

GOVERNMENT OF PUERTO RICO

STATE CONSOLIDATED ACTION PLAN FOR HOUSING AND
COMMUNITY DEVELOPMENT PROGRAMS

2019 ACTION PLAN

May 13, 2019



PLAN CONSOLIDADO



DE VIVIENDA Y DESARROLLO COMUNAL DEL
ESTADO Y PLAN DE ACCIÓN ANUAL



Executive Summary

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

1. Introduction

The PY 2018-19 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 2018-19 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 was undertaken by the Puerto Rico Socioeconomic and Community Development Office (ODSEC). 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.

As established by Local Law (Act 10, 2017) the lead agency of the 2018-2019 Annual Action Plan is the Office for the Socioeconomic and Community Development (ODSEC). This agency coordinates all efforts toward the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executed annually on its action plan. In addition, ODSEC is responsible for the administration of the PR-State CDBG Program allocation.

In this effort, the ODSEC is supported by three (3) State agencies, that are responsible to act as HUD grantees and administrators for the Community Planning and Development Programs. These agencies are the Puerto Rico Housing Finance Authority (PRHFA) for the HOME and HTF Programs, the Department of Family for the ESG Program and the Department of Health for the HOPWA Program. In the case of the HOPWA Program, although the Health Department is the State HOPWA grantee, the Municipality of San Juan acts as the program administrator due a collaborative agreement signed between the parties back in year 2010 that is due on June 30, 2018. 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 based in a commitment with an on-going progress culture, produced from actions of innovation and global best practices.

Introduction Continuation

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 2018-19 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 2018-19 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.
- Promotion of crime awareness and prevention

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.

A summary table of the 2018-2019 goals is included on Section AD-26 of the Plan.

3. Evaluation of past performance

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

The evaluation fo the past performance is included on section AD-26.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The State Citizen Participation Plan provides a framework and process by which the PR-State consolidated planning efforts comply with the citizen participation requirements published by the U.S. Department of Housing and Urban Development (HUD). This Citizen Participation Plan is prepared and implemented in accordance with HUD Regulations. It is the policy of ODSEC 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 OCDSEC 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 PY 2018-2019 the state undertook the following citizen participation actions:

Public Hearing Notice: posted a public notice on the *EL Nuevo Día* newspaper on the edition for Sunday, February 25, 2018. It invited the general population to participate of the Public Hearings for the PY 2018 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 ODSEC's Web Page and Facebook. This action expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2018 Annual Action Plan. The meeting was held in the following date and venue:

- Public Hearing: Monday, March 12, 2018, 9:00 a.m. at the 8th floor Conference Room of the World Plaza Building located in 268 Muñoz Rivera Avenue at Hato Rey, P.R.

The public hearing was attended by 121 individuals. State Agencies CPD Program officials (CDBG,HOME,ESG, HOPWA, HTF) made a presentation of the Plan process, and the Citizen Participation and an explanation of each program and requirements. The presentation included a 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.

Summary of public comments

The AP-12 section of the plan summarizes the comments received during the Annual Plan development process and the responses by the State.

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.

The AP-12 section of the plan summarizes the comments received during the Annual Plan development process and the responses by the State.

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

All comments were reviewed and integrated into the plan.

7. Summary

The PY 2018 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 2018 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

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.

Section AD-26 includes a description of the 2018 distribution by program.

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

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

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

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

Table 1 – Responsible Agencies

Narrative

As established by Local Law (Act 10, 2017) the lead agency of the 2018-2019 Annual Action Plan is the Office for the Socioeconomic and Community Development (ODSEC). This agency coordinates all efforts toward the development of the housing and community development strategies that the PR-State government included on its five-year Consolidated Plan and executed annually on its action plan. In addition, ODSEC is responsible for the administration of the PR-State CDBG Program allocation.

In this effort, the ODSEC is supported by three (3) State agencies, that are responsible to act as HUD grantees and administrators for the Community Planning and Development Programs. These agencies are the Puerto Rico Housing Finance Authority (PRHFA) for the HOME and HTF Programs, the Department of Family for the ESG Program and the Department of Health for the HOPWA Program. In the case of the HOPWA Program, although the Health Department is the State HOPWA grantee, the Municipality of San Juan acts as the program administrator due a collaborative agreement signed between the parties back in year 2010 that is due on June 30, 2018.

Consolidated Plan Public Contact Information

In compliance with the provisions of Section 91.115 of Title 24 of the Code of Federal Regulations and under Part I of the Law of Housing and Community Development of 1974, as amended, copies of the State Annual Action Plan 2018 will be available from the date of its publication, for review and submitting comments in the Internet at <http://www.odsec.pr.gov/Pages/default.aspx> and during working hours in the following locations:

- Office for the Socioeconomic and Community Development (CDBG Program), Federal Programs Division, 1208 Av. Franklin Delano Roosevelt, San Juan
- Puerto Rico Housing Finance Authority (HOME and HTF Programs), Edificio Juan C. Cordero, Avenida Barbosa #606, 3rd Floor, Río Piedras, Puerto Rico.
- Puerto Rico Department of Family (Planning Division), Edificio Lila Mayoral Ave. Barbosa #306, Piso 5, Hato Rey, Puerto Rico.
- Puerto Rico Department of Health (HOPWA), Calle Periferal #1, Frente a Hospital de Psiquiatría, Centro Médico San Juan, Puerto Rico.

