. State Response:During PY 2017 the State will work with the CoC to continue with the implementation of the Assessment System</p> <p>Belinda Hill, as resident of Culebra</p> <p>Mrs. Hill requested information the development of a Library and Theater at The Municipality of Culebra. State Response:Mrs. Hill comment was redirected to the Municipality of Culebra for further action</p> <p>Ms. Iris Carrasquillo, Consultant and advisor in the area of environmental and federal affairs in several municipalities. Requested information on the applicability of 2 CFR 200 and the small purchase limits. State Response:Mrs. Carrasquillo was oriented regarding OCMA circulars and its relationship to new regulation at 2 CFR 200.</p>	<p>www.ocam.gobierno.pr</p>
3	Internet Outreach	<p>NPOs, Public Agencies, Municipalities, general public</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>www.ocam.gobierno.pr</p>

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4	Publication of Draft	NPOs, Public Agencies, Municipalities, general public	<p>After the PY 2017 draft of the Annual Action Plan was prepared, the State promoted a 30 days public comment period. A public notice was published in the Primera Hora, on April 10, 2017 edition. The draft was made available for the general population and all interested parties for comments and recommendations. No comments were received. Due to a change in allocation amount the State was required to conduct additional citizen participation consultation in the form of a public notice. A public notice was published in the Primera Hora newspaper, on the June 26th, 2017 edition. The draft was made available for the general population and all interested parties for comments and recommendations. The public comment period ended on July 10th, 2017.</p>	<p>Comments received during the public hearing are included in a following section. Only two comments were received during the publication of the Plan. Comments regarding the draft of the plan are the following: A comment presented to OCAM questioned a discrepancy between the 2016 Action Plan Draft and the instructions provided to non-entitlement municipalities regarding their CDBG proposal. One document did not include the donation of materials to CDBG beneficiaries as part of the housing rehabilitation activity and the other document mentioned that particular project. Answer: Based on what was presented and discussed at the public hearing, OCAM decided to maintain the Housing Rehabilitation activity excluding the construction materials donation project. However, due to an involuntary error the materials donation project was included as part of activities related to housing. As discussed in the public hearing, OCAM will not consider the donation of materials projects for this year's program, and therefore the section of the Plan that refers to the donation of materials prior to the submission and final publication of the Action Plan will be clarified. It is important to note that under the housing rehabilitation activity municipalities may submit rehabilitation projects where the works are carried out by municipal crews, and therefore, a substantial proportion of the project is directed to the purchase of construction materials. This option maintains the objectives of the old material donation projects. Municipalities may get up to \$ 15,000 for housing</p>	N/A	<p>www.ocam.gobierno.pr</p>
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				<p>rehabilitation. Comments by the Puerto Rico CoC PR-503: As part of the consultation and public participation process, the CoC PR-503 submitted information or comments regarding: 1) the needs and current situation of the municipalities that are part of the CoC; 2) Project performance standards, outcome measures for projects and activities; 3) the HMIS; and 4) a new distribution of funds for the Program Year 2016. The CoC also provided recommendations regarding the use of CDBG funds for the development of permanent supportive housing and Section 8 and Multifamily Housing Projects. A copy of the comments is included as an appendix. Response: The Department of Family appreciates the comments made by the CoC PR-503 and the information provided for the preparation of the Plan. The comments provided by the CoC PR-503 reflect a similarity in terms of the priorities set by the Department of Family in various aspects such as the removal of barriers to emergency shelters and the need to provide services to subpopulations such as homeless women victims of domestic violence and the LGBTT population. In its comments, the CoC PR-503 refers to the distribution proposed in Program Year 2013, to provide recommendations regarding the proposed distribution for Program Year 2016 (page 5 of the comments). Taking into consideration the needs identified in the Point in Time Counts, as well as other sources of information (such as the HMIS), the Department of Family, since then, has made changes to the allocation, to respond to those needs. Regarding comments on the use of</p>	
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
				CDBG funds for the development of permanent supportive housing and Section 8 and Multifamily Housing Projects, the Office of the Commissioner of Municipal Affairs recommends to conduct a series of webinars through the Center of Social Innovation regarding the combination of sources of funds for the purpose of services provided to the homeless population.		
5	Mailing to CoC members to receive additional comments	NPOs and Municipalities, CoC representatives and other community leaders	N/A	N/A	N/A	
6	Mailing to non-entitlement municipalities to invite them to the public hearing to consult them about	Municipalities	N/A	N/A	N/A	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

For the PY 2017, HUD allocated to the PR-State a total of \$39,215,877 among all CPD Programs. Specifically, the allocation by programs is: \$23,078,405 for the CDBG Program activities; \$9,619,282 for the HOME Program activities, \$1,979,243 for the HOPWA Program activities, \$3,655,787 for the ESG Program activities and \$883,160 for the Housing Trust Fund activities.

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

The following table includes a description of the Resources for PY 2017:

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	23,078,405	0	0	23,078,405	46,156,810	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	9,619,282	0	0	9,619,282	19,238,564	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).

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	1,979,243	0	0	1,979,243	3,958,486	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
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,655,787	0	0	3,655,787	7,311,574	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing
Housing Trust Fund	public - federal	Admin and Planning Homebuyer assistance Multifamily rental new construction	883,160	0	0	883,160	1,766,320	The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

Table 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

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

The CDBG regulations requires the Government of Puerto Rico to match administration costs beyond

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\$100,000. The CDBG match will be covered by OCAM/ODSEC general budget. The non-entitlement municipalities that receive CDBG funds, will provide leverage to their projects in the form of in-kind services and equity from municipal, state, and other federal funds. In some instances, private donations are available to the non-entitlement municipalities for the development of municipal facilities or services.

Additional leverage and matching information is included on [appendix 1](#) of the Plan.

HOME

In terms of complying with matching requirements, the Puerto Rico Housing Finance Authority must comply with the HOME Program matching dispositions. The HOME Program requires that the PJ's must match every dollar of HOME funds used (except for administrative costs and CHDO predevelopment loans for projects that do not move forward) with 25 cents from nonfederal sources, which may include donated materials or labor, the value of donated property, proceeds from bond financing, and other resources.

Due to the weak public finances affecting the local economic and financial systems, the PR-State complies with the two (2) characteristics needed to receive a percentage of reduction in the HOME Program match requirements. The current State financial system meets both criteria needed, under the HOME Program requirements, to be determined to be in severe fiscal distress. Therefore, for the PY 2017 the PR-State HOME Program will not have to meet the HOME Program requirements and has a 100 reduction of the required match.

However, the Puerto Rico Housing Finance Authority leverage the HOME funds with the following resources that and actions that are used in collaboration with the federal resources:

- The Authority promotes promptness, uniformity, and coherence among the agencies granting permits.
- Section 42 of the Internal Revenue Code:
 - Provides financing by selling tax credits to United Commonwealth's investors.
 - The product of the sale contributes to creating and preserving rental housing units.
 - The Federal Tax Credit Program receives nearly \$8.2 million each year, which generates an investment of approximately \$67.7 million in Puerto Rico's economy.
- Tax Credit Program (Act No. 140 of October 4, 2001)
 - Offers tax credits for investing in new construction or in substantial rehabilitation of housing units for rent to low-income families.
 - This increases the inventory of social interest housing in the Island.
 - In addition, it guarantees rent affordability for low income families.
 - Such credit stimulates the substantial rehabilitation of existing facilities and structures that will help renovate and repopulate the urban centers of our towns.

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- The local Tax Credit Program is a new \$15 million program managed by the Development and Financing Area.
- Interim Loans for Construction
- PRHFA offers financing to construct housing projects for sale. The per unit maximum price is established in the Agency's Financing policies and in procedures approved by the Board of Directors.
- The Authority will charge a fee for the interim financing of up to 1.5% of the maximum amount approved.
- The fee varies depending on the kind of project (new construction or rehabilitation), the per unit sale price, the profit percentage for the developer, whether or not the project is FHA insured, and whether or not the PRHFA will provide a subsidy to buyer families
- The Authority will finance up to 80% of the total development cost (land, site improvement, construction costs, and soft costs).
- Direct Loans
 - To purchase primary residence up to \$150,000.
- Act No. 87
 - Mortgage insurance disbursed by Mortgage Banks.
 - New Market Tax Credits
 - The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-income communities. The program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). In 2011, the PRHFA in collaboration with Citigroup launched "El Fondo de Desarrollo Comunitario", a \$45 million revolving loan program to grant loans to affordable housing developers in the Island.
- Subsidy Contracts Administration
 - The US Department of Housing and Urban Development (HUD) chose the PRHFA to manage the subsidy contracts for all Section 8 projects in Puerto Rico. This program monitors project management to ensure the quality of life of residents and the adequate use of federal funds.
 - In addition, the Authority is responsible of making subsidy payments to the project owner, renovating subsidy contracts for projects, approving and processing rent increases, monitoring that any deficiencies found in the projects during physical inspections are corrected, and carrying out administrative audits of the projects each year.
 - Loans for Multifamily Rental Housing
 - The Authority provides interim and permanent financing for the development of rental housing projects.

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- Private Sources
 - Private developers must demonstrate their financial capability and resources for developing housing projects that involve construction or rehabilitation of units for both rent and sale. Private funds are required as leverage for the commitment of HOME funds. Interim financing should be clear with the banking institution before the commitment of HOME funds.
 - Lending institutions contribute to financing affordable housing by providing flexibility on mortgage loans, conventional mortgages, and FHA mortgage insurance.
 - It is necessary to point out that permanent financing for HOME assisted Homebuyers may be processed through any qualified mortgage institution. The Homebuyer purchase assistance will be granted directly to low-income families.

ESG Program

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

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

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

The following funds will be available during PY 2017 to support the ESG activities:

OTHER FEDERAL AND STATE RESOURCES (FY-2017)*

PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Nutritional Assistance Program (PAN Spanish Eponymous)	\$ 1,951,537,000	\$ 27,928,000	\$1,979,465,000	Provides supplemental income to families in need in order to address their nutritional needs.
Temporary Assistance to Needy Families (TANF)	\$ 99,529,000	33,468,000	\$ 132,997,000	Provides economic assistance to none and low income persons and families to help them fulfill basics needs.
Social and Economic Rehabilitation of the	\$ 0	\$ 3,586,000	\$ 3,586,000	Helps poor families become self-sufficient.

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PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
Family (PRES, Spanish Eponymous)				
Services to the Families and Children	\$ 60,590,000	\$ 187,573,000	\$ 248,163,000	Provides care and protection to children for their constructive development. Also, provide support to individuals and families who offer social work services and intervention in child adoption, abuse, domestic violence and care and protect the elderly and the disabled. Furthermore, to work in community development, emphasizing prevention.
Child Support	\$ 27,068,000	\$ 14,522,000	\$ 41,590,000	To ensure that the father and mother provide alimony to their child.
Elderly Support	0	1,582,000	1,582,000	Ensures that people aged 60 years or more that are in need of sustenance or livelihood obtain alimony from their legally responsible direct descendants. Establishes alimony orders by the administrative procedures of mediation or court proceedings. Locates descendants whose whereabouts are unknown and require them to comply with their obligation to provide sustenance to their relatives
Child Care	\$ 31,821,514	\$ 6,351,000	\$ 38,172,514	To assist low- income families with child care in order to: 1. Promotes parental choices that empower working parents to make their own decisions on the type of child care that best suits their needs; 2. Provides consumer education information to help parents make informed choices about child care; 3. Provides child care to parents trying to achieve independence from public assistance.
Head Start				

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PROGRAM	FEDERAL	STATE	TOTAL	DESCRIPTION
	\$125,463,009	\$ 1,967,000	\$ 127,430,009	Head Start and Early Head Start are comprehensive child development programs that serve children from birth to age 5, as well as pregnant women and their families. They are child-focused programs that aim to improve school readiness of young children in low-income families.
Disability Determination	\$ 13,300,000	\$ 0	\$ 12,300,000	Determines the eligibility of handicapped persons who request Social Security benefits.
TOTAL	\$ 2,346,112,523	\$ 285,919,000	\$2,632,031,523	

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

There are other state funds that the DF currently receives and will continue to receive. An estimated **\$466,000** will be allocated to the DF from the Legislature of the Commonwealth of Puerto Rico. These funds will be donated to nonprofit organization that provides services to needy persons and families, as well as protection to abused children and homeless people.

OTHER STATE RESOURCES

PROGRAM	AMOUNT	DESCRIPTION
Legislative Award	\$ 380,000	To delegate funds to two nonprofit organizations that provides services to needy persons, families, and the homeless; as well as protection to abused children, the elderly and disabled people.
The Multi Sector Council in Support of Homeless Population	\$86,000	For staff and consultants to guide effective planning processes of the Council in order to eliminate chronic homelessness. For the preparation of the CoC application.
Continuum of Care of Puerto Rico (CoC-502)	\$414,094	Planning Funds for supervising, administrating and monitoring projects within the 24 Municipalities of the CoC-502 area and to monitoring performance of ESG subrecipients.

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TOTAL	\$880,094	
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HOPWA

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

It is expected that during this program year the HOPWA sub-recipients will provide over \$2.4 Million in leverage to support the eligible activities. We expect that the same level of assistance will be available during PY 2017. The following table shows the expected level of leverage for next program year:

Source of Leveraging	Amount of Leveraged Funds	Type of Contribution	Housing Subsidy Assistance or Other Support
Public Funding			
Ryan White-Housing Assistance	\$491,077.40	Housing Assistance	<input checked="" type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Ryan White-Other	\$1,472,907.98	Outreach, Case Management	<input type="checkbox"/> Housing Subsidy Assistance <input checked="" type="checkbox"/> Other Support
Housing Choice Voucher Program			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Low Income Housing Tax Credit			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
HOME			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Shelter Plus Care			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Emergency Solutions Grant	\$92,780.00	Operational Expenses	<input type="checkbox"/> Housing Subsidy Assistance <input checked="" type="checkbox"/> Other Support
Other Public: Fondos Legislativos	\$118,196.70	Case Management	<input type="checkbox"/> Housing Subsidy Assistance <input checked="" type="checkbox"/> Other Support
Other Public:			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Other Public:			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Other Public:			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Other Public:			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Private Funding			
Grants			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
In-kind Resources	\$217,208.39	Case Management	<input type="checkbox"/> Housing Subsidy Assistance <input checked="" type="checkbox"/> Other Support
Other Private:	\$44,993.00	Clothing, Transportation	<input type="checkbox"/> Housing Subsidy Assistance <input checked="" type="checkbox"/> Other Support
Other Private:			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Other Funding			

Source of Leveraging	Amount of Leveraged Funds	Type of Contribution	Housing Subsidy Assistance or Other Support
Grantee/Project Sponsor/Subrecipient (Agency) Cash			<input type="checkbox"/> Housing Subsidy Assistance <input type="checkbox"/> Other Support
Resident Rent Payments by Client to Private Landlord			
TOTAL (Sum of all Rows)	\$2,437,163.47		

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. This will require a commitment from different governmental agencies its residents and its neighborhood organizations. The State is committed and will articulate a long-term vision for the community and lay out the strategies to achieve that vision.

