

State Consolidated Plan



for Housing & Community
Development Programs and
Action Plan

ACTIVITIES FOR THE HOME PROGRAM [91.320 (d)]

Description of the Method to Distribute HOME Funds for Construction and Rehabilitation of Rental Housing

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 the activity of Construction and Rehabilitation of Rental Housing under the HOME Investment Partnership Program (HOME) Action Plan (AP) a component of the forthcoming Joint Agency Notice of Funding Availability (Joint Agency NOFA) that the Puerto Rico Department of Housing (DOH) and the Authority will jointly issue. The Joint Agency NOFA intends to leverage other DOH funds from multiple sources (e.g., Section 8 Project Based Voucher Program (PBV), and Act 173's Elderly Rent Subsidy Program (Act 173) subject to funding availability) 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 Joint Agency NOFA will not be intended to, nor it statutorily could, modify or supersede the Authority's responsibility to comply with HOME requirements. Under the Joint Agency NOFA the **HOME** Program might implement a consolidated application for the HOME, LIHTC, Act 173, which will combine the requirements of the programs to promote the development of multifamily rental projects.

Outreach for program funds is based on the methodology for open market competition. A notice of **HOME** funds to be released under the Joint Agency NOFA notice will be published in a general circulation newspaper. Any interested qualifying parties may submit an application to finance their project. This process assures equal participation of any party in the affordable housing business.

The proposal submission deadline will be announced with the publication of the Joint Agency NOFA, inviting all interested parties to request programs funds. Once the application dates are established, the proponents submit their applications in a competitive method, ensuring the fair and unbiased contracting procedure that allows a foremost opportunity of open competition and the absence of conflicts of interests. Because the method of distribution of the State **HOME** Program runs as a competitive process, the PJ cannot predict the geographic distribution of the assistance. The CHDOs can submit applications at any time after the Joint Agency NOFA, until the set aside funds are fully distributed. It is within the discretion of Executive Director to assign more funds to CHDO's from the available funds.

The **State HOME Program** will allocate the amount of **\$13,351,376** (projection based on available funds in FY 2014 and 2015) for the eligible activities established in the **5YHS**, amended accordingly to reflect funding changes and the needs and policy priorities announced in the State Housing Plan 2014-2018. Additional details are provided in the 2015-2019 Consolidated Plan and State Housing Plan. The method for distributing HOME funds to local governments, developers, CHDOs, minority groups, and small businesses will be through the submittal of an application.

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

A Committee will be designated to implement the evaluation and selection of projects under the Joint Agency NOFA. Applications requesting **HOME** funds will be evaluated based on ranking factors. Those factors include local considerations and State **HOME** Program’s criteria, such as:

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

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

BASIC THRESHOLD REQUIREMENTS
1. Authority's HOME Program application and inspection fees: <ul style="list-style-type: none"> • CHDOs: \$0.00 • \$7,000 or 1% of requested or allocated amount, whichever is greater. • \$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.
2. Application's Agreement and Certification was: <ul style="list-style-type: none"> • Signed by the Owner, the President or Secretary of the General Partner. • Person who signed is a duly authorized officer of the applicant (as evidenced by an applicable resolution). • Document shows corporate seal (<i>Please, make sure the seal is legible in digital documents</i>).
3. Submitted certified copies of the organizational documents of all entities (for example: owner, general partners, sponsors, developer, officers, members, etc.) involved in the project, including:
a) Certificate of Incorporation (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
b) Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor.