Comments to the plan should be addressed to:

Name: Mr. Jesús Vélez Vargas

Position: Executive Director, ODSEC

1208 Avenida Franklin D Roosevelt, San Juan Puerto Rico 00920

San Juan, Puerto Rico

Telephone: (787) 977-7060

jvelez@odsec.pr.gov

Questions regarding consolidated planning may be addressed to:

Mr. Aida Gracia

CDBG Program Coordinator

(787) 977-7060 ext. 2004

agracia@odsec.pr.gov

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

1. Introduction

ODSEC is committed to undertake a Community Planning and Development process that is open and that considers the input of communities, stakeholders and residents statewide. The 2018 program year will start the beginning of the reconstruction of Puerto Rico due to the impact of Hurricane Maria. ODSEC is aware of the importance of the CPD resources for the recovery of the Island and understands that consultation must be open and honest in order to allocate the resources to the most needed.

The 2018-2019 annual action plan represents a collective effort from the State to obtain the views of the Municipalities, Private, nonprofit, and public organizations, the private sector and other stakeholders. To obtain their views the state contacted them via letter, email, Facebook and other available means. These parties were requested to discuss housing and community development needs in their communities and to identify barriers and constraints regarding housing and community development needs in Puerto Rico.

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.

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

During the preparation of the Plan ODSEC assumed a leadership role and enhanced the coordination between the Public and Assisted Housing providers, the State Health, Mental Health and services agencies. Multiple meetings were held to discuss the strategies to be included on the 2018 plan in lieu of the recent disaster event and the need to reallocate the resources efficiently to address the need and to prevent the duplication of benefits. Taking into consideration that the recent hurricanes will have an effect on the proposed 5-year goals and objectives the ODSEC requested the housing, health and public services Agencies comments on actual needs and changes in priorities.

Although the ODSEC 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 ODSEC 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.

This document represents a collective effort from a comprehensive array of State and private organizations. Coordination with all stakeholders was achieved during the public hearings, by consulting organizations by email, letters, and conversations during the process. In addition, the ODSEC held various meetings to obtain the views of the CPD Grantees enhancing coordination between the main housing and service providers throughout the commonwealth.

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. They continue collaborating 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 continue requiring participating in CoC's subcommittees of their area and participating of the coordinated entry system. Participation and collaboration with the Coordinated Entry System (CES) will be one of the evaluation criteria of 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
- Rapid Re-Housing
- Permanent Housing
- Homeless Prevention

For PY 2017, Puerto Rico received a total of \$19,383,733 in Continuum of Care allocated funds. PRDF expects a similar allocation for next FY2018. These resources will be 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.

Additional information is included on AD-26.

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 26, 2018, the Puerto Rico Department of the Family sent a written consultation survey to members of the 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.

PRDF is in the process of gathering and analyzing the survey results.

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

Table 2 – Agencies, groups, organizations who participated

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

4	Agency/Group/Organization	Puerto Rico Housing Finance Authority (PRHFA)
	Agency/Group/Organization Type	Housing Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Agency was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.
5	Agency/Group/Organization	Puerto Rico Department of Health
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Health Agency Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Non-Homeless Special NeedsHOPWA StrategyStrategic and public policy changes that will affect the low income population.

6	Agency/Group/Organization	MUNICIPIO DE SAN JUAN
	Agency/Group/Organization Type	Housing Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment HOPWA Strategy Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Municipality of San Juan was part of the inter-agency committee in charge of developing the plan and provided input during the meetings conducted by such committee.

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 and during the preparation of the Five Years Consolidated 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.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
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 State to undertake a wide consultation process as an integral part of the statewide planning and preparation phases of the 2015-2019 Consolidated Plan and related Annual Action Plan. Through the consultation process, the ODSEC was 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 State, 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

For the preparation of the 2018-2019 annual action the ODSEC followed the approved citizen participation process and went 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. All municipal governments and CPD sister agencies were invited to participate at the public hearing and to provide comments on the proposed actions. Each agency posted the hearing and documents on their respective webpages, and ODSEC used social media to promote the process.

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

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

Public Hearing Notice: posted a public notice on the *Nuevo Día* newspaper on the edition for Sunday, February 25, 2018. It invited the general population to participate of the Public Hearings for the PY 2018 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 ODSEC's Web Page and Facebook. This action expanded the outreach efforts with the objective of increasing the citizen feedback, buy-in and support of the Consolidated Plan activities.

As required by the regulations the State held a public hearing during the Citizen Participation process of the PY 2018 Annual Action Plan. The meeting was held in the following date and venue:

- Public Hearing: Monday, March 12, 2018, 9:00 a.m. at the 8th floor Conference Room of the World Plaza Building located in 268 Muñoz Rivera Avenue at Hato Rey, P.R.

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

Public Comment Period: The State provided a 30 days' public comment period on the draft plan. A notice was published on the _____, on _____, 2018 edition. Citizens were encouraged to present comments on the draft plan during the 30 days period that ended on XXX, _____, 2018. The 2018-2019 draft plan was made available at ODSEC web page for the review by the general population and all interested parties. In addition, the plan was available for review at the following locations:

- Office for the Socioeconomic and Community Development (CDBG Program), Federal Programs Division, 1208 Av. Franklin Delano Roosevelt, San Juan
- Puerto Rico Housing Finance Authority (HOME and HTF Programs), Edificio Juan C. Cordero, Avenida Barbosa #606, Floor 3, Río Piedras, Puerto Rico.
- Puerto Rico Department of Family (Planning Division), 185 Edificio Roosevelt Plaza, Piso 1, Hato Rey, Puerto Rico.
- Puerto Rico Department of Health (HOPWA), Calle Periferal #1, Frente a Hospital de Psiquiatría, Centro Médico San Juan, Puerto Rico.