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

Discussion

To undertake the PR-State housing and community development strategies, the State Consolidated Plan Agencies receives annual allocations from the HUD CPD-Programs. For the PY 2017 the Agencies expects to receive a combine total of \$38,519,661. This amount of funding is invested in actions to develop, execute, sustain, and support effective service strategies designed to improve the living conditions of the low and moderate income population and their communities.

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

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

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2015	2019	Homeless		Homelessness Prevention	ESG: \$2,193,472	Homelessness Prevention: 4600 Persons Assisted
2	Provide Decent Housing (B)	2015	2019	Homeless		Homelessness Prevention	ESG: \$1,133,294	Tenant-based rental assistance / Rapid Rehousing: 1880 Households Assisted
3	Provide Decent Housing (C)	2015	2019	Affordable Housing Non-Homeless Special Needs		Housing	HOPWA: \$688,483 HOME: \$1,727,140	Tenant-based rental assistance / Rapid Rehousing: 115 Households Assisted HIV/AIDS Housing Operations: 135 Household Housing Unit
4	Create Suitable Living Environments	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public Services	CDBG: \$2,468,107	Public service activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted
5	Create Suitable Living Environments (B)	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem	CDBG: \$16,486,734	Other: 200000 Other
6	Provide Decent Housing (D)	2015	2019	Affordable Housing		Housing	CDBG: \$2,018,812 HOME: \$431,785	Homeowner Housing Rehabilitated: 730 Household Housing Unit
7	Expand Economic Opportunity	2015	2019	Economic development		Non-housing Community Development- Economic Develo	CDBG: \$119,302	Jobs created/retained: 12 Jobs Businesses assisted: 12 Businesses Assisted
8	Provide Decent Housing (E)	2015	2019	Affordable Housing		Housing	Housing Trust Fund: \$88,316	Homeowner Housing Added: 50 Household Housing Unit
9	Create Suitable Living Environments (C)	2015	2019	Non-Housing Community Development		Non-housing Community Development- Public improvem	CDBG: \$300,000	Other: 300 Other
10	Provide Decent Housing (F)	2015	2019	Affordable Housing		Housing	HOME: \$961,929	Homeowner Housing Added: 25 Household Housing Unit
11	Provide Decent Housing (G)	2015	2019	Affordable Housing		Housing	HOME: \$4,093,607 Housing Trust Fund: \$706,528	Rental units constructed: 500 Household Housing Unit
12	Provide Decent Housing (H)	2015	2019	Affordable Housing		Housing	HOME: \$1,442,892	Rental units constructed: 120 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	Street outreach, supportive services and emergency shelter

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2	Goal Name	Provide Decent Housing (B)
	Goal Description	Provide homeless prevention and rapid rehousing assistance
3	Goal Name	Provide Decent Housing (C)
	Goal Description	Provide housing assistance and supportive services to HIV population, other low income persons including abused and battered women.
4	Goal Name	Create Suitable Living Environments
	Goal Description	Social needs (public service)
5	Goal Name	Create Suitable Living Environments (B)
	Goal Description	Community Development (Infrastructure and public facilities)
6	Goal Name	Provide Decent Housing (D)
	Goal Description	Rehabilitation of units
7	Goal Name	Expand Economic Opportunity
	Goal Description	Economic Development
8	Goal Name	Provide Decent Housing (E)
	Goal Description	Homeownership assistance
9	Goal Name	Create Suitable Living Environments (C)
	Goal Description	Emergency relief
10	Goal Name	Provide Decent Housing (F)
	Goal Description	Down payment and closing costs assistance
11	Goal Name	Provide Decent Housing (G)
	Goal Description	Rehabilitation and production of rental housing

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

Table 7 – Goal Descriptions

AP-25 Allocation Priorities – 91.320(d)

Introduction

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

The PY 2017 Annual Action Plan allocation priorities are driven by the information obtained during the Citizen Participation process. Also, the information gathered through the consultation process was considered and included in the decision-making process of allocating the available CPD resources. The combination of both processes provided the citizens, the communities, the agencies and interested parties with a meaningful opportunity to actively determine where the housing and community development resources were allocated.

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

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 (A) (%)	Provide Decent Housing (B) (%)	Provide Decent Housing (C) (%)	Create Suitable Living Environments (A) (%)	Create Suitable Living Environments (B) (%)	Provide Decent Housing (D) (%)	Expand Economic Opportunity (%)	Provide Decent Housing (E) (%)	Create Suitable Living Environments (C) (%)	Provide Decent Housing (F) (%)	Provide Decent Housing (G) (%)	Provide Decent Housing (H) (%)	Total (%)
CDBG	0	0	0	11	71	0	5	0	0	0	0	0	87
HOME	0	0	18	0	0	14	0	0	0	10	43	15	100
HOPWA	30	0	70	0	0	0	0	0	0	0	0	0	100
ESG	60	40	0	0	0	0	0	0	0	0	0	0	100
Housing Trust Fund	0	0	0	0	0	0	0	0	0	10	80	0	90

Table 8 – Funding Allocation Priorities

Reason for Allocation Priorities

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

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

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

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

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 2017.

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 following sections provide an explanation of the methods of distribution that will be used with each CPD Program allocation:

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

Distribution Methods

Table 9 - 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 2017 amounts to \$23,621,984. 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, with the exception of 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.</p> <p>As of now, the municipalities will continue to define the specific activities for such funds. Therefore, the ultimate allocation of CDBG funds will be made by non-entitlement municipalities themselves as long as they complete their own citizen and consultation process and comply with federal, state and OCMA’s regulations. Moreover, for the purposes of determining eligibility of each activity, the State CDBG rules and requirements should be observed in full compliance.</p> <p>OCMA will evaluate the proposed activities on each proposal on a case-by-case basis. In determining a final amount, OCMA reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ol style="list-style-type: none"> 1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation); 2. Compliance with the College of Engineers and Land Surveyors of Puerto Rico Guidelines, including the project breakdown detailing: cost of material, labor, equipment, insurance, administrative overhead, and other costs related to the project in order to determine reasonable project cost; 3. Inadequate or incomplete description of activities to be developed; 4. Past performance of the non-entitled municipality; and, 5. Timely expenditure of funds. <p>Past Performance and Allocation of funds</p> <p>The allocation of funds will be subjected to an evaluation of past performances of the Municipalities. Local Law 137-2014 authorize OCMA/ODSEC to recapture or cancel the CDBG allocation if the Municipality failed to comply with a Federal or State regulation applicable to the program.</p> <p><i>Conditions for Cancellation of 2017-2018 funds</i></p> <p>The allocation for PY 2017-2018 can be cancelled, if any, of the following noncompliance conditions are identified:</p> <ol style="list-style-type: none"> 1. The Municipality has open activities for program year 2010 and earlier. <ul style="list-style-type: none"> • If the stalled project is not completed by March 31, 2018 (100% of the funds disbursed), the Municipality will not receive the 2017-2018 allocation; and, • If the Municipality reprogramed the funds to a new project, the new created project needs to be completed by March 31, 2018 (100% of the funds disbursed). 2. Timeliness is more than three (3) times the grant for its current program year; <ul style="list-style-type: none"> • On June 30, 2017 OCMA/ODSEC will evaluate if the amount of undisbursed CDBG funds to the non-entitlement municipality is more
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		<p>than three (3) times the grant amount for its current program year. If the timeliness level is above three times the last allocation of Program Year 2016-2017, the Municipality will not receive the 2017-2018 Allocation;</p> <ul style="list-style-type: none"> • The Municipality will have until March 31, 2018 to improve its disbursement level to below 3 times the grant amount for the last program year. <p>3. Fail to comply with the condition(s) required for the closeout of the NSP grant including the sale (or rental) of the housing units developed with NSP funds;</p> <ul style="list-style-type: none"> • By June 30, 2017 the Municipality needs to sell all the units acquired and rehabilitated with NSP Funds; or, • By June 30, 2017 the Municipality needs to complete any public facility developed with NSP Funds, unless the lack of performance has resulted from factors beyond the municipality's reasonable control and the project can be completed by project closeout date; and, • The Municipality will have until March 31, 2018 to sell or rent the housing units acquired and rehabilitated with NSP Funds. <p>4. Fail to comply with the condition required for the closeout of Disaster Recovery 2008;</p> <ul style="list-style-type: none"> • All the periodic reports have been submitted; • All monitoring findings have been addressed; • To comply with the performance standard the Municipality will have until March 31, 2018 to: <ul style="list-style-type: none"> ○ Submit all pending reports ○ Close all pending findings <p>5. Open findings of the Section 108 program (monitoring) or owed funds due to annual payments not reimbursed to OCMA/ODSEC.</p> <ol style="list-style-type: none"> a. The Municipality must reimburse OCMA/ODSEC the amount owed no later than March 31, 2018; or, b. Positively addressed, in full compliance, all monitoring findings no later than March 31, 2018. <p>6. If a Municipality owes funds to OCMA/ODSEC due to noncompliance with the CDBG regulations and/or have received a letter requiring the reimbursement of funds, the following will apply:</p> <ul style="list-style-type: none"> • The Municipality will have to reimburse the amount owed to OCMA/ODSEC before March 31, 2018 with non-federal funds. • The Municipality and OCMA/ODSEC will have to execute a repayment agreement no later than March 31, 2018. <p>Municipalities will be provided until March 31st, 2018, to cure the identified deficiencies or non-compliance elements before their pre-allocated funds by virtue of law get reallocated to other non-entitlement municipalities in full compliance. Therefore, until the Municipality is deemed to be in full compliance by OCMA/ODSEC, the 2017-2018 agreement will not be executed. Funds that are not allocated by March 31st, 2018 due to lack of compliance will be equally distributed to the other municipalities that are in compliance with all applicable conditions on this part. The reallocated fund will be used for eligible activities and will be subjected to the CDBG program caps (Administration 17%, & Public Service 15% (optional)) and all other requirements of the 2017-2018 allocation including proposal and evaluation requirements.</p> <p><i>Criteria for recapture and repayment of funds</i></p>
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	<p>The non-entitlement municipalities are subjected to OCAM/ODSEC recapture policy concerning those funds which have not been used for a period of five (5) years or longer.</p> <p>OCMA/ODSEC could recapture allocations with unexpended nor disbursed balances from program year earlier than 2011. Any funds recapture under this condition will be equally distributed to the other non-entitlement municipalities in compliance with all the applicable conditions to the 2017-2018 allocation and seventy (70%) percent of completion rate in terms of disbursements of funds on the Disaster Recovery Emergency Fund (DREF) and the Disaster Recovery 2008. Therefore, the recaptured funds will be allocated in equals parts to each municipality in good standing.</p> <p>Proposal Requirements</p> <p>In order to request the 2017 CDBG assistance, non-entitlement municipalities are required to prepare and submit to OCAM/ODSEC, an application that complies with the requirements of this plan. The 2017 CDBG allocation is distributed among the following categories:</p> <table data-bbox="568 777 1006 955"> <tr> <td>Allocation to Municipalities</td> <td>\$22,086,053</td> </tr> <tr> <td>Emergency Fund</td> <td>\$300,000.00</td> </tr> <tr> <td>State Administration</td> <td>\$692,352</td> </tr> <tr> <td>Total</td> <td>\$23,078,405</td> </tr> </table> <p>The maximum amount to be provided to the municipalities (without any recaptured amount) is the following:</p> <table data-bbox="568 1039 1201 1123"> <tr> <td>Maximum allocation per municipality</td> <td>\$430,408.46</td> </tr> <tr> <td>Maximum allocation for Vieques and Culebra</td> <td>\$498,019.00</td> </tr> </table> <p>Projects and activities presented by Municipalities will need to comply with the established caps of the program (Administration 17% and 15% Public Services (optional)). Each municipality will be required to describe each project to be undertaken during the program and to establish its eligibility. Municipalities <u>are not required</u> to fund administration or public services activities.</p> <p><i>Citizen Participation Requirement</i></p> <p>Municipalities need to comply with the following citizen participation requirements:</p> <ul data-bbox="535 1375 1429 1848" style="list-style-type: none"> • Certify that followed the Citizen Participation Plan as approved by OCMA. The application must include a certification signed by the Mayor indicating that it has fully complied with its Citizen Participation Plan. If the Citizen Participation Plan was revised, the Municipality must include its current plan with the application. • The municipality should celebrate two (2) public hearings; with at least ten days apart from each other. During the first public hearing the Municipality will gather information on housing and community development needs as expressed by the community. • During the second public hearing the municipality must respond to the needs of the community by describing the proposed project to be included on the proposal to be presented to OCMA/ODSEC. The description of the project must include how it is consistent with the CDBG eligible categories included on this plan, how the project complies with one of the three CDBG national objectives, the funding allocation, and expected performance measurement. 	Allocation to Municipalities	\$22,086,053	Emergency Fund	\$300,000.00	State Administration	\$692,352	Total	\$23,078,405	Maximum allocation per municipality	\$430,408.46	Maximum allocation for Vieques and Culebra	\$498,019.00
Allocation to Municipalities	\$22,086,053												
Emergency Fund	\$300,000.00												
State Administration	\$692,352												
Total	\$23,078,405												
Maximum allocation per municipality	\$430,408.46												
Maximum allocation for Vieques and Culebra	\$498,019.00												