BASIC THRESHOLD REQUIREMENTS	
c)	Partnership (or Operating) Agreement of the entity to claim ownership of the Project (LP, LLC, etc.), as may apply, indicating cash contributions by the General Partner(s) and/or Limited Partner(s).
d)	IRS form SS-4, Application for Employer Identification Number, or other evidence indicating taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
e)	Names, addresses and telephone numbers of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor.
f)	The owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, must demonstrate (through a certification letter from the Director of the Authority's Audit and Compliance Department) that they comply with Section 42/HOME requirements and that, as of the application filing date, there is no outstanding finding of noncompliance (including any fees due to the Authority) in another project that received Tax Credits/HOME funds and in which they have an interest or participation.
g)	Financial statements (updated within six months of the application) of the owner, developer, general partners, sponsors and principal officers of each entity. Financial statements will be audited if they belong to juridical persons; compiled or revised if they belong to natural persons. In case of for-profit, must evidence a combined net worth of all entities and natural persons involved in the ownership structure of the project (excluding actual or future limited partners and/or Tax Credit equity providers) equal to or greater than \$500,000.00
h)	Certificate of Authorization of US Foreign Limited Liability Company from PR Department of State (as it may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
i)	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
j)	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor.
k)	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.
l)	Certification attesting that Owner, Developer, General Partner/Manager and Sponsor or any grantee or contractor at any tier to any of the stated parties is not currently debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs subject to 2 CFR part 2424 and are not included on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.
4.	The owner, developer, general contractor and their respective shareholders, directors, officers and partners, as applicable, must demonstrate via <u>sworn statement (affidavit)</u> that:
a)	they have not been involved in any way (either personally or as shareholders,

BASIC THRESHOLD REQUIREMENTS	
	<p>directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured. All previous must also evince via sworn statement that they have not been involved or are in any conflict of interest (fact or appearance) in any way (either personally or in any other juridical capacity) with the Authority or its employees. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority/HOME programs.</p>
b)	any identity of interest with any other party involved with the project has been identified and explained in the application package.
c)	they have not been involved or are in any conflict of interests (fact or appearance) in any way (either personally or as shareholders, directors, officers, general contractors or partners of a corporation, partnership or other form of business organization or joint venture) with the Authority or its employees. Any conflict of interest disqualifies immediately the applicant of any participation with the Authority's programs.
5.	Projected income & expenses schedule and a pro-forma cash-flow, for the applicable compliance period, showing a feasible operation and certified by the proposed management agent.
6.	Designer's Preliminary Opinion Letter with the Fair Housing Act Accessibility Requirements Checklist completed by the designer.
7.	Applicant demonstrates readiness to proceed, through submission of:
a)	Certification of the percentage of construction completion prepared by the resident inspector and lender's inspector for projects under construction. Both reports are required. (Be advised that existing construction might affect the environmental review and eventual assignment of HOME Funds).
b)	Unexpired evidence of site control (99 years or more is required for lease contracts under HOME-AP).
c)	Unexpired Construction Permit, Green Construction Permit or Notification of Construction Permit issued by the applicable permitting office and agencies endorsement letters, as applicable.
d)	Written unqualified endorsement from the Mayor of the Municipality where the project will be located. The letter must indicate any other municipal assistance that the project will receive.
e)	Technical Assistance or Final Determination Letter from the State Historic Preservation Office (36 CFR 800).
f)	Wetland Inventory Map from the US Fish and Wildlife Service (Wetlands Protection-Executive Order 11990). The project location must be identified in the map. The project must be out of any wetland or a mitigation measure should have been <u>completed and approved</u> by the Corps of Engineers or the Department of Natural Resources.