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 25, 2018 edition of Nuevo Dia inviting citizen to the Consolidated Plan Public Hearing. In addition the notice was posted on the ODSEC web page.	None	N/A	www.ocam.gobierno.pr

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	Internet Outreach	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	An email was sent to non-municipalities and other interested parties inviting them to the Public Hearings.	N/A	N/A	www.ocam.gobierno.pr

3	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>The public hearing was attended by 121 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 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</p>	<p>Belinda Hill, in representation of the COC PR-502 indicated that no CDBG funds were made available for NPO. Franco Barroco (Green Ponce Corporation-Utuado) proposed the creation of a CBDO for domestic garbage recycling and if funds were available.</p>	<p>Mr. Jesus Velez indicated that under the CDBG-DR program ODSEC will request funding on behalf of NPO.Mr. Barroco was oriented of the eligibility of the activity and that the State will evaluate the proposal.</p>	
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			<p>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,</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)
			was analyzed and considered in the plan.			

4	Newspaper Ad	<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>After the PY 2018 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 newspaper, on June 7,2018 edition. The draft was made available for the general population and all interested parties for comments and recommendations. No comments were received. The draft was made available for the general population and all interested parties for comments and recommendations. The public comment period</p>	No comments were received.	N/A	<p>www.ocam.gobierno.pr</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)
			ended on July 8, 2018.			
5	Letter to CoC	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	N/A	See AP-10	See AP-10	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

For the PY 2018, HUD allocated to the PR-State a total of \$45,023,199 among all CPD Programs. Specifically, the allocation by programs is: \$24,363,783 for the CDBG Program activities; \$13,798,286 for the HOME Program activities, \$2,034,912 for the HOPWA Program activities, \$3,572,861 for the ESG Program activities and \$1,253,357 for the Housing Trust Fund activities.

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

In addition to the 2018 resources the State estimates that it will have available the following resources (based on IDIS PR01 Dated 04/09/2018):

- CDBG Previous Year Resources (PR01)- \$58,387,467.09
- HOME Previous Years EN and CR Resources- \$15,683,502.43
- HOPWA Previous Years – \$1,437,118.44
- HTF Previous Years-\$1,210,679.00

The following table includes a description of the Resources for PY 2018:

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	24,363,783	0	58,387,467	82,751,250	24,363,783	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	13,798,286	0	15,683,502	29,481,788	13,798,286	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).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,034,912	0	1,437,118	3,472,030	2,034,912	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,572,861	0	6,420,991	9,993,852	3,572,861	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	1,253,357	0	1,210,679	2,464,036	1,253,357	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.
Housing Trust Fund	public - federal	Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab	0	0	0	0	0	

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

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

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

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

The CDBG regulations requires the Government of Puerto Rico to match administration costs beyond \$100,000. The CDBG match will be covered by 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.

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

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

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

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

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

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

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

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

Discussion

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 2018 the Agencies expects to receive a combine total of \$45,023,199. 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.

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 \$41,234,117. 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	Statewide	Homelessness Prevention	ESG: \$1,464,873	Homelessness Prevention: 7139 Persons Assisted
2	Provide Decent Housing (B)	2015	2019	Homeless	Statewide	Homelessness Prevention	ESG: \$1,095,451	Homelessness Prevention: 2457 Persons Assisted
3	Provide Decent Housing (C)	2015	2019	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA: \$2,034,912 HOME: \$200,000	Tenant-based rental assistance / Rapid Rehousing: 32 Households Assisted HIV/AIDS Housing Operations: 377 Household Housing Unit
4	Create Suitable Living Environments	2015	2019	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Services	CDBG: \$2,810,852	Public service activities other than Low/Moderate Income Housing Benefit: 569 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create Suitable Living Environments (B)	2015	2019	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem	CDBG: \$18,776,238	Other: 200000 Other
6	Provide Decent Housing (D)	2015	2019	Affordable Housing	CDBG- Non-entitlement communities Statewide	Housing	CDBG: \$2,299,163 HOME: \$2,700,000	Homeowner Housing Rehabilitated: 831 Household Housing Unit
7	Expand Economic Opportunity	2015	2019	Economic development	CDBG- Non-entitlement communities	Non-housing Community Development- Economic Develo	CDBG: \$135,869	Jobs created/retained: 4 Jobs Businesses assisted: 2 Businesses Assisted
8	Provide Decent Housing (E)	2015	2019	Affordable Housing	Statewide	Housing	Housing Trust Fund: \$125,336	Direct Financial Assistance to Homebuyers: 3 Households Assisted
9	Create Suitable Living Environments (C)	2015	2019	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Faciliti Non-housing Community Development- Public improvem	CDBG: \$300,000	Other: 300 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Provide Decent Housing (F)	2015	2019	Affordable Housing	Statewide	Housing	HOME: \$3,300,000	Direct Financial Assistance to Homebuyers: 73 Households Assisted
11	Provide Decent Housing (G)	2015	2019	Affordable Housing	Statewide	Housing	HOME: \$5,918,457 Housing Trust Fund: \$1,002,686	Rental units rehabilitated: 46 Household Housing Unit Direct Financial Assistance to Homebuyers: 73 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

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

4	Goal Name	Create Suitable Living Environments
	Goal Description	Social needs (public service)
5	Goal Name	Create Suitable Living Environments (B)
	Goal Description	Community Development (Infrastructure and public facilities)
6	Goal Name	Provide Decent Housing (D)
	Goal Description	Rehabilitation of units
7	Goal Name	Expand Economic Opportunity
	Goal Description	Economic Development
8	Goal Name	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

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 2018 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 ODSEC 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 ODSEC and Consolidated State Agencies to identify the highest priorities among the identified housing and community development needs.