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	<p>The invitation to the two (2) hearings can be included in the same public notice. The notice should be published on a newspaper of general or regional circulation within ten (10) days from the day of the hearing. A ten-day period should be allowed between first and second hearing.</p> <p>A copy of the public notice must be included with the proposal. The copy of the notice will be printed on an 8.5" x 11" page, with the date of publication and the name of the newspaper clearly visible. The municipality should address, in writing, the efforts made to foster citizen participation with such evidence included.</p> <p>Fair Housing Certification</p> <p>As required by 24 CFR 570.904, each municipality must identify and certify the efforts to provide fair housing. The proposal shall include a Statement of Actions to Affirmatively foster Fair Housing, certified by the mayor, which includes the actions to be taken by the municipality to assure ongoing compliance with federal fair housing laws.</p> <p>Proposal evaluation</p> <p>The Municipalities are required to submit its 2017 proposal, and all the supporting documentation, using the PROFE system by May 31st, 2017. OCAM-ODSEC will evaluate the proposal and a determination will be provided not later than August 31st, 2017. If the proposal is not approved or reviewed, a letter will be sent to the Municipality establishing the reasons for its disapproval and explaining the required action towards its approval. A 30-day period will be provided to the Municipality to correct the deficiencies and to present the documentation. <u>If the Municipality fails to provide such documentation, the proposal will not be approved and will not receive its 2017-2018 allocation.</u> The corresponding allocation will be equally distributed to the other municipalities that are in compliance with all applicable conditions. By October 31st, 2017 all the proposals will have been evaluated with the corresponding final determination (approve/disapprove). If OCMA/ODSEC does not make a determination, whatever it is, in regards to the approval or disapproval of the proposal by August 31st, 2017, the proposal will be deemed automatically approved by OCMA unless reasons beyond its control apply like natural disasters, government shutdowns, etc. Likewise, the latter also applies to non-entitlement municipalities in similar events at OCMA/ODSEC's total discretion.</p> <p><u>National Objectives</u></p> <p>The CDBG funds described herein are allocated to assist non-entitlement municipalities in Puerto Rico in order to carry out housing and community development activities that comply with Section 105 of the Housing and Community Development Act of 1974, as amended. Each activity must meet the eligibility requirements, plus the national objectives, in order to benefit low and moderate income families, aid in the prevention or elimination of slums or blighted areas and address an urgent need designated as such by the Government of Puerto Rico or the Federal Government.</p> <p>Consistent with the above, each non-entitlement municipality under the State CDBG Program must be able to prove that activities financed with CDBG funds meet one of the three national objectives as described above. Furthermore, the criteria for determining whether an activity addresses one or more of these objectives are contained in 24 CFR 570.483 (b), (c) or (d).</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Under Act 137 of 2014 the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same portion of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</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>Proposal Requirements</p> <p>Submission of a budget breakdown is mandatory as required in OCMA’s Memorandum issued on July 6, 2001 for construction projects. For other projects under economic development, municipalities must still submit an estimated budget breakdown, which could include expected beneficiaries and detailed costs of the project.</p> <p>In determining an appropriate amount, OCMA reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ol style="list-style-type: none"> 1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation). 2. Compliance with the College of Engineers and Land Surveyors of Puerto Rico Guidelines, including the project breakdown detailing: cost of material, labor, equipment, insurance, administrative overhead, and other costs related to the project in order to determine reasonable project cost. 3. Inadequate or incomplete description of activities to be developed. 4. Past performance of the non-entitled municipality (open findings). 5. Timely expenditure of funds (i.e. more than three (3) times the grant for its current program year, open activities for program year 2010 and earlier). <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p> <p>Application kits or Request for Proposals will be available on April 28th, 2017. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before May 31st, 2017 to OCMA via PROFE (no later than 11:59 p.m.) as registered by the system.</p> <p>Applications for the Emergency Fund may be submitted at any time during Program Year 2017 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 Administracin de Préstamos Garantizados Sección 108</i>.</p>

Government of Puerto Rico

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<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 APLICABLE FOR CDBG PROGRAM.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 APLICABLE FOR CDBG PROGRAM.PLEASE REFER TO HOPWA PROGRAM.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by OCMA/ODSEC 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>All CDBG eligible activities. Eligible activities under the State CDBG Program are listed on Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended. Each activity must meet one of the national objectives as to benefit low and moderate income persons (24 CFR 570.483 (b)), pursue the elimination of slums and blighted areas (24 CFR 570.483 (c)), or activities designed to address a particular urgency that poses an imminent threat to the health and safety of the community (24 CFR 570.483 (d)). Each activity should correlate with a matrix code, national objective and CDBG citation.</p> <p>All applications for Program Year 2017 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 following is a description of each CDBG category eligible to obtain funds under this plan. <u>All eligible activities of the CDBG program will be considered for funding.</u> OCMA/ODSEC will allow non-entitlement municipalities to request funds for any of the eligible activities illustrated in the next section:</p> <p>COMMUNITY DEVELOPMENT</p> <p>Community development activities are divided in two Major Categories: (1) Public Facilities and Improvements, and (2) Improvement to the Municipal Infrastructure. All Community Development projects must comply with the following requirements:</p> <ul style="list-style-type: none"> • Complete the forms provided by OCMA/ODSEC • Provide a detailed cost estimate "breakdown", according to the Information on the Circulars of July 6 and 9 of 2001 and the Informative Circular 2007-23 of November 26, 2007, related to resurfacing projects. • Certification of substantial control or ownership (deed or lease). • Certification that the project is located on an eligible block group or census tract (where 51% or more of the population is within the low-income limit). • Detailed description of the origin and use of other funds. <p>1. Public Facilities and Improvements</p> <p>The non-entitlement municipalities may request CDBG funds for public facilities and improvements, including the construction or rehabilitation of:</p> <ul style="list-style-type: none"> • Abused and Neglected Children’s Facilities: this activity refers to the construction or rehabilitation of buildings that serve as daycare centers, treatment centers, or temporary housing for abused and neglected children. • Asbestos Removal: this activity refers to the removal of asbestos material or asbestos remaining in order to improve any public facility. • Centers for the Disabled/Handicapped: this activity refers to the construction or rehabilitation of group homes or centers for the disabled. • Child Care Centers/Facilities for Children: this activity refers to the construction or rehabilitation of daycare centers and Head Start pre-school centers.
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		<ul style="list-style-type: none"> • Facilities for AIDS Patients: this activity refers to the construction or rehabilitation of buildings for treatment or temporary housing for people who are HIV positive or have AIDS. • Fire Station/Equipment: this activity refers to the construction or rehabilitation of fire stations, including the purchase of fire trucks, ambulances, and rescue equipment. • Health Facilities: this activity refers to the construction or rehabilitation of physical and mental health facilities. • Homeless Facilities: this activity refers to the construction, conversion, renovation, or rehabilitation of shelters for the homeless and battered spouses, and including transitional housing and SROs (single room occupancy units) for the homeless. • Neighborhood Facilities/Community Centers: this activity refers to the construction or rehabilitation of structures that will be used for social services or for multiple purposes such as recreation, and are mainly designed to serve a neighborhood. Such facilities may include libraries and public schools. • Parking Facilities: this activity refers to the construction or rehabilitation of off-street parking lots and parking garages. • Parks, Recreational Facilities: this activity refers to the construction or rehabilitation of an open space area or a facility to be mainly used for recreational purposes. • Senior centers: this category refers to the construction or rehabilitation of senior citizen centers. This type of facility is described as serving "senior citizens and the disabled". • Youth Centers/Facilities: this activity refers to the construction or rehabilitation of facilities that will be primarily used to provide day care services for teenage youth (ages 13 to 19), including after- school activities. These include playground and recreational facilities that are part of youth centers/facilities. • The construction of centers for free-internet access for professional, educational and research purposes. • The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements as outlined in Section 105(a)(2) of the Housing and Community Development Act of 1974 (HCDA). i.e. Installation of fixed solar waste collection cans and depositories for the managing of waste in public sites. <p>2. Improvement to the Municipal Infrastructure</p> <p>The non-entitlement municipalities may request CDBG funds for improvement of the municipal infrastructure qualified as right of way construction or rehabilitation of:</p> <ul style="list-style-type: none"> • Flood and Drainage Facilities: This activity refers to the construction or rehabilitation of flood controls or irrigation projects (e.g., retention ponds or catch basins). • Sidewalks: this activity refers to the construction or rehabilitation of sidewalks. Sidewalk improvements include the installation of trash receptacles, trees, benches, and lighting. • Street Improvements: this activity refers to the construction or rehabilitation of street projects that may include street drains, storm drains, curb and gutter work, tunnels, bridges, and the installation of street lights and signs. • Water/Sewer Improvements: this category refers to the construction or rehabilitation of water and sewer installation, or replacement of water lines, sanitary sewers, storm sewers, or fire hydrants.
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		<ul style="list-style-type: none">• The acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements as outlined in Section 105(a)(2) of the Housing and Community Development Act of 1974 (HCDA). i.e. Installation of solar panels in waste landfills and other waste depositories for the generation of renewable energy. <p>NON-HOUSING COMMUNITY DEVELOPMENT</p> <p>1. Public Service</p> <p>The non-entitlement municipalities could use funds under the category of Public Service to complement any activity that assists homeless persons, including drug and alcohol counseling, meals-on-wheels, daycare, and to provide additional funding to ESG-funded essential services and HOPWA-funded supportive services in their jurisdiction. These include the operating costs of Homeless/AIDS Patients Programs and the cost of operating homeless/AIDS services.</p> <p>This category is limited to a 15% cap, and includes the following activities:</p> <ul style="list-style-type: none">• Senior services that will be provided to elderly persons (e.g., meals-on-wheels, dial-a-ride, homecare assistance) and services provided for victims of Alzheimer's disease or persons with disabilities, regardless of age.• Legal aid to low and moderate-income individuals including tenant/landlord counseling provided to help prevent or settle disputes between tenants and landlords, and preparation of affidavits.• Youth Services for teenagers (ages 13 to 19) that include, for example, recreational services limited to teenagers or a teen counseling program, including transportation services and substance abuse recovery programs, as well as preventive/educational activities.• Services for battered and abused spouses for programs that serve adults or families.• Counseling for employment training and placement that increases self-sufficiency. These include literacy, independent living skills, job training, and employment services activities.• Crime prevention and educational programs.• Fair housing services (e.g., counseling on housing discrimination) when the non-entitlement municipality indicates that a national objective will be met. In order to request funds for this activity, the municipality should have a Fair Housing Plan approved by OCAM.• Child Care Services that benefit children (generally under age 13), including parenting courses.• Health Services activities include operating neighborhood clinics, post-rape counseling, vermin abatement services (also known as "vector control"), and other activities designed to serve the health needs of residents.• Daycare or other services exclusively for abused and neglected children.• Mental Health Services provided by specialized organizations to address the mental health needs of the community.
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		<ul style="list-style-type: none"> • Screening for Lead-Based Paint/Lead Hazards Poisoning for activities primarily designed to provide screening for (not removal of) lead-based paint and other lead poisoning hazards in housing units built before 1978 that will be occupied by children under 6 years of age. • Energy conservation projects Specific requirements for this activity: <ul style="list-style-type: none"> ○ Complete the forms outlined in OCAM’s RFP ○ It must be a new activity or reflect increased level of service for people of low and moderate income ○ Municipality must submit the Operational Guide for each of these projects. ○ Detailed description of the origin and use of other funds. <p>HOUSING ACTIVITIES</p> <p>1. Moderate Housing Rehabilitation</p> <p>The applications for the housing rehabilitation category must clearly indicate how they will eliminate the specific conditions detrimental to the health and safety of the household (this could include households under rent agreements). Municipalities must follow OCMA’s specific application rules and procedures. (It is important to note that under the housing rehabilitation activity municipalities may submit rehabilitation projects where the works are carried out by municipal crews, and therefore, a substantial proportion of the project is directed to the purchase of construction materials.)</p> <p>The municipality is expected to be able to start the housing rehabilitation immediately once the date of the release of funds is issued to them by OCMA, if applicable.</p> <p>An amount up to \$15,000 (maximum) are the thresholds established for housing rehabilitation activities. Exception of this rule will be evaluated by OCMA, on a case by case, basis. Each municipality will be required to assure completion of the rehabilitation of every housing unit.</p> <p>The municipality must follow the Moderate Housing Rehabilitation Guideline adopted by OCMA, which requires conducting two inspections on the property: one at the filing of the application and a second inspection upon completion of the activity. These two inspections will document (via photographs) the improvements made to the housing unit.</p> <p>At the closing of the Program Year, OCMA/ODSEC should be able to report the following performance measurements:</p> <ul style="list-style-type: none"> • Dollars Leveraged per CDBG funds invested; • Number of households assisted; • Number of households by income limit; • Number of units occupied by race, ethnicity, and disability; • Number of units occupied by elderly households; • Number of units brought from substandard to standard condition; • Number of units meeting Energy Star standards; • Number of units brought into compliance with the lead-safe housing rule; • Number of units made accessible (compliant with Section 504 for persons with disabilities) OCMA will reserve the right to adjust the funds requested for Moderate Housing Rehabilitation if the municipality keeps any unexpended balances from previous program years.
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		<p style="text-align: center;">2. Homeownership</p> <p>This activity has been targeted to identify low-income families that have been discouraged from becoming homeowners because they do not have savings for down-payment and closing costs, but could pay an affordable monthly mortgage if given the opportunity to buy their own home.</p> <p>Therefore, funding for the homeownership activity is specifically intended to provide assistance to families pursuing homeownership in a non-entitlement municipality. This category provides direct assistance up to a maximum of \$2,500 of the down-payment and up to a maximum of \$5,000 for closing costs to any qualified individual under the CDBG rules. The use of funds under this category is limited to low and moderate income families which are first-time homebuyers. The participants must be employed or be recipients of permanent and recurrent income (i.e. Social Security income). The Section 8 Income Limits will be used to determine the eligibility of participants.</p> <p>CDBG funding may be applied in combination with other applicable Federal or State funding. There is no prohibition against using other federal, local, and state subsidized financing in conjunction with this grant.</p> <p>Once awarded, non-entitlement municipalities must distribute funds according to the general guidance requirements and applicable laws and regulations. The municipalities must determine eligibility in compliance with homeownership and CDBG regulations.</p> <p>Each non-entitlement municipality will be responsible for qualifying and providing technical assistance, maintaining documentation in files, and keeping OCMA’s Homeownership Coordinator informed until cases are closed.</p> <p>At the closing of the PY, OCAM should be able to report the following performance measurements:</p> <ul style="list-style-type: none"> • \$ Leverage by CDBG funds invested; • Number of households by income limit; • Number of units occupied by race, ethnicity, and disability; • Number of homebuyer household receiving assistance; • Number of those served who are first-time homebuyers; • The number of first-time homebuyers receiving housing counseling; and the, • Number of households receiving down-payment assistance and/or closing cost assistance. <p>ECONOMIC DEVELOPMENT ACTIVITIES:</p> <p style="text-align: center;">1. Public Facility for Business or Commercial Use</p> <p>Economic development is a priority of the Government of Puerto Rico. The objective of this category is to provide funding for the construction, rehabilitation or installation of publicly-owned property to create commercial space to be used to foster the development of microenterprises as per Section 105(a)(2). Applicants are cautioned to carefully consider</p>
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	<p>their project needs. OCMA/ODSEC will evaluate project implementation based on the development program submitted by the municipality.</p> <p>The activity to be developed by the Municipality shall comply with either one of the following:</p> <ul style="list-style-type: none">• The rehabilitated property must create or retain jobs, of which 51% must go to individuals who, prior to employment in the assisted business, were classified as having low or moderate income (L/M Income Jobs); or• The limited clientele category is used as a way to qualify specific activities when the person owning or developing the microenterprise is LMI.• An area benefit activity is one that benefits all residents in a particular service area, where at least 51 percent of the residents are LMI persons. If this criterion is used, area of service must be documented. <p>The Municipality shall select one of those standards in order to document its compliance with the National Objective.</p> <p>Program income resulting from the rental of commercial spaces in the Public Facility for commercial use is subjected to the applicable CDBG regulations in 24 CFR 570.489(e). OCMA will issue further compliance guidance on this subject.</p> <p>2. Microenterprise Assistance Program</p> <p>The Program is targeted to promote the development of new and existing microenterprises; and to incentivize self-employment among individuals in the jurisdictions covered by non-entitlement municipalities as stated in Section 105(a)(22).</p> <p>Eligible microenterprise activities include the provision of:</p> <ol style="list-style-type: none">1. Grants to qualified microenterprises.2. Technical assistance, advice, and business services to owners of microenterprises and persons developing microenterprises;3. General support to owners of microenterprises and persons developing microenterprises including child care, transportation, counseling and peer support groups <p>The Program is targeted to promote the retention or the development of new and existing microenterprises. To qualify as a microenterprise, the business must be a commercial enterprise that has five (5) or fewer employees, one or more of whom owns the enterprise. Economic activity must be held in the Municipality's jurisdiction.</p> <p>Proposals of participating municipalities must comply with each of the following basic requirements.</p> <ol style="list-style-type: none">4. Compliance with the State CDBG requirements; and,5. The financing assistance must promote the startup of new microenterprises as well as retention and expansion of existing microenterprises in non-entitlement municipalities. <p>3. Special Economic Development Program</p> <p>This activity has been designed to provide assistance to small businesses via special economic development activities (Section 105(a)(17)& 105(a)(14)). A "small business" is usually defined by the number of employees or overall sales level. For purposes of the CDBG</p>
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		<p>program, small businesses have more than five (5) employees, a business with fewer than 5 employees, including the owner, is designated as a “microenterprise.” The CDBG regulation makes reference to Section 3(a) of the Small Business Act of 1958, which establishes specific employment or sales standards for each industry. For most business categories, businesses with 500 or fewer employees are considered small, although in some industry categories business can have up to 1,500 employees and still be considered a small business.</p> <p>These activities include:</p> <ul style="list-style-type: none"> • Acquiring; constructing; reconstructing; rehabilitating or installing commercial or industrial buildings; structures and other real property; equipment and improvements. • Assisting a private, for-profit business through recoverable grants and technical assistance. The activity to be developed by the Municipality shall comply with either one of the following: • The rehabilitated property must create or retain jobs, of which 51% must go to individuals who, prior to employment in the assisted business, were classified as having low or moderate income (L/M Income Jobs); or • An area benefit activity is one that benefits all residents in a particular service area, where at least 51 percent of the residents are LMI persons. <p>CDBG assistance to a for-profit business under Section 105 (a)(14) – (17) and 24 CFR part 570.203 Special Economic Development triggers the requirements for the optional underwriting guidelines and mandatory Public Benefit standards as set forth in 24 CFR 570.482(f) & (g). States and units of Local General Government are responsible for ensuring that a minimum level of public benefit is obtained when CDBG funds are used for special economic development projects, and public facilities projects undertaken for economic development purposes.</p> <p>PAYMENT OF NON-FEDERAL SHARE</p> <p>In compliance with the Housing and Community Development Act and the CDBG regulation, OCMA/ODSEC will allow Municipalities to use CDBG funds to pay the non-Federal share required in connection with another Federal grant-in-aid program under certain conditions.</p> <p>The use of CDBG funds for this activity is conditioned by the fact that the project to be supported is eligible under the CDBG regulations. All of the CDBG program CAPS (Public Services, Jobs per Investment, etc.) and conditions (eligibility, national objectives, etc.) apply to the use of the funds.</p> <p>PROGRAM ADMINISTRATION AT THE MUNICIPALITY LEVEL</p> <p>This line item budget covers administrative expenses for the activities approved under each proposal and should be arranged by the title of the account, number of the account, and allocated budget up to the maximum of 17% per grant. If the project is fully completed, the Municipality may transfer remaining funds to the administration activity, but no greater than 17% of the total allocation. The municipalities must use OCMA’s chart of accounts.</p>
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	<p>EMERGENCY FUND</p> <p>The activities designed to meet urgent community development need to follow the same criteria established in 24 CFR 570.483 (d). Funds to assist the municipalities in attending sudden emergencies with CDBG funds will be provided with a limit per Municipality of up to \$100,000, depending on the damages quantified per occurrence within the municipal jurisdiction. The objective of this category is to provide a temporary solution to alleviate urgent problems that occur during the regular grant application process.</p> <p>Emergency Fund applications must document a serious threat to public health or safety, of recent origin or which recently became urgent. A certification from the Municipal Emergency Management Office should be accompanied with a corroborating and valid certification from the State Emergency and Disaster Management Agency, alternatively a signed Executive Order, indicating the nature and date of such emergency. It is the responsibility of the State to validate the nature of the emergency.</p> <p>As long as funds are available, a municipality may request emergency funds anytime during the year. Applications under this category are submitted only when an emergency arises and qualifies as an urgent need.</p> <p>Non-entitlement municipalities are eligible to submit an emergency application that will be evaluated on a case by case basis. Emergencies must be recognized independently of the area of occurrence. Emergencies in non-low and moderate income areas could be financed up to 30% of the funds available in the Emergency Fund, in compliance with Section 24 CFR 570.483 (d).</p> <p>The non-entitlement municipality Finance Director will certify that the Treasury of the Municipality does not have any funds available to pay for the emergency work, and no other resources from the State or Federal Government are available to the municipality to attend such emergency.</p> <p>Applications for emergency funds may be submitted anytime during PY 2017. The Mayor can submit the petition for Emergency Funds no later than fifteen (15) days after the event has occurred, except under extraordinary circumstances or another valid cause, properly filed and accepted by OCMA/ODSEC as an exception. Then the Municipality will have fifteen (15) additional days to submit a detailed proposal.</p> <p><u>Projects must be able to start immediately, and applicants have one hundred eighty (180) days to complete the activity and satisfy the identified need.</u> Those activities that require federal or state studies, permits, and/or consultation processes with any regulatory agency and cannot be completed within the regulatory period of time, will be evaluated on a case by case basis. <u>If funds are not used in the term provided, they will be recaptured by OCMA/ODSEC.</u></p> <p>If the project is not commenced within a period of 60 days from the date of the registration of the contract with the Comptroller Office, the funds will be subject to a potential recapture by OCAM/ODSEC.</p>
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		<p>The application must be properly completed and submitted by the Mayor to OCMA/ODSEC, either hand-delivered or by certified mail, with return receipt and including the original certifications issued by the State and Municipal Agencies for Emergency Management.</p> <p>The evaluation process will be conducted by an evaluating committee designated by the agency head. The committee will use the criteria and procedures established by OCMA/ODSEC for this category and available upon request. The committee may conduct a field inspection of the impacted area to assess the damages claimed in the request. All projects under this category must meet one of the national objectives contained in 24 CFR 570.483 (b) (1) or (d).</p> <p>As soon as the petition from the affected municipalities is received, the committee will analyze the application for emergency funds that has been received. The evaluation/recommendation will be considered for final decision by the head of the agency or other designated person.</p>								
	Describe threshold factors and grant size limits.	As stated, State Law 137 of 2014 establishes a method of distribution that allows 49 of the Non-Entitlement Municipalities to receive the same amount of funds, with the exception of the off-shore Municipalities of Vieques and Culebras that receive 15% more of the total of funds distributed.								
	What are the outcome measures expected as a result of the method of distribution?	<p>The following are the Outcome Measures by Program Activity Category:</p> <table border="1"> <thead> <tr> <th></th> <th>CDBG</th> </tr> </thead> <tbody> <tr> <td>Create Suitable Living Environments (%)</td> <td>11</td> </tr> <tr> <td>Create Suitable Living Environments (B) (%)</td> <td>71</td> </tr> <tr> <td>Expand Economic Opportunity (%)</td> <td>5%</td> </tr> </tbody> </table>		CDBG	Create Suitable Living Environments (%)	11	Create Suitable Living Environments (B) (%)	71	Expand Economic Opportunity (%)	5%
	CDBG									
Create Suitable Living Environments (%)	11									
Create Suitable Living Environments (B) (%)	71									
Expand Economic Opportunity (%)	5%									
2	State Program Name:	ESG								
	Funding Sources:	ESG								
	Describe the State Program addressed by the Method of Distribution.	The State Department of Family, ESG Grantee, distributes the ESG Program funds through a two (2) program year competitive process for Municipalities and Non-Profit Organizations. The second-year allocation will be subject to compliance with the Program requirements. If during the Program Year funds are made available, due to recapture and/or remaining funds, the Department will distribute them among the Department's service and strategic Consolidated Plan priorities.								