BASIC THRESHOLD REQUIREMENTS	
g)	FEMA Map (Floodplain Management Act (24 CFR 55, Executive Order 11988) The project location must be identified in the NFIP map. The project must be located out of the 100-year floodplain, coastal high hazard areas and Floodways. If the project is located in the 100-year floodplain, an approved letter of map amendment (LOMA) or letter of map revision (LOMR) by FEMA must be submitted.
h)	USFWS Map (Coastal Barrier Resources Act (24.CFR 58.6(b)(2). The project location must be identified in the map. Federal assistance may not use in the Coastal Barrier Resources System.
i)	Final Determination Letter (Coastal Zone Management Act (Section 307(c) & (d)) issued by the P.R. Department of Natural and Environmental Resources. If the letter establishes some corrective action, the developer must submit the suggested corrective action plan with the application so that it can be accepted.
j)	Technical Assistance or Final Determination Letter from the U.S. Fish & Wild Life Service-Department of Interior -(Endangered Species Act (50 CFR 402). The technical assistance shall indicate that no endangered species are affected by the project.
k)	Noise Study for any proposed project of new construction, major rehabilitation, or conversion located: <ul style="list-style-type: none"> a. 1,000 feet of a major noise source, road or highway b. 3000 ft. of a railroad; or c. 5 miles of a civil airport <p>Noise Study must be in accordance to the requirements set forth in the American National Standard Method for the Physical Measurement of Sound. The result of the noise level must comply with the acceptable noise level of 65 decibels established in 24 CFR 51.100 Noise Abatement and Control. The Noise Study must comply with the HUD Noise Guidebook. Day/Night Noise Electronic Assessment Tool.(https://www.onecpd.info/resource/313/hud-noise-guidebook/).</p>
l)	Field Studies: <ul style="list-style-type: none"> a. Soil Survey, if project is for new construction or substantial rehabilitation requiring addition or expansion to structures. b. Archaeological, if required by the SHPO pursuant to its review under Section 106, or if required by the Institute of Puerto Rican Culture (ICP), or copy of the recommendation issued by the ICP as part of the construction permit consultancy process evidencing that the study is not required. c. Hydraulic/Hydrologic Study, if the project meets the conditions established under The Department of Natural and Environmental Resources' Administrative Order No. 2013-12, or a certification issued by a civil engineer attesting that the study is not required.
m)	Resumes, applicable licenses and contracts with the Development team in place:

BASIC THRESHOLD REQUIREMENTS	
a.	Architect/Designer
b.	General Contractor
c.	Resident Inspector
d.	Management Agent
e.	Consultant Agent
n)	Final construction drawings and outline specifications certified by the licensed professional (project architect or engineer in charge of design) submitted to the competent permitting office.
o)	Construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328, certified by the proposed general contractor or project designer.
p)	Conditional or firm financing commitment specifying terms of each financing source. Projects with permanent financing other than the Authority's will need a letter of intent from the financial institution. The letter should detail: <ul style="list-style-type: none"> a. amount and term of the loan; b. fixed interest rate; c. non-recourse nature of the loan; d. amortization period; e. prepayment penalties; and f. agreements governing the various reserves which are capitalized at closing
q)	Phase I environmental assessment report. (Must comply with ASTM E 1527-05 or any updated version promulgated by ASTM which meets the requirements of the EPA's AAI regulations).
r)	Comprehensive market study report by an Authority approved provider that is also unaffiliated to the developer (prepared within six months of the application).
s)	Appraisal report of site and project performed by an Authority approved appraiser unaffiliated to the developer (prepared within six months of the application).
t)	For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment report prepared by a licensed architect or engineer unaffiliated to the developer that includes: an opinion of proposed construction budget and assesses the condition, among other, of site, structural systems (roof, bearing walls and columns, foundations), plumbing systems, electrical systems, fire protection systems, building envelope and insulation, interiors (including units and common areas); and mechanical systems; in projects with more than 26 units, it must specify the remaining useful life of major systems; and paint testing and/or risk assessment report, for substantial rehabilitation projects.
u)	Site selection standards checklist evidencing compliance with 24 CFR 983.57(e).
v)	Project timeline for project activities including specific benchmarks for acquisition, assembly of the development team, completion of plans and specifications, completion of financial approvals, municipal approvals, building