HUD regulations provide that 3% of the CDBG allocation plus \$100,000 can be used for administration and technical assistance for the State administered program. In 2018, this equates to \$730,913. For the ESG program the Department of the Family will allocate \$267,965 for state administrative purposes, \$3,655 for subgrantees administration, and \$106,975 for HMIS.

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

Funding Allocation Priorities

	Provide Decent Housing (%)	Provide Decent Housing (B) (%)	Provide Decent Housing (C) (%)	Create Suitable Living Environments (%)	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) (%)	Total (%)
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CDBG	0	0	0	13	84	1	1	0	1	0	0	100
HOME	0	0	3	0	0	40	0	0	0	49	8	100
HOPWA	0	0	100	0	0	0	0	0	0	0	0	100
ESG	57	43	0	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	11	0	0	89	100
Housing Trust Fund	0	0	0	0	0	0	0	0	0	0	0	0

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

Due to hurricane Maria some of the funded activities will provide preferences to individual and families with unmet needs. The method of distribution section details the specific of the preferences provided.

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

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

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

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

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

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 2018.

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

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

Distribution Methods

Table 8 - Distribution Methods by State Program

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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783. 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, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$77,300 Public Service \$68,206 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$309,200.21 TOTAL \$454,706.21</p> <p>Vieques and Culebra Administration \$89,443 Public Service \$78,920 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$357,770 TOTAL \$526,133</p> <p>Municipalities Emergency Fund \$300,000</p> <p>ODSEC Planning and Administration \$730,913</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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>The Application manuals and other material are available on the PROFE system.</p> <p><u>Proposal Requirements</u></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, ODSEC 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). 6. All parameters established on section 1 (above) <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available on June 29, 2018. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before August 7, 2018 to ODSEC 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 2018 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783.00 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by 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 2018 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The expected outcomes measures are included on the appendix section.</p>
2	<p>State Program Name:</p>	<p>CDBG</p>
	<p>Funding Sources:</p>	<p>CDBG HOPWA HOME ESG Housing Trust Fund</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783. 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, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$77,300 Public Service \$68,206 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$309,200.21 TOTAL \$454,706.21</p> <p>Vieques and Culebra Administration \$89,443 Public Service \$78,920 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$357,770 TOTAL \$526,133</p> <p>Municipalities Emergency Fund \$300,000</p> <p>ODSEC Planning and Administration \$730,913</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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>The Application manuals and other material are available on the PROFE system.</p> <p><u>Proposal Requirements</u></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, ODSEC 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). 6. All parameters established on section 1 (above) <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available on June 29, 2018. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before August 7, 2018 to ODSEC 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 2018 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783.00 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by 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 2018 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The expected outcomes measures are included on the appendix section.</p>
3	<p>State Program Name:</p>	<p>CDBG</p>
	<p>Funding Sources:</p>	<p>CDBG HOPWA HOME ESG Housing Trust Fund</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783. 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, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$77,300 Public Service \$68,206 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$309,200.21 TOTAL \$454,706.21</p> <p>Vieques and Culebra Administration \$89,443 Public Service \$78,920 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$357,770 TOTAL \$526,133</p> <p>Municipalities Emergency Fund \$300,000</p> <p>ODSEC Planning and Administration \$730,913</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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>The Application manuals and other material are available on the PROFE system.</p> <p><u>Proposal Requirements</u></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, ODSEC 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). 6. All parameters established on section 1 (above) <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available on June 29, 2018. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before August 7, 2018 to ODSEC 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 2018 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783.00 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by 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 2018 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes measures are included on the appendix section.
4	State Program Name:	CDBG
	Funding Sources:	CDBG HOPWA HOME ESG Housing Trust Fund

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783. 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, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$77,300 Public Service \$68,206 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$309,200.21 TOTAL \$454,706.21</p> <p>Vieques and Culebra Administration \$89,443 Public Service \$78,920 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$357,770 TOTAL \$526,133</p> <p>Municipalities Emergency Fund \$300,000</p> <p>ODSEC Planning and Administration \$730,913</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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>The Application manuals and other material are available on the PROFE system.</p> <p><u>Proposal Requirements</u></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, ODSEC 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). 6. All parameters established on section 1 (above) <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available on June 29, 2018. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before August 7, 2018 to ODSEC 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 2018 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783.00 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by 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 2018 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

	What are the outcome measures expected as a result of the method of distribution?	The expected outcomes measures are included on the appendix section.
5	State Program Name:	CDBG
	Funding Sources:	CDBG HOPWA HOME ESG Housing Trust Fund

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783. 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, as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities Administration \$77,300 Public Service \$68,206 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$309,200.21 TOTAL \$454,706.21</p> <p>Vieques and Culebra Administration \$89,443 Public Service \$78,920 Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$357,770 TOTAL \$526,133</p> <p>Municipalities Emergency Fund \$300,000</p> <p>ODSEC Planning and Administration \$730,913</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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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>The Application manuals and other material are available on the PROFE system.</p> <p><u>Proposal Requirements</u></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, ODSEC 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). 6. All parameters established on section 1 (above) <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>Application Submission</p>
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	<p>Application kits or Request for Proposals will be available on June 29, 2018. The proposals and all its components and supporting documentation will be submitted (uploaded) on or before August 7, 2018 to ODSEC 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 2018 as long as they comply with the requirements presented on Circular Letter Num. 2013-09 of May 21, 2013, and any other requirement that applies.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable- Please refer to ESG Program</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State CDBG allocation for PY 2018 amounts to \$24,363,783.00 will be distributed among eligible categories of the program.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by 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 2018 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Under Act 137 of 2014 (as amended by Law 10, 2017) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>