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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Puerto Rico Department of the Family uses a distribution method in which an award is granted for two (2) year period. Applications received are evaluated in accordance with a uniform method and ranked according to the points awarded by the evaluation committee. The evaluated proposals are then examined by a distribution committee that determines which proposals will be selected in accordance with the priorities established in the Consolidated Plan.</p> <p>Applicants will have to demonstrate willingness and capacity to be accountable for any funds received through monitoring and oversight of any proposed subcontracted nonprofit agency.</p> <p>Applicants will use the DF's written procedures in place to ensure accountability for both their staff and any sub-grantees. Potential grantees must demonstrate they have the experience and capacity to administer the funds they receive and the accountability and established written procedures and standards in place to ensure that funds are only used for ESGP eligible activities with ESGP eligible clients. Applicants will be required to collaborate and show a history of collaboration with CoCs and the Coordinated Entry System.</p> <p>Once the proposals are awarded a one year contract is signed including a conditional second year extension based on an annual performance evaluation.</p> <p>On the other hand, unused available funds during the Program Year will be distributed to special projects according to the needs identified by the Department of the Family. For the distribution of these funds new proposals will be accepted, subject to the criteria established by the DF.</p> <p>In both instances the application process or funding proposals, will be made digitally or printed, as established by the Department through written communication.</p> <p>As mentioned, once the proposals are awarded a one year contract is signed including a conditional second year extension based on the following criteria:</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 FOR ESG PROGRAM.PLEASE REFER TO CDBG PROGRAM.</p>

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<p>Describe the process for awarding funds to State recipients and how the State will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Since program year 2011, the Puerto Rico Department of the Family uses a distribution method in which an award is granted for two (2) year period, subject to an evaluation of the first year and the availability of funds. During PY 2017, eligible organizations and units of local governments will be initiating their first program year of the two-program year cycle. While, unused funds available during the Program Year will be distributed according to the needs identified by the Department of the Family. For the distribution of these funds new proposals will be accepted, subject to the criteria established by the DF.</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 FOR ESG PROGRAM.PLEASE REFER TO HOPWA PROGRAM.</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"> ▪ Street Outreach and Shelter related activities: 60% of the funds ▪ Prevention Activities: 15.5 % of the funds ▪ Rapid Re-housing Activities: 15.5 % of the funds ▪ HMIS activities: 1.5% of the funds ▪ Administrative activities: 7.5% of the funds
<p>Describe threshold factors and grant size limits.</p>	<p>No grant size limits are established for the ESG 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 ESG Program Outcome Measures:</p> <ul style="list-style-type: none"> ▪ Street Outreach and Shelter Activities: 2,852 homeless individuals benefited ▪ Prevention-Rapid Re-Housing Activities: ,3061 households assisted
<p>3 State Program Name:</p>	<p>HOME</p>
<p>Funding Sources:</p>	<p>HOME</p>

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Describe the state program addressed by the Method of Distribution.	The PRHFA will receive \$8,911,175 in HOME funds for PY 2017. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 320 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. This includes site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2017 is shown below. The category distribution followed the distribution mentioned in the Executive Summary.
	GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2017
	Assigned Budget: \$9,619,282
	Distribution by Category:
	State Administration: \$961,928.20
	Construction of Housing or Rehabilitation by Community Housing Development Organizations (CHDO): \$1,442,892,.30
	Rehabilitation or Construction of Housing for Rent: \$4,093,606.87
	Down payment Assistance to Homebuyers: \$961,928.74
	Tenant Based Rental Assistance: \$1,727,140.49
	Homeownership Rehabilitation or Reconstruction: \$431,785.39

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

As part of the joint efforts and on-going initiatives that relate to the 2015-2019 Puerto Rico State Housing Plan, the Puerto Rico Housing Finance Authority (Authority) will make the activity of Construction and Rehabilitation of Rental Housing under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the forthcoming Notification of Funds Availability the Authority will issue. The NOFA intends to leverage funds from multiple sources under joint selection and underwriting criteria compatible with the AP and the Low-Income Housing Tax Credit's (LIHTC) Qualified Allocation Plan (QAP) in order to maximize the use of public and private funds channeled to affordable rental projects meeting the housing needs and goals established in the State Housing Plan. Nonetheless, any representation and/or guideline contained in the NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the NOFA the HOME Program might implement a consolidated application for the HOME, LIHTC, which will combine the requirements of the programs to promote the development of multifamily rental projects.

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

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

As presented earlier, the **State HOME Program** will allocate the amount of **\$9,619,282** for the eligible activities established in the **5YHS**, amended accordingly to reflect funding changes and the needs and policy priorities announced in the State Housing Plan 2014-2018. Additional details are provided in the 2015-2019 Consolidated Plan and State Housing Plan. The method for distributing HOME funds to local governments, developers, CHDOs, minority groups, and small businesses will be through the submittal of an application.

The applications for housing construction and rehabilitation must benefit low and very low-income families. The subsidy requested should be enough, without exceeding the maximum per unit subsidy standards adopted by the State **HOME** Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216; and for Homeownership housing, the proposal should allow prospective homeowners to be eligible in compliance of 24 CFR 92.217, among other Federal requirements and the State **HOME** Program criteria.