BASIC THRESHOLD REQUIREMENTS	
	permits, project construction start date, completion date and the estimated date of lease-up.
	w) Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, and 49 CFR 24.101(b).
8.	Letter of intent to sign the Land Use Restrictive Covenant Agreement for the HOME program, including: designation of HOME-assisted units (24 CFR 92.252(j)); occupancy of assisted units (24 CFR 92.216(a) and 92.252(a) and (b)); initial and ongoing rent restrictions (24 CFR 92.252(a) through (c) and (f)); tenant eligibility (24 CFR 92.203 and 92.252(h) and (i)); and period of affordability (24 CFR 92.252(e)).
9.	Certification from applicant as to Federal, State, or Local subsidies received or expected to be received for the development and operation of the project. If executed, copies of subsidy/grant contracts or commitment letters must be submitted with the application.
10.	If the project has, or will have, Federal, State, or Local subsidies copies of the contracts or firm commitment letters must be attached to the owner's subsidy certification, as applicable.
11.	Detail sources and uses of funds schedule and projected cash-flow during construction period.
ADDITIONAL BASIC THRESHOLD REQUIREMENTS	
1.	"Non Profit Organizations (NP) requesting funds from the CHDO's Set-Aside must file an independent application to be certified as an organization within the meaning of 24 CFR 92.2, Subpart A, and comply with the following requirements:
	a. The NP is organized under State or local laws, as evidenced by a Certificate of Organization issued by the State Department.
	b. No part of its earnings, inure to the benefit of any member, founder, contributor, or individual as evidenced by its Articles of Incorporation.
	c. Evidence that it is a qualified organization by including copy of the IRS document designating the NP as a 501(c)(3) or 501(c)(4) entity; is classified as a subordinate of a central organization non-profit under section 905; or is a wholly-owned entity that is regarded as an entity separate from its exempted owner for tax purposes.
	d. The NP is not affiliated with or controlled, nor receives direction from individuals, or entities seeking profit from the organization,.
	e. Evidence that the NP has among its purposes the provision of decent housing that is affordable to low and moderate-income people.
	f. Evidence that the NP conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems".
	g. Evidence of demonstrated capacity for carrying out activities assisted with HOME funds; and that the NP has a history of at least one year of serving the community within which housing to be assisted with HOME funds is to be located.
	h. The NP maintains at least one-third of its governing board's membership for residents of low-income community residents or elected representatives of low-

BASIC THRESHOLD REQUIREMENTS	
	income neighborhood organizations or, if chartered by a State or local government or sponsored or created by a for-profit organization, complies with applicable membership restrictions; and provides a formal process for low-income beneficiaries to advise on its activities regarding affordable housing projects.
2.	If the owner, developer or sponsor applies under the Authority's HOME program Community Housing Development Organization (CHDO) set aside must include evidence of such application meeting the requirements in 24 CFR 92.300(a)(2) to (4), as applicable.
3.	Projects financed by Rural Housing Services/ HUD 202 Program or any other federal, state or local program funding-source not included under the JOINT AGENCY NOFA must submit reservation or commitment letter with the application. The letter must identify the funding amount.
4.	Affirmative Fair Housing Marketing Plan.
5.	Projects with tax exempt financing, certifications from:
	a. financing institution stating the tax exempt status of the obligations to be issued to finance the Project, and
	b. Owner's Tax Attorney and/or CPA opinion regarding this matter.

The initial application requirements will be evaluated by a Committee. 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 the Point Ranking System.

Point Ranking System

The Committee will consider qualified applications for HOME Funds after a project satisfies all basic and additional threshold requirements, using the Point Ranking System established hereinafter to determine the allocation of HOME Funds. The project can accumulate a total of 95 points on the Point Ranking System; nevertheless, it must score a minimum of 30 points to be further considered for ranking an eligibility of allocation of HOME Funds.

ONCE AN APPLICANT SELECTS SCORING CRITERIA, THESE WILL BE FINAL, UNLESS A DIFFERENT CONCLUSION ARISES BECAUSE A STATE AND/OR A FEDERAL AGENCY DETERMINATION ALLOWS OTHERWISE. FOR EXAMPLE, IF A PARTICIPANT OPTS TO RECEIVE FINANCING COMMITMENT FROM THE AUTHORITY, AND THE CORRESPONDING POINTS, SUCH SELECTION IS FINAL.