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

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The Emergency Solutions Grant Program is administered by the Puerto Rico Department of the Family (PRDF). Every two years, the PRDF uses a distribution method in which an award is granted for a two (2) year period, subject to an evaluation of the first year and the availability of funds. PRDF will continue to make PY2018 ESG Program funds through a contract renewal process in which current and eligible subrecipients: local governments and non-profit organizations must present a letter of intention with evidence of compliance with eligibility requirements for continuation of grant funds and a written or digital proposal, as established for the Department, describing the scope of the services to be provided.</p> <p>The ESG allocation for Program Year 2018 is \$3,572,861.00. Funding is intended to serve the seventy-eight (78) Municipalities across the island within the ten (10) Regions of the Department of the Family. PRDF's Regions are located in Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Guayama, Humacao, Mayaguez, Ponce, and San Juan. Non-profit Organizations and Municipalities that comply with the requirements and evaluation criteria established on this plan will be eligible to receive funds under the following activities:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$1,464,873.00 (40.5%) • Prevention \$ 1,095,451.00 (31%) • Rapid Re-Housing \$714,572.00 (20%) • Data Collection (HMIS) \$30,000.00 (1%) • Administration \$267,965 (7.5%) • Total \$3,572,861.00
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>For purposes of carrying out the process of awarding contracts, a committee is appointed in charge of evaluating the performance of the organizations and municipalities. This Committee has a diverse composition with representation of the personnel of the ESG Program as well as the Office of the Assistant Secretary for Planning. Additionally, external members are invited to the Committee. The evaluation that is conducted by the Committee is centered on the performance during the program year, based on the criteria described above and their corresponding weights. The result is a total score per organization and municipality. Once the score is determined, the organizations and municipalities are ranked according to such score. The final allocation is determined based on the amount of funds available and the score obtained.</p> <p>De-obligated funds during the Program Year will be distributed according through a competitive process among those organizations that provide services related to the needs and priority areas identified by the Department of Family. The specific criteria for the evaluation of the projects will be announced with the request for proposals. These will be based on the consultation conducted among the CoCs members, the needs identified in the consolidated plan and emerging needs identified during the program year. In terms of the process for the determination of the final distribution, the Department of Family will use a similar approach to the one described above, in which a Committee evaluates and ranks the organizations before determining the allocation.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the <u>Appendix Section</u>.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the ESG Program- (see CDBG section Above)</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Since program year 2011, the Puerto Rico Department of the Family uses a distribution method in which an award is granted for two (2) year period, subject to an evaluation of the first year and the availability of funds. During PY 2018, eligible organizations and units of local governments will be initiating their second program year of the two-program year cycle. While, unused funds available during the Program Year will be distributed according to the needs identified by the Department of the Family.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>Not Applicable- See HOPWA Section</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The following are the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> • Outreach and Shelter \$1,464,873.00 (40.5%) • Prevention \$ 1,095,451.00 (31%) • Rapid Re-Housing \$714,572.00 (20%) • Data Collection (HMIS) \$30,000.00 (1%) • Administration \$267,965 (7.5%) • Total \$3,572,861.00
<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>Non profit organizations and units of local government that are awarded ESG funds, are expected to comply with the following outcome measures, depending in the different types of projects:</p> <p>Outcome Measures</p> <p>OUTREACH</p> <ul style="list-style-type: none"> • Number of people receiving services • Number of people who left the program • Percentage of people who committed (engaged) to receive services • Percentage of people who fulfilled their service plan • Percentage of people who increased their income from any source • Percentage of people located in emergency shelter • Percentage of people located in temporary shelter • Percentage of people placed in permanent housing <p>EMERGENCY SHELTER</p> <ul style="list-style-type: none"> • Number of people who entered emergency shelter • Number of people who left the program • Percentage of people who fulfilled their service plan • Percentage of people who increased their income from any source • Percentage of people who entered transitional housing • Percentage of people who stayed in the shelter for less than three months • Percentage of people who stayed in the shelter for more than three months • Percentage of people placed in permanent housing <p>PREVENTION</p>
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		<ul style="list-style-type: none"> • Number of people receiving prevention services. • Number of people who left the program • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period • Percentage of people who met their service plan • Percentage of people who increased their income from any source • Percentage of people placed in permanent housing <p>RAPID RE- HOUSING</p> <ul style="list-style-type: none"> • Number of people receiving RRH services. • Number of people who left the program • Number of people receiving economic assistance • Percentage of people who received housing relocation services and stabilization services during the service period • Percentage of people who fulfilled their service plan • Percentage of people who increased their income • Percentage of people placed in permanent housing <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section</p>
7	State Program Name:	HOME Investment Partnership Program
	Funding Sources:	HOME

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$13,798,286.00 in HOME funds for PY 2018. All resources will be allocated to provide incentives for meeting the goal of developing and supporting 179 affordable rental and homeownership housing units. This will be achieved through the Direct Loan Program, Homebuyer Assistance, TBRA (Nuevo Comienzo), Techo Dorado, and Rental Rehabilitation / New Construction for Rental. These eligible costs include site improvements, conversion, demolition, and other expenses such as financing costs and relocation expenses of displaced persons, families, businesses, or organizations. Funds will also be allocated to provide down payment assistance to homebuyers. Housing must be permanent or transitional and serve both low and very low-income families, according to the applicable qualifying standard associated to each activity. The distribution of HOME funds for PY 2018 is shown below.</p> <ul style="list-style-type: none"> • Administration \$1,379,829 • Direct Loans \$300,000 • Homebuyer \$3,300,000 • TBRA \$200,000 • Techo Dorado \$2,700,000 • Rental Development \$5,918,457 <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>As part of the joint efforts and on-going initiatives that relate to the 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.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p> <p>Other activities will be delivered by the PRHFA in accordance with the applicable regulations.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOME Program- (see CDBG section Above)</p>