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

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

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

Project Evaluation and Selection

To be considered for an allocation of HOME Funds, the applicant must submit a complete application with the following information and documents. Incomplete applications will not be accepted for evaluation or scoring. Complete applications will be reviewed for compliance with the basic threshold requirements set forth below:

BASIC THRESHOLD REQUIREMENTS
<p>Authority's HOME Program application and inspection fees:</p> <p>CHDOs: \$0.00</p> <p>½ of 1% of requested amount; with a minimum payment of \$2,500 and a maximum of \$10,000. This is a non-refundable and non-transferable payment.</p> <p>\$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.</p>
<p>2. Application's Agreement and Certification was:</p>
<p>Signed by the Owner, the President or Secretary of the General Partner.</p>
<p>Person who signed is a duly authorized officer of the applicant (as evidenced by an applicable resolution).</p>
<p>Document shows corporate seal (<i>Please, make sure the seal is legible in digital documents.</i>)</p>
<p>3. Submitted certified copies of the organizational documents of all entities (for example: owner, general partners, sponsors, developer, officers, members, etc.) involved in the project, including:</p>
<p>a) Certificate of Incorporation (in USA and PR, as might apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.</p>
<p>b) Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor.</p>
<p>c) Partnership (or Operating) Agreement of the entity to claim ownership of the Project (LP, LLC, etc.), as may apply, indicating cash contributions by the General Partner(s) and/or Limited Partner(s).</p>
<p>d) IRS form SS-4, Application for Employer Identification Number, or other evidence indicating taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor.</p>
<p>e) Names, addresses and telephone numbers of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor.</p>
<p>f) The owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, must demonstrate (through a certification letter from the Director of the Authority's Audit and Compliance Department) that they comply with Section 42/HOME requirements and that, as of the most recent audit/compliance review, there is no outstanding finding of noncompliance (including any fees due to the Authority) in another project that received Tax Credits/HOME funds and in which they have an interest or participation.</p>
<p>g) Financial statements (updated within six months of the application) of the owner, developer, general partners, sponsors and principal officers of each entity. Financial statements will be audited if they belong to juridical persons; compiled or revised if they belong to natural persons. In case of for-profit, must evidence a combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or Tax Credit equity providers) equal to or greater than \$500,000.00</p>

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BASIC THRESHOLD REQUIREMENTS	
h)	Certificate of Authorization of US Foreign Limited Liability Company from PR Department of State (as it may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
i)	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
j)	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
k)	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.
l)	Certification attesting that Owner, Developer, General Partner/Manager and Sponsor or any grantee or contractor at any tier to any of the stated parties is not currently debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424 and are not included on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.
	The owner, developer, general contractor and their respective shareholders, directors, officers and partners, as applicable, must demonstrate via <u>sworn statement</u> (<i>affidavit</i>) that: they have not been involved in any way (either personally or as shareholders, directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured. All previous must also evince via sworn statement that they have not been involved or are in any conflict of interest (fact or appearance) in any way (either personally or in any other juridical capacity) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority/HOME programs.
	Any identity of interest with any other party involved with the project has been identified and explained in the application package.
	they have not been involved or are in any conflict of interests (fact or appearance) in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant with regard to any of the Authority's programs.
	Projected income & expenses schedule and a pro-forma cash flow, for the applicable compliance period, showing a feasible operation and certified by the proposed management agent.
	Designer's Preliminary Opinion Letter with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.
	Applicant demonstrates readiness to proceed, through <u>submission</u> of:

BASIC THRESHOLD REQUIREMENTS
Certification of the percentage of construction completion prepared by the resident inspector and lender’s inspector for projects under construction. Both reports are required. (Be advised that existing construction might affect the environmental review and eventual assignment of HOME Funds).
Unexpired evidence of site control (99 years or more is required for lease contracts under HOME-AP).
Unexpired Construction Permit, Green Construction Permit or Notification of Construction Permit issued by the applicable permitting office and agencies endorsement letters, as applicable.
Written unqualified endorsement from the Mayor of the Municipality where the project will be located. The letter must indicate any other municipal assistance that the project will receive.
Technical Assistance or Final Determination Letter from the State Historic Preservation Office (36 CFR 800).
Wetland Inventory Map from the US Fish and Wildlife Service (Wetlands Protection-Executive Order 11990). The project location must be identified in the map. The project must be out of any wetland or a mitigation measure should have been <u>completed and approved</u> by the Corps of Engineers or the Department of Natural Resources.
FEMA Map (Floodplain Management Act (24 CFR 55, Executive Order 11988) The project location must be identified in the NFIP map. The project must be located out of the 100-year floodplain, coastal high hazard areas and Floodways. If the project is located in the 100-year floodplain, an approved letter of map amendment (LOMA) or letter of map revision (LOMR) by FEMA must be submitted.
USFWS Map (Coastal Barrier Resources Act (24.CFR 58.6(b)(2)). The project location must be identified in the map. Federal assistance may not use in the Coastal Barrier Resources System.
Certification of consistency filed with the State Coastal Management Program, if required.
Technical Assistance or Final Determination Letter from the U.S. Fish & Wild Life Service-Department of Interior - (Endangered Species Act (50 CFR 402). The technical assistance shall indicate that no endangered species are affected by the project. If mitigation required as per Final Determination, must specify expected timeframe and cost for required actions.
Noise Study for any proposed project of new construction, major rehabilitation, or conversion located: 1,000 feet of a major noise source, road or highway 3000 ft. of a railroad; or 5 miles of a civil airport Noise Study must be in accordance to the requirements set forth in the American National Standard Method for the Physical Measurement of Sound. The result of the noise level must comply with the acceptable noise level of 65 decibels established in 24 CFR 51.100 Noise Abatement and Control. The Noise Study must comply with the HUD

BASIC THRESHOLD REQUIREMENTS
Noise Guidebook. Day/Night Noise Electronic Assessment Tool. (https://www.onecpd.info/resource/313/hud-noise-guidebook/).
Field Studies: Soil Survey, if project is for new construction or substantial rehabilitation requiring addition or expansion to structures.

Archaeological, if required by the SHPO pursuant to its review under Section 106, or if required by the Institute of Puerto Rican Culture (ICP), or copy of the recommendation issued by the ICP as part of the construction permit consultancy process evidencing that the study is not required.
Hydraulic/Hydrologic Study, if the project meets the conditions established under The Department of Natural and Environmental Resources' Administrative Order No. 2013-12, or a certification issued by a civil engineer attesting that the study is not required.
Resumes, applicable licenses and contracts with the Development team in place:
Architect/Designer
General Contractor
Resident Inspector
Management Agent
Consultant Agent
Final construction drawings and outline specifications certified by the licensed professional (project architect or engineer in charge of design) submitted to the competent permitting office.
Construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328 (form not required), certified by the proposed general contractor or project designer.
Conditional or firm financing commitment, specifying terms of each financing source. Projects with permanent financing other than the Authority's will need a letter of intent from the financial institution. The letter should detail: amount and term of the loan; fixed interest rate;

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non-recourse nature of the loan; amortization period; prepayment penalties; and agreements governing the various reserves which are capitalized at closing
Phase I environmental assessment report. (Must comply with ASTM E 1527-13 or any updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations).
Comprehensive market study report by an Authority approved provider that is also unaffiliated to the developer (prepared within six months of the application).
Appraisal report of site and project performed by an Authority approved appraiser unaffiliated to the developer (prepared within six months of the application).
For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment report prepared by a licensed architect or engineer unaffiliated to the developer that includes: an opinion of proposed construction budget and assesses the condition, among other, of site, structural systems (roof, bearing walls and columns, foundations), plumbing systems, electrical systems, fire protection systems, building envelope and insulation, interiors (including units and common areas); and mechanical systems; in projects with more than 26 units, it must specify the remaining useful life of major systems; and paint testing and/or risk assessment report, for substantial rehabilitation projects.
Site selection standards checklist evidencing compliance with 24 CFR 983.57(e).
Project timeline for project activities including specific benchmarks for acquisition, assembly of the development team, completion of plans and specifications, completion of financial approvals, municipal approvals, building permits, project construction start date, completion date and the estimated date of lease-up.
Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, and 49 CFR 24.101(b).
Letter of intent to sign the Land Use Restrictive Covenant Agreement for the HOME program, including: designation of HOME-assisted units (24 CFR 92.252(j)); occupancy of assisted units (24 CFR 92.216(a) and 92.252(a) and (b)); initial and ongoing rent restrictions (24 CFR 92.252(a) through (c) and (f)); tenant eligibility (24 CFR 92.203 and 92.252(h) and (i)); and period of affordability (24 CFR 92.252(e)).
Certification from applicant as to Federal, State, or Local subsidies received or expected to be received for the development and operation of the project. If executed, copies of subsidy/grant contracts or commitment letters must be submitted with the application.
If the project has, or will have, Federal, State, or Local subsidies copies of the contracts or firm commitment letters must be attached to the owner's subsidy certification, as applicable.

Detail sources and uses of funds schedule and projected cash flow during construction period.
ADDITIONAL BASIC THRESHOLD REQUIREMENTS
1. "Non Profit Organizations (NP) requesting funds from the Community Housing Development Organization (CHDO) Set-Aside must file an independent application to be certified as an organization within the meaning of 24 CFR 92.2, Subpart A, and comply with the following requirements:
The NP is organized under State or local laws, as evidenced by a Certificate of Organization issued by the State Department.
No part of its earnings, inure to the benefit of any member, founder, contributor, or individual as evidenced by its Articles of Incorporation.
Evidence that it is a qualified organization by including copy of the IRS document designating the NP as a 501(c)(3) or 501(c)(4) entity; is classified as a subordinate of a central organization non-profit under section 905; or is a wholly-owned entity that is regarded as an entity separate from its exempted owner for tax purposes.
The NP is not affiliated with or controlled, nor receives direction from individuals, or entities seeking profit from the organization.
Evidence that the NP has among its purposes the provision of decent housing that is affordable to low and moderate-income people.
Evidence that the NP conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems".
Evidence of demonstrated capacity for carrying out activities assisted with HOME funds; and that the NP has a history of at least one year of serving the community within which housing to be assisted with HOME funds is to be located.
The NP maintains at least one-third of its governing board's membership for residents of low-income community residents or elected representatives of low-income neighborhood organizations or, if chartered by a State or local government or sponsored or created by a for-profit organization, complies with applicable membership restrictions; and provides a formal process for low-income beneficiaries to advise on its activities regarding affordable housing projects.
If the owner, developer or sponsor applies under the Authority's HOME program Community Housing Development Organization (CHDO) set aside must include evidence of such application meeting the requirements in 24 CFR 92.300(a)(2) to (4), as applicable.
Projects financed by Rural Housing Services/ HUD 202 Program or any other federal, state or local program funding-source not included under the NOFA must submit reservation or commitment letter with the application. The letter must identify the funding amount.

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Affirmative Fair Housing Marketing Plan.
Projects with tax exempt financing, certifications from:
financing institution stating the tax exempt status of the obligations to be issued to finance the Project, and
Owner's Tax Attorney and/or CPA opinion regarding this matter.

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

Point Ranking System

The HOME Program Director will determine which applicants comply with the minimum threshold requirements and therefore can proceed with the point ranking evaluation.

PRHFA will consider qualified applications for HOME Funds after a project satisfies all basic threshold requirements, using the Point Ranking System established hereinafter to determine the allocation of HOME Funds. The project can accumulate up to 100 points on the Point Ranking System and a minimum of 30 points to be further considered for an allocation of HOME Funds.

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

Every sponsor, developer, owner, or consultant attests to the correctness of the information provided as a condition to rank the project's application according to the Point Ranking Criteria. Failure to uphold the information submitted or the representation made to support the application's evaluation and ranking throughout the allocation process will result in a finding of noncompliance and limited participation in further rounds for every person, developer, owner

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or consultant which participates in the project's application. The Authority might pursue any other available or enforceable remedies under federal or state laws, regulations and or any applicable professional code of ethics.

Point Ranking Evaluation		Score
I	Project Location	Up to 12 pts
I.1	Location. Project located within one of the following areas:	Up to 5 pts
	5 points: Urban area defined as: Central Urban Area in the Planning Board's <i>Reglamento de la Infraestructura en el Espacio Público</i> ; or Urban Center designated by the Department of Transportation and Public Works or adopted under an Urban Center Area Plan; or a state designated Historical Zone or federally designated Historical District.	5
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the designated urban area will be considered as located within.	
	The portion of a census tract outside an urban area that has a rate of:	
	20% or less below poverty line.	3
	More than 20% and less than 30% below poverty line.	2
	More than 30% and less than 40% below poverty line.	1
	Documentation required: certification of location by a licensed land surveyor; census tract number; census tracts "% Below Poverty Line" as per the Federal Financial institutions Examination Council's (FFIEC) 2015 Census Report. Any project property straddling the limit of the designated census tract will be considered as located within.	
	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	1
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the zone of influence will be considered as located within.	
I.2	Desirable Activities	Up to 7 pts
I.2.1	General. Projects located within 500 meters of the following amenities will be awarded a point each, up to 5 points:	Up to 5 pts
	Town square of an urban center.	1
	Public park (must incorporate a passive non-sports area).	1
	Traditional town market (<i>plaza de mercado</i>).	1
	Public or licensed elementary, middle or high school.	1
	Shopping center (100,000 square feet or more of net commercial space; no other listed use is eligible if located within a shopping mall).	1
	Grocery store or supermarket with meat, produce and dairy.	1

Point Ranking Evaluation		Score
	Hospital, diagnostic and treatment center (CDT) or federally qualified health center.	1
	Pharmacy.	1
	Federal post office.	1
	Public transit terminal (bus, <i>públicos</i>).	1
	Documentation required: map certified by a licensed land surveyor attesting to location of the facilities and the distance along a walkable public pathway or roadway between the project's main pedestrian entrance and the closest point of a town square or park facility or a public entrance to any target facility (in case of a shopping mall, to the commercial concourse or a big box-type facility entrance). If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	
1.2.2	Targeted. Projects targeted to the following special needs populations located within 500 meters of the following amenities will be awarded a point for each one, up to 2 points:	Up to 2 pts
	Single headed household:	
	Grocery store with WIC contract.	1
	Licensed or chartered child-care facility.	1
	Documentation required: name and physical address of facilities; verification of inclusion in the WIC Vendor Registry published at wicpuertorico.com; child care facility charter issued by ACUDEN.	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	Documentation required: name and physical address of facilities.	
	Homeless (as defined under HEARTH Act):	
	Certified WIOA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	Documentation required: name and physical address of facilities; authorization for WIOA training center issued by Local Workforce Development Area; copy of license issued by ASSMCA.	
	Documentation required: map certified by a licensed land surveyor attesting to location of facilities and distance along a walkable public pathway or a roadway between the project's main pedestrian entrance and the public entrance to any target facility. If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	
1.3	Undesirable Activities. Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to 5 points, if located:	Down by as many as 5
	Within one-eighth mile of a:	

Point Ranking Evaluation		Score
	Junkyard.	-1
	Landfill or dumpsite.	-1
	Industrial site.	-1
	Airport.	-1
	Wastewater treatment plan.	-1
	Adjoining a property which is or contains a:	
	Gas station.	-1
	Auto repair, paint or tire repair shop.	-1
	Woodworking shop.	-1
	Unabated nuisance, as declared by a Municipality.	-1
	Documentation required: map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	
II	Project Characteristics	Up to 52 pts
II.1	Infill or nuisance. Projects will be awarded one point if proposed to develop an infill site or a site expropriated as part of a nuisance abatement process; and one additional point, up to 5 points, for each non-contiguous infill site or expropriated as part of a nuisance abatement process that is incorporated into a scattered-site project, located within an area with a radius no larger than one-quarter mile. An infill site shall be defined as a site that is bound on all except one of its sides, or two of its sides in case of a corner-type property, by adjoining built-up properties, and that has immediate access to existing public infrastructure of roads, water, sewer, and power.	Up to 5 pts
	Documentation required: aerial photograph for each infill site showing adjoining properties; cadastral numbers of properties; nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	
II.2	Historic property. A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic place or a contributing resource to a federally designated Historic District.	3
	Documentation required: Act citation or Planning Board's Resolution number and date in case of state designated properties; listing in the National Register of Historic Places, in case of federally designated properties; State Historic Preservation Office's (SHPO) certification of contributing resource.	
II.3	Adaptive reuse. The residential use is an adaptive reuse of an existing non-residential property.	1
	Documentation required: appraisal certifying present land use of the property.	
II.4	Site Characteristics.	Up to 9 pts

Point Ranking Evaluation		Score
II.4.1	Mobility. Projects (or the totality of the building sites, in the case of scattered-site projects), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 4 points, as follows:	Up to 4 pts
	The project provides an accessible and dedicated pedestrian network within the project site to connect the building(s) main pedestrian entrance(s) with egress points on all property sides adjoining a public street.	1
	Documentation required: site plan certified by the project's designer identifying the proposed improvements.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of all non-conforming sidewalks in the perimeter of the project site adjoining a public roadway, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of transit pull-offs or public transit stops and required signage in any point of the roadway perimeter of the project site; or the provision or improvement of the sidewalks, crosswalks, refuge islands, and required signage to connect an off-site existing public transit stop with the project site, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate architectural drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	The project provides an enclosed (covered, secured room within the building limits) bicycle storage facility for residents on the ground floor with at least one bicycle rack space for every two units; and an unenclosed bicycle storage facility accessible to visitors with at least one bicycle rack space for every 10 vehicle-parking spaces.	1
	Documentation required: ground floor plan certified by the project's designer showing location and capacity of facilities.	