The Authority reserves the right not to reserve or allocate HOME funds to any applicant, regardless of that applicant's point ranking, if the Authority determines, subject to program requirements, that a reservation or allocation for such applicant or project

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does not further the purpose and goals of the State Housing Plan or this Action Plan; the applicant's proposed project is not financially viable; there is not a substantial likelihood that the project will be able to execute in a timely manner; or the project does not comply with any other applicable requirements. The information that might be weighed to make such determination includes, but is not limited to comments of officials of local governmental jurisdictions, the market appropriateness of the project, market's information from sources other than the submitted market study, and the prior experience of sponsor or its representatives with multifamily projects.

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

Criterion		Score
I	Project Location	Up to 12 pts
I.1	Location. Project located within one of the following areas:	Up to 5 pts
	5 points: Urban area defined as: Central Urban Area in the Planning Board's <i>Reglamento de la Infraestructura en el Espacio Público</i> ; or Urban Center designated by the Department of Transportation and Public Works or adopted under an Urban Center Area Plan; or a state designated Historical Zone or federally designated Historical District.	5
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the designated urban area will be considered as located within.	
	The portion of a census tract outside an urban area that has a rate of:	
	20% or less below poverty line.	3
	more than 20% and less than 30% below poverty line.	2
	more than 30% and less than 40% below poverty line.	1
	Documentation required: certification of location by a licensed land surveyor; census tract number; census tract's "% Below Poverty Line" as per the Federal Financial institutions Examination Council's (FFIEC) 2014 Census Report. Any project property straddling the limit of the designated census tract will be considered as located within.	

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Criterion		Score
	The zone of influence around an Urban Train Station, as defined under section 3(e) of Law 74-1965, as amended.	1
	Documentation required: certification of location by a licensed land surveyor; physical address and coordinates. Any project property straddling the limit of the zone of influence will be considered as located within.	
I.2	Desirable Activities	Up to 7 pts
I.2.1	General. Projects located within 500 meters of the following amenities will be awarded a point each, up to 5 points:	Up to 5 pts
	Town square of an urban center.	1
	Public park (must incorporate a passive non-sports area).	1
	Traditional town market (<i>plaza de mercado</i>).	1
	Public or licensed elementary, middle or high school.	1
	Shopping center (100,000 square feet or more of net commercial space; no other listed use is eligible if located within a shopping mall).	1
	Grocery store or supermarket with meat, produce and dairy.	1
	Hospital, diagnostic and treatment center (CDT) or federally qualified health center.	1
	Pharmacy.	1
	Federal post office.	1
	Public transit terminal (bus, <i>públicos</i>).	1
	Documentation required: map certified by a licensed land surveyor attesting to location of the facilities and the distance along a walkable public pathway or roadway between the project's main pedestrian entrance and the closest point of a town square or park facility or a public entrance to any target facility (in case of a shopping mall, to the commercial concourse or a big box-type facility entrance). If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	
I.2.2	Targeted. Projects targeted to the following special needs populations located within 500 meters of the following amenities will be awarded a point for each one, up to 2 points:	Up to 2 pts
	Single headed household:	
	Grocery store with WIC contract.	1
	Licensed or chartered child care facility.	1
	Documentation required: name and physical address of	

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	Criterion	Score
	facilities; verification of inclusion in the WIC Vendor Registry published at wicpuertorico.com; child care facility charter issued by ACUDEN.	
	Elderly household:	
	Physician or dental office.	1
	Civic center or voluntary work facility.	1
	Documentation required: name and physical address of facilities.	
	Homeless (as defined under HEARTH Act):	
	Certified WIA training center.	1
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.	1
	Documentation required: name and physical address of facilities; authorization for WIA training center issued under DoLHR's <i>Procedimiento Procedimiento para la Determinación de Elegibilidad Inicial y Subsiguiente para Proveedores de Servicios de Adiestramiento</i> ; copy of license issued by ASSMCA.	
	Documentation required: map certified by a licensed land surveyor attesting to location of facilities and distance along a walkable public pathway or a roadway between the project's main pedestrian entrance and the public entrance to any target facility. If close to more than one installation belonging to the same type, only one point will be awarded. In case of a scattered-site project, distance will have to be certified from the nearest point of the closest building in the project. Amenities must also be referenced by the market study.	
I.3	Undesirable Activities. Even if compliant with required environmental review, projects will be discounted one point for each one of the listed undesirable activities, up to 5 points, if located:	Down by as many as 5
	Within one-eight mile of a:	
	Junkyard.	-1
	Landfill or dumpsite.	-1
	Industrial site.	-1
	Airport.	-1
	Wastewater treatment plan.	-1
	Adjoining a property which is or contains a:	
	Gas station.	-1
	Auto repair, paint or tire repair shop.	-1
	Woodworking shop.	-1