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

<p>Describe how resources will be allocated among funding categories.</p>	<p>The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities the cap are a minimum of \$1,000 and a maximum of \$45,000 will be available for eligible homebuyers. The Director of the Home Program will evaluate on case by case basis the amount of subsidy needed to acquired or maintain an affordable housing unit.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The following are the HOME Program Outcome Measures:</p> <ul style="list-style-type: none"> • Direct Loans \$300,000 – A total of 4 households • Homebuyer \$3,300,000 – A total of 73 homebuyers • TBRA \$200,000 – A total of 32 renters households • Techo Dorado \$2,700,000 – A total of 31 housing units <p>Rental Development \$5,918,457 – A total of 39 housing units.</p>

8	State Program Name:	Housing Opportunities Persons With AIDS
	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 2018 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 (documents were available on March 13, 2018. Proposals were due on April 13, 2018. 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>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The following evaluations factors will be used to evaluate the proposals presented by potential sub recipients. An evaluation committee selected by the Municipality of San Juan will evaluate the applications with a standard instrument that will take into consideration: HIV/AIDS population within the proposed service area, level of experience of the proponent party, use of funds history by the proponent party and performance history of the proponent party. All criteria have the same weight in the evaluation process. The maximum value for a proposal is one hundred (100) points. The following are the areas of evaluation and its relative weight:</p> <p>NON Profit subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter -3 Points • Description organization- 6 Point • Financial and Programmatic Background -6 Point • Past Performances -10 Point • Services to be provided -10 Points • Needs Analysis -18 Points • Action Plan- 25 Points • Budget - 20 Points • Required Documents -2 Points • Total 100 <p>Municipal subrecipients</p> <ul style="list-style-type: none"> • Transmittal Letter - 2 Points • General Information Municipality -2 Points • Description of the Municipality Capacity - 25 Points • Financial and Programmatic Background - 6 Points
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	<ul style="list-style-type: none"> • Proposed Project Description - 20 Points • Action Plan -20 Points • Budget -20 Points <p>Performance -5 Points</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HOPWA Program- (see CDBG section Above)</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Not applicable to the HOPWA Program- see ESG section Above</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>For PY 2018 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 2018. 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 need to be registered on the System for Award Management (SAM).</p>
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<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>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> • Administration Salud \$61,047.06 • Administration San Juan \$138,169.91 • TBRA \$708,081.97 • Delivery Cost TBRA \$28,321.80 • Operation Costs STRMU \$632,344.01 • Supportive Services \$466,947.26
<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 Households • Tenant-based rental assistance - 274 Households • Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 100 housing units <p>Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds -500 housing units</p>
9	<p>State Program Name:</p>	<p>Housing Trust Fund</p>
	<p>Funding Sources:</p>	<p>Housing Trust Fund</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The PRHFA will receive \$883,160 in HTF funds for PY 2018. The resources will be allocated for Multifamily Rental New Construction/Rehabilitation and for Single Family Homebuyer Assistance. The funds will be distributed as follow:</p> <p>GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2018</p> <ul style="list-style-type: none"> • Assigned Budget: \$1,253,357 • Distribution by Category: • State Administration \$125,336 • Multifamily Rental New Construction/Rehabilitation \$1,002,686 • Single Family Homebuyer Assistance: \$125,336 <p>Description of the Method to Distribute HOME and HTF Funds for Construction and Rehabilitation of Rental Housing</p> <p>As part of the joint efforts and on-going initiatives that relate to the 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.</p> <p>The PRHFA will receive \$883,160 in HTF funds for PY 2018. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.</p> <p>Eligible Applicants</p> <p>The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However, applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the</p>
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	<p>requirements established in 24 CFR 93.2. These requirements are integral to the basic threshold criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200).</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications requesting HOME and HTF funds will be evaluated based on joint rating factors, once applicants have satisfied the basic threshold requirements. Those factors include local considerations and State HOME and HTF Program’s criteria, such as: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects.</p> <p>See the appendix for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Not applicable to the HTF Program- (see CDBG section Above)</p>

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

<p>Describe how resources will be allocated among funding categories.</p>	<p>The HTF Program funds will be distributed in the following categories: Distribution of HTF Funds</p> <ul style="list-style-type: none"> • Multifamily Rental New Construction/Rehabilitation \$ 1,002,686 - 80% • Single Family Homebuyer Assistance \$125,336 - 10% • Administration \$125,336 - 10% • Total \$1,253,357 -100% <p>The HTF resources will be allocated for particular projects that serve HTF tenant population; these could include special needs population.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>PRHFA will use the maximum per unit subsidy standards adopted by the State HOME Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216. For the PY 2018 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFAs efforts.</p> <p>The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received. If received, only those applications that meet the joint basic threshold requirements and qualifications would be further considered for evaluation under joint the Point Ranking System.</p> <p>The project location and the targeted population will be key factors in determining the grant size limit.</p>

What are the outcome measures expected as a result of the method of distribution?	The outcomes measures of the HTF program are included on the appendix section.
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Discussion:

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

AP-35 Projects – (Optional)

Introduction:

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

#	Project Name

Table 9 – 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 2018 Annual Action Plan is the results obtained from the combination of the citizen participation and consultation process and the Consolidated Plan Needs Assessment analysis. The assessment resulted in the need of affordable housing activities to address the needs of the low and moderate income persons and in the investment of available funding in activities toward the needs of non-housing community improvement projects.