Point Ranking Evaluation		Score
II.4.2	Urban Considerations. A proposed development that strengthens and improves the neighborhood's general urban character may be awarded one point for each one of the following criteria, up to 5 points, as follows:	Up to 5 pts
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.	1
	Documentation required: table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	
	The parking spaces and service areas are screened from any public sidewalk or roadway by green hedges, fences or walls with a void-to-solid area ratio of 1 or less.	1
	Documentation required: site plan and elevation details certified by the project's designer identifying visual barriers and certifying compliance.	
	The building(s) main entrance(s) open(s) to the sidewalk of an adjoining public roadway.	1
	Documentation required: site plan certified by the project's designer showing the location of the building's main entrance(s).	
	The commercial spaces offered to the project tenants serve the general public and can be directly accessed from a public space.	1
	Documentation required: entry-level floor plan certified by the project's designer identifying commercial spaces and access from a public space; deed identifying commercial use.	
	The project dedicates an open garden or plaza to public use connected to or adjoining a sidewalk or roadway.	1
	Documentation required: site plan certified by the project's designer identifying public space, area and relation to a sidewalk or roadway; documentation supporting property dedication to public use.	
II.5	Building Characteristics.	Up to 10 pts
II.5.1	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2-bedroom units as follows:	Up to 2 pts
	75% or more non elderly 2-bedroom units	2
	50% or more non elderly 2-bedroom units	1
	Documentation required: floor plans certified by the project's designer; project pro-forma.	
II.5.2	Accessibility. Exceeding the allocation required under 24 CFR 8.22(b), projects could earn up to 3 points for the amount of fully accessible units for mobility disabilities (compliant with requirements applicable to Type A dwellings as defined under section 1003 of ICC ANSI A117.1 (2009)), as follows:	Up to 3 pts
	At least 20% of total units are fully accessible units for mobility disabilities.	3

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Point Ranking Evaluation		Score
	At least 15% of total units are fully accessible units for mobility disabilities.	2
	At least 10% of total units are fully accessible units for mobility disabilities.	1
	Documentation required: floor plans and elevations certified by the project's designer showing accessibility features; designer's certification of compliance; designer's opinion letter specifying compliance; affirmative marketing plan in provided Fair Housing format.	
II.5.3	Building Amenities. Projects will be awarded one point, up to 5 points, for each one of the following building or unit features benefiting all units and, if applicable, not required by code or a permit authority:	Up to 5 pts
	Centrally located courtyard or patio with an area of no less than 30 sq. ft. per unit directly accessible from the main entrance(s) of the building(s).	1
	Community or meeting center with and area of no less than 15 sq. ft. per unit, with kitchen and public bathrooms.	1
	Open balcony in each unit with an area of no less than 24 sq. ft.	1
	Equipped exercise room or rooms with an aggregate area of no less than 300 sq. ft.	1
	Common laundry or laundries equipped with at least a washer-dryer pair per 15 units or washer/dryer combo provided in each unit.	1
	Equipped playground outdoor area with visual control from the main entrance.	1
	Night shift security guard.	1
	Trash chutes (for mid or high rise facilities).	1
	Storm windows or shutters in all units.	1
	Ceiling fans for all bedrooms and living room areas.	1
	Documentation required: floor plans and elevations certified by the project's designer showing designated spaces and floor area; designer's certification of compliance.	
II.6	Innovative Design. The Authority favors projects that advance the State Housing Plan's policy that seeks to identify, adopt and implement design, construction and rehabilitation standards and technologies that are appropriate for the Island's climate, aimed at reducing construction costs and promoting energy efficiency.	Up to 14 pts
II.6.1	Cost Containment. The Authority's total development cost for new construction averages close to \$232,504 for non-elderly units and \$180,632 for elderly; substantial rehabilitation averages close to \$167,552 and \$130,771, respectively. Projects that demonstrate the capacity to effectively curb costs while complying with applicable standards, threshold requirements and minimum scoring, might earn up to 5 points, as follows:	Up to 5 pts
	Total development cost per unit more than 20% below the applicable benchmark.	5

Point Ranking Evaluation		Score
	Total development cost per unit more than 15% below the applicable benchmark.	3
	Total development cost per unit more than 10% below the applicable benchmark.	1
	Documentation required: construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328, certified by the proposed general contractor or project designer; project development costs; construction cost estimate prepared and certified by a third-party (licensed architect or engineer, Professional Cost Estimator or a Certified Cost Professional); Sources and Uses of Funds; required fees to cover the Authority's third-party assessment of proposed cost estimates.	
II.6.2	Energy Efficiency. Projects might earn up to 9 points by advancing energy efficiency and green design best-practices and protocols, as follows:	Up to 9 pts
	A point each will be awarded for any project that specifies and factors-in the initial costs of any the following:	Up to 5 pts
	All appliances initially placed in common areas and apartments, and/or building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, and/or windows, doors, and skylights), as well as their replacement are specified to be Energy Star-qualified.	1
	Kitchen range directly vents to exterior and all hoods vent to the exterior tampered; Energy Star qualified bath fan where required with timer or humidistat.	1
	Energy Star qualified light fixtures throughout.	1
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's Water Sense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.	1
	Recycling space and equipment, including recycling bins for each apartment.	1
	Documentation required: architectural drawings specifying spaces, equipment and/or systems required; designer's certification of compliance; construction cost estimates identifying initial cost of equipment; proposed covenant provision for on-going replacements adopting most current program standard.	
	Construction permit is a Green Construction Permit (<i>Permiso de Construcción Verde</i>) from OGPe.	3
	Documentation required: Copy of Green Construction Permit from OGPe.	
	An Enterprise Green Communities' pre-build or a LEED Neighborhood Development Plan certification completed at date of application.	1
	Documentation required: Copy of certification.	
II.7	Construction Readiness. Project has one of the following:	Up to 10 pts
	Unexpired construction permit or notification of approval of the construction permit.	10

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

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

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

Point Ranking Evaluation		Score
VII	Tie-Breaking Criteria	
	Will favor the project that is the readiest to proceed.	
	Will favor the project that is located in an urban area as defined in I.1.	
	Will favor the project with highest average debt service coverage ratio (ADSCR).	
	Will favor the project that is located in a QCT and contributes to a concerted Community Revitalization Plan consistent with the policies of the Commonwealth or of a Municipality. Endorsement from competent entity must be provided, if case arises.	
	Will favor the project that is located in a non-metropolitan Municipality with the least amount of HOME funds allocated from the Authority's HOME program for Construction and Rehabilitation of Rental Housing.	

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

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

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

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

HTF METHOD OF DISTRIBUTION

As part of the joint efforts and on-going initiatives that relate to the 2014-2018 Puerto Rico State Housing Plan, the Puerto Rico Housing Finance Authority (Authority) will make available the Housing Trust Fund Activities of Rental Housing along the HOME Investment Partnership Program (HOME) Action Plan (AP). Funds will be awarded to eligible applicants following a competitive process. The competitive process will follow the criteria established in the HTF Allocation Plan.

The PRHFA will receive \$883,160 in HTF funds for PY 2017. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units and to support homebuyer

assistance. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.

. The proposed allocation for these funds is the following:

- Admin and Planning = \$88,316 (10%)
- Multifamily Rental New Construction/Rehabilitation = \$706,528 (80%)
- Single Family Homebuyer Assistance = \$88,316 (10%)

Eligible Applicants

The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the **basic threshold** criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200)

Describe all of the criteria that will be used to select applications and the relative importance of these criteria.

Applications requesting **HOME and HTF** funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State **HOME and HTF** Program's criteria, such as: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects.

See below 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.

Describe how resources will be allocated among funding categories.

The HTF resources will be allocated for particular projects that serve HTF tenant population; these could include special needs population.

Describe threshold factors and grant size limits.

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 2017 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFAs efforts.

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

The project location and the targeted population will be key factors in determining the grant size limit.

HTF Funding Priorities-§ 91.320(k)(5)(i)

The State is responsible for distributing HTF funds throughout the State according to its housing priority needs. In addition to revising the **AP- 30 Method of Distribution** screen in IDIS, the State must respond to the following questions.

1. Will the State distribute HTF funds through grants to subgrantees? If yes, describe the method for distributing HTF funds through grants to subgrantees and how the State will make those funds available to units of general local governments. If no, state N/A. Please attach response if you need additional space.

N/A

2. Will the State distribute HTF funds by selecting applications submitted by eligible recipients? If yes, describe the eligibility requirements for applicants as defined in §93.2- definition of recipient. If no, state N/A. Please attach response if you need additional space.

Yes.

The PRHFA will consider applications from potential recipients that “have demonstrated experience and capacity to conduct other Tax Credit/HOME projects as evidenced by its ability to:

- (i) Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development” (24 CFR 93.2 – Definition). The term “full compliance and successful record” provides sufficient basis to determine the applicants capacity to obligate HTF funds and undertake activities in a timely matter.

Due to the limited amount of HTF funds, is not viable for the initial HTF allocation to be distributed via a stand-alone funding round. Thus, the State will distribute HTF funds via its regular funding round, which includes other federal funding sources such as HOME, LIHCT, among others.

Under the abovementioned funding round, applicants will have to demonstrate with evidence that they have fulfilled the initial basic requirements established in the “Basic Threshold”. The PRHFA has created a specific set of requirements that HTF potential applicants must satisfy. Not complying with such requirements causes applicants to be disqualified. If applicants demonstrate

fulfillment of basic threshold requirements, then the specific point ranking evaluation criteria will be applied to the proposed projects.

The basic threshold for the HTF establishes that applicant must demonstrate **experience**. “If proposing to use o of HOME or NHTF Developer, General Partner or Managing Partner must demonstrate successful record and full compliance participating in same capacity in the development of HOME /NHTF projects in Puerto Rico.” To validate such assertion the applicant must submit “Relevant project documentation to support experience in particular project.” And “Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.”

The Following table provides a list of all the Basic Threshold Requirements for the HTF program (see table below).

The specific priority funding factors established for the HTF program are described in Section IV of the NOFA Ranking Self-Evaluation. This section establishes a specific priority funding factor for developers or the applicant’s capacity to undertake tax credit/HOME projects.

The following documents will be required to demonstrate the applicant’s capacity to undertake an HTF project:

- Copy of HAP, IRS form 8609 for each project, as applicable.
- Relevant project documentation to support experience in particular project.
- Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.

Moreover the NOFA Ranking Self-evaluation scoring system provides additional points for applicants who have financial capacity to undertake projects. Point ranking system requires a certain amount of liquid assets. The required documents include:

- Compiled or revised financial statements certified by a licensed accountant.
- Sources and Uses

Also, recipients must comply with PRHFA selection requirements as established in the HOME program/LIHTC QAP. Again, it is important to emphasize that entities must demonstrate organizational ability, financial capacity and knowledge of Federal, State and local housing program requirements. Recipient must demonstrate capacity to manage and operate an affordable rental housing program.