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Criterion		Score
	Unabated nuisance, as declared by a Municipality.	-1
	Documentation required: map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	
II	Project Characteristics	Up to 47 pts
II.1	Infill or nuisance. Projects will be awarded one point if proposed to develop an infill site or a site expropriated as part of a nuisance abatement process; and one additional point, up to 5 points, for each non-contiguous infill site or expropriated as part of a nuisance abatement process that is incorporated into a scattered-site project, located within an area with a radius no larger than one-quarter mile. An infill site shall be defined as a site that is bound on all except one of its sides, or two of its sides in case of a corner-type property, by adjoining built-up properties, and that has immediate access to existing public infrastructure of roads, water, sewer, and power.	Up to 5 pts
	Documentation required: aerial photograph for each infill site showing adjoining properties; cadastral numbers of properties; nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	
II.2	Historic property. A substantial rehabilitation project site is located in or incorporates a state designated historic property, federally designated historic place or a contributing resource to a federally designated Historic District.	3
	Documentation required: Act citation or Planning Board's Resolution number and date in case of state designated properties; listing in the National Register of Historic Places, in case of federally designated properties; State Historic Preservation Office's (SHPO) certification of contributing resource.	
II.3	Adaptive reuse. The residential use is an adaptive reuse of an existing non-residential property.	1
	Documentation required: appraisal certifying present land use of the property.	
II.4	Site Characteristics.	Up to 9 pts
II.4.1	Mobility. Projects (or the totality of the building sites, in the case of scattered-site projects), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 4 points, as follows:	Up to 4 pts

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	Criterion	Score
	The project provides an accessible and dedicated pedestrian network within the project site to connect the building(s) main pedestrian entrance(s) with egress points on all property sides adjoining a public street.	1
	Documentation required: site plan certified by the project's designer identifying the proposed improvements.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of sidewalks in the perimeter of the project site adjoining a public roadway, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate plan drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of transit pull-offs or public transit stops and required signage in any point of the roadway perimeter of the project site; or the provision or improvement of the sidewalks, crosswalks, refuge islands, and required signage to connect an off-site existing public transit stop with the project site, in compliance with applicable accessibility standards and local codes.	1
	Documentation required: a separate architectural drawing certified by the project's designer identifying any segments of the existing pedestrian pathways requiring accessibility improvements or in need of repair, and proposed improvements or new construction required to comply with applicable accessibility standards and local codes; approval from Municipality and competent transit authority, if applicable; letter from competent authority attesting the improvement is not a required off-site.	
	The project provides an enclosed bicycle storage facility for residents on the ground floor with at least one bicycle rack space for every two units; and an unenclosed bicycle storage facility accessible to visitors with at least one bicycle rack space for every 10 vehicle-parking spaces.	1