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

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

AP-38 Project Summary
Project Summary Information

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

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

Yes

Available Grant Amounts

Available Grant Amounts

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 ODSEC program guidelines.

Available Grant Amounts

Estimated Availability of Funds for PY 2018- \$102,542,915

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 ODSEC. To secure the loans issued, ODSEC 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, ODSEC requires the municipal administration to present other collaterals, besides the required by HUD, in order to secure the re-payment of the loan. If ODSEC 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 ODSEC 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. ODSEC 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 ODSEC. The Federal Programs Division at ODSEC 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 2018.
- 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 ODSEC 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?

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

AP-50 Geographic Distribution – 91.320(f)

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

As the PR-State Consolidated Plan leading agency, the ODSEC is responsible to address the non-housing community development needs of the Non-Entitlement municipalities within the State jurisdiction. By this mean, the ODSEC 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, ODSEC defines those geographic areas where, at least fifty-one percent of the population (in accordance with HUD CPD's Updated LMISD or low income surveys), are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families. Exception could be made by HUD to establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

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

DISPROPORTIONATELY GREATER NEED

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

Compliance with 70% Requirement

The regulations require the State to use no less than 70 percent of the CDBG funds received during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low and moderate income persons. The ODSEC will require to all Non-Entitlement municipalities that

receive CDBG funds allocation during the PY 2018 to invest the non-housing community development funds in economically eligible low income areas. Also, the ODSEC 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 2017 the Government of Puerto Rico enacted Law 10-2017. 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.

ESG, HOME, HOPWA and HTF

The ESG, HOME, HOPWA and HTF programs accepts proposal and provide funding for project Islandwide.

Geographic Distribution

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

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2018 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 ODSEC 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.

The following Communities Municipalities has been identified by the states as priority areas with disproportionately greater need and minority concentration:

Suárez comunidad, Loíza Municipio
Loíza zona urbana, Loíza Municipio
Vieques comunidad, Loíza Municipio
Yaurel comunidad, Arroyo Municipio
Buena Vista comunidad (Arroyo Municipio), Arroyo Municipio
Palo Seco comunidad, Maunabo Municipio
Playa Fortuna comunidad, Luquillo Municipio
Emajagua comunidad, Maunabo Municipio
Lamboglia comunidad, Patillas Municipio
Culebra zona urbana, Culebra Municipio
Esperanza comunidad, Vieques Municipio
Arroyo zona urbana, Arroyo Municipio
Vieques zona urbana, Vieques Municipio
Maunabo zona urbana, Maunabo Municipio
Daguao comunidad, Naguabo Municipio
Comunas comunidad, Yabucoa Municipio
Playita comunidad (Salinas Municipio), Salinas Municipio
Luquillo zona urbana, Luquillo Municipio
Las Ochenta comunidad, Salinas Municipio
Gurabo zona urbana, Gurabo Municipio
Ramos comunidad, Luquillo Municipio
Coquí comunidad, Salinas Municipio
Duque comunidad, Naguabo Municipio
Naguabo zona urbana, Naguabo Municipio
San Antonio comunidad (Dorado Municipio), Dorado Municipio
Patillas zona urbana, Patillas Municipio
Aguas Claras comunidad, Ceiba Municipio

Playita comunidad (Yabucoa Municipio), Yabucoa Municipio
Ceiba zona urbana, Ceiba Municipio
Celada comunidad, Gurabo Municipio
Capitanejo comunidad
Santa Clara comunidad, Aguas Buenas Municipio
Central Aguirre comunidad, Salinas Municipio
Parcelas de Navarro comunidad, Gurabo Municipio
Río Blanco comunidad, Naguabo Municipio
Breñas comunidad, Vega Alta Municipio
Tallaboa comunidad, Peñuelas Municipio
Salinas zona urbana, Salinas Municipio
Coco comunidad, Salinas Municipio
Mariano Colón comunidad
La Fermina comunidad
Santo Domingo comunidad, Peñuelas Municipio
Vega Alta zona urbana, Vega Alta Municipio
Yabucoa zona urbana, Yabucoa Municipio
Dorado zona urbana, Dorado Municipio
Cataño zona urbana, Cataño Municipio
Coamo Municipio (part)
Río Lajas comunidad, Dorado Municipio
Juncos zona urbana, Juncos Municipio
Indios comunidad, Guayanilla Municipio
Martorell comunidad, Yabucoa Municipio
Monserrate comunidad
Ceiba comunidad
Vega Alta Municipio (part)
El Negro comunidad, Yabucoa Municipio
Aceitunas comunidad, Moca Municipio

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

Affordable Housing

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

Introduction:

The 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	9,596
Non-Homeless	831
Special-Needs	0
Total	10,427

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	409
The Production of New Units	0
Rehab of Existing Units	46
Acquisition of Existing Units	76
Total	531

Table 12 - 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 or units to be occupied by low income persons;
- ESG funding will be invested in the creation of housing opportunities and supportive services for homeless population and individuals at 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
- HTF funding will be invested on Multifamily Rental New Construction/Rehabilitation and Single Family Homebuyer Assistance.

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

provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

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

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

Introduction:

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

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

Under the State Government 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 2018.

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

No CPD funded activity will exclusively serve any of the Public Housing projects located within the Municipality boundaries. Nevertheless, the local public policy service strategy includes the public housing population among the service delivery groups that benefits of the Municipality's public services and community development activities. Various activities included in the 2018 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 2018:

- 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 2018, the PR-PHA will undertake the *Tenant Participation Fund Program and the Servi Movil* initiative as part of the commitment that the State Government has with the public housing communities to improve their living conditions and engage them in the development of the management activities of their complexes and communities.