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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>As per CHDO Set Aside funds, the criteria will be the compliance of the Organizations with all CHDO Certification Requirements. No CHDO not in compliance with applicable requirements will be considered for funding.</p> <p>Funds for Rehabilitation or Construction of Rent Housing Units will be made available through a Request for Proposal process. Among the criteria that will be included in the evaluation process of the projects are: the amount of funds requested, the Proyecto description, the proponent professional experience and capabilities, the Project Market Analysis, the Project Feasibility, the Project Plan and Design phases, the Proponent Development Team, the Project Permits Status and other interested information. All criteria share the same level of importance since the PRHFA is seeking to projects that are basically ready to begin construction within a minimum time period.</p> <p>Assistance for homebuyer will be provided to homebuyer that meet the income eligibility criteria of the HOME Program.</p> <p>Assistance under the elder housing activity will be provided to elder owner occupied units that meet the eligible income limits of the HOME Program.</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 FOR HOME PROGRAM.PLEASE REFER TO CDBG PROGRAM.</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 FOR HOME PROGRAM.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 FOR HOME PROGRAM.PLEASE REFER TO HOPWA PROGRAM.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Funds to be distributed among Program Categories</p> <p>The information that follows presents a description of the Government 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>ACTIVITY NAME: DOWN PAYMENT ASSISTANCE TO HOMEBUYERS HOME Allocation: \$961,928.74</p> <p>Description: The scope of this activity is to promote the acquisition of existing affordable housing for homeownership tenure; increasing the supply of safe, sound and sanitary dwellings available to low income families and helping them to improve their quality of life.</p> <p>HOME funds will be used to subsidized part of the down payment and closing costs to prospective homebuyers in order to reduce the monthly mortgage payments. The dwelling should met property standards set forth in CFR 92.251 and the homebuyer should met income targeting requirements set forth in sections 24 CFR 92.203 (income determination) and 24 CFR 92.217 (income targeting: Homeownership).</p> <p>Permanent financing would be secure through a private financial institution or the Puerto Rico Housing Finance Authority. The subsidy per family is up to \$45,000.00.</p> <p>Nevertheless, the amount of the subsidy to be awarded could be higher if the subsidy layering analysis done to the family in compliance with 24 CFR 92.250(b), justify a higher subsidy. On this basis, the Government Program will be able to consider the approval of individual homebuyer activity with a sale price up to \$150,000.</p> <p>In order to qualify as homebuyer, the applicant should meet the criteria mentioned below:</p> <ol style="list-style-type: none"> a. To qualify as a low income family in the municipality where he/she is interested in purchasing the housing unit. Eligible families are Section 8, public housing, private tenants and married or unmarried couples looking to relocate because of marriage or job replacement. We encourage single parents, handicapped and elderly looking for secure housing opportunities. Income eligibility will be determined using Annual Gross Income as defined in 24 CFR Part 5. We also encourage occupation in Projects financed by the Puerto Rico Housing Finance Agency if of any interest by the solicitants of the Home Program. b. To look into the housing market and request a sale offering from the owner seller once the family has decided on a property. c. To request a pre-qualification from a mortgage bank, calculating the equity available for down payment, the amount of Home funds needed for down payment assistance and the monthly mortgage. d. To obtain the final eligibility and subsidy analysis form the Commonwealth Home Program, in order to obtain the final program commitment. Individualized analysis and criteria per family will take place in this step. e. To qualify in the Home Program solicitants must be living in Puerto Rico for at least one year. f. The homebuyer will execute a lien through covenants running with the property and deed restrictions for the affordable period, calculated for funds invested in the unit. The share will be secure in compliance with section 24 CFR 92.254 (affordability terms). HOME assistance could be matched with any other state, federal or municipal subsidy.
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	<p>amount paid for such utilities. The HOME Program will use the utilities adopted by the PRHFA Section 8 Program.</p> <p>This activity significantly boosts the housing construction industry by developing new rental housing Island-wide.</p> <p>ACTIVITY NAME: DEVELOPMENT OF AFFORDABLE HOUSING THROUGH THE PARTICIPATION OF THE COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS HOME Allocation: \$1,442,892.30</p> <p>Description: To promote the construction of affordable housing for Homeownership tenure and rental occupancy, increasing the supply of safe, sound, and sanitary dwellings available to low and very-low income families, to help them improve their quality of life. 24 CFR Part 92.300 establishes that participating jurisdictions must reserve not less than 15% of the HOME Program allocation for investment in nonprofit housing organizations that benefit low and very low income families.</p> <p>Community Housing Development Organizations (CHDO's) are not-for-profit community based entities established to own, develop, administer, or sponsor housing for persons of low and very low income with the assistance of HOME funds.</p> <p>The Commonwealth HOME Program must certify new organizations as a CHDO, prior to committing funds, the Commonwealth HOME Program will assure that the entity meets the criteria pursuant to 24 CFR Part 92.2.</p> <p>Emphasis is given to HUD requirements such as legal status under the Puerto Rico Department of State, composition of the Board of Directors, organizational mission, administrative capacity, and experience are the major areas to be evaluated before certifying or recertifying an organization as a CHDO.</p> <p>HOME Program funds will be granted for rehabilitation of housing and new construction, loans; among other eligible costs. CHDO activities and projects costs will meet the 24 CFR Parts 92.205 and 92.206; and local and federal property standards and construction codes, as established in the 24 CFR Part 92.251.</p> <p>All families benefited by HOME funds must comply with income requirements as Commonwealth on the 24 CFR Parts 92.203 and 92.254, and Part 92.252 regarding rental-housing qualifications.</p> <p>ACTIVITY NAME: HOME PROGRAM PLANNING AND ADMINISTRATION HOME Allocation: \$961,928.20</p> <p>Description: The scope of this activity is to provide the framework to support planning and administrative roles exclusively for the HOME Program.</p> <p>10% of the total allocation of HOME Program funds for PY 2017 will be used to cover reasonable administrative and planning costs for general management and coordination of the program, and other eligible costs in accordance with 24 CFR Part 92.207.</p>
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Government of Puerto Rico

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	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.
	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"> ▪ Rental Activities: 15 housing units ▪ TBRA Activities: 266 Households Assisted ▪ Homebuyer Activities: 20 Households Assisted ▪ CHDO Activities: 9 housing units ▪ Elder Project: 16 households Assisted
4	State Program Name:	HOPWA
	Funding Sources:	HOPWA
	Describe the State Program addressed by the Method of Distribution.	<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 2017 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to sub recipients. The distribution of the funds to potential sub recipients will be conducted using a competitive Request for Proposal process. Due to the law restrictions, administrative funds will not be distributed to sub recipients. The competition will distribute funds for the provision of housing and other activities. If remainder funds are available after distribution, distribution of funds will not require a new competitive process but will be distributed among organizations and municipalities that previously submitted their proposals.</p> <p>The availability of the RFP guide was announced during the public hearing in March, 2016. Proposals will be due on April 21, 2017. The Municipality of San Juan will select sub recipients from Municipalities, Faith-Based, and other Community Based Organizations that provide services to the HIV/AIDS populations. Interested sub recipients will submit proposals to be evaluated on a competitive basis, in compliance with the RFP and Application Guidelines.</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>
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<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</p>

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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>NOT APLICABLE FOR HOPWA PROGRAM.PLEASE REFER TO CDBG PROGRAM</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 APLICABLE FOR HOPWA PROGRAM.PLEASE REFER TO ESG PROGRAM</p>

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<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>For PY 2017 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>No proposals that combine housing and support services will be accepted during the PY 2017. If the organization wishes to provide support services in a housing project it must submit one proposal for the support service and another for the housing.</p> <p>Support services eligible costs include:</p> <ul style="list-style-type: none"> • Nutritional Services • Day care • Case Management • Mental Health • Medical services • 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 must obtain certification from the Central Contractor Registration (CCR). The CCR website and other federal websites were migrated to a single system called the System for Award Management (SAM). All HOPWA sub-recipients must migrate to the SAM system in order to be granted during PY 2017.</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: 36% ▪ Housing related Activities: 31% ▪ Supportive Services Activities: 23%
<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 - 75 ▪ Tenant-based rental assistance - 115 ▪ Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 100 ▪ Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds -500

Discussion

As required by the Consolidated Plan regulations, the OCMA/ODSEC included a description of the Method of Distribution of the funds allocated to the State government through the HUD formula grants programs. The State method of distribution takes into consideration the priority needs and objectives of the Consolidated Plan as part of the protocol adopted to distribute the funds among nonprofit organizations and units of local governments.

See Appendix for the information.

AP-35 Projects – (Optional)

Introduction

In this Section, the OCMA presents a complete description of the projects that the correspondent agencies will undertake with the allocated PY 2017 CPD Program resources. The projects included are created to address the priority needs and specific objectives identified in the 5-Yr. Consolidated Plan. In addition, all projects included in the Annual Action Plan are associated with one or more priority needs and one or more goals.

The following table includes the description of the PY 2017 Annual Action Plan projects:

#	Project Name

Table 10 – Project Information

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

As previously described in this Annual Action Plan, the reasons for allocation priorities during the PY 2017 Annual Action Plan is the results obtained from the combination of the citizen participation and consultation process and the Consolidated Plan Needs Assessment analysis. The assessment resulted in the need of affordable housing activities to address the needs of the low and moderate income persons and in the investment of available funding in activities toward the needs of non-housing community improvement projects.

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

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

AP-38 Project Summary

Project Summary Information

Table 11 – Project Summary

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 OCAM's program guidelines.

Available Grant Amounts

Estimated Availability of Funds for PY 2017- \$99,117,025

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

Section 108 funds should be requested for economic development activities, or activities in support of

economic development (24 CFR 570.703), including:

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

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

Acceptance process of applications

Application Requirements

- The first requirement prior to the submission of a LGA application is the transmittal of a letter of intention to submit a 108 LGA Application to OCAM. The Federal Programs Division at OCAM will receive the letter of intent and commence the administrative requirement review first. Once the administrative review is completed, the non-entitlement municipality will be authorized to submit an application for Section 108 Loan Guarantee. Applications for the Section 108 Loan Guarantee Program may be submitted throughout PY 2017.
- The non-entitlement municipalities should comply with several administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.
- Requirements include: Status of monitoring reports, up to date Single Audit Reports, closing of previous program years (only last 5 PY can be open), no open findings, timeliness, among others.
- Municipalities can request up to a maximum of 5 times their CDBG allocation with a ceiling of \$2,000,000 per municipality.

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

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

Local government revitalization strategies were not included is a priority need in the 5-Yr Consolidated Plan, therefore no process and criteria is in place to approve any request by a local government.

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 OCMA is responsible to address the non-housing community development needs of the Non-Entitlement municipalities within the State jurisdiction. By this mean, the OCMA 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, OCMA defines those geographic areas 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. 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.

The verification of the eligibility of the geographic areas will relay in the use of the HUD CPD's Updated LMISD, an official mapping and geographic information system to determine areas income eligibility under the CPD Programs activities.

As per the concentration of minorities within the State geographic areas, the 5-Yr. ACS Demographic and Housing Estimates (2011-2015) shows that ninety-nine percent of the statewide population are from hispanic or latino origins and that from this percentage, ninety-five percentage are from Puerto Rican origins. This demographic statistical data shows that there are no areas of minority concentration in Puerto Rico and despite the existence of some migrant communities settled around the Island, the number of individuals are relatively small with respect to the universe of the population.

Therefore, the OCMA will require to all Non-Entitlement municipalities that receive CDBG funds allocation during the PY 2017 to invest the non-housing community development funds in economically eligible low income areas. Also, the OCMA 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, with the exception of 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.

Geographic Distribution

Target Area	Percentage of Funds
Non Entitlement Municipalities	100

Table 12 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2017 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 OCMA 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 communities 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.

Therefore, the investment priority of the CDBG Program funds allocated to improve the physical conditions of public facilities located within the communities must be geographic areas of Puerto Rico that meet the definition of a low-income area set forth the CDBG regulations.

Affordable Housing

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

Introduction

The 2015-2019 5-Yr. Consolidated Plan of the PR-State includes the provision of decent housing as one of the main objectives to be achieved through the activities included in the referred plan. This particular objective includes a series of goals that at large includes the following:

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

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

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

One Year Goals for the Number of Households to be Supported	
Homeless	1,880
Non-Homeless	2,000
Special-Needs	750
Total	4,630

Table 13 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	120
The Production of New Units	500
Rehab of Existing Units	805
Acquisition of Existing Units	0
Total	1,425

Table 14 - One Year Goals for Affordable Housing by Support Type

Discussion

ESG will provide will allocate funds for homeless prevention and rapid rehousing activities. NPOs and

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

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

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

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

- CDBG funding will be invested in the creation of housing rehabilitation opportunities for owner occupied units;
- ESG funding will be invested in the creation of housing opportunities and supportive services for homeless population and individuals at the brink of homelessness;
- HOME funding will be invested in the creation of homeownership opportunities as well as tenant based rental assistance opportunities for low-income persons;
- HOPWA funding will continue to be invested in the creation of rental assistance opportunities for HIV/AIDS individuals and their immediate families, as well as transitional housing and supportive services for homeless individuals with HIV/AIDS persons

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

disabilities.

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

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

Introduction

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

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

Under the State Government new public policy, the funds allocated to the PR-State public housing initiatives becomes a high priority among the consolidated plan housing and community development strategy. Puerto Rico is facing the most critical economic recession in modern history that has resulted in structural problems, economic shocks and weak public finances. This scenario has yielded a decade of stagnation, outmigration and debt. Under this circumstances, the new public policy seeks to promote initiatives toward aligning available resources into unified and targeted impact strategies. As part of the development of the institutional structure of the Consolidated Plan strategy, the State Department of Housing fully engage and leverage these mainstream housing assistance programs to the Consolidated Plan housing initiatives. This management vision allows the Department to align the available resources to a unified and targeted housing strategy that results in maximize the impact of the public funds invested in housing initiatives.

This section describes the actions that the PR-State will take to address the needs of the public housing population groups during the planned PY 2017.

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

No CPD funded activity will directly serve any of the Public Housing projects located within the Municipality boundaries. Nevertheless, the local public policy service strategy includes the public housing population among the service delivery groups that benefits of the Municipality's public services and community development activities. Various activities included in the 2016 action plan benefit the

public housing residents, among them:

CDBG

Public Services

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

Public Facilities

- Park and recreational facilities
- Water Parks

Infrastructure

- Repavement of Municipal roads

HOME

Residents are offered the opportunities to acquire affordable housing units

HOPWA

Supportive services are provided to PH residents that are HIV/AIDS

Other Services

In addition, Municipal governments provide services to the Public Housing Residents. Among the

services are:

- Educational services at the Head Start Centers
- Sport Clinics
- Summer Camps
- Cultural Activities
- Fines Arts workshops
- College Board workshops
- Adult Education
- Educational grants to high school students
- School supplies

As part of the PHA Plan actions proposed to improve the living conditions of the public housing residents and projects, the following activities will be undertaken by the Puerto Rico Public Housing Authority during the PY 2017:

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

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

participate in homeownership

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

As previously stated, during the course of the PY 2017, the PR-PHA will undertake the *Tenant Participation Fund Program and the Servi Movil* initiative as part of the commitment that the State Government has with the public housing communities to improve their living conditions and engage them in the development of the management activities of their complexes and communities.

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

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

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

Discussion

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

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

As a special need population group, the State Government through the PR Department of Housing will

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

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

Introduction

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

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

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

The State Department of Family, PR Government ESG Grantee, will continue to support the outreach, engagement, intake and initial assessment services to un-sheltered persons activities that local governments and nonprofit organizations will undertake during the PY 2017. The support to these organizations will be provided through the allocation of ESG Program funding.

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

Among the eligible activities that the Department will support are: Engagement Services; Case Management Services; Emergency Health Services; Emergency Mental Services; Transportation Services and Services for Special Needs Populations.

The Department of Family will focus on removing administrative, institutional and programmatic barriers that limit access to emergency shelters. As well, the Department will encourage its sub-recipients, the inclusion of permanent housing as a goal in the services plans since the first day a homeless person enters a shelter.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Consolidated Plan strategies for the State Department of Family homeless protocol are set forth by the Puerto Rico Law Number 130. As is established in Article 4 of the Law, “the Government of Puerto Rico recognizes the need to foster, plan, and carry out services and facilities to attend the needs of these persons, to enable their participation in the Puerto Rican community and allow them to lead a

productive and social life. Services must be offered in a multisectoral manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors”.

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

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

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

All ESG funds allocated for this component will be available to nonprofit organizations and municipalities through an RFP process that the Department will undertake as part of the administration of the ESG Program during the PY 2017.