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Criterion		Score
	Documentation required: ground floor plan certified by the project's designer showing location and capacity of facilities.	
II.4.2	Urban Considerations. A proposed development that strengthens and improves the neighborhood's general urban character may be awarded one point for each one of the following criteria, up to 5 points, as follows:	Up to 5 pts
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.	1
	Documentation required: table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	
	The parking spaces and service areas are screened from any public sidewalk or roadway by green hedges, fences or walls with a void-to-solid area ratio of 1 or less.	1
	Documentation required: site plan and elevation details certified by the project's designer identifying visual barriers and certifying compliance.	
	The building(s) main entrance(s) open(s) to the sidewalk of an adjoining public roadway.	1
	Documentation required: site plan certified by the project's designer showing the location of the building's main entrance(s).	
	The commercial spaces offered to the project tenants serve the general public and can be directly accessed from a public space.	1
	Documentation required: entry-level floor plan certified by the project's designer identifying commercial spaces and access from a public space; deed identifying commercial use.	
	The project dedicates an open garden or plaza to public use connected to or adjoining a sidewalk or roadway.	1
	Documentation required: site plan certified by the project's designer identifying public space, area and relation to a sidewalk or roadway; documentation supporting property dedication to public use.	
II.5	Building Characteristics.	Up to 10 pts
II.5.1	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2-bedroom units as follows:	Up to 2 pts
	75% or more non elderly 2-bedroom units	2
	50% or more non elderly 2-bedroom units	1
	Documentation required: floor plans certified by the project's designer; project proforma.	

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

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Criterion		Score
II.6	Innovative Design. The Authority favors projects that advance the State Housing Plan's policy that seeks to identify, adopt and implement design, construction and rehabilitation standards and technologies that are appropriate for the Island's climate, aimed at reducing construction costs and promoting energy efficiency.	Up to 14 pts
II.6.1	Cost Containment. The Authority's total development cost for new construction averages close to \$232,504 for non-elderly units and \$180,632 for elderly; substantial rehabilitation averages close to \$167,552 and \$130,771, respectively. Projects that demonstrate the capacity to effectively curb costs while complying with applicable standards, threshold requirements and minimum scoring, might earn up to 5 points, as follows:	Up to 5 pts
	Total development cost per unit more than 20% below the applicable benchmark.	5
	Total development cost per unit more than 15% below the applicable benchmark.	3
	Total development cost per unit more than 10% below the applicable benchmark.	1
	Documentation required: construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328, certified by the proposed general contractor or project designer; project development costs; construction estimates prepared and certified by both the project's designer and a third-party Professional Cost Estimator or a Certified Cost Professional; required fees to cover the Authority's third-party assessment of proposed cost estimates; Sources and Uses of Funds.	
II.6.2	Energy Efficiency. Projects might earn up to 9 points by advancing energy efficiency and green design best-practices and protocols, as follows:	Up to 9 pts
	A point each will be awarded for any project that specifies and factors-in the initial costs of any the following:	Up to 5 pts
	All appliances initially placed in common areas and apartments, and building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, windows, doors, and skylights), as well as their replacement are specified to be Energy Star-qualified.	1
	Kitchen range directly vents to exterior and all hoods vent to the exterior dampered; Energy Star qualified bath fan where required with timer or humidistat.	1
	Energy Star qualified light fixtures throughout.	1

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Criterion		Score
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's WaterSense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.	1
	Recycling space and equipment, including recycling bins for each apartment.	1
	Documentation required: architectural drawings specifying spaces, equipment and/or systems required; designer's opinion letter specifying compliance with the criteria; construction cost estimates identifying initial cost of equipment; proposed covenant provision for on-going replacements adopting most current program standard.	
	Construction permit is a Green Construction Permit (<i>Permiso de Construcción Verde</i>) from OGPe.	3
	Documentation required: Copy of Green Construction Permit from OGPe.	
	An Enterprise Green Communities' pre-build or a LEED Neighborhood Development Plan certification completed at date of application.	1
	Documentation required: Copy of certification.	
II.7	Construction Readiness. Project has one of the following:	Up to 5 pts
	Unexpired construction permit or notification of approval of the construction permit.	5
	Documentation required: Document issued by the Permits Management Office (OGPe), an Autonomous Municipality or a <i>Profesional Autorizado</i> .	
III	Housing Needs Characteristics	Up to 9 pts
III.1	Income Targeting. A project might earn 3 points if at least 50% of the units in the project are targeted for households with incomes at 50% AMI.	3
	Documentation required: Restrictive covenant agreement provision; tenant selection procedures.	
III.2	Targeted Units. A project will be awarded up to 3 points if it sets-aside the applicable percentage of units for any of the following special populations categories identified in both the State Housing Plan and the Consolidated Plan: elderly households (62 years and older); homeless persons or families as defined under the HEARTH Act; single headed households; persons with HIV/AIDS:	Up to 3 pts
	At least 75% of total project unit set-aside for the targeted group during the length of the HOME compliance period.	3
	At least 50% of total project units set-aside for the targeted group during the length of the HOME compliance period.	2