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

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

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

Discussion:

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

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

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

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

Introduction

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

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

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

According to the Point in Time Census (PIT) 2017 there are 3,501 homeless persons in Puerto Rico; seventy three (73%) are unsheltered and thirty one (31%) are considered chronic homeless. Seventy six (76%) of the homeless population are men while twenty four (24%) are women. Homeless individuals are mainly located at the Municipalities of San Juan, Ponce, Arecibo, Caguas, Mayaguez, Guayama, Bayamón, Vega Baja, Guaynabo, Humacao and Aguadilla. Based on the data the State Department of Family, PR Government ESG Grantee, will continue supporting outreach, engagement, intake and initial assessment services to unsheltered persons activities that local governments and nonprofit organizations undertake during the PY 2018. The financial support of these organizations will be provided through the allocation of the ESG Program funding.

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

Among the eligible activities that the Department will support are the following activities: engagement; case management; emergency and mental services; transportation services; housing search and placement, housing stability and case management and services for special needs populations. To enforce in our subrecipients the need to reduce the number of homeless individuals and families the ESG program established in its standards that street outreach activities must include the case management component to assure that services focus not only on satisfying the basic needs, but also stabilizing physically and emotionally the individuals and placing in some type of housing modality. Also, Street Outreach Projects must provide outreach services at least three times a week and services will be provided based on the client's needs. The DF is very committed to increase the number of persons

served under this category and to reduce the time that homeless individuals are on the streets.

The ESG program will continue supporting innovative special projects targeted to provide outreach services for chronic homeless and emergency shelters in Municipalities of high demand. Currently, the ESG program has within its outreach's subrecipients two mobile units that provides direct services for the homeless population in San Juan (26%) and Bayamón (4%), two of the first-ten Municipalities with more homeless individuals.

Finally, the Department of Family will continue supporting low barriers emergency shelters, particularly only projects with 80% or more of bed utilization rate, will be considered to renew their proposals. It is expected that subrecipients works towards to removing administrative, institutional and programmatic barriers that limit access to emergency shelters. As well, the Department continues encouraging its subrecipients, 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 integrated manner, promoting the vision of a continuum of care system that guarantees the uninterrupted offering of services and housing, sharing responsibilities for such an important matter among the various sectors".

As part of this 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.

According to PIT 2017 only twenty seven (27%) of the homeless are sheltered. To increase the number of persons who are placed in emergency shelters, this PY2018 the Department of the Family will support low barriers emergency shelters. It has been established in the ESG standards that emergency shelters admission's procedures have to reflect a housing first approach. Also, the DF will support emergency shelters with eighty (80%) average rate utilization bed occupancy. ESG's subrecipients will continue to be provided with plenty technical assistance to reduce the time of individuals in emergency

shelters. Individual planning services are also set as requirements in the ESG standards and should focus

placing individuals in some type of housing before ninety (90) days.

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

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

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

All ESG funds allocated for this component will be available to nonprofit organizations and municipalities through an extraordinary RFP process. As part of the administration of the ESG Program for PY2018 the Department will undertake these new eligibility criteria as part of the administration of the ESG Program during the PY 2018.

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

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

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

This FY2018 the DF will continue supporting Rapid Re-Housing and Prevention activities, particularly providing case management, housing placement and stabilization services for individuals and families affected by the Hurricanes Irma and María, for special projects targeted to the mental health populations and for any other unmet need identified by PRDF. Individuals and families facing housing evictions and economic hardships will also be attended through these activities.

The Department of the Family will continue 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 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

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 ODSEC 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 2018, the ODSEC 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 ODSEC 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. ODSEC’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 ODSEC 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).

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 ODSEC, 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 ODSEC, 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

During the preparation of the Consolidated Plan the ODSEC, 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 ODSEC, the PR State Government will continue to encourage the active participation of these entities in order to meet the needs of the very low to moderate income persons and their communities.

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

Discussion:

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

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

Program Specific Requirements

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

Introduction:

Section 104(j) of the Act and Federal Register Vol. 77 No. 78, April 23rd, 2012 (Final rule) excludes from the definition of Program Income an amount of \$35,000 per year or less. Therefore, in compliance with federal laws and regulations, ODSEC does not require non-entitlement municipalities to return income up to \$35,000 provided that such revenue is counted as miscellaneous revenue. Nonetheless, ODSEC 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.odsec.pr.gov>. The municipalities are required to send their program income estimates and reports through e-mail, fax, or PROFE.

Currently ODSEC 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
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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 91.320(k)(3)**

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

The ESG standards are included on the Appendix Section of this plan.

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 prioritization based on chronicity and urgency, crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services and housing options. Individuals are evaluated with a standardized intake assessment form in order to ensure equal access and confirm the immediate needs of the individual.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

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

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

regarding facilities and services funded under ESG.

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

Homeless population is represented in different entities:

- Multisectoral Council: Under Law 130: 2 homeless
 - As required by the regulations the PR-502 has one chair on its board reserved for representatives of the homeless population, or persons who have experienced homelessness. In addition, the CoC has a separate committee formed by formerly homeless persons.
 - PR-503 CoC have two chairs at least two (2) representatives of the homeless population, who are or have experienced homelessness.
5. Describe performance standards for evaluating ESG.

Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

See Appendix on AD-26.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

N/A

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in

its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

See Appendix on AD-26.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

See Appendix on AD-26.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

See Appendix on AD-26.

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

See Appendix on AD-26.

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

See Appendix on AD-26.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

See Appendix on AD-26.

Discussion:

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