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

- Expansion of stakeholders involved in collaborative planning and service development within targeted areas with high prevalence of chronic homeless persons, in full compliance with PR Law 130-2007.
- Efforts to implement existing, and obtain new, commitments from Mayors to participate in 10-

year planning processes to end chronic homeless

- Development and implementation of specific action steps with state and municipal governments that have established the elimination of chronic homelessness as a priority, such as supportive housing development, providing homeless family's public housing in municipalities that administer their own public housing projects, providing vouchers for permanent housing in those municipalities that administer voucher programs, coordinating supportive services to promote retention in permanent and supportive housing, including the development of mini-enterprises for homeless self-employment, etc.
- Implementation of specific action steps to improve access to services, reduce stigma and combat the criminalization of homelessness, based on the awareness that has been developed in policy and decision-makers, resulting in policy changes to reduce the time for elimination of criminal records, give priority to homeless populations applying for mainstream services, and others.
- Education and advocacy to increase the number of public and private funding sources for housing and supportive services for chronic homeless, emphasizing those with SA/MH conditions.
- Increased capacity building of municipal government representatives to partner with community based organizations in the development, financing and delivery of services to chronic homeless.
- Emphasis on continuing education to professionals working with homeless individuals to improve sensitivity and humane treatment as well as the level of intensity and quality of services needed by the chronic homeless to achieve their recovery and promote self-sufficiency over time, including the inclusion of curricular content related to homelessness in pre-service training of Police Cadets and in courses of public and private high schools.
- Continue with the implementation of the HMIS - currently under San Juan's Coalition and the Coalition of Coalitions..
- Collaborate with the San Juan's Coalition, the Coalition of Coalitions, and the entities that comprise the CoC in order to strengthen homelessness data gathering processes, and the consistency of information provided by organizations.
- Identification and work with public and private housing developers to target homeless in the development of permanent supportive housing to improve housing accessibility and service infrastructures for the chronic homeless.
- Provision of Rapid Rehousing assistance

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving

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

The State is committed to provide the necessary assistance to prevent individuals and families to become homeless. Under this component, ESG Program funds may be used to provide housing relocation and stabilization services and short- and/or medium term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place not meant for human habitation. This assistance may be provided to individuals and families who meet the criteria under the “at risk of homelessness” definition and have an annual income below 30 percent of median family income for the area, as determined by HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements, the short-term and medium term rental assistance requirements and the written standards and procedures established by the program regulations.

The Department of the Family will continue establishing the alliance with the “*Administración de Servicios de Salud Mental y contra la Adicción*” (ASSMCA) and non- profits to provide homeless with mental health conditions with permanent housing through prevention and rapid re-housing assistance. Currently, the Department of the Family has a Memorandum of Agreement in place with ASSMCA to provide prevention and rapid re-housing assistance to homeless who are either exiting mental health institutions or are literally homeless. In those cases de DF provides the rental assistance and case management while ASSMCA provides the mental health service to the individuals. The DF will also continue supporting innovative outreach such as mobile units used as an emergency shelters.

Discussion

The provision of housing and supportive services to the homeless population is one of the main goals among the housing and community development strategies of the PR-State Government during this consolidated period. In leading this effort, the PR Department of Family administers the ESG Program allocation, which is used to make grants to Municipalities and Nonprofit Organizations for the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, for the payment of certain expenses related to operating emergency shelters, for essential services related to emergency shelters and street outreach for the homeless, and for homelessness prevention and rapid re-housing assistance. Through this initiative, the Department leads the role toward the goal of ending homelessness in the State jurisdiction.

The Department will continue to make available the PY 2017 ESG Program funds through a competitive process in which interested local governments and Nonprofit Organizations must present their proposals describing their service activities for the homeless population. operating the existing shelter

facility as part of its commitment toward the homeless population.

In addition to the ESG Program funds, the Department will continue working in collaboration with the two (2) Continuum of Care Homeless Coalitions operating in the Island. In this effort, the Department supports and promotes communitywide commitment to the goal of ending homelessness; supports the provision of funding for efforts by nonprofit providers and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; supports the promotion of access to and effect utilization of mainstream programs by homeless individuals and families; and promotes the optimization of self-sufficiency among individuals and families experiencing homelessness.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	75
Tenant-based rental assistance	115
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	100
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	500
Total	790

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

Introduction

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

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

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

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

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

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

It is well known that, in Puerto Rico, the permits process is one of the multiple reasons for the economic stagnation experienced by the Island. A very high deficient and ineffective permits process, has contributed to the general economic recession experienced by the Puerto Rico industrial sector for the last decade. To address the policies that are considered barriers for affordable housing actions, the new

public policy of the PR State Government is proposing the establishment of a Single Point Permits Office, that will have the responsibility of streamlining the permits process and create a friendly and effective mechanism that assist in improving the business environment in the Island, including the business model for housing development actions.

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

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

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

Discussion

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

AP-85 Other Actions – 91.320(j)

Introduction

In this Section of the Annual Action Plan for PY 2017, the OCMA will include a description of the actions that the PR-State government it will undertake to foster and maintain a stable affordable housing stock; to reduce the risk of exposure to lead based paint hazards; to reduce the number of poverty-level families; to develop the institutional structure and to enhance coordination between public and private housing and social service agencies.

Actions planned to address obstacles to meeting underserved needs

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

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

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

homeless population in Puerto Rico.

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

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

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

Actions planned to foster and maintain affordable housing

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

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

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

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

The state will use HOME and HTF funds particularly through homebuyer assistance programs and single

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

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

Actions planned to reduce lead-based paint hazards

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

1. Professional assessment for deteriorated paint in units built before 1978
2. Initial and annual HQS inspections
3. Disclose information among residents of lead-based paint hazards
4. Stabilization, removal and disposal of dangerous material

The State HOME Program has contracted companies to provide technical assistance for the evaluations, visual assessment, HQS inspections and paint testing (when necessary) for the housing units that will be rehabilitated with HOME funds in order to comply with lead-based paint requirements and other applicable federal environmental laws and regulations.

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

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

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

Choice Voucher Program, HUD's Lead-Based Paint Regulations (24 CFR Part 35).

See Appnedix for more information.

Actions planned to reduce the number of poverty-level families

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

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

Actions planned to develop institutional structure

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

Strategic meetings, working meetings, oversight activities, among other follow-up activities, will be undertake in order to continue strengthen and developing strategic and accountable partnerships among the Institutional Structure of the housing and community development activities within the State

Government structure.

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

The OCMA's approach to assist low and moderate income persons is through a network of organizations that actively and effectively work towards the objective of providing housing, community, supporting and other related services to the above-mentioned population. As lead agency, the OCMA will strengthen its communication process with all Local and State Agencies and NPO's that actively participate in serving the economic disadvantaged population in Puerto Rico.

Meetings will be planned, schedule and held, follow up visits and oversight activities will be made to guarantee that all stakeholders are providing the services required by the eligible population.

In terms of economic development, the State Government will continue to give this responsibility to the State WIOA Program, administered by the Department Economic Development and Commerce. As part of the statutory program structure, a State Business Workforce Board is in place and it's responsible of the public policy regarding the business community involvement in the job and training strategies and in the State, local and regional economic policies.

Discussion

The PR-State Government will continue to use CPD funds to achieve the goals and objectives of the Consolidated Plan. In achieving these goals and objectives, the State will integrate to the CPD allocated funds, additional public funding streams and will leverage communitywide available funding to maximize the resources toward the provision of services to the most in need population groups.

The maximization in the use of available funding within the community, will require the development of strategic and accountable partnerships with all Consolidated Plan Community Stakeholders as part of the institutional structure created toward delivering the basic and essential public services to address the needs of the low-income population segments.

Program Specific Requirements

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

Introduction

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

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

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

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

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

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

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

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 300,000 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

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

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

In compliance with 24 CFR 92.205 (b) (1), the **PRHFA** will use other forms of investment allowed by the pertaining **HOME** Program regulation, when appropriate. Other forms of investment include, but are not limited to, the award of a grant to provide incentives or a direct loan to develop and support affordable rental housing and Homeownership affordability through the acquisition (including assistance to Homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations.

In addition **HOME** funds will be used to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Resale and Recapture Provisions

The **HOME** Program will ensure that **HOME** rules regarding affordability will be observed, as stipulated at 24 CFR 92.254 for Homeownership. The assisted properties will meet affordable housing requirements. Thus, properties will provide modest housing, be acquired by a low-income family as its principal residence and meet affordability requirements for a specific period of time. Affordability restrictions for both Resale and Recapture provisions, as discussed below, will be included in the written agreements executed by the homebuyer and the PRHFA and will be enforced

via deed restrictions separately recorded, and a soft second mortgage over the property.

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

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

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

See Recapture Provisions Below:

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

The Resale or Recapture Guidelines that assures the affordability of units acquired with HOME funds are included below.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

HOME Program funds will not be used to refinance existing debts.

Emergency Solutions Grant (ESG)

Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

See Appendix Section.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Both PRCoC-502 and PRCoC-503 have established a Coordinated Entry System.

The PRCoC-502 Coordinated Entry System named Derecho a Techo is in the first phase of implementation. The use a comprehensive coordination of the services available through the CoCPR502 community and other leaders within the geographic area including 24 Municipalities. Through their outreach program they identify the most vulnerable homeless individuals and offers services conducive to obtaining housing. The CE is a hybrid since it has an easy access office from 8:00 a.m. to 8:00 p.m. Mondays through Fridays, a toll-free number, a mobile case management office and three access point partners. During the second phase and additional two more access points will participate in order to insure the entire geographic area is covered. Participants' needs are prioritized considering crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

The PRCoC-503 Coordinated Entry System (CES) named "Sistema Coordinado de Acceso" is also in the first phase of implementation. The CES uses a comprehensive coordination of the services available through the CoCPR-503 community, network of homeless and mainstream housing and supportive service providers and other leaders within the geographic area, including of 54 municipalities. By implementing a comprehensive "Housing First-Assertive Community Treatment Intervention", which includes outreach workers, community advocates, housing navigators, a community "Alternative Integrated Clinic" with primary, behavioral and substance abuse services, and case management. The CES identify the most vulnerable homeless individuals and offers services conducive to obtaining housing. The CES operates an emergency hotline available 24 hours a day 7 days a week, case management office and two access points located in Caguas and Ponce. Participants' needs are prioritized considering their level of priorization based on chronicity and urgency, crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services and housing options. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

3. Identify the process for making sub-awards and describe how the ESG allocation available to

private nonprofit organizations (including community and faith-based organizations).

Please refer to Section AP-30, *Method of Distribution*, of this Plan for a complete description of how ESG Program funds are distributed among eligible Entities.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State Department of Family complies with 24 CFR Section 576.405 requirements. The required homeless representation is met through the following actions:

Homeless population is represented in different entities:

- Multisectoral Council: Under Law 130: 2 homeless
- The PR-502 three chairs on the board for representatives of homelessness.

PR-503 CoC have two chairs at least two (2) representatives of the homeless population, who are or have experienced homelessness.

5. Describe performance standards for evaluating ESG.

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

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

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

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

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

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

The aforementioned affordability period requirements are enforced through a written agreement

Recapture Provisions 1

HOME Recapture 1

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

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

Description of the Resale Guidelines for the Homebuyer Activity:

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

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

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

Recapture Provisions 2

HOME Recapture 2

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

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

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

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

Recapture Provisions 3

HOME Recapture 3

- (7) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family at 75 percent 80 percent of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 28-30 percent of annual (gross) income.
- (8) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.
- (9) PRHFA may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

Recapture Provisions 4

HOME Recapture 4

Discussion

\$300,000: This is the amount allocated for the Emergency Fund activity. This amount is set aside for urgent need, but the award is contingent to complying with OCAM guidelines on the use of such funds. The activity is further described under the Method of Distribution for the CDBG program.

Appendix

Appendix 1- Responses to CoC Comments

The following table summarizes the comments received and the State responses:

COMMENT RECEIVED	STATE RESPONSE
<p>For the non-metropolitan areas within the CoC-PR-503, the scarcity of emergency shelter (ES) facilities and beds for non-specific homeless persons is still one of the most pressing situations the population have to deal with, especially those with chronic conditions and long-term homelessness</p>	<p>Since the 2017 point in time census shows that there are emergency shelters beds available, the DF will focus on removing administrative, institutional and programmatic barriers that limit access of homeless individuals to emergency shelters.</p> <p>Also, as part of HUD’s Strategic Plan the DF will allocate funds based on the Opening Doors Strategy giving priority to Emergency Shelters without restrictions (Intake 24 hours 7 days a week); Unrestricted Emergency Shelters (no restrictions by target group, age, hours); Emergency Shelters, for the population with a mental health condition; and Shelter proposals in conjunction with Rapid Re- Housing.</p> <p>The PIT Sheltered Homeless Count and Housing Inventory data by Municipality will also be considered.</p>
<p>For the 2017 PIT Sheltered Homeless Count and Housing Inventory Chart, the CoC-PR-503 reported unsheltered homeless persons occupied 374 year – round available Emergency Shelter Beds in twenty-seven emergency shelter facilities, of those, 204 beds the same night, with 62% rate of occupation.</p>	<p>The DF has been monitoring bed occupancy of emergency shelters through HMIS reports. As a result, for FY2017 the DF established as a an evaluation criteria and requirement to be funded as emergency shelters, to comply with a minimum of 65% average rate of bed occupancy during its last Fiscal Year 2016.</p> <p>Also, the Department of Family, will continue to supporting Special Projects targeted to outreach and engagement activities to support the provision of essential services needed to reach out to unsheltered homeless and connect them with emergency shelters thus increasing beds</p>

COMMENT RECEIVED	STATE RESPONSE
<p>Coalición de Coaliciones is proposing to allocate at least 25% of the total allocation to street outreach.</p>	<p>occupancy rate on emergency shelters. The DF will reallocate funds for Special projects such as the Expansion of Outreach Services. This strategy will allow to increase the allocation on this activity.</p>
<p>The CoC-503 suggest to use a Housing First approach designated to access permanent housing.</p>	<p>Also, as part of HUD’s Strategic Plan the DF will allocate funds based on the Opening Doors Strategy giving priority to Emergency Shelters without restrictions (Intake 24 hours 7 days a week); Unrestricted Emergency Shelters (no restrictions by target group, age, hours); Emergency Shelters, for the population with a mental health conditions; and Shelter proposals in conjunction with Rapid Re- Housing. Particularly the DF will reallocate funds on Special Projects that fit this strategy.</p>
<p>The CoC-503 recommended an increase of 10% of the allocation for the HMIS activity.</p>	<p>The CoC-503 suggested an increase of 83% of the actual allocation for the HMIS component without any explanation for the increase.</p>

Appendix 2 – ESG Standards