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Criterion		Score
	At least 25% of total project units set-aside for the targeted group during the length of the HOME compliance period.	1
	Documentation required: restrictive covenant agreement provision recording the targeted set-aside for the length of the compliance period; for permissible target populations under the applicable provisions of the programs subsidizing the project, an affirmative marketing plan in the provided Fair Housing format and tenant selection procedures; if only LIHTC-subsidized, proposed tenant selection procedures.	
III.3	Preservation. To strengthen the State Housing Plan policies that seek to maintain the stock of affordable rental housing, a substantial rehabilitation project that meets the threshold expenditure level established under IRC 42(c)(3)(A)(ii), might earn up to 3 points, if:	Up to 3 pts
	The project curbs the risk of loss due to physical condition by replacing more than one major building component, which includes roof, bearing wall, floor or foundation structures; plumbing system; electrical system; fire prevention and safety system; vertical transportation; or building envelope.	2
	Documentation required: Comprehensive capital needs assessment certified by a licensed architect or civil engineer including the identification of the condition of major building systems and the extent of required code compliance retrofitting.	
	The project curbs a significant risk for market conversion of a tax credit or otherwise rent-assisted property; or preserves a comparable level of existing project-based rental subsidies that will expire within two years of the application date.	1
	Documentation required: Housing market study must demonstrate the capacity of the project to compete for market rate tenants; copy of existing HAP, if applicable.	
IV	Project Developer Characteristics	Up to 9 pts
IV.1	Experience. Developer, General Partner or Managing Partner can demonstrate successful record and full compliance participating in same capacity in the development of Tax Credit projects in Puerto Rico. Up to 6 points, a point will be awarded for each documented project, up to a maximum of 3 projects, for each one of the following comparable characteristics:	Up to 6 pts

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

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

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Criterion		Score
	Up to 3% of the project's annual operational cost for the length of the compliance period of affordability.	3
	Up to 1% of the project's annual operational cost for the length of the compliance period of affordability.	1
	Documentation required: Proforma; agreement provisions specifying operational budget commitment; if available, binding commitment, agreement or award documentation. On-going compliance will have to be demonstrated through: financial reporting evidencing compliance with funding commitment; and supporting documentation of managed, contracted or purchased services funded or authorized by any federally subsidized program; relevant reporting under Act 224-2003.	
Maximum Score		95
VII	Tie-Breaking Criteria	
	Will favor the project that is the readiest to proceed.	
	Will favor the project that is located in an urban area as defined in I.1.	
	Will favor the project with highest average debt service coverage ratio (ADSCR).	
	Will favor the project that is located in a QCT and contributes to a concerted Community Revitalization Plan consistent with the policies of the Commonwealth or of a Municipality. Endorsement from competent entity must be provided, if case arises.	
	Will favor the project that is located in a non-metropolitan Municipality with the least amount of HOME funds allocated from the Authority's HOME program for Construction and Rehabilitation of Rental Housing.	

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

The Authority shall consider the petition for reconsideration within ten (10) calendar days of filing. If the Authority makes a determination upon the merits of the petition for reconsideration, the term to petition for judicial review shall commence as of the date of the notification by mail of the final determination. If the Authority takes no action with respect to the petition for reconsideration within ten (10) calendar days of filing, the petition for

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reconsideration shall be deemed to have been denied outright and the term for judicial review shall commence to run as of that date.

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

The filing of a petition for reconsideration or a petition for judicial review shall not stop the Authority allocation of HOME Funds to successful applicants.